



This action is funded by the European Union

# ANNEX 1

of the Commission Decision on the Annual Action Programme 2015 in favour of the Republic of Malawi to be financed under the 11<sup>th</sup> European Development Fund

## Action Document for Skills and Technical Education Program (STEP)

### INFORMATION FOR POTENTIAL GRANT APPLICANTS

#### WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012), applicable to the EDF by virtue of Article 36 of Regulation (EU) 2015/323 in the following sections concerning calls for proposals: 5.4.1 "Grants – call for proposals" (direct management).

<b>1. Title/basic act/ CRIS number</b>	Skills and Technical Education Programme (STEP) CRIS number: MW/FED/037-755 financed under the 11 <sup>th</sup> European Development Fund (A envelope)			
<b>2. Zone benefiting from the action/location</b>	Malawi The action shall be carried out at the following location: all over Malawi, with a project team based in Lilongwe.			
<b>3. Programming document</b>	11 <sup>th</sup> EDF – National Indicative Programme 2014-2020			
<b>4. Sector of concentration/ thematic area</b>	Focal Sector 3 – Secondary Education and Vocational Education and Training			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 33 725 000 Total amount of EDF contribution EUR 32 600 000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1 125 000.			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality - Direct management – grants – call for proposal and procurement of services - Indirect management with UNESCO - Indirect management with the Government of Malawi			
<b>7. DAC code(s)</b>	11330 – Vocational Training			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>

	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagship</b>	N/A			

## SUMMARY

The proposed European Union (EU) assistance to technical and vocational education in Malawi is focused on improving the efficiency and effectiveness of the Technical, Entrepreneurial and Vocational Education and Training (TEVET)<sup>1</sup> system to respond to labour market needs and to satisfy the economy's need for skilled artisans and technicians. This goal will be achieved by generally increasing access in formal and informal TEVET and supporting more equitable access especially for girls and vulnerable groups. In addition, the project will focus on enhancing the quality and relevance of the TEVET system by building the capacity of TEVET personnel, strengthening curricula, creating opportunities for innovation and improving training facilities. Support will also be given to establishing better regulations and procedures and effective decentralized governance and management of TEVET training institutions. Given that the TEVET sector has received little support in the past and is in a very poor condition, this programme will have a holistic approach and aim at improving the sector through a variety of interventions. The interventions will be targeted at various aspects of the sector (access, quality and governance) in order to have maximum impact and value for money. With this programme, the EU becomes the largest donor in the sector along with the World Bank.

This programme is part of the new focal sector 'Secondary Education and Vocational Education and Training' as described in the 2014-2020 National Indicative Program (NIP) - 11<sup>th</sup> European Development Fund (EDF) for Malawi and contributes to the overall sector objective of empowering the education sector and foster its capacity to satisfy the economy's need for skilled professionals through expansion and improvement of equitable and gender-balanced secondary education and vocational training.

<sup>1</sup> TEVET is the abbreviation used in Malawi for Vocational Education and Training

# 1 CONTEXT

## 1.1 Country context

The *UNDP Human Development Report (2014)* states that Malawi, with a population of 15.9 million people, ranks at 174 out of 187 countries on the Human Development Index, the lowest in the Southern Africa Development Community region. According to this index, Malawi has an adult literacy rate of 61.3% and it indicates that the percentage of females and males aged 25+ years that have some secondary education is 39.2% and 58.2% respectively. High population growth with a significant footprint on the environment, a deteriorating education system, a lack of decent work, high levels of unemployment and widespread poverty are among the substantial challenges faced by the country. HIV/AIDS is a major impact on the health and mortality of Malawians. Life expectancy is 55.3 years<sup>2</sup>.

The economy of Malawi is predominantly agricultural, with about 90% of the population living in rural areas and engaged in subsistence farming. The economy depends on substantial inflows of economic assistance from Development Partners (DPs) and it is estimated that more than a quarter of the budget is being funded by external assistance. The growth in Malawi's Gross Domestic Product (GDP) in 2013 was 5% and the Services sector constituted the largest share of the GDP (51.7%) followed by Agriculture (29.4%) and Industry (18.9%)<sup>3</sup>. However, the majority of households are poor. In 2013, it was estimated that 62% of the population lived below the income poverty line and 29.8% lived in severe poverty. The majority of those ultra-poor households (living on USD 1.25 per day or less) are female or child headed households.<sup>4</sup>

The population growth rate stands at 2.87%<sup>5</sup> and the labour force is expanding rapidly; it is estimated that there are at least 300,000 new entrants on the labour market per year<sup>6</sup>. In 2012, 84.7% of females and 81.3% of males (aged 15 years and above) were active in the labour force.<sup>7</sup> The majority is engaged in the agricultural sector and a large proportion of those in household agricultural activities. According to the International Labour organization (ILO), the informal sector is the main source of income for a considerable number of Malawians and it is estimated that the informal economy accounts for over 4 million jobs against 500 000 formal jobs<sup>8</sup>. These factors alone place enormous pressure on social services, and particularly on the education services. The fact that Malawi's population is young – nearly 48% of the population is under 14 years of age<sup>9</sup> – contributes to this pressure.

### 1.1.1 Public Policy Assessment and EU Policy Framework

Malawi's national development plans seek to decrease poverty, increase economic stability and competitiveness, and increase opportunities for its citizens to improve their livelihoods. The *Malawi Growth and Development Strategy (MGDS II)* is the overarching strategy for Malawi for the fiscal years 2012-2016 (preparations for a successor strategy have started). It lists six broad thematic areas and the Education, Science and Technology key priority area includes vocational training with a focus on rehabilitation of existing facilities and the building of new training institutions to 'expand equitable

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<sup>2</sup> United Nations Development Report. Human Development Report 2014, Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience.

<sup>3</sup> [www.indexmundi.com/malawi/economy-profile.html](http://www.indexmundi.com/malawi/economy-profile.html)

<sup>4</sup> United Nations Development Report. Human Development Report 2014, Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience.

<sup>5</sup> Ibid.

<sup>6</sup> Government of Malawi/ILO. Employment Diagnostic Analysis in Malawi. 2010.

<sup>7</sup> United Nations Development Report. Human Development Report 2014, Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience.

<sup>8</sup> [www.ulandssekretariatet.dk](http://www.ulandssekretariatet.dk)

<sup>9</sup> Chongoma, A. and Franz, J., The Skills development System in Malawi. A Summary of Features and Issues, World Bank, June 2013.

access to education at all levels'. The MGDS II also identifies crosscutting issues as a thematic area, which concentrates on gender and capacity development.

While the MGDS II is a comprehensive document outlining important thematic areas and goals for growth over the given period, the reality of the current economic circumstances of the country means that many of the stated goals are unrealistic. There are action plans developed for each sector, but without a more stable macro-economic framework and increased investment by the Government of Malawi, foreign investment and the continued support of DPs, Malawi will not be able to achieve the goals of the MGDS II. Nonetheless, the MGDS II is a key part of Malawi's development strategy and underpins a number of specific sector strategies such as the National Export Strategy, the National Education Sector Plan, and the TEVET Policy.

The *National Export Strategy* (NES 2013-2018) identifies a number of potential growth areas that will support economic diversification and add value to Malawi's commodity base. The three prioritised clusters – oil seed products, sugar cane products and manufacturing – place emphasis on agro-processing. The NES also gives emphasis to the existing economic clusters of tobacco, tea, mining and tourism, and to research and technology development. The NES highlights the importance of the cross-cutting issue of 'capacity development' and key strategies include developing and strengthening human and institutional capacities, mainstreaming capacity development in all sectors and promoting effective performance management systems<sup>10</sup>. The NES' Cross-Cutting Enabler Strategy includes the development of a National Competencies and Skills Plan that takes into account Private and Public Sector competencies and skills requirements. It provides a clear picture of the issues inhibiting progress, in particular in the TEVET sector, and provides suggestions to improvements in TEVET. The strategy is, however, ambitious in terms of time frame and resourcing requirements.

The *National Education Sector Plan* (NESP) (2008-2017) includes a part on technical and vocational training and focuses on making TEVET more accessible and equitable especially for the disadvantaged, enhancing the quality and relevance of skills training, and improving the governance and management of training institutions. Gender (and inclusiveness) and decentralisation/devolution of management responsibility are identified as key issues in each of these areas. Like the other policy documents the NESP is very ambitious, but lacks funds and technical expertise to be fully implemented.

The objective of the reviewed *National Policy on Technical Entrepreneurial and Vocational Education Training* (TEVET policy) from 2013 is 'to promote the development of formal and informal skills in the public and private sectors in rural and urban areas. The policy further intends to develop an efficient and effective TEVET system that provides the economy with skilled and competitive workforce. This policy consists of four priority areas namely access and equity, quality and relevance, research and development, and good governance. The policy promotes a demand-driven approach to TEVET and proposes the introduction of a decentralized approach to the governance and management of TEVET training institutions. Furthermore, the policy aims at increasing the capacity of the institutions to create an entrepreneurial culture, to promote a maintenance culture and to find innovative solutions to training needs. The policy responds to the identified challenges of the sector in Malawi and is as such credible. There is also a good local ownership of the policy and the Government of Malawi expresses dedication to implementing it although the funds available are very limited. However, the policy is not risk informed, the existing institutional capacities to implement the policy are very limited and the sector coordination is flawed. The accompanying Policy Implementation Plan requires further development and is not costed, but would be dependent on external assistance to fund the various critical initiatives spelt out in the Policy. Finally, the Monitoring and Evaluation Plan of the policy is very synthetic and would need further development to be useful and realistic.

As regards sector funding, there used to be a Mid Term Expenditure Framework (MTEF) for TEVET when it was under the Ministry of Education, Science and Technology, but since it has moved to the

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<sup>10</sup> Ibid.

Ministry of Labour and Manpower Development there is no MTEF, only a yearly budget for the sector. For the financial year 2014 this budget is 3 200 000 EUR for recurrent costs and development. Further information about financing issues is provided in chapter 1.1.3.

Through a new initiative (July 2014), the Ministry of Labour and Manpower Development is currently trying to address the issue of improving access by developing a system of ‘community technical colleges’ which will cater to both formal and informal training needs throughout the country. The initiative aims to establish at least one Community Technical College in each of the 28 districts. The intention of the Ministry of Labour and Manpower Development is that the Community Colleges will deliver formal programs at the lower levels (Level 1 and 2) of technical training while higher skilled levels of technical training (Levels 3 and 4) will be provided at the technical colleges. While this initiative is very recent, the Government of Malawi has demonstrated its commitment to it by funding the initial development of 11 colleges with a limited range of programming.

TVET is also at the heart of the EU Development Policy and strategy as indicated in the Communication on Increasing the Impact of Development Policy: An Agenda for Change<sup>11</sup>. Policies and strategies for VET reform are also consistent with the EU commitments on the aid effectiveness agenda, such as the Paris Declaration and the Accra Agenda for Action (commitment to local ownership of development initiatives, inclusive partnerships, delivering results, and capacity development). In addition to the EU's overall ambition to foster sustainable growth and economic development, the proposed programme and interventions are aligned with the EU Communications on 'A stronger role for the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries'<sup>12</sup>, 'Rethinking Education: Investing in skills for better socio-economic outcomes'<sup>13</sup>, 'A Decent Life for All'<sup>14</sup> as well as the final report on TVET and Skills Development in EU Development Cooperation<sup>15</sup>. Finally, the approach proposed puts emphasis on equitable and quality learning for all. This is one of the inspiring principles of the broad post-2015 development agenda in order to deliver sustainable results in education and beyond.

### 1.1.2 Stakeholder analysis

The main stakeholder in TVET is the Government of Malawi, specifically the **Ministry of Labour and Manpower Development** which has responsibility for providing oversight on policy implementation, coordination of DPs support, planning and coordination, and managing public TEVET provision<sup>16</sup>. Within this Ministry, the **Department of Technical, Vocational Education and Training** (DTVET) oversees the management of Technical Colleges and is responsible for the development of the new ‘Community Colleges’. They are also responsible for the Trade Testing Centres and the assessment and certification of students and workers. DTVET’s capacity is limited in terms of number and experience of personnel.

The **Technical, Entrepreneurial and Vocational Education and Training Authority** (TEVETA) is a major player in the TEVET system and will be an important stakeholder in the proposed programme. TEVETA has the over-arching responsibility for regulating, facilitating and promoting TEVET in Malawi and has been a driving force in TEVET training. TEVETA's sources of income stem almost exclusively from the training levy, collected from both public and private sectors and, as such, the Authority is almost financially independent. It has introduced a Competency-Based Education and Training (CBET), provided in-service skills training for the private sector, revised and developed new curricula, conducted TEVET research, registered and certified private and public TEVET providers, and implemented skills training through rural outreach programmes.

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<sup>11</sup> COM (2011)637 final

<sup>12</sup> COM (2014)263 final

<sup>13</sup> COM(2012) 669 final

<sup>14</sup> COM (2013) 92 final

<sup>15</sup> ARES nr (2014)439983

<sup>16</sup> Government of Malawi. Ministry of Labour and Manpower Development. TEVET Policy, 2013.

The **Malawi Polytechnic**, a constituent college of the University of Malawi, is the main college providing technician degrees and post-graduate level training in a variety of engineering disciplines (including mining and construction), built environment (architecture and related construction programs), education and media, applied science, and business. The Department of Technical Education offers both Masters and degree courses for secondary school teachers and Technical College instructors. However, certain adaptations in regards to its enrolment standards (university entrance) and the practical relevance of the instructor training provided might be necessary to respond effectively to the needs of the sector. The Chancellors College also provides degrees in certain technical subjects.

The **Private Sector** is represented through umbrella bodies such as the Employers Consultative Association of Malawi (ECAM), the Malawi Industrial Training Association, the Malawi Confederation of Chambers of Commerce and Industry and the National Construction Industry Council. The TEVET Policy gives recognition to industry and specifically states that they will be active partners on such bodies as the TEVETA Board, the Technical Qualifications Committee, and the Trade Advisory Committees. They also play a role during needs assessment for new TEVET programs and in the review of programmes. Within the apprenticeship system, there are periods of industrial attachment required and, although it is a continuing struggle to find attachments, TEVETA works with various industries and employers to accept trainees.

A number of NGOs and church organizations are also providing skills training. The civil society organisations are loosely knit together under the Malawi Council of NGOs (CONGOMA), but in terms of project implementation operate on an independent basis. There are various private institutions but many of them focus on commercial skills.

All of the above mentioned stakeholders have been consulted during the identification and formulation phase of this programme and have participated in the design of the programme through formal and informal consultations in order to ensure that the programme responds to the needs and demands of the various stakeholders in the sector.

The target groups and beneficiaries will be the unemployed youth and a special focus will be maintained on ensuring enhanced participation of girls and vulnerable groups in both formal and informal TEVET training. Other beneficiaries will be the employers who will have improved access to skilled personnel as well as consumers who will benefit a more entrepreneurial economy.

### **1.1.3 *Priority areas for support/problem analysis***

The scope of this action is to support Malawi's TEVET sector in a broad way and on various different levels, as the TEVET system in Malawi has been seriously compromised by a lack of investment over the past decades. As a result, the TEVET sector has major issues in regards to quality and relevance of the training provided and is poorly regarded by both industry, that feels those who have been trained are inadequately skilled, and the intended beneficiaries who consider it a second-class education.

The TEVET training currently provided is characterized by being supply rather than demand driven, by an outdated apprenticeship programme and curricula, by poorly equipped workshops and under-qualified instructors. The lack of labour market information, a shortage of qualified instructors with both technical and pedagogical skills, the lack of harmonization of assessment and certification processes and the absence of a National Qualifications Framework (NQF) all impact on the system's ability to deliver quality, demand driven training. A completion rate of 22%<sup>17</sup> indicates that serious issues are compromising the ability of Technical Colleges to produce both the quality and the numbers of graduates required for the economy. The very low completion rate is a consequence of the bad quality of TEVET and can be attributed to the shortage of qualified instructors, outdated and

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<sup>17</sup> Government of Malawi. Ministry of Education, Science and Technology. Education Sector Implementation Plan II (ESIP II)

inadequate equipment and outdated curriculum. One of the main areas of support of this programme will therefore be improved quality and relevance of formal and informal TEVET and make the sector more demand driven.

Furthermore, access to TEVET at the post-secondary level is very limited and training is currently delivered at 7 technical colleges (4 public, 3 grant-aided), 17 rural Community Skills Development Centers (CSDCs) and through various private training providers. Only 3%<sup>18</sup> of secondary school graduates make it into TEVET institutions. The very low enrolment figure is partly due to lack of training opportunities, but is also a consequence of bad image and scarce relevance of TVET.

In regards to equitable access, female students are particularly disadvantaged both in formal and informal TEVET training as more girls than boys drop out of primary and secondary school with poor literacy and numeracy skills. The number of girls enrolling in technical vocational courses at the Technical Colleges in 2009 -2011 period was only 27.8% of the total enrolment<sup>19</sup>. This is attributed to a lack of awareness amongst girls about this career option, limited boarding space for girls at the colleges, and a lack of consideration that technical training that could be attractive to girls. One of the specific objectives of this programme will therefore be to promote equitable and gender-based access to TEVET.

Additionally, access to Technical College requires a Malawi Secondary Certificate of Education, thus excluding the large number of youth who have not completed secondary education. For a few of these youth there is the option of entering into informal apprenticeships in the informal sector. TEVETA's informal skills training programmes at the Community Skills Development Centers allow unskilled workers to gain certain competencies, but an effective system of assessment and certification must be put in place to ensure a pathway to formal training once skills have been achieved. A number of CSDC as well as Community Colleges will be supported through this programme with adequate equipment and infrastructure in order to improve informal TEVET training for those who do not have access to formal training.

Funding remains a critical problem underlying the TEVET sector. It is very difficult to get a comprehensive picture of the funding of TEVET, as resources for the sector are fragmented among different line ministries and agencies involved. It is estimated that the budget allocated to TEVET correspond to around 1% of the support to the education sector. The Ministry of Labour and Manpower Development is heavily underfunded and for the financial year 2014/15 only received less than EUR 2 000 000 for development. TEVETA is essentially funded by the training levy of 1% collected from private and public enterprises – in the financial year 2013 this represented approx. EUR 2 200 000. Under these circumstances sector financing emerges as a critical area of concern and support from DPs remains instrumental to carry out the basic activities. This also points to the need to explore innovative financing systems and the proposed programme will provide support in this respect.

During the feasibility study for this programme an analysis of skills development needs in key economic sectors (tourism, mining and agro-processing) in Malawi was realized and a Labour Market Survey further provided a snapshot of employers' views of the TEVET system as well as their current and predicted future skills gaps and shortages. The study showed that i.e. in agro-processing there is little demand from employers' side for skilled labour as this will increase the price of labour. Most employers in agro-processing therefore prefer to train their employees themselves. However, the study clearly showed that there is a high demand for skilled technician in construction as this is a cross-cutting sector which supports both tourism, agro-processing and mining as well as other sectors. Based on this analysis, and taking into account division of labour among the DPs active in the sector, it was decided to focus this programme mainly on the construction sector as it is key for economic development.

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<sup>18</sup> Government of Malawi. Ministry of Labour and Manpower Development. TEVET Policy, 2013

<sup>19</sup> Education Sector Implementation Plan II, 2014.

Finally, the lack of inter-ministerial coordination, as well as coordination with other TEVET providers, NGOs and the private sector, is another challenge to the governance of the sector and is highlighted by the number of parallel initiatives being implemented by a variety of different ministries. Decentralization of the administration is a key issue to ensure improved management of the sector and this programme will support capacity development at all levels including for the development of procedures for decentralization of management and increased management capacity at Technical Colleges and other TEVET training institutions. Establishing clear governance structures and well-defined agreements will enable all stakeholders to participate fully and to assure that all parties are accountable for attaining the planned results.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Lack of Government's support in terms of providing human or financial resources required to meet demands of new system requirements could jeopardize the success of planned interventions.	H	Government's introduction of new strategies to improve access to TEVET demonstrates a renewed commitment. Pre-conditions are established whereby specific human and financial resources must be in place prior to capacity building exercises being implemented.
<b>Assumptions</b>		
The Government of Malawi is committed to making sustained changes in TEVET training and has a long-term commitment to support changes even after completion of EU intervention.		
<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Employer organizations are currently playing an active role in the Technical Working Group and may feel over-burdened with involvement in TEVET issues without a recognizable reward.	M	A special effort will be made to target directly the industry associations in order to ensure their participation in the various activities. ECAM has already expressed high interest in collaborating with the programme. Employers' main concern is the quality and relevance of training and clearly defined activities that address these concerns will help to build employer confidence.
<b>Assumptions</b>		
Industry stakeholders will be willing to participate in needs assessments, curricula development and trainee work attachment schemes.		
<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Supervising bodies will find it difficult to relinquish control after decades of central authority and traditional methods of teaching and assessing students. Change may be perceived as threatening to the authority of different stakeholders.	M	Current education and TEVET policies support decentralisation. ESIP II gives priority to decentralised management and a precedent has been established at the primary school level in terms of the implementation of this strategy.



<b>Assumptions</b>		
There is support amongst key stakeholders for decentralisation of Technical Colleges and institutional stakeholders have the flexibility to make changes.		
<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Students (particularly female and other disadvantaged groups) do not find TEVET programming attractive or useful in increasing their economic well-being and do not participate in the program.	L	Equitable access and new programs will be prioritized. Guidance and counselling materials, which fully explain the various options in technical colleges, will be prepared to encourage enrolment. Initiatives that target unqualified youth will serve as examples of good practise and will be reviewed to determine successful strategies.
<b>Assumptions</b>		
The Government of Malawi will support the strategies to increase the overall number of trainees benefiting from both formal and informal TEVET and give particular attention to unqualified youth and girls.		

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

The EU has not had any significant prior involvement in TEVET in Malawi. However, lessons learned from other projects in Malawi and from other DPs programmes have provided important lessons which have informed the proposed EU programme. DPs such as Germany (through the German Agency for International Cooperation - GIZ), the Canadian International Development Agency (CIDA), the African Development Bank (ADB) and the Danish International Development Agency (DANIDA) have worked in the TEVET sector for many years. These programmes identified the importance of coordinating efforts by both government and DPs in order to avoid duplication and rather build on results achieved and increase synergy. The inter-ministerial and stakeholder meetings being planned in this programme (see Result 3.1) will coordinate efforts amongst the stakeholders and should improve the management of the system while focusing on more active participation from the private sector. Furthermore, initiative has been taken to new DP coordination meetings in order to ensure a harmonized approach to the sector.

Another important lesson learned relates to the need to support the development of improved governance and management of the sector, including the decentralization process. The importance of tackling capacity building initially within the participating institutions and ministries cannot be overestimated. Activities including new programmes and responsibilities are more likely to succeed with appropriate capacity building activities built in at the start. This program includes capacity development to the Ministry of Labour and Manpower Development, TEVETA and to the decentralized management structures and issues of governance and management are addressed in result 3.

Finally, sustainability is a key issue and the inclusion of the new activities, programmes and processes into regular Government budgets and sector plans must be sustainable. The Ministry of Labour and Manpower Development and TEVETA will be supported to promote this integration. Furthermore, monitoring and review of each component is critical to ensure that the results from these activities are durable and replicable. Specific strategies will be developed to ensure sustainability i.e. concerning the maintenance of the infrastructure and the equipment which will be linked to the technical expertise of

the institution in order to ensure that correct maintenance of the assets becomes part of the training programs. Furthermore, in terms of financial sustainability support will be given to ensure effective use of the training levy and exploring the possibility of income generating activities for the technical training institutions in order to boost their financial capacities. The implementation of the decentralization plans, based on subsidiarity principles, should also provide additional elements for long-term sustainability.

### **3.2 Complementarity, synergy and donor coordination**

This program is complementary to another upcoming EU programme entitled “Improving Secondary Education in Malawi” (ISEM) which will be implemented simultaneously. Through the ISEM program, girls and boys will graduate from secondary school with increased capabilities particularly in science and mathematics which will improve their opportunities in TEVET training at all levels. This will be accomplished through teacher training, renovating (and in some instances construction) and refurbishing of schools and workshops, and providing equipment and learning materials. Through the ISEM programme, the technical workshops of 12 secondary schools will be rehabilitated and equipped with adequate equipment in order to promote TEVET at secondary school level.

In regards to TEVET, the ADB is currently supporting Malawi with a USD 45 million project related to the development of ICT facilities and equipment as well as capacity for development of Open and Distance Learning (ODL) courses in three universities and four Technical Colleges. A major emphasis is scholarships in areas of science and technology for approximately 100 lecturers. ADB also supports the Technical Colleges with construction and equipping of a number of technical workshops, classrooms, laboratories and libraries and coordination will be ensured throughout the program to harmonize with the interventions at the Technical Colleges by ADB.

The World Bank (WB) started their Skills Development Program in August 2014, providing USD 50.9 million of concessional loans to various training providers including Mzuzu University, the Malawi Polytechnic, TEVETA and Chancellor College. Support will be given to the provision of ODL in tourism and hospitality, agriculture-related courses and informal training for rural unemployed. WB will provide assistance for the development of a number of diploma and degree programmes at the Malawi Polytechnic and Chancellor College supporting the mining and minerals exploitation growth sector. It will also support the development of certificate, diploma and degree courses in hospitality and tourism at Mzuzu University. GIZ will also support the Malawi Institute of Tourism from 2015 which trains students dedicated to work in the tourism sector.

Support to the agro-processing cluster is increasing. ILO has a programme which includes training in rural areas to increase agricultural output and foster small business development. Germany (through GIZ) will from 2015 conduct trainings for smallholder farmers and support two agricultural colleges in order to sustainably improve agricultural production, to introduce innovations in agriculture and to improve business skills for farmers. UNESCO is supporting the piloting of a training programme in agro-processing as part of their USD 2 million BEAR project. UK’s DfID has initiated a project in oilseeds and UNDP has set up an Innovation Challenge Fund (April 2014) for USD 10 million targeting sugar, oilseeds and manufacturing. Given that the agro-processing sector seems to be adequately supported for the time being and taking also into account division of labor principles, it is suggested that STEP does not place specific focus in this field.

A number of NGOs are implementing both formal and informal learning programs in TEVET as well as implementing agricultural skills training for unemployed youth. Other programs funded by the Ministry of Gender, the Ministry of Youth and the National AIDS Commission, also provide skills training for vulnerable and other out-of-school youth. Certain large enterprises have their own training centers for skills development.

In regards to the government's coordination in the sector, there is an “Access to Technical Skills” Technical Working Group (TWG) established under the Ministry of Industry and Trade. This TWG meets quarterly and includes membership from various Ministries involved in TEVET including the

Ministry of Education, Science and Technology, the Ministry of Labour and Manpower Development, TEVETA, the private sector, and a number of universities, including the Malawi Polytechnic, as well as the DPs active in this sector. The goal of this TWG is to increase collaboration amongst the various stakeholders involved in increasing access to skills training. However, there is no Joint Sector Review (JSR) for TEVET as it used to fall under the Education JSR, but since TEVET moved from the Ministry of Education, Science and Technology to the Ministry of Labour and Manpower Development no new mechanism has been put in place. Coordination in the sector therefore suffers somewhat from having a sector which falls under three different ministries (Labour and Manpower Development, Education, Science and Technology, Industry and Trade).

During the formulation phase of this programme, numerous meetings were held with various DPs involved in the TEVET sector in Malawi. Coordinating actions and promoting synergy have been important tenants in the design of this programme in accordance with the Paris Declaration. Considering that there is an increasing number of DPs active in the TEVET sector, the first TEVET DP-meeting was held in November 2014 and the ambition is to have quarterly DP meetings related to the TEVET sector to increase awareness and to share experiences and project related news.

### 3.3 Cross-cutting issues

**Gender:** Girls are disadvantaged both in formal as well as in informal TEVET training, as many drop out of primary or secondary school with poor literacy and numeracy skills. The STEP program will promote equitable and gender-based access and retention in TEVET programmes by developing new guidance and counseling programs which will especially target female students to increase awareness of options. The objective is to have more females in the male dominated programs and in TEVET training in general. Support groups that can provide extra attention to issues which are crucial to keeping girls in training will be set up. Furthermore, infrastructure will be developed ensuring that the rehabilitated structures include all the necessary facilities for girls' (hostels, latrines, etc.). In informal training, special attention will be paid to attract female students to all types of TEVET programmes.

**HIV/AIDS:** Although Malawi has decreased the incidence of HIV/AIDS amongst the population in general, the only group with increased incidence is the 15-24 year olds – the age of many college students. HIV and AIDS awareness programmes are already in place in technical colleges but through this programme, the Ministry of Labour and Manpower Development will be encouraged to enhance these programmes and to extend them to the technical colleges, community colleges and CSDCs.

**Environment:** The modernization of the TEVET programming in Malawi will aim at integrating best environmental practices in TEVET. Environmental awareness will be taken into consideration during planning and development of activities and in the rehabilitation of workshops. An emphasis will be put on using environmental friendly techniques for construction and ensuring safe disposal of workshop and laboratory wastes. Environmental awareness will also be part of the orientation package to the technical teachers and to the governance and management training packages. Technical training institutions in outlying rural areas could if necessary be provided with solar power as part of their rehabilitation.

**Good governance:** Through EU support, the intention is to develop a decentralized management approach based on the principles of good governance emphasizing the participation of all stakeholders, and in particular the private sector. Principles of inclusiveness, effectiveness, efficiency and transparency will be emphasized in developing protocols and guidelines for participation and in the training for institutional managers.

## 4 DESCRIPTION OF THE ACTION

### 4.1 Objectives/results

The overall objective is to empower the vocational education and training sector and its capacity to

satisfy the economy's need for skilled professionals through expansion and improvement of equitable and gender-balanced vocational education and training.

**Specific objective 1: Promote equitable and gender-based access to TEVET.**

- Result 1.1:** *Infrastructure of selected TEVET training and assessment institutions is upgraded to improve access.*
- Result 1.2:** *Enrolment and retention rates of female students and vulnerable persons are increased.*
- Result 1.3:** *Access to informal and formal training through private accredited TEVET providers and Non-State Actors, is increased.*

**Specific objective 2: Improve the quality and relevance of TEVET.**

- Result 2.1:** *Harmonisation of the assessment and certification system is improved*
- Result 2.2:** *TEVET teachers' and instructors' technical and pedagogical skills are upgraded*
- Result 2.3:** *Formal training programmes are reviewed to be more demand driven and experiential models for entrepreneurship are developed.*
- Result 2.4:** *Innovative research on TEVET training and financing is facilitated.*
- Result 2.5:** *TEVET training and assessment institutions provided with equipment and learning materials that will enhance their training capability.*

**Specific objective 3: Strengthen the governance and management of TEVET regulatory bodies and training institutions.**

- Result 3.1:** *Partnership and collaboration between stakeholders strengthened.*
- Result 3.2:** *Governance and management capacity in the TEVET sector, including the training provider level, is improved.*

## **4.2 Main activities**

*Activities linked to Result 1.1:* The structures (classrooms, laboratories, workshops, hostels and water and sanitation facilities, etc.) of selected TEVET training centres providing formal and informal training will be improved and where appropriate expanded. This will include upgrading facilities at the four government Technical Colleges and at a selected number of Community Colleges and CSDCs. The selection of the Community Colleges and CSDCs will be done jointly by the Ministry of Labour and Manpower Development, TEVETA and the EU on the basis of clear and objective criteria such as geographical distribution, needs analysis, number of students etc. Focus will be kept on the construction trades. Support will also be provided to the Polytechnic to upgrade facilities for technician training in selected construction trades and for the training of TEVET instructors. Finally, the three Trade Testing Centres will be rehabilitated. The cost assessment of the infrastructure (and the equipment in Result 2.5) is based on the report prepared by the Infrastructure Expert as part of the formulation of this program (see report attached). Improved and expanded structures will increase access to training opportunities and to assessment and certification of both students and practicing artisans. By improving and adding facilities that are conducive to the participation of females and people with physical and other disabilities such as hostels, accessible structures and sanitation facilities, these activities will also contribute to the achievement of Result 1.2.

*Activities linked to Result 1.2:* In addition to improved infrastructure for female or disabled students, access and retention of these groups will be increased by a) reviewing formal and informal training programs to increase their relevance and to attract females students to male dominated trades as well as to other training programs; b) introducing a new guidance and counselling programme in secondary schools to create increased awareness on the importance of technical careers; c) providing scholarships for female and vulnerable students and d) ensuring that instructors acquire appropriate pedagogy during their training. Other support mechanisms, such as girls' study groups and support to vulnerable students, will be explored and implemented as required.

*Activities linked to Result 1.3:* Private TEVET providers, NGOs and others, including the grant-aided technical colleges, will be supported through grants to create and implement training programmes for both formal and informal training. In order to ensure relevant and quality training, only accredited TEVET providers will be eligible for the grants. A consultant will be recruited to prepare the guidelines for the Call for Proposal on the basis of an analysis of the potential applicants and their resources as the Non-State Actors active in TEVET vary from big well established training centres with international support to small locally based NGOs with limited resources. Therefore, in order to ensure that micro, small and medium size TEVET providers can apply for the grants, guidance will be offered throughout the process to all applicants and guidelines of the call for proposals will be prepared to cater for the widest range of participation. Furthermore, in line with the principles for strengthening the role of the private sector in EU development cooperation<sup>20</sup>, the training should not only support skills development in general, but also ensure economic empowerment of women and vulnerable groups<sup>21</sup> by putting emphasis on activities which are directed at attracting these groups. During evaluation of the proposals, the six criteria for supporting private sector actors shall be taken into account.<sup>22</sup> Another key element will be the importance of supportive skills provided to informal trainees such as transferrable and entrepreneurial skills and business start-up strategies including tool kits and adequate support for business creation (such as access to finance, feasibility studies, business development services, etc.). For selected graduating youth, start-up business skills and tool-kits will be provided along with follow-up monitoring to review longer-term results.

*Activities linked to Result 2.1:* Taking into account international best practises, an outline for a NQF will be developed in close collaboration with the relevant stakeholders. A complementary review of the CBET system in Malawi will be undertaken and a TEVET curriculum framework developed to ensure seamless technical education transfer from primary through tertiary education levels. This will in turn provide guidance for support to the rationalisation and harmonisation of the existing TEVET assessment and certification systems, in particular in the construction related skills. In addition, capacity building will be provided through short training programmes for the personnel at the testing centres. Improved assessment procedures will be a very important step to improve the transition from informal to the formal economy, as artisans who have acquired their skills in an informal or non-formal way will be able to be assessed and receive a certificate for their skills which will make them employable. Improved certification and alignment with shared quality standards is one of the main requests of the private sector.

*Activities linked to Result 2.2:* A Continuous Professional Training Strategy for upgrading TEVET instructors and trainers will be developed. This will include an intensive training component for instructors at all levels, including junior instructors and master craftsmen for the Community Colleges, the CSDC and the Technical Colleges. A review of institutional support required to meeting the needs for academic and skill training for technical teachers will be carried out. Existing technical teacher training programmes will be reviewed to ensure adequate knowledge and skills as required by the technical colleges. A Bridging Program to upgrade the science and math knowledge for current technical instructors will be implemented to ensure adequate skills prior to further formal upgrading. The upgrading of instructors technical and pedagogical skills will be an important part of reducing the qualified teacher/student ratio and thereby improving the quality of TVET which in turn will lead to improved completion rates for both male and female students.

*Activities linked to Result 2.3:* The formal training programmes will be reviewed in close collaboration with TEVETA and the private sector in order to ensure the relevance of the programs and that TEVET

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<sup>20</sup> Communication on A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries, p. 4

<sup>21</sup> There is no official definition of vulnerable groups, but this will be clearly identified during the preparation of the guidelines for the Call for Proposal.

<sup>22</sup> See Communication on A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries, p. 5

becomes more demand driven. Four new “Level 4” programmes in construction related areas will be implemented at the Technical Colleges as part of the apprenticeship scheme along with the required infrastructure and equipment requirements. Furthermore, the Apprenticeship System will be supported through the development of new programmes and where possible, construction related programmes, will be prioritized. The aim is to create a shift from centre based training to integrate apprenticeship and dual training. As promoting entrepreneurship is part of the strategy to strengthen the private sector in EU development cooperation, this programme will revise the entrepreneurship training to make it more practical and interactive and ensure that it is an integrated part of all skills development courses. Entrepreneurship training is a key part of TEVET since the informal sector is an important source of employment and income generation for TEVET graduates. However, the current training on entrepreneurship needs to be reviewed to create a more ‘entrepreneurial culture’ amongst students, to increase understanding of business development principles and to increase the capacity of instructors to implement the training. Furthermore, in order to empower women as entrepreneurs and workers, special attention will be given to promoting female entrepreneurship and employment. The possibility of establishing business incubators at two Technical Colleges on a pilot basis will be explored.

*Activities linked to Result 2.4:* Grants will be given to innovative and applied research proposals that develop new ways of improving training and financing of the TEVET system. Support to the applicants will be provided through initial orientation on the research criteria and proposal submission as well as continued support through the implementation of the research. These research projects could focus on i) labour market and professions, including analysis of labour market dynamics focused on specific target groups and sectors and analysis of employment and career guidance services, industrial relations and social dialogue; ii) Vocational Education and Training, including analysis of VET systems and policies, programme and policy monitoring and impact evaluation, methods and technologies for training; iii) Skills analysis and forecasting, including occupation and skills needs forecasting, skills analysis, models for skills assessment and validation, and assessment of adults competences; iv) innovative ways of financing TEVET, including identifying financing tools that are the most effective and adequate to ensure sustainable development of the sector. It is anticipated that these studies will inform policy choices during the preparation of the second phase of the EU support in the TEVET sector.

*Activities linked to Result 2.5:* To support the provision of quality and relevant training at the rehabilitated TEVET centres (Result 1.1) appropriate equipment and learning materials will be provided to the Technical Colleges, Community Colleges, CSDCs, the Trade Testing Centres and two departments at the Malawi Polytechnic: Department of Technical Education and the Faculty of Built Environment. Due to financial constraints, very little updating has been done since the 1960s and this component will therefore require substantial financial investment. Developing a maintenance programme for the new equipment will be a part of equipment installation.

*Activities linked to Result 3.1:* Collaboration between stakeholders is currently facilitated through inter-ministerial meetings and through the TWG. Annual Fora will be held to give stakeholders an opportunity to review progress in the sector and to discuss key thematic issues. Until now the involvement of the private sector has more or less been limited to payment of a training levy and therefore particular attention will be given to ensure that the private sector is participating actively in these fora and thereby ensuring that the TEVET sector becomes more demand-driven. One way to achieve this will be to set up, in close collaboration with ECAM, a consultative monitoring framework with the private sector aiming at measuring their satisfaction with the TEVET system. Furthermore, options to set up a dual system of public/private administration of the training funds will be explored.

*Activities linked to Result 3.2:* A decentralized management approach to the governance and management of institutions and regulatory bodies will be formulated taking into account the views of all stakeholders. Procedures will be developed and training manuals and programs prepared to build capacity amongst technical college administrators and their boards. This new decentralized management approach will be piloted in a number of institutions and the results of the monitoring will inform a final version of the regulations and management training programs. In order to oversee this

process and be able to provide policy guidance, capacity building to the central level, in particular to the Ministry of Labour and Manpower Development, will be ensured. Considering the poor financial overview of the sector, this Ministry will also be assisted in improving the planning, budgeting, financing and funding of the sector.

### **4.3 Intervention logic**

The intervention logic behind the identified results and activities are that based on the gaps identified during the sector analysis and labour market survey realised as part of the formulation of this programme, the interventions have been designed to increase the quality and access of the TEVET system thereby making it more relevant and demand driven. This will in turn lead to an empowered TEVET sector which provides the skilled workforce needed to contribute to economic growth and supporting Malawi's overall development goals.

In order to achieve this objective, it is crucial to ensure that the private sector is involved throughout the process. The private sector is therefore a key stakeholder in this programme and will be involved in several of the activities. In regards to the efforts to improve the quality and relevance of TVET, the private sector will participate in and benefit from the elaboration of the new TEVET curriculum, the review of the apprenticeship programme and the harmonisation of the certification and assessment procedures. Furthermore, a specific result is dedicated for training by private TEVET providers which will be implemented through a Call for Proposal. Finally, the partnership and collaboration with the private sector in the governance and management of the sector will be increased by setting up a consultative monitoring framework and the private sector will participate in the Project Steering Committee for this programme. The logic is that by ensuring an active role for the private sector, TEVET will become more demand driven and correspond better to the needs of the economy. The aim is to have a holistic and inclusive approach to skills development by including the focus on informal training and entrepreneurship thereby equipping people with skills that will enable them to start up their own business or to get a decent job and support the economic development of their country.

Given that the TEVET sector has received very little support in the past and is in a very poor condition, this programme will aim at improving the sector at different levels. The interventions have to be multiple and targeted at various aspects of the sector (access, quality and governance) in order to have maximum impact and value for money. It is considered that by improving these factors the associated change processes will happen over time. However, it is a given that the challenge is enormous and that this programme is only part of the development, which in order to succeed, must also be supported from other sides such as the Government of Malawi, the private sector and other DPs.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.12 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute a non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

### **5.3 Implementation of the budget support component**

Not applicable for this program.

### **5.4 Implementation modalities**

#### **5.4.1 Grants (call for proposals):** Improved access to and quality of TEVET supported through formal and informal training and innovative research (direct management)

##### **(a) Objectives of the grants, fields of intervention, priorities of the year and expected results**

The call for proposals support the project's overall goal of developing a more equitable and gender-balanced TEVET system and specifically Result 1.3 related to increasing access to formal and informal training and Result 2.4 related to innovative research projects aimed at improving TEVET training and financing of the sector.

The call for proposals will have 2 lots: the first area of intervention will be related to the design and delivery of innovative and interactive training activities which are appropriate to the needs of target groups (unemployed, females, vulnerable groups) and develop their potential for engaging in income generating activities (Result 1.3). The second area of intervention will consist in grants for research projects to improve training and financing of the TEVET system (Result 2.4).

##### **Expected results:**

- Increased number of unemployed, including girls and vulnerable persons, involved in and completing TEVET activities.
- Number of piloted courses that appeal to young unemployed including girls and vulnerable persons and meet the needs of industry and the labour market in general.
- Number of piloted courses in private, NSA, NGO training centres.
- TEVET system improved through research and analysis of current system components
- New technologies identified and refined through applied research projects with community benefits
- Research results disseminated to interested stakeholders for further action.

##### **(b) Eligibility conditions**

- Local (Malawian) Legal entity (civil society, education bodies, private sector companies and associations
- International (and inter-governmental) organisation
- Co-applicants of those defined as eligible above
- National and international NGOs

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is between EUR 300 000 and 1 500.000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries).The indicative duration of the grant (its implementation period) is between 12-36 months.

##### **(c) Essential selection and award criteria**

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

##### **(d) Maximum rate of co-financing**

The maximum possible rate of co-financing for grants under this call is 80%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 37 of Regulation (EU) 2015/323, if full funding is essential for the action to be carried out, the



maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call: 2<sup>nd</sup> quarter of 2016

#### **5.4.2 Procurement (direct management)**

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Studies	Service Contracts	2	4 <sup>th</sup> quarter of 2015

This implementation mode will be used for the procurements of a service contract (Framework contract) for the elaboration of guidelines and preparation of the Call for Proposal (result 1.3 and 2.4) as well as a Framework contract for the preparation of the technical specifications for the procurement of technical equipment (result 2.5).

#### **5.4.3 Indirect management with an international organisation**

A part of this action may be implemented in indirect management with UNESCO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323. This implementation entails achieving the following activities in the results 1.2, 2.1, 2.2, 2.3, 3.1 and 3.2, including among other things: (a) supporting the increased enrolment and retention of female students and vulnerable groups; (b) assisting with the development of the assessment and certification system; (c) supporting the implementation of new apprenticeship recommendations and programmes; (d) increasing the capacity of the trade testing centre staff; (e) developing and implementing new entrepreneurship training programmes and (f) supporting the coordination of the TEVET Sector and developing and implementing a decentralized management programme for TEVET institutions. This implementation is justified because UNESCO has worldwide experience in working on TEVET and has specific experience in implementing TEVET related programmes in Malawi. UNESCO has been working in the Malawi's TEVET sector for a number of years implementing activities related to policy development, informal sector training, labour market information systems and has established relationships with the Ministry of Labour and Manpower Development, TEVETA and other key stakeholders. This experience has a direct relevance to STEP.

The entrusted entity would carry out the following budget-implementation tasks: contracting of supplies and services including but not limited to long and short term experts, contracting studies, venues and trainers for the results specified above.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

#### **5.4.4 Indirect management with the partner country**

A part of this action, with the objective of upgrading and equipping TEVET facilities in order to increase access and improve quality (Results 1.1 and 2.5), may be implemented in indirect management with the Government of Malawi in accordance with Article 58(1)(c) of the Regulation

(EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The Government of Malawi will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement and grant procedures. Payments are executed by the Commission.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable by virtue of Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the Government of Malawi shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the Government of Malawi.

### 5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 5.6 Indicative budget

Module	Amount in EUR	Third party contribution in EUR
<b>5.4.1. – Grants - Call for proposals: Improved access to and quality of TEVET supported through formal and informal training and innovative research. (direct management) – Result 1.3 and 2.4</b>	<b>4 500 000</b>	1 125 000
- Lot 1 (Result 1.3: Increasing access to formal and informal training)	4 000 000	
- Lot 2 Result 2.4: Innovative research projects aimed at improving TEVET training and financing of the sector.	500 000	
<b>5.4.2 – Procurement (direct management) – Results 1.3, 2.4 and 2.5</b>	<b>400 000</b>	
- FWC for the preparation and implementation of the CfP	200 000	
- FWC for elaboration of technical specifications for supplies	200 000	
<b>5.4.3 – Indirect management with UNESCO – Results 1.2, 2.1, 2.2, 2.3, 3.1 and 3.2</b>	<b>9 000 000</b>	
- Activities for results 1.2, 2.1, 2.2, 2.3, 3.1 and 3.2	6 200 000	
- Operational costs incl. Project Management Unit	2 800 000	
<b>5.4.4 – Indirect management with the Government of Malawi – Results 1.1 and 2.5</b>	<b>16 200 000</b>	

- Result 1.1 (works)	2 000 000	
- Result 1.1 (supervision of works)	200 000	
- Result 2.5 (Supplies)	14 000 000	
<b>5.9 – 5.10 – Evaluation and audit</b>	<b>500 000</b>	
<b>5.11 – Communication and visibility</b>	0	
<b>Contingencies</b>	<b>2 000 000</b>	
<b>Total</b>	<b>32 600 000</b>	<b>1 125 000</b>

## 5.7 Organisational set-up and responsibilities

A Project Steering Committee (PSC) will be set up for the program. The PSC will meet at least bi-annually and more often if needed. The chair of the PSC will be the Ministry of Labour and Manpower Development and members will include Ministry of Education, Science and Technology, Ministry of Youth, Sports and Culture, Ministry of Finance, Ministry of Industry and Trade, TEVETA, representatives of the private sector, UNESCO and the NAO Support Unit. The EU will participate as an observer. The Steering Committee will be the body responsible for the general oversight, policy guidance and monitoring of the program.

Upon direct request from the Ministry of Labour and Manpower Development, a team of experts will be integrated within the TVET Department of the Ministry to assist the Ministry with the implementation of the programme. This will be provided through the PAGODA Agreement signed between UNESCO and the European Commission. Recruitment of the experts will be done jointly by UNESCO, the EU Delegation and the Ministry of Labour and Manpower Development. The main tasks of this unit will be capacity development of the staff working on TEVET from the Ministry of Labour and Manpower Development and support to the implementation of the activities mentioned in point 5.4.3 in close collaboration with the Ministry of Labour and Manpower Development and the EU Delegation. The team will be integrated in the structures of the Ministry and report directly to the Principal Secretary. They will be located within the offices of the Ministry of Labour and Manpower Development in order to facilitate the collaboration and ensure ownership by the Ministry of the programme. The Ministry should ensure that the necessary human resources are in place prior to this program in order to ensure that the planned capacity building exercises can be implemented.

The EU Delegation will however keep a key role in monitoring and overview of the programme and take the lead on policy dialogue with the Government of Malawi.

## 5.8 Performance monitoring and reporting

Monitoring, review and evaluation of sector performance in regards to the TEVET sector in Malawi is mainly carried out by TEVETA and by the Ministry of Education, Science and Technology through their Education Management Information System (EMIS) which provides annual education statistics which also cover certain aspect of TEVET. In addition, performance monitoring in line with the log frame matrix will be carried both by the beneficiaries of grants and by the program itself.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget

details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). Results Oriented Monitoring (ROM) missions may be undertaken. The OVIs specified in the Log frame will be the monitoring indicators.

## **5.9 Evaluation**

Having regard to the importance of the action, a mid-term evaluation and a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. The mid-term evaluation will be carried out to assess the fulfilment of partnership commitments as well as for problem solving and learning purposes, in particular with respect to future EU interventions in the sector. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that support to Education and TEVET is a new focal sector for the EU in Malawi.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in 2017 and 2019.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. Indicatively, one contract for audit services shall be concluded under a framework contract in 2016.

## **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above. However, no budget is foreseen in this program for communication and visibility as it will be part of a service contract providing communication and visibility for both this program and the Improving Secondary Education in Malawi (ISEM) program. The joint budget is therefore included in the budget for ISEM.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

## APPENDIX - INDICATIVE LOG FRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the log frame matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative log frame matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
<b>Overall objective: Impact</b>	Malawi's capacity to satisfy the economy's need for skilled professionals is improved through an empowered TVET sector.	<ul style="list-style-type: none"> <li>- Unemployment rate</li> <li>- Labour force participation rate</li> <li>- Number of VET graduates being employed in a field corresponding to their training</li> </ul>	<ul style="list-style-type: none"> <li>- 2013 Labour Force Survey unemployment rate: 20.4 %</li> <li>- 2010 Labour force participation rate: 64.5 %</li> <li>- Baseline: no current data</li> </ul>	<ul style="list-style-type: none"> <li>- Target for 2020 to be confirmed</li> <li>- Target: Tracer studies carried out</li> </ul>	MDGs, National Statistical Office and Ministry of Labour and Manpower Development statistics. Labour Force Survey. Tracer studies carried out in collaboration with the TEVET training institutions.	The Government of Malawi will remain committed and have the necessary funds to implement the TVET strategy.
<b>Specific objective(s): Outcome(s)</b>	S.O. 1: Improved equitable and gender-based access to TVET	<ul style="list-style-type: none"> <li>- TVET enrolment rates m/f*</li> <li>- Proportion of female students enrolled in technical college*</li> </ul>	<ul style="list-style-type: none"> <li>- NESP Baseline 2012/13: 6105</li> <li>- NESP Baseline 2012: GPI 0.54 in 2012/13</li> </ul>	<ul style="list-style-type: none"> <li>- ISEM Target 2020: 13087</li> <li>- Target 2019: GPI 1 or at least rates improved by 10 %</li> </ul>	Annual EMIS and TEVETA statistics collected by the Ministry of Education, Science and Technology and by TEVETA.	Efforts to improve access to technical skills at the secondary education level will be reflected in increased and improved opportunities in the TEVET system.
	S.O. 2: Improved quality and relevance of TVET	<ul style="list-style-type: none"> <li>- TVET completion rates m/f</li> <li>- Number of qualified technical teachers</li> <li>- Student/Qualified Teacher ratio</li> </ul>	<ul style="list-style-type: none"> <li>- 2013 Baseline: 57% pass rate</li> <li>- 50% of technical instructors have a qualification</li> <li>- No current data</li> </ul>	<ul style="list-style-type: none"> <li>- Target: to be defined at project start-up</li> <li>- To be defined</li> </ul>	Annual EMIS and TEVETA statistics collected by the Ministry of Education, Science and Technology and by TEVETA.	Investment in training for teachers and equipment will increase students' motivation to pursue their training.
	S.O. 3: Strengthened governance and management of TVET regulatory bodies and training institutions	<ul style="list-style-type: none"> <li>- Status of decentralised governance and management structures at Technical Colleges</li> <li>- Employers satisfaction with TEVET system</li> </ul>	<ul style="list-style-type: none"> <li>- Baseline 2015: Decentralisation policy in place, but not yet implemented</li> <li>- No current data</li> </ul>	<ul style="list-style-type: none"> <li>- Governance and management of decentralised structures approved and established in 4 Technical Colleges</li> <li>- consultative monitoring framework established</li> </ul>	Annual EMIS and TEVETA statistics collected by the Ministry of Education, Science and Technology and by TEVETA. Surveys will be carried out in collaboration with ECAM.	Continued commitment from the Ministry of Labour and Manpower Development to the decentralisation process.

	Intervention logic	Indicators	Baselines (2015)	Targets (2019)	Sources and means of verification	Assumptions
Outputs	1.1 Infrastructure of selected TEVET training and assessment institutions is upgraded to improve access.	<ul style="list-style-type: none"> <li>- # of Community Colleges rehabilitated*</li> <li>- # of Community Skills Development Centres rehabilitated*</li> <li>- # of Trade Testing Centres rehabilitated*</li> <li>- # of technical colleges rehabilitated*</li> <li>- # of departments at the Polytechnic rehabilitated*</li> </ul>	- 0 infrastructures rehabilitated	<ul style="list-style-type: none"> <li>- 10 Community Colleges rehabilitated</li> <li>- 10 Community Skills Development Centres rehabilitated</li> <li>- 3 Trade Testing Centres rehabilitated</li> <li>- 4 technical colleges rehabilitated</li> <li>- 2 departments at Poly rehabilitated</li> </ul>	Programmes own monitoring mechanisms.	Macroeconomic factors will remain relatively stable.
	1.2: Enrolment and retention rates of female students and vulnerable persons are increased.	<ul style="list-style-type: none"> <li>- # of scholarships awarded to female and vulnerable students</li> <li>- Status of counselling and guidance programs</li> </ul>	<ul style="list-style-type: none"> <li>- 0 scholarships awarded</li> <li>- 0 programs implemented</li> </ul>	<ul style="list-style-type: none"> <li>- 600 scholarships awarded</li> <li>- Counselling and guidance programs implemented in at least XX schools (TBD)</li> </ul>	Programs own monitoring mechanisms.	Female students are receptive to technical training opportunities.
	1.3 Access to informal and formal training through private TEVET providers and NSAs, is increased.	<ul style="list-style-type: none"> <li>- # of students enrolled in TVET courses implemented by private training providers m/f</li> <li>- # of tool kits distributed</li> </ul>	<ul style="list-style-type: none"> <li>- 0 students enrolled</li> <li>- 0 tool kits distributed</li> </ul>	<p>Target to be defined during preparation of Call for proposal.</p> <ul style="list-style-type: none"> <li>- 3200 students receiving start up tool kits</li> </ul>	Progress reports from grants beneficiaries.	Private TVET training providers will apply for the call for proposals
	2.1: Harmonisation of the assessment and certification system is improved	<ul style="list-style-type: none"> <li>- Status of the outline of a National Qualifications Framework *</li> <li>- Status of TEVET curriculum framework</li> <li>- Status of review of the CBET system</li> <li>- Status of harmonised testing procedures</li> <li>- # of assessors trained</li> </ul>	<ul style="list-style-type: none"> <li>-NQF currently not existing</li> <li>- Certification procedures not yet harmonised</li> <li>- 0 assessors trained</li> </ul>	<ul style="list-style-type: none"> <li>- Approved draft NQF</li> <li>- Review report of CBET system accepted</li> <li>- TEVET curriculum framework approved</li> <li>- Approved harmonised certification procedures.</li> <li>- 60 assessors trained in new procedures</li> </ul>	Reports and attendance figures on assessor training Monitoring by TEVETA and Ministry of Labour and Manpower Development	TEVETA, Ministry of Education, Science and Technology and Ministry of Labour and Manpower Development as well as other key stakeholder will collaborate with the preparation of these frameworks and all the necessary stakeholders participate in the harmonisation of procedures.

	2.2: TEVET teachers' and instructors' technical and pedagogical skills are upgraded	<ul style="list-style-type: none"> <li>- Status of continuous TEVET Professional Training Strategy</li> <li>- # of TVET instructors trained*</li> </ul>	<ul style="list-style-type: none"> <li>- CPTS not existing</li> <li>- 0 instructors trained</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous TEVET Professional Training Strategy approved and implemented</li> <li>- 60 instructors trained</li> </ul>	Programmes own monitoring mechanisms.	Continued support to teachers training.
	2.3: Formal training programs are reviewed to be more demand driven and experiential models for entrepreneurship are developed	<ul style="list-style-type: none"> <li>- # of reviewed training programs</li> <li>- # of apprenticeship programs implemented</li> <li>- # of instructors trained on entrepreneurship</li> <li>- # of approved entrepreneurship programs piloted</li> </ul>	<ul style="list-style-type: none"> <li>- 0 training programs reviewed</li> <li>- 0 apprenticeship programs implemented</li> <li>- 0 instructors trained</li> <li>- 0 programs piloted</li> </ul>	<ul style="list-style-type: none"> <li>- 4 'Level 4' programs implemented</li> <li>- 5 new regular apprenticeship programs implemented</li> <li>- 10 programmes piloted</li> <li>- 50 instructors trained</li> </ul>	Annual and quarterly reports from the Ministry of Labour and Manpower Development and Technical colleges. Programs own monitoring mechanisms.	The necessary stakeholders participate in the review of the programs. Continued support to entrepreneurship.
	2.4: Research on TEVET training and emerging technologies is facilitated.	<ul style="list-style-type: none"> <li>- # of research projects implemented</li> </ul>	<ul style="list-style-type: none"> <li>- 0 projects implemented</li> </ul>	<ul style="list-style-type: none"> <li>- At least 2 grants awarded and projects implemented</li> </ul>	Progress report from grant beneficiaries.	Researchers will apply for the call for proposals
	2.5: TEVET training and assessment institutions provided with equipment and learning materials.	<ul style="list-style-type: none"> <li>- # of TVET training and assessment institutions equipped*</li> <li>- Status of maintenance program</li> </ul>	<ul style="list-style-type: none"> <li>- 0 institutions equipped</li> <li>- 0 program established</li> </ul>	<ul style="list-style-type: none"> <li>- 2 Departments of Poly equipped</li> <li>- 4 technical colleges equipped</li> <li>- 10 community colleges equipped</li> <li>- 10 CSDC equipped</li> <li>- 3 Trade Testing Centres equipped</li> <li>- Maintenance program approved</li> </ul>	Programs own monitoring mechanisms.	Macroeconomic factors will remain relatively stable.
	3.1: Partnership and collaboration between stakeholders strengthened.	<ul style="list-style-type: none"> <li>- # of Inter-Ministerial Meetings held*</li> <li>- # of Annual Fora held</li> <li>- # of PSC with participation of private sector representatives</li> </ul>	<ul style="list-style-type: none"> <li>- no meetings held regularly</li> <li>- No annual fora</li> <li>- No PSCs yet</li> </ul>	<ul style="list-style-type: none"> <li>- 4 Inter-Ministerial Meetings</li> <li>- 1 annual for a</li> <li>- Private sector representatives present at all PSC</li> </ul>	Programs own monitoring mechanisms.	All stakeholders willing to participate in meetings.



	3.2: Governance and management capacity in the TEVET sector, including the training provider level, is improved.	<ul style="list-style-type: none"> <li>- Status of decentralised procedures</li> <li>- Status of manuals</li> <li>- # of administrators trained*/**</li> </ul>	<ul style="list-style-type: none"> <li>- 0 procedures established</li> <li>- 0 manuals prepared</li> <li>- 0 administrators trained</li> </ul>	<ul style="list-style-type: none"> <li>- Procedures approved and implemented</li> <li>- Manuals approved</li> <li>- Administrators from the CSDCs, CCs and TCs targeted under Result 1.1 trained.</li> </ul>	Programs own monitoring mechanisms.	Ministry of Labour and Manpower Development will continue support to the decentralisation process.
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\* Indicator included in the programming document

\*\* Indicator can be matched with those of the EU Results Framework