

Annex IV to the Agreement establishing the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa and its internal rules.

**Action Document for EU Trust Fund**

**IDENTIFICATION**

Title	Reference: <b>T05-EUTF-SAH-NG-08</b> <b>Skills Development for Youth Employment – SKYE</b>
Zone benefiting from the action / localisation	Country: Nigeria The action will take place in: Selected states countrywide in Nigeria
Total costs	Total estimated cost: 58 000 000 EUR Total amount drawn from the Trust Fund: 50 000 000 EUR Contribution of 8 000 000 EUR from German Federal Ministry for Economic Cooperation and Development (BMZ)
Method of implementation	Indirect management: Delegation agreement <i>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH</i>
DAC Code	11330
Sector of Intervention of the Valetta Action Plan	1. Development benefits of migration and addressing root causes of irregular migration and forced displacement
Indicator(s) of the Valetta Action Plan	A8. Step up assistance to youth to acquire labour market-relevant skills through education, vocational training, access to digital technologies, while ensuring equal opportunities for young women and men
Sector of intervention of the Trust Fund	1. Greater economic and employment opportunities
Objective(s) of the Operational framework	1.Preventing irregular migration and forced displacement and facilitating better migration management and returns
Sub-objective(s) of the Operational framework	1.1. Creating economic and employment opportunities, in regions with a high migration potential, to prevent irregular migration and facilitate returns
Length of implementation	48 months
Beneficiaries	Direct beneficiaries: 376,000 Nigerian youth <sup>1</sup> and young adults <sup>2</sup> ; Indirect beneficiaries: 2.8 million Nigerian people

<sup>1</sup> According to the UN definition of Youth: the age cohort refers to 15-24 years' old

<sup>2</sup> Aged up to 35 years old

## 1. SUMMARY OF THE ACTION AND ITS OBJECTIVES

The proposed action *Skills Development for Youth Employment – SKYE* contributes to the first objective of the *EU Emergency Trust Fund for Stability and Addressing Root Causes of Irregular Migration and Displaced Persons in Africa*, namely to enhance greater economic and employment opportunities through inclusive economic programmes. A strong focus rests on income generating employment opportunities for young Nigerians. Improving skills for (self-) employment, and at the same time, fostering a favourable environment for employment creation in labour intensive sectors will generate employment and income opportunities for youth thus improving their perspectives for a better livelihood. This will also address the structural causes for irregular migration<sup>3</sup> from Nigeria. SKYE will be implemented in 10 federal states of Nigeria. The action contributes to priority area 1 of the *Valletta Action Plan*, which addresses root causes of irregular migration. The action is in line with the *Common Agenda on Migration and Mobility (CAMM) between Nigeria and the EU*, the *National Migration Policy*, and the *2016 Strategic Framework and Implementation Plan for Job Creation and Youth Employment in Nigeria*.

The overall objective of the action is to improve the livelihoods of young Nigerians between the age of 15 and 35 and thereby reduce incentives for irregular migration from Nigeria. The intervention logic is based on five components. Component (1) will address the quality of TVET in the construction sector as well as the employability of the Nigerian youth along the constructional value chains. Component (2) will focus on the competencies of Nigerian youth for productive employment along agricultural value chains. Component (3) will work on improving the environment for employment creation in construction and agriculture value chains for micro-, small and medium-sized enterprises (MSMEs). Component (4) will promote innovative approaches for employment promotion through a competitive funding facility. Component (5) will strengthen the framework conditions for employment-oriented TVET by supporting the dialogue between private-sector employers, vocational training institutes and political regulators. The component will feed lessons learned from components 1 – 4 into national debates on youth and their perspectives.

In the last 12 months approximately 10.000 Nigerians have returned voluntarily from Libya and from Europe (7200 with assistance of IOM from Libya, 2000 from Libya assisted by the Nigerian Government and approx. 1000 from EU member states). They arrive normally by plane in Lagos or Port Harcourt and are sent to their home towns and villages mainly in Edo State and other Niger Delta States with no or little assistance. The program will establish a close working relationship with Federal and State Governments, the Nigerian Immigration Service (NIS), the Nigerian Emergency Management Agency (NEMA), the International Organization for Migration (IOM) and other relevant national and international partners to reach and support a total of up to 5000 voluntary returnees (approximately 1000 returnees per year) with training and job creation activities and assist them to have a perspective and good start in their home country.

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<sup>3</sup> The term “irregular migration” is used as a generic term and is reflecting and including the term “illegal migration”.

## 2. JUSTIFICATION AND CONTEXT

### 2.1. National context

The Federal Republic of Nigeria comprises 36 states and the Federal Capital Territory (FCT) where the capital Abuja is located. With close to 182 million inhabitants and a mean density of almost 200 inhabitants per square km, Nigeria is the most populous country in Africa. 62% of the country's population is aged 24 years or younger. More than 40% of the population is currently below the age of 15 and will enter the labour market in the coming years. These numbers will further increase over the next years, as birth rates continue to be high. Nigeria is the 12th largest producer of petroleum in the world, with petroleum and gas exports accounting for 40% of GDP and 80% of government earnings. The second biggest source of foreign exchange earnings are remittances, totalling \$20.7 billion in 2015. Recently, the fall of global oil prices has hit Nigeria hard and caused a sharp decline in the country's growth rate. Since the end of the second quarter 2016, the country is in recession. A marked geographic concentration of economic activity in the southern part of the country, compared with a stagnant north, implies significant regional disparities in living standards between the South and the North.<sup>4</sup>

Although the Nigerian economy grew by 7% on average over the past years, this has neither led to a significant reduction in poverty nor to a significant increase in employment and income of the majority of Nigerian citizens. The Nigerian National Bureau for Statistics estimates the labour force population<sup>5</sup> of Nigeria at 78.4 million in the first quarter of 2016. In the first quarter of 2016, 31% of the Nigerian labour force was either unemployed (12%) or underemployed (19%). These rates are even higher in the group of 18 – 30 year olds, with 56% of young adults being either unemployed (21%) or underemployed (35%). These numbers include all youth, from early school drop-outs to university graduates. The proportion of the population living in absolute poverty<sup>6</sup> remains at above 70%, or 127 million people, many of which are under- or unemployed. Since particularly young people lack work and life perspectives, Nigeria risks losing a whole generation.

Women make up a higher percentage of workers in Nigeria's informal sector (micro enterprise) than men. More women are working as unpaid workers, clericals, hired labourers, casual workers, and related office workers. Overall, female employment mostly consists of self-employed informal sector or family farm work, both characterized by low and volatile income streams. Apart from working in the agricultural sector, women are most active in trading activities, as well as with micro enterprises in manufacturing (e.g. garment making) or agricultural processing. Female participation in self-employed off-farm activities considerably exceeds that of men. At the same time, women face more challenges when trying to access land and finance. Supporting female entrepreneurship may thus be considered a significant lever for improving women's livelihoods. Women are underrepresented in formal sector employment, which is perceived to be a significant source of income and privilege in Nigeria, as it gives regularity and predictability of income streams. Women account for only around

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<sup>4</sup> 72% of the northern population live below the poverty line, compared to 51% in the South. 90% of the poorest quintile in Nigeria lives in the North (DfID, 2013).

<sup>5</sup> Unemployment and underemployment rates are calculated in relation to the labour force. The *Labour force population* includes only those within the working age population of 15 – 64 years who are willing, able, and actively looking for work, and not the entire "working age population", which is defined as "all Nigerians in the age group 15 – 64" (106 million in Q1 2016). Unemployment and underemployment rates are calculated in relation to the labour force, not the working age population.

<sup>6</sup> US\$ 1.90 / day, adjusted for Purchasing Power Parity (2011)

30% of formal employment both in the public and in the private sector, even though this share seems to be increasing at least in urban areas<sup>7</sup>. As per the latest employment statistics (UNESCO statistical database 2016) the total female underemployment amounts to about 37%, as opposed to 27% for men.

With a score of 0.51, Nigeria ranks 152 out of the 188 countries on the Gender Inequality Index (GII), a UNDP measure considering health, empowerment and labour market indicators. Literacy rates are significantly lower among women than men (50% vs. 69%). The discrepancy is a bit lower considering only youth literacy rates (65% female vs. 80% male), and the gap seems to be decreasing over time, but illiteracy remains a major constraint particularly for women. Nigeria has articulated policies and programmes that seek to reduce gender inequalities in socio economic and political spheres. However, the goal of closing the gender gap is far-fetched.

The *Nigerian Migration Strategy* shows that the increasing social and economic pressures particularly affect youths. This situation fuels internal migration as people move from rural to urban areas, in search of work and better living conditions. While most migrants from rural to urban areas are young men, an increasing number of young women also move to cities in search of educational opportunities, employment, and better living conditions. This results in growing informal settlements, inadequate housing and congestion<sup>8</sup>. In addition, many urban centres do not have the capacity to offer sufficient employment opportunities for their rapidly growing populations. The absence of sufficient work opportunities in congested urban areas further stimulates international migration for economic reasons. In absolute numbers, Nigeria (27,725) already ranks second after Eritrea (32,000) with regards to asylum applications received by the European Union from sub-Saharan Africans in the period of October 2014 – September 2015.

## **2.2. Sectorial context**

The lack of economic perspectives in combination with high population pressures are two of the most important underlying root causes of irregular migration out of Nigeria. In this regards, the two most relevant strategic policy documents are the *Common Agenda on Migration and Mobility* (Camm), and the *2015 National Migration Policy*, which underline the urgent need for actions addressing young people in order to provide them with better professional orientation. The urgently needed diversification of the economy and the development of labour intensive sectors, however, are hampered by weak framework conditions for business development, and deficiencies in the education and training system.

The majority of enterprises which provide formal and non-formal employment are MSMEs. These entities are often operating at low productivity levels and are poorly integrated into diversified value chains for both domestic and export markets. The development of MSMEs is heavily constrained by limited access to resources and markets, as well as unfavourable framework conditions. Main causes for this are limited access to financial services, the poor business and investment climate, and obstacles in domestic and intraregional trade. 57% of adults in Nigeria do not have any access to formal financial services (savings accounts, credits, insurances). Commercial banks show little interest to serve this customer group. Most of the more than 800 microfinance banks (MFBs) still have weak capacities. The business and

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<sup>7</sup> British Council, Gender in Nigeria Report 2012, p. 17 ff.

<sup>8</sup> National Migration Policy. Adopted 13<sup>th</sup> May 2015; IOM, Nigeria.

investment climate is furthermore affected by bottlenecks in energy supply, registration of property, taxation, macroeconomic instability, corruption, and diverse transport problems.

At the same time, there is a strong need for TVET and skills development. There are around 220 approved tertiary polytechnics and 132 technical colleges under the purview of the National Board for Technical Education (NBTE)<sup>9</sup>. The formal TVET system, however, suffers from a low reputation and shows a dramatic lack of practice-orientation, with limited willingness of companies to invest and get involved in professional skills development. The performance of TVET providers is weak, teaching methods are often outdated, and equipment inadequate. Although a national vocational competency based framework has been formally adopted, it has not been translated into practice yet. One reason for this is lack of cooperation and communication among the different stakeholders, including various ministries, the NBTE, as well as the private sector. In the informal sector, vocational skills training is not systematic, due to the lack of curricula and are mostly not certificated. In consequence, vocational skills gained informally often do not match the needs and quality standards of employers. Job orientation and information on medium- and longer term income perspectives and opportunities in the country are missing.

Vocational skills are therefore largely obtained in informal settings and often do not meet the needs and quality standards of employers. The absence of coordination and cooperation among key private and public stakeholders for vocational education and training as well as employment promotion further aggravates the situation. The lack of skills and knowledge is also a significant obstacle for investment and economic development in the country. In the construction industry, for example, modern technologies and alternative materials can often not be deployed due to the lack of an adequately trained workforce. The lack of skilled workers implies that many positions are filled by better trained, irregular regional migrant workers from neighbouring ECOWAS countries like Benin, Togo, and Ghana. In agriculture, low financial literacy, marketing and technical skills of smallholders and rural youth and limited added value through processing imply that productivity and income levels remain low.

In March 2016, the Office of the Vice President published the Strategic Framework and Implementation Plan for Job Creation and Youth Employment in Nigeria. The strategy places particular emphasis on labour intensive sectors. It specifically points to construction, agriculture, ICT, wholesale and retail as core sectors for addressing youth unemployment. For the implementation of the strategy, a national Job Creation Unit (JCU) was set up, tasked to coordinate promising growth strategies for these sectors to stimulate job creation over the period 2016 – 2018. The proposed action contributes to the implementation of this strategy in the two priority sectors considered to be most labour-intensive: agriculture and construction. The potentials of the ICT sectors will be raised through a competitive funding facility for innovative skills development activities.

The construction sector is traditionally labour-intensive, with promising employment opportunities for young people with low levels of education. With only about 0.1% of the female labour force engaged in construction (as opposed to 4.9% of men) the sector can be considered largely male dominated. In the traditional artisan construction trades, such as masonry, carpentry, plumbing, electrical installation, or welding, women can only be found in very exceptional cases. This is also reflected in technical education, with often no females involved in technical programmes at Technical Colleges. The highest participation of females,

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<sup>9</sup> [Http://www.nbte.gov.ng/institutions.html](http://www.nbte.gov.ng/institutions.html).

according to estimates from technical college teachers/ principals, is in the electrical trades, where female students are occasionally involved, but probably still account for less than 10% of students. In the informal sector, apprenticeships for artisan trades, the situation is likely to be even more manifest. As an apprentice mostly works and lives under the roof of the respective Master Craftsman, often with other apprentices in close quarters, it is considered inappropriate for a girl to undergo an apprenticeship alone with a male Master and male fellow apprentices. At the same time, the diversity of job profiles in the sector offers promising professional opportunities for young women (e.g. interior decorating and design, construction management and technical drawing), necessitating reform to assure more inclusive vocational education pathways.

Rapid population growth and urbanization have created a high demand for affordable housing, with an estimated housing deficit of 15 – 20 million housing units. Thus, the housing sector can have a double-effect on fighting root-causes of irregular migration – creating jobs and providing dignified living conditions. This concerns urban and sub-urban areas, smaller towns, and semi-rural areas, and thus creates employment opportunities country-wide. Yet, the lack of adequately qualified personnel limits the ability of construction companies, including MSMEs, to meet strong demand. Because of a shortage of competent construction workers and artisans in the country, many construction companies are forced to bring in skilled workers from abroad,<sup>10</sup> mainly from other West-African countries, but also from overseas. Although vocational schools are offering technical education programmes for different construction related trades (bricklayers, carpenters, electricians etc.), these programmes are only accessible for graduates from Junior Secondary Schools. Due to missing the required entry qualifications, the majority of the workforce in the sector has therefore no access to formal vocational education and consequently relies on informal on-the-job training, without access to further training options.

The rural agricultural sector, mostly small-scale farmers with cultivated areas below five hectares, shows strong growth rates of 10% per annum. Yet, agriculture continues to account for a mere 20.3% of Nigeria's GDP. This proportion can be significantly enhanced through investment in the modernization of production in terms of techniques and management and in the agricultural processing industry. Such potentials have been documented in the Agricultural Promotion Policy and the transformation agenda for the agricultural sector, which is part of the national economic strategy. However, many farmers lack the technical know-how and entrepreneurial skills to integrate into industrial value chains<sup>11</sup>. Addressing this challenge can yield significant added value and hence higher incomes for rural farmers. This will particularly benefit disadvantaged young people from rural areas who account for a large proportion of the agricultural labour force specifically women, who play a key role in food production. Their share in overall agricultural activity being estimated between 40% and 75% depending on measurements and definition. While men are usually engaged in operations like land clearing, ploughing, fencing and the like, women's tasks majorly consist in planting, weeding, manure application and harvesting as well as particularly processing, transporting and marketing of farm produce. In spite of women's large share in agricultural

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<sup>10</sup> Statehouse Senior Special Advisor to the President Garba Shehu on 6. November 2015 (<http://www.statehouse.gov.ng>).

<sup>11</sup> E.g. (i) processed cassava Nigeria imports significant amounts of starch, flour and other products with could be produced from cassava; (ii) rice: Nigeria imports rice for approx. 4 bn USD per annum. (iii) processed tomato: is imported despite huge demand.

economic activities, they are underrepresented in agricultural education with surveys suggesting around 20% females in agriculture sciences of Colleges of Education.<sup>12</sup>

TVET in agriculture and agribusiness has been heavily neglected over the past years. A majority of young Nigerians living in the rural areas cannot access one of the 35 federal or state colleges due to a lack of formal educational entry requirements. Improving production and income of smallholder farmers will limit migration to urban centres and thus also reduce the migration pressure to Europe.

The development of agricultural value chains, supported by large investment can also create jobs in the agro-processing industries of urban-peri-urban centres. In line with the 3<sup>rd</sup> pillar of the EIP on promoting a conducive investment climate, the EU supports its partner countries' efforts to prepare investments and improve the business environment and business climate; this TVET programme is contributing to the same endeavours and will maximize the synergies with the relevant EIP activities in Nigeria.

### **3. LESSONS LEARNT AND COMPLEMENTARITY**

#### **3.1. Organisation's experience and lessons learnt**

A vital part of the action is dedicated to employment creation and the integration of young people in the labour market. Simultaneously addressing the demand and supply side of the labour market has proven to be very effective in other GIZ projects. Lessons learned are drawn mainly from three ongoing projects in Nigeria.

From the *Pro-Poor Growth and Employment Promotion in Nigeria Programme (SEDIN)*, valuable lessons learned are drawn in the field of financial systems and business development. The project is operating in Ogun, Niger and Plateau state. One of the success factors of this project has been the partnering with micro-finance institutes (MFI). A total of 214,000 borrowers and 648,000 depositors could be reached through 71 MFIs. To promote investments 'One-Stop Shops' have also proven to be a successful instrument. The introduction of new seeds and good agricultural practices in the potato value chain led to yields increases with small-scale farmers from 3 – 6 t/h to around 12 t/h. Through farmer groups and improved market linkages with industrial and small-scale processors along the cassava value chain, farm incomes for more than 2,000 farms and employment opportunities were increased. With the establishment of a job-centre for construction workers and artisans, a platform for matching job-seekers and employers has been successfully created, with presently 2,000 registered artisans.

Under the project *Green Innovation Centres for the Agriculture and Food Sector*, proven approaches for large scale technical and business skills training are used to enable 200,000 smallholders to improve their production and processing activities along agricultural value chains in seven states (Kano, Kaduna, Nassarawa, Benue, Oyo, Ogun, Plateau) of Nigeria. A cornerstone is the *Farmer Business School approach* for non-formal agricultural skills development. Combined with cost-effective extension of good agricultural practices for export goods (e.g. cocoa) and food products for domestic markets, the approach led to the investment of smallholders in intensified production, improved producer organization, and

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12 AC Egun 2009, Focusing Agricultural Education for Better Productivity in Nigeria in the 21st Century. 2009.

enhanced access to financial services. In turn, this translated into higher yields, increased use of hired labour force, and improved incomes. Since 2010, over 300,000 smallholders in Nigeria, Ghana, Côte d'Ivoire, Togo and Cameroon have been reached.

Through the new project *Demand-oriented Vocational Qualification in Nigeria*, the promotion of needs-based training and further qualification for young job seekers, young farmers and workers in MSMEs of the formal and informal sector is being enhanced. The project has started recently and will operate in Ogun and Plateau states in the agricultural (cassava, potato) and construction sector.

A key lesson learnt from the above experiences is the commitment of state governments and close cooperation with corresponding ministries, departments and agencies at the state and local level, requiring decentralised project structures and presence in the regions. Also, the participation of private-sector industries has been recognised as a major driver towards demand-oriented TVET measures and employment creation. Industry-roundtables and private-public-dialogue platforms trigger change and innovation. A multi-stakeholder approach is required for effective skills development. Involving a broad range of stakeholders, including civil society and the media, is perceived as important in order to create a positive perception and image of 'blue collar jobs' and TVET. A multi-level approach, interacting with actors at the grassroots' level as well as with macro level actors, is a central element of the action which has been adapted from GIZ practices. Finally, the success of the action will largely depend on the degree of ownership of actors and the initiative of the target group in taking action independently. Measures like performance-based funding and, where possible, own contributions of beneficiaries, are therefore essential elements which have to be deployed.

### **3.2. Complementary actions**

Complementarity will be ensured both with other support programmes and various political dialogues. Programmes which provide support for related activities are:

- *Increasing Economic Opportunities for Marginalised Youth in Northern Nigeria* (Mafita); Department for International Development (DfID): € 46 million; 2014 – 2020. The main objective of the project is to support increased economic opportunities for particular groups of marginalized youth across 6 states in Northern Nigeria. The programme has three components, working to increase access to relevant, quality skills training through reform of state government vocational training systems and improved informal apprenticeships systems, ease the training-to-work transition for marginalised youth through career counselling, labour market placements and self-employment support and support transformative micro and small enterprises (MSEs) to grow and create jobs through better access to credit and business development services.
- *Youth Empowerment programme* (YESSO); World Bank: € 264 million; 2013 – 2020. The project supports the Government of Nigeria by providing the tools needed to set up a social safety net system, including the three interventions to be implemented at the state level - a labour-intensive Public Workforce scheme, skills for jobs programme for low-income youths, and a Conditional Cash Transfer programme. It provides support to the federal government and 20 participating states. Specifically, this will mean supporting the federal government agencies responsible for setting policies, providing technical assistance, co-financing the stipends paid to beneficiaries at the state level, and monitoring the results of state government agencies responsible for the delivery of social



safety net services and for coordinating and harmonising all social safety net programmes.

- *EU Support to Strengthening Resilience in Northern Nigeria*, EU/BMZ co-funded: € 40.5 million, 2016 – 2020. The main objective of the action is to enhance the capacity of local government and community institutions to respond to a rapidly moving and evolving situation in the two North-Eastern states Borno and Adamawa. In regions where security conditions permit IDPs to return freely and voluntarily to places of origin, material, financial and technical assistance is provided to help rebuild shattered homes and communities, restore basic services and livelihoods and provide social safety nets until the communities have become self-reliant again. Urban planning is required to expand basic services and boost revenue generating activities to enhance the resilience of the IDPs and reduce the stress on existing overconsumed services.

Furthermore, the proposed project aims to establish a close cooperation with the following GIZ projects in Nigeria. On the one hand, these projects promote agricultural and constructional value chains and thus stimulate, in a very complementary way to SKYE, growth and employment in these sectors. On the other hand, the projects improve the business environment.

- *Pro-Poor Growth and Employment Promotion in Nigeria Programme (SEDIN)*: Federal Ministry for Economic Cooperation and Development (BMZ): € 25 million, of which EU: € 4.9 million; 2014 – 2017.
- *Green Innovation Centres for the Agriculture and Food Sector*: Federal Ministry for Economic Cooperation and Development (BMZ): € 7 million, 2014 – 2019.
- *High-Quality Rice for Africa: Competitive African Rice Initiative (CARI)*: Federal Ministry for Economic Cooperation and Development (BMZ): €6.4 million; Bill & Melinda Gates Foundation: €13.8 million; Walmart Foundation: €0.89 million, 2013 – 2017.
- *Sustainable Smallholder Agri-Business Cocoa-Food Link Programme (SSAB)*: Federal Ministry for Economic Cooperation and Development (BMZ): € 4 million; EU: €5 million; Federal Ministry of Agriculture and Rural Development: €0.5 million, 2014 – 2018.
- *Demand-oriented Vocational Qualification in Nigeria*: Federal Ministry for Economic Cooperation and Development (BMZ): €3 million, 2015 –2017.

### **3.3. Synergy and coordination of actors in the zone of intervention**

Donor coordination will be very important for the implementation and success of the action. A TVET working group, composed of donors, implementing agencies and national authorities, functions as a platform for the above mentioned projects and other actors to exchange experiences, synchronise activity areas and jointly advocates for good practices and innovation in TVET. The project will contribute to and strengthen this existing platform. With regards to the two specific sectors to be supported by the action, a strong donor coordination group exists within the agricultural sector. In the construction sector, a respective

coordinating mechanism needs to be set up. A detailed overview of the action's coordination framework and steering structure will be submitted with the action's inception report.

**Strengthening relations with the International Organisation for Migration (IOM)** on the issue and challenge of working with voluntary returnees will be established and the programme shall be taking part within the **reintegration referral mechanisms (RRM)** in close cooperation with the IOM regional office in Brussels, and their local offices in Nigeria. The IOM and the EU Delegation to Nigeria will be crucial in the selection of the priority geographical areas for pilot project activities to address the needs of voluntary returnees.

#### **4. DETAILED DESCRIPTION**

##### **4.1. Objectives**

The *overall objective* of the action is *to reduce incentives to irregular migration from Nigeria.*

An indispensable precondition to reduce migration pressure is to improve perspectives for decent jobs and reasonable incomes. The action will achieve this through an integrated, multi-dimensional approach, which focuses both on the supply (TVET) and the demand side (job creation and retention), as well as on active labour market policies and instruments. This is complemented by advocacy measures through labour market counselling and placement services. A particular focus rests on overcoming challenges for new entrants to the labour market.

The *specific objective* of the action is *to promote income generating (self-)employment opportunities of young Nigerians in selected economic sectors.*

This shall be achieved through five interdependent results:

- The quality of TVET in the construction sector is improved.
- The competencies of Nigerian youth for productive employment along the agricultural sector are improved.
- The environment for employment creation in construction and agricultural value chains is improved.
- Innovative approaches for employment promotion are implemented.
- Framework conditions for employment oriented TVET are improved.

##### **4.2. Targeted groups and final beneficiaries**

Target groups of the action are Nigerian youth in the age group of 15 to 35 years, representing the youth population in the labour force in Nigeria. Primarily jobless and underemployed young men and women, young farmers, self-employed and micro-entrepreneurs, workers in the construction sector and agricultural value chains and apprentices in the informal sector are directly benefiting from the action. The agriculture and construction sector jointly account for about half of all employment in the country. Poor and vulnerable groups predominantly working in these sectors will be addressed through short term vocational programmes, combined with business development services. Higher educated and middle class youth will be addressed through programmes for higher vocational and technical education at colleges and polytechnics and qualification programmes in growth sectors such as the ICT and media industries. With the selected sectors, target groups from rural and urban areas are equally addressed. The high unemployment of women will be addressed with specific programmes to

improve their employability and income perspectives in all components of the action. The high ratio of illiterate women has to be considered a challenge for programme activities, as most skills development programmes, even non-formal ones, usually require a reasonable level of literacy. Particular actions will therefore be developed and implemented for semi- and illiterate people. The integration of returning irregular migrants into the Nigerian labour market will be facilitated by the development of specific measures for this group. As much as possible, this support will consider the training needs of returning migrants, as well as their respective home regions in Nigeria. It is anticipated that up to 376,000 young Nigerians, of which at least 30% women, will directly benefit from the action.

It is estimated that approximately 2.8 million people will indirectly benefit from the Action. Firstly, it is expected that the up-skilling of direct beneficiaries will have a leverage effects on the livelihoods of their respective households. Based on an average household size of 5 family members<sup>13</sup> and the assumption that 70% of 376,000 direct beneficiaries will sustainably improve their economic situation, this will improve the living conditions of an estimated 1.3 million people, in turn contributing to reduce incentives for irregular migration from Nigeria to countries overseas, including Europe. An additional 1.5 million Nigerian youth<sup>14</sup> will benefit from better access to information about TVET and employment potential in Nigeria, made available through different ICT media channels, such as apps. This knowledge is a precondition for a conscious decision concerning vocational education, and thus the route to well-paid domestic employment and economic and social participation as a viable alternative for irregular migration.

Important intermediary groups are representatives of farmer, professional and crafts associations, vocational teachers, trainers and extension agents, employees of microfinance institutions, cooperatives, business development and agricultural service providers, as well as non-governmental-organisations (NGO).

### **4.3. Expected results and main activities**

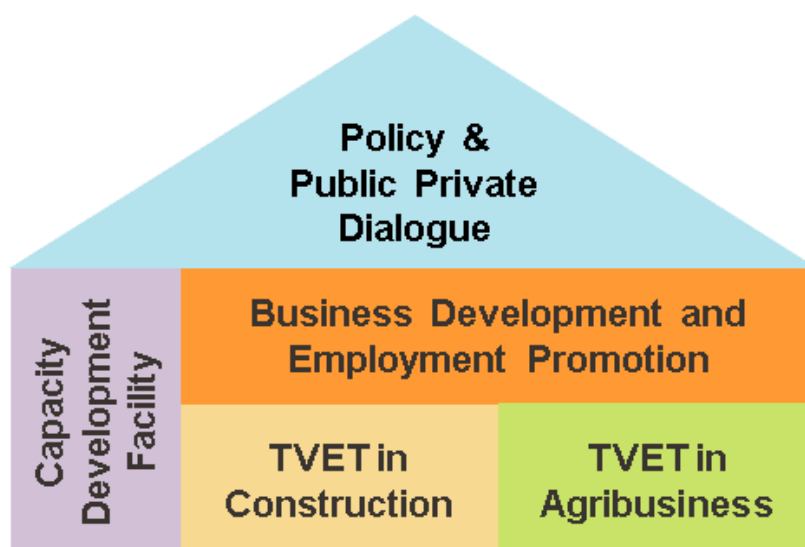
The capacity development approach of the project is based on interventions at three levels. At the individual level, traditional master craftsmen in construction trades and staff of agricultural development agencies and other non-formal training providers in agricultural value chains are trained and supported as multipliers to improve the non-formal vocational training of young Nigerians in these sectors. At the organisational level, vocational training institutions such as federal and state level technical and agricultural colleges, cooperatives, business membership organisations and trade associations are supported through technical assistance and systematic human capacity development for different staff groups such as vocational teachers, management staff of cooperatives, business development services providers and financial intermediaries, job counsellors and others. At the societal and policy level, setting-up of sectoral committees will facilitate an institutional dialogue between the various stakeholder groups to promote structural reforms for vocational education and employment policies. The project is addressing quick wins to enhance the employability of young Nigerians (supply side) as well as structural reforms to improve the capacity of TVET providers (demand side) at the same. Both the formal and informal sectors are targeted, keeping in mind that the informal sector is particularly relevant to the social development and economic growth.

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<sup>13</sup> National Bureau of Statistics' in collaboration with the World Bank Living Standard Measurement Study. General Household Panel Survey, Wave 2/2012/2013, p. 5

<sup>14</sup> Approximately 20% of total youth population of South and North-Central Clusters (7.6 million) which are considered as computer literate.

## Intervention Logic



*Illustration: Integrated component architecture (Source: GIZ)*

The intervention logic is based on an integrated architecture of five interrelated components, illustrated above. The components have specific functions as well as interfaces: Components 1 and 2 will support vocational education and training in the construction (1) and agricultural (2) sectors. They can be seen as pillars of the project architecture. Component 3 will strengthen entrepreneurial and business development skills for MSMEs in the construction and agricultural sectors. It will further promote the demand-side of the labour market (job creation), and thus enables the shift from employability to employment. Component 4 will promote the creation of a facility for competency and capacity development in vocational education and training. The facility will assume three functions: (i) to react flexibly to specific TVET needs; (ii) to encourage innovation through the consideration of new approaches and topics; and (iii) to allow for the inclusion of topics outside of the construction and agricultural sectors such as ICT, in order to broaden the impact of the project. Component 5 will strengthen the dialogue between private-sector employers, technical and vocational training institutes, and political regulators. This public-private dialogue can be interpreted as the roof of the project architecture, which aims to promote overarching TVET and labour market conditions. All components, in particular components 1 to 4, integrate elements of job orientation, re-orientation, and counselling for young job seekers.

This intervention logic is designed to help reinforce the European External Investment Plan by promoting an improved TVET climate and capacity in the country that will in turn generate new innovative businesses and boost jobs and growth.

### **Component 1 “TVET in construction value chains”**

Component 1 aims to improve the employability of young persons in the construction sector through enhanced quality of TVET measures. Rapid population growth and urbanization have led to strong demand for affordable living space, with an estimated current demand of 15 – 20 million housing units. An important barrier to the development of new housing units is the lack of adequately qualified construction personnel. The broad spectrum of construction activities furthermore allows for a gender-sensitive approach. This approach includes the identification and development of qualifications and training offers particularly for women,

e.g. in the field of interior design, construction management and technical drawing. The component focuses on (i) the establishment of mechanisms for the implementation of quality guidelines (including audio-visual and e-learning material) to enhance the quality in the construction sector, (ii) qualitative and quantitative improvement of the traditional in-company and apprenticeship training in different construction trades, and (iii) the development of capacities of public and private TVET providers to improve their standards for skill development, demanded in the labour markets. This includes also the capacity building for actors in the affordable housing value chain.

*Expected result under component 1: **The quality of TVET in the construction sector is improved.***

Key outputs under component 1:

- Mechanisms for the implementation of quality guidelines in the construction sector are established. Hereby quality guidelines to improve the in-company training in each trade will be elaborated and approved in cooperation with the trade-associations. 180,000 young Nigerians, employees, apprentices and trainees of MSMEs in the construction related trade associations are trained according to approved quality guidelines for TVET.
- Training in construction related trades in the informal sector is improved. 2,500 Master Craftspersons apply new teaching and training standards in workplace training in 5 construction trades. The Master Craftspersons are qualified as multipliers for the use of quality guidelines in MSMEs willing to play a key role in improving the traditional in-company training at enterprise / community level.
- Public and private TVET providers are strengthened. 100 TVET teachers apply new teaching and training methods in selected TVET institutions. TVET institutions are implementing new or modified non-formal and formal competency-based TVET programmes according to the demands of the Sector, including competencies for affordable housing (e. g. alternative building technologies and materials etc.).

## **Component 2 “TVET in agricultural value chains”**

Component 2 addresses some of the key challenges and opportunities related to the agricultural sector. Due to poor income perspectives, low levels of mechanisation and professionalization, the agricultural sector is not very attractive for young Nigerians. At the same time, it offers real income potentials through increasing yields and processing opportunities along agricultural value chains. The envisaged improvement of processing and marketing of agricultural goods will target and benefit women in particular. Reduced imports further foster the demand of domestic agricultural products. A key principle of the intervention is the value chain approach which requires developing skills along the entire value chain, covering input supply, machinery services, agricultural production techniques, transport, storage, marketing, and processing. To increase productivity and entrepreneurship along the value chains, access to and availability of labour market oriented formal and non-formal vocational education and training opportunities needs to be improved. Mechanisation, valued adding agro-processing and marketing requires new or modified occupational profiles in the sector. The component focuses on (i) the development of good agricultural practice and entrepreneurial business skills along the entire value chain, (ii) the development of capacities of vocational education providers, namely selected federal and state agricultural colleges, and

(iii) the development of integrated business models such as outgrower schemes and farmer group activities for value addition, linked with skills development.

*Expected result under component 2: The competencies of Nigerian youth for productive employment in the agricultural sector are improved.*

Key outputs under component 2:

- Business and good agricultural practice skills development programmes in agricultural value chains are implemented: 160,000 young farmers and self-employed entrepreneurs along agricultural value chains participate in quality assured standardised further trainings on business and production related topics. Extension agents of Agricultural Development Programmes (ADP) and teachers of TVET institutions are qualified as multipliers.
- Capacities of non-formal and formal agricultural TVET (ATVET) providers are strengthened: 200 TVET multipliers (e.g. teachers, extension agents) from TVET institutions apply new teaching methods and technical skills. With newly developed competency-based TVET programmes labour market demands (e.g. agricultural machinery) are addressed and income perspectives specifically for women (e.g. agro-processing) are improved.
- Business-driven integrated approaches (e.g. outgrower schemes, processing and marketing cooperatives) for TVET and employment are implemented: 40,000 MSMEs along agricultural value chains which benefited directly from access to qualification and business development services, have increased their income.

### **Component 3 “Business development and employment promotion”**

Component 3 aims at improving the environment for employment creation in construction and agricultural value chains. The component strengthens the demand side of the labour market, namely the MSME where employment opportunities or self-employment are being generated, and facilitates the matching of the trained graduates into these employment opportunities. Fostering female entrepreneurship in collaboration with women cooperatives and associations will cut across all activities of component 3. The component focuses on (i) the improvement of MSMEs’ access to finance and financial services, (ii) the development and implementation of income and employment generating business models, and (iii) the mismatch between labour supply and demand, supporting the establishment of job centres and career counselling services. Furthermore, the component addresses the improvement of regulatory business framework conditions, and strengthening the capacities of business development service providers in general. On local and regional level, the establishment of networks between the supported TVET schools and the local private sector actors will facilitate the matching process, including e.g. via internship and attachment projects and job fairs for graduates. The component therefore is closely linked with components 1 and 2 and targets those young Nigerians who have undergone non-formal training or formalised vocational education and training. It also supports beneficiaries in the process of setting-up joint / cooperative business activities, creating own businesses, and identifying employment opportunities.

*Expected result under component 3: The environment for business development and employment creation in construction and agricultural value chains is improved.*

Key outputs under component 3:

- Access to finance and financial services are improved: 4 new financial products targeting MSMEs in construction and agriculture are offered by 15 financial institutions. Empowered financial institutions are better positioned to serve MSMEs with appropriate and demand-oriented financial services MSME in construction and agriculture.
- Market linkages in the construction and agricultural sector are strengthened: 5,000 MSMEs apply new business models (e.g. mechanization, storage, irrigation, incremental (low-cost) housing), offering 10,000 new jobs, of which 30% for women. Market oriented, flexible and income generating business models allow MSMEs to create new and sustainable jobs in the labour-intensive construction and agricultural sector.
- Approaches for facilitating transition to employment are implemented: 8,000 new people are registered in 5 job centres in 5 states. The new registered people are benefitting from the establishment of job centres and career counselling services addressing the matching of labour supply and demand.

#### **Component 4 “Innovation facility”**

Component 4 foresees the creation of a financing facility for innovative approaches to competency development and employment promotion. Vocational Enterprise Institutions (VEIs) and Innovation Enterprise Institutions (IEIs) offer vocational, technical, technology or professional education and training at post-basic and tertiary levels to equip secondary school leavers and working adults with vocational skills and knowledge in growth sectors such as ICT and industrial production offer increasing employment opportunities especially for women. The facility will also increase the regional outreach of the project beyond the selected states for direct cooperation. The concept of the facility rests on a results-based approach and includes the possibility of repeat-funding for applicants, depending on their ability to rapidly integrate graduates of funded courses into the workforce. Target group specific funding windows will be designed for both young women and returning migrants to cater for their specific training and placement needs. The facility may also be used to fund adaptive trainings to support with the re-integration of the irregular migrants Nigerian wishing to return home. The component focuses on (i) the establishment of an efficient functional (including disbursement and M&E) and operational structure and processes for transparent and competitive results-based funding facility ensuring participation of broad range of stakeholder, (ii) the criteria based funding of selected innovative TVET approaches, such as workplace-based and/or project-based teaching and learning, entrepreneurship training and public private partnerships which are intended to closely link TVET with employment opportunities as well as the development of a target group oriented ICT software, and (iii) the dissemination and scaling up of positive experiences from pilot projects highlighting that successful approaches will be promoted with government or private sector institutions to secure replication and upscaling.

*Expected result under component 4: **Innovative approaches for employment promotion are implemented.***

Key outputs under component 4:

- The funding facility is operational: An efficient functional (including disbursement and M&E) and operational structure for competitive results-based funding is established

stressing the participation of broad range of stakeholder.

- Innovative pilot projects are selected and implemented: 10,000 Nigerian youth, of which 40% women, have participated in innovative employment promotion measures (qualification, job placement and counselling, and job creation). 10 ICT-based projects with new approaches for employment promotion (qualification, job placement and counselling, and job creation) are implemented through the facility.
- Positive experiences from pilot projects are disseminated and scaled up: 5 innovative project approaches for employment creation are replicated by the Nigerian government and/or other organisations.

### **Component 5 “Policy and public-private dialogue”**

Component 5 aims to develop structural key elements for a functioning TVET system and to foster the private sector development framework. The development of a systematic and far-reaching TVET system has been neglected for a long time in Nigeria. In the framework of political consultation, the action seeks to contribute to the successful implementation of the *Strategic Framework on Job Creation for Nigeria* and to institutionalise dialogue between private-sector employers and suppliers of vocational education and training. The component focuses on (i) the strengthening of mechanisms for public-private dialogue on employment oriented skills development and TVET at federal and state level, (ii) the initiation of a reform processes for increased permeability of the TVET system at federal level, and (iii) the establishment of a communication and information platform on TVET and employment related knowledge sharing at state level in order to inform young Nigerians as well as relevant staff groups like teachers and trainers, TVET providers and trade associations about TVET and employment potential in Nigeria through different ICT media channels, such as apps. Further, a gender-differentiated advocacy strategy and action plan will be implemented to increase the engagement of young Nigerian women and men in vocational education and training as well as entrepreneurial activities. In order to enhance the employability of returning migrants, strategies for re-integration of irregular migrants shall be developed, including career guidance, job placements, and the promotion of business start-ups.

*Expected result under component 5: **Framework conditions for employment oriented TVET are improved.***

Key outputs under component 5:

- Mechanisms for public-private dialogue on employment oriented skills development and TVET are strengthened: Sector skills councils approve 5 occupational standards for the construction and agricultural sector to institutionalise dialogue between private-sector employers and suppliers of vocational education and training in order to contribute to the successful implementation of the *Strategic Framework on Job Creation for Nigeria*.
- Reform processes for increased permeability of the TVET system are initiated: Joint recommendations to support the TVET reform process are drafted between public and private TVET stakeholders in the context of four dialogue events, with participation from TVET institutions, sectoral business organisations, social partners and government entities.
- A communication and information platform on TVET and employment related knowledge sharing is established: 1.5 million young Nigerians, of which 30% women, are informed



about TVET and employment potentials in Nigeria through different ICT media channels. A national ICT-based platform will be established to facilitate dialogue on and ease access to TVET and employment-relevant information for young Nigerians who are familiar with different ICT media channels (e.g. apps).

## **Intervention Areas**

The action will target 10 states. GIZ already supports employment creation in agricultural value chains in more than ten states and housing construction as well as vocational qualification in three states. It is suggested to support states with ongoing GIZ activities as a starting point, in order to achieve quick results, with a consecutive roll-out to additional states. In order to respect the principles of ownership and participation and to allow for a balanced political process, the concrete intervention areas (states & regions) shall be selected jointly with the project's stakeholders at the beginning of the project implementation together with the national partners. The following criteria shall guide this process:

- **State commitment:** This criterion focuses on the willingness and commitment of the governors, ministries and federal institutions in the states.
- **Migration situation:** This criterion reflects the net migration in the states by geopolitical zone of origin, zone of returns and current zone of residence.
- **Irregular migration:** This criterion refers to the relevance of the state or geopolitical zone as origin of irregular migration to Europe.
- **Labour market needs and potentials:** This criterion deals with the specific needs and potentials of the labour market in the construction and agricultural sector of the states.
- **National and donor alignment:** This criterion takes the alignment on a national and donor level into account to broaden the impact of the project.
- **Population distribution:** This criterion applies to the net population of the states to differentiate between states with increasing and decreasing net populations.
- **Stakeholder involvement:** This criterion relates to the number and commitment of relevant stakeholders in the states.
- **Security and logistical situation:** This criterion refers to the volatile security situation as well as the logistical infrastructure situation in the states.
- **Existing project experiences:** This criterion builds on existing projects and the potential of upscaling in the states.
- **TVET institutional capacities:** This criterion refers to the number, capacity and performance of the addressed TVET institution in the states.

In this regard two promising “clusters” are the “south cluster”, comprising the economic centre of Lagos and parts of the south-west and south-south, as well as the “north-central cluster”, or Abuja-Kaduna-Jos-Kano Corridor.

#### 4.4. Stakeholders analysis

The political partner of the action is the Ministry of Budget and National Planning (MBNP). In addition, a close working relationship is required with the *Federal Ministry of Labour and Productivity* (FMLP), particularly the *National Directorate for Employment* (NDE), the *Federal Ministry of Education* (FME), including the *National Board for Technical Education* (NBTE), the *Federal Ministry of Agriculture and Rural Development* (FMARD), as well as the *Federal Ministry of Power, Works and Housing* (FMPWH). The project can build on existing working relationships of different GIZ projects with all the above mentioned Ministries. Further, the project will closely cooperate with the national *Job Creation Unit* (JCU) which reports to the Office of the Vice President. At the institutional level, public and private training providers are key implementing partners. This includes the construction trade associations, the *Industrial Training Fund* (ITF), the industrial skills training centres in Lagos and Jos (in charge of TVET teacher training), technical colleges and polytechnics under NBTE, agricultural colleges, as well as the skills acquisition centres under NDE. Further, service providers such as the agricultural development programme (ADPs) services and business development service providers (e.g. the *Small and Medium Enterprise Development Agency*, SMEDAN) have an important role to play for the outreach of the action. Lastly, selected financial institutions, including microfinance banks, are important intermediaries when it comes to improving access to finance for MSMEs in the construction and agricultural sector.

The systematic involvement of private sector stakeholders at both policy and implementation level is crucial for the success and sustainability of any skills and employment promotion measure. The project can build on established trustful relationships of GIZ with different entities of the organized private sector. National associations and chambers of commerce that will be involved, for example in the definition of national TVET standards via skills councils and the TVET reform dialogue, include the *Nigeria Employers Consultative Association* (NECA), the *Nigerian Association of Small and Medium Enterprises* (NASME) and the *Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture* (NACCIMA). At the federal and local level, the widespread artisan and trade associations (e.g. bricklayers, welders, electricians or carpenters' associations) are key implementing partners in the construction field, particularly in informal sector skills development. Likewise, producer groups, cooperatives and agricultural associations are core stakeholders for the agricultural sector.

For selected activities such as the integration of returning migrants, the *Delegation of German Industry and Commerce* (DGIC) and the *Nigerian-German Business Association* (NGBA) may be involved in the action.

Finally, there are close co-operations with relevant associations and cooperatives as partners in order to enhance the efficiency, effectiveness and sustainability of the project. In the construction sector, the programme also aims at establishing collaborations with NGOs such as the *Fuller Foundation* and the *Shelterwatch Initiative*.

## 4.5. Risks and assumptions

<b>Risk</b>	<b>Level</b>	<b>Mitigation measure</b>
The willingness and commitment of national or federal institutions is hampered by political considerations (e.g. selection of institutions for cooperation).	Low	Clear and transparent communication of the project. Criteria for cooperation and support services of the project.
Declining government revenues lead to further budget cuts for national and federal training and service providers and reduce their performance.	Medium	Strong commitment of states as a key selection criterion. Partial cost coverage of direct costs for implementation of TVET actions through project budget.
Youths qualified by the project use their increased employability to engage in better paid employment opportunities outside Nigeria (brain drain).	Medium	Close interlinking of competence development with business development, labour market matching and advocacy elements.
The deteriorating economic situation leads enterprises to reduce investment and jobs with negative impact on youths' employment perspectives.	Medium - High	Focus on construction and agricultural as relatively economically stable, resistant and future oriented sectors. Promotion of employability enhances the productivity of enterprises. Support of the overall environment for employment creation in construction and agricultural value chains.
The volatile security situation leads to reduced effectiveness and delays in the implementation of activities.	Low	Adopting a flexible conceptual framework allows for adapting measures to changes in context, and adjusting resources between the components of the action as required. Implementation of Do No Harm principle, effective communication with implementing partners, communities and security agencies. Working closely with the state and local government authorities to provide additional security support and access.
Extraordinary agro-ecological conditions (draughts, floods, pests) reduce productivity and employment perspectives of farmers.	Low	Training on Good Agricultural Practices strengthens resilience of farm enterprises for agro-ecological risks. Promoting diversification of production and income generation activities along the value chains.
The low reputation of TVET hampers demand for TVET.	Medium	Active communication of employment and revenue generating potentials of the promoted sectors through various channels (school campaigns, mass media etc.). Networking with government and other programmes promoting youth employment in the agricultural sector.

### **The assumptions for the success of this project and its implementation are:**

- Young Nigerians benefiting from the programme improve their employability, engage in income-generating employment, improve social participation and stay in Nigeria. The likelihood for occurrence of this assumption is seen as medium with a medium impact on the project. The promotion of employability of the Nigerian Youth offers various job

opportunities. Private-public-dialogue and awareness campaigns highlight the key role of the Nigerian Youth for the social and economic development of Nigeria.

- It is assumed that federal and state governments strengthen links between MSMEs and vocational training systems. The occurrence of this assumption is estimated with medium, the possible impact on the project is high. Private-public-dialogue obtains senior level buy-in, through high level political dialogue to ensure acceptance of new methodologies/practice.
- MSMEs offer sufficient positions for apprenticeships/vocational trainings. The likelihood of occurrence of this is seen as medium, with high impact potential. The project will therefore sharpen the awareness for TVET among MSMEs. Enter strategic partnerships with associations and build their capacity.
- Ongoing public support for affordable housing is assumed. The occurrence of this is seen as medium, with a medium impact potential on the project success. SKYE (in cooperation with other GIZ programmes) therefore lobbies with federal and state government to ensure that affordable housing remains a top-priority for federal states and federal governments.
- Sufficient capacity of micro finance institutions is assumed and of medium importance and impact. Further capacity building of microfinance banks (MFBs) is therefore important.
- Sufficient investment capital is available is an assumption with medium likelihood. The impact on the project would be high. The project will therefore build the capacity financial literacy of agribusinesses and MSMEs in order to improve trustworthiness (demand side of credit). Furthermore, capacity building and awareness raising for agro-finance and MSME finance is provided to financial institutions.
- Sufficient capacity of TVET providers is assumed to be medium, with high impact on the project. Skills gaps of TVET providers are therefore systematically assessed and gradually closed.

#### **4.6. Cross-cutting issues**

Cross-cutting issues like gender, migration, conflict and environment will be mainstreamed into all components of the proposed action.

*Gender equity* principles are respected in the design of the action, including the pro-active targeting of female beneficiaries by gender-differentiated indicators on outcome and output levels. For the construction sector female participation will be fostered by identifying and targeting female-dominated subsectors in construction, such as e.g. interior design. Further, the promotion of women in male-dominated trade areas (good potential e.g. in electrical trades as well as construction management) by advocacy measures such as role model campaigns and targeted training offers for women are foreseen. In the agricultural sectors a particular focus on processing of agricultural goods will benefit women, as the vast majority of processing activities is in female hands. As for the capacity building facility, specific funding windows for young women and a broad sector coverage (including ICT) are designed to cater for substantial female participation.

Reducing migration pressure and ultimately *irregular migration* is a central crosscutting issue of this project. The action will complement two upcoming EU funded programmes targeting

irregular migration through the combat of trafficking as well as advocacy measures with regard to the dangers of migration. With its focus on skills development and employment promotion the *Skills for Youth Employment Programme* supports the National Migration Policy 2015, which identifies the creation of productive employment and small enterprise development as key elements for reducing migration. While accurate data on international migration patterns from Nigeria is scarce, existing information draws a heterogeneous picture of the regional and social background of irregular migrants to Europe. Migrant groups include women being trafficked for prostitution, students and skilled professionals overstaying their visas as well as an increasing number of unskilled youth engaging in clandestine and risky passages to Europe<sup>15</sup>. Migration patterns will be taken into consideration both for the definition of the programme's geographical focus as well as for the development of new training programmes. In addition to rolling out broad skills development programmes in agricultural and construction for un- and underemployed youth, selected higher technical qualifications (e.g. in the field of agricultural mechanization, construction management, ICT) will be supported to cater for better-skilled youth with higher aspirations. Specific activities for returning migrants will be included particularly in the framework of the capacity building facility and job centres measures.

Increasing skills levels and employment opportunities for youths in Nigeria can contribute to reduced *fragility and conflict* potential in the targeted areas. A comprehensive peace and conflict assessment (PCA) matrix for the planned action has been developed and supports the identification and mitigation of conflict areas. The *do-no-harm-principle* governs all GIZ-implemented projects in conflict sensitive contexts. It implies that unintended impacts on conflict are regularly assessed and observed. GIZ's risk management office in Abuja contributes to an informed assessment of risk environments and intervention potentials. While the most fragile and conflict-affected regions like the north-east may not be targeted directly with project activities for security reasons, it is envisaged to increase outreach to these areas by piloting ICT-based distance training offers.

*Environmental sustainability and protection* is not a key focus of the action. However, environmental protection aspects will be considered in agricultural production as well as construction activities. The project can rely on environmental assessments conducted by other GIZ projects working in the construction and agricultural sectors. Risks may include e.g. the danger of land erosion through increased cassava production, or environmental harms by unregulated construction activities. In addition to the observation and mitigation of unintended effects of project activities, it is planned to include relevant environmental awareness topics in selected curricula of agricultural and construction training providers.

## **5. IMPLEMENTATION ISSUES**

### **5.1. Convention with the organisation**

A PAGODA Delegation Agreement shall be concluded between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (the Organisation) and the European Commission (the Contracting Authority) for the implementation of all results and activities of the action. The Organisation will be commissioned by the German Federal Ministry for Economic Cooperation and Development with the implementation of the action. GIZ is a suitable EU Member States Agency to be involved for the implementation of this project: (1)

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<sup>15</sup> National Migration Policy 2015, p. 11 ff.

it provides a unique mix of instruments for implementing this project; (2) it has long-standing experience with projects in the area of economic development and migration; (3) it already has offices in Nigeria; and (4) is experienced in implementing EU-funded projects in Nigeria. GIZ has successfully passed the EU’s pillar assessment to be entrusted with the implementation of the project.

## 5.2. Indicative operational implementation period

The implementation period will be 48 months (including an inception phase of no more than 6 months). The delay for the operational start of field activities will be of 3 months starting from the signature of the implementation convention.

## 5.3. Implementation components and modules

Overall responsibility for technical and financial implementation of all components and modules is with GIZ as entrusted entity. A Project Implementation Management Unit with GIZ staff will assume this responsibility. For implementation of the five components GIZ would carry out any budget-implementation tasks required for the activities described in section 4.2 such as: deploying own personal, launching calls for tenders for consultancy services, procurement of goods and for proposals where appropriate; definition of eligibility, selection and award criteria; evaluation of tenders and proposals if appropriate; award of grants and contracts; concluding and managing contracts, carrying out payments, recovering moneys due etc.

## 5.4. Indicative budget

The indicative budget totals 58 million EUR, of which 50 million EUR are financed through the European Trust Fund (EUTF), and 8 million EUR through the German Federal Ministry for Economic Cooperation and Development (BMZ). A detailed budget will be submitted together with the Description of the Action.

Component	Amount in EUR
Component 1: “TVET in construction value chains”	11,214,953
Component 2: “TVET in agricultural value chains”	12,149,532
Component 3: “Business development and employment promotion”	11,214,953
Component 4: “Capacity development facility”	12,149,532
Component 5: “Policy and public-private dialogue”	7,476,635
<b>Total direct costs of the action (1-5)<sup>16</sup></b>	<b>54,205,606</b>
<b>Indirect costs (max 7%)</b>	<b>3,794,394</b>
<b>Total</b>	<b>58,000,000</b>

## 5.5. Organisational structure and governance of the action

A *Project Steering Committee (PSC)* chaired by the *Ministry of Budget and Planning* (on behalf of the beneficiary) and with members in representation of all the involved Ministries (the Minister or someone directly delegated by the Minister, as appropriate). Formal TVET providers will be represented through members from sectoral research councils representing colleges and universities. The private sector will be represented by representatives of trade and business associations from the construction and agro-processing sector, as well as key

<sup>16</sup> The total indicative budget is co-funded by the European Union (€50 million) and the German Federal Ministry for Economic Cooperation and Development (BMZ) (€8 million). The German contribution is subject to the approval of the BMZ’s budget for the financial year 2016/17.

businessmen in the sectors. In order to develop social partnership models for skills development and employment, representatives from trade unions or other recognised civil society organisations may be included as well.

The PSC, which shall meet bi-annually and take decisions by consensus, shall oversee and validate the overall direction and policy of the proposed action. The Project Manager shall be a member of the PSC. It will review progress in the implementation of the project and actively provide directions to the management of the project. It will also receive, revise and discuss external monitoring reports and evaluations, when applicable. The EU Delegation should be invited and may attend as observer.

A practical and functional *Project Implementation Management Unit* (PIMU) shall be established with the overall responsibility of coordinating, managing and implementing the project activities as agreed. The PIMU, with the responsibility of full and final delivery of objectives and result areas, shall have offices in the cluster regions and a central office in Abuja. The main tasks of the PIMU are the recruitment and management of staff, subcontracting and procurement of services necessary to implement the action, the setting-up and operation of decentralised cluster offices necessary as a support structure, the operational planning for all components, coordination and harmonisation with relevant national and international stakeholders, setting up and ensuring compliance with risk management measures and organising the communication and visibility of the action.

## **5.6. Performance monitoring**

The proposed action will establish a results-based monitoring system that will generate data on progress of the action on a regular basis. This data will be used for programme steering as well as for biannual reporting on progress. All monitoring activities and plans shall be shared with the EU in order to strengthen joint monitoring efforts.

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.

## **5.7. Evaluation and audit**

### **5.7.1. Evaluation and audit by the European Commission**

The Commission may decide to undertake a final evaluation of this action and, if deemed relevant, a mid-term evaluation for one or more of its components. Evaluations will be carried out via independent consultants. The mid-term evaluation will be carried out for problem solving in the concerned components.

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.

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.

### **5.7.2. Evaluation and audit by the organisation(s)**

A new updated baseline and results-based monitoring system will be established to generate data on progress of the action on a regular basis. Given the complexity and volume of the action, a designated monitoring unit will be established. Data will be used for project steering as well as for annual progress reporting. All monitoring activities and plans shall be shared with the EU in order to strengthen joint monitoring efforts. The basis for the monitoring system is the programme's logframe with its underlying outcome and output indicators and the updated baseline<sup>17</sup>. The updated baseline and logframe will be used as a joint management tool, allowing for adjustments and revisions at the output and activity level in order to effectively achieve the expected project outcome.

Provisions for external mid-term and final evaluations of all project components have been made. Evaluations will be conducted in line with GIZ and EU regulations. 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.

Financial audits and external expenditure evaluation (EEE) will be carried out in conformity with the risk analysis in the frame of the yearly audit plan exercise conducted by the European Commission. External Expenditure Evaluation and audit assignments will be implemented through service contracts either by competitive negotiated procedure or single tender procedure.

## **5.8. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU; in addition, specific channels of communication will be used to increase the visibility of EUTF funded activities (e.g. Akvo RSR platform and EUTF website)..

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 5.4 above.

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 the contract.

The communication and visibility plan of the action and the appropriate contractual obligations will be established on the basis of communication and visibility guidelines for external actions of the European Union and on the basis of any other instruction from the European Commission.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission reserves the right to publish the results, indicators and targets of the project.

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<sup>17</sup> baseline study shall be finalised within the first 6 to 9 months following the signing of the contract, during the initial starting phase.



## List of acronyms

ADP	Agricultural Development Programme
BMZ	German Federal Ministry for Economic Cooperation and Development ( <i>Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung</i> )
CAMM	Common Agenda on Migration and Mobility
CARI	Competitive African Rice Initiative
DfID	U.K. Department for International Development
DGIC	Delegation of German Industry & Commerce
ECOWAS	Economic Community of West African States
EEE	External expenditure evaluation
EUTF	European Trust Fund
FCT	Federal Capital Territory (of Nigeria)
FMARD	Federal Ministry of Agriculture and Rural Development
FMBP	Federal Ministry of Budget and National Planning
FME	Federal Ministry of Education
FMLP	Federal Ministry of Labour and Productivity
FMPWH	Federal Ministry of Power, Works and Housing
GDP	Gross Domestic Product
GII	Gender Inequality Index
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
ICT	Information and Communication Technology
IEI	Innovation Enterprise Institution
ITF	Industrial Training Fund
JCU	Job Creation Unit
M&E	Monitoring & Evaluation
MAFITA	Marginalised Youth in Northern Nigeria
MBNP	Ministry of Budget and National Planning
MCP	Master Craftsperson
M&E	Monitoring & Evaluation
MFB	Microfinance Bank
MFI	Microfinance Institute
MBNP	Main Nigerian Beneficiary Agency
MSME	Micro-, small and medium sized enterprises
NACCIMA	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
NASME	Nigerian Association of Small and Medium Enterprises
NBTE	National Board for Technical Education
NDE	National Directorate for Employment
NECA	Nigeria Employers Consultative Association
NGBA	Nigerian German Business Association
NGO	Non-Governmental Organisation
PIMU	Project Implementation Management Unit
PSC	Project Steering Committee
SSAB	Sustainable Smallholder Agri-Business

SEDIN	Sustainable Economic Development in Nigeria (former GIZ programme, now officially called: <i>Pro Poor Growth and Employment Promotion in Nigeria</i> )
SKYE	Skills Development four Youth Employment
SME	Small and Medium Sized Enterprises
SMEDAN	Small and Medium Enterprise Development Agency
TVET	Technical Vocational Education & Training
VEI	Vocational Enterprise Institution
YESSO	Youth Employment and Social Support Operation

## ANNEX 1. AREAS OF INTERVENTION OF THE TRUST FUND

Area of intervention 1: Greater economic and employment opportunities	Primary target	Secondary target
Support for entrepreneurship, SMEs and the informal sector, particularly for youth and women	<input type="checkbox"/>	x
Support for the development of economic growth areas	<input type="checkbox"/>	x
Strengthening the professional and technical skills and improving employability of girls and boys	x	<input type="checkbox"/>
Area of intervention 2: Strengthening Resilience	Primary target	Secondary target
Food and nutritional security	<input type="checkbox"/>	<input type="checkbox"/>
Production, productivity, valuation and marketing of Agricultural products	<input type="checkbox"/>	<input type="checkbox"/>
Local infrastructures (opening-up, water management for agricultural purposes etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Sustainable management of natural resources and adaptation to climate change	<input type="checkbox"/>	<input type="checkbox"/>
Access to drinking water, hygiene and sanitation, living conditions and access to basic services (health, education etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Area of intervention 3: Improving migration management	Primary target	Secondary target
Prevention of irregular migration and fight against human trafficking	<input type="checkbox"/>	x
Asylum, legal migration and mobility	<input type="checkbox"/>	<input type="checkbox"/>
Synergies between migration and development (supporting initiatives of diasporas)	<input type="checkbox"/>	<input type="checkbox"/>
Support for return and reintegration	<input type="checkbox"/>	x
Border management	<input type="checkbox"/>	<input type="checkbox"/>
Area of intervention 4: Improved governance and conflict prevention	Primary target	Secondary target
Strengthening the rule of law	<input type="checkbox"/>	<input type="checkbox"/>
Preventing conflicts and radicalisation	<input type="checkbox"/>	<input type="checkbox"/>
Capacity building to support security	<input type="checkbox"/>	<input type="checkbox"/>

**ANNEX 2. LOGFRAME MATRIX OF THE PROJECT** (maximum 2 pages)

	<b>Results chain</b>	<b>Indicators</b>	<b>Baseline<sup>18</sup></b> (incl. reference year)	<b>Targets</b> (incl. reference year)
<b>Overall objective: Impact</b>	<i>Incentives to irregular migration from Nigeria are reduced.</i>	Number of youth leaving Nigeria on a migration route towards Europe Reduction of asylum applications in Europe by Nigerian youths Economic productivity (for example GDP growth, level of inflation, rate of employment) Income levels (disaggregated by sex, age, locality) Gender inequality		Reduced number of youth leaving Nigeria on a migration route towards Europe in 2020  Reduction in 2020 compared to 2016
<b>Specific objective(s): Outcome(s)</b>	<i>Income generating (self-) employment opportunities of young Nigerians, including voluntary returnees in selected economic sectors are promoted</i>	I1: 70% of 376,000 youth that have benefited from project activities, of which at least 30% women, confirm that their economic situation has improved on a scale from 1-10 by at least 2 points	0 (no programme activities)	70% of 376,000, of which at least 30% women
		I2: 70% of 2,000 graduates of new labour market oriented TVET programmes, of which 30% women, are in employment 6 months after graduation	0	70% of 2,000 graduates, of which 30% women
		I3: 40% of 340,000 MSMEs in the construction and agricultural sector which benefited directly from access to qualification and business development services, have increased their income Z on average by 20%	X MSMEs which were categorized into income levels at the beginning of the intervention	40% of 340,000 MSMEs have increased their income Z on average by 20%

<sup>18</sup> A baseline study shall be finalised within the first 6 to 9 months following the signing of the contract, during the initial starting phase.

	Results chain	Indicators	Baseline <sup>18</sup> (incl. reference year)	Targets (incl. reference year)
		I4: X representatives of professional and trade associations in the agricultural sector as well as Y graduates of new training offers in 18 TVET institutions confirm that employment opportunities of youth have improved through the implementation of the new curricula for four occupational standards	0	X representatives of professional and trade associations in the agricultural sector as well as Y graduates of 4 new training offers in 18 TVET institutions
	Results chain	Indicators	Baseline (incl. reference year)	Targets (incl. reference year)
Outputs	<b>Output 1: The quality of TVET in the construction sector is improved</b> Output 1.1: Mechanisms for the implementation of quality guidelines in the construction sector are established Output 1.2: Training in construction related trades in the informal sector is improved Output 1.3: Public and private TVET providers are strengthened Output 1.4: Capacities of providers for affordable housing are strengthened	O1 I1: 180,000 young Nigerians are trained according to approved quality guidelines for TVET in 5 construction trades in 6 states	0	180,000 young Nigerians
		O1 I2: 2,500 Master Craftspersons (MCPs) apply new teaching and training standards in workplace training in 5 construction trades in 6 states	0	2,500 qualified MCPs
		O1 I3: 100 TVET teachers apply new teaching and training methods in 8 TVET institutions in 6 states	0	100 TVET teachers apply new methods
	<b>Output 2: The competencies of Nigerian youth for productive employment in the agricultural sector are improved</b> Output 2.1: Business and good agricultural practice skills development programmes in agricultural value chains are implemented Output 2.2: Capacities of non-formal and formal Agricultural TVET (ATVET) providers are strengthened Output 2.3: Business-driven integrated approaches for TVET and employment are implemented Output 2.4: Awareness of employment and economic opportunities in the agricultural sector has increased	O2 I1: 160,000 smallholder farmers, of which 30% women, participate in quality assured further trainings on business and production related topics in 6 states	0	160,000 smallholder farmers, of which 30% women
		O2 I2: 200 TVET multipliers (e.g. teachers, extension agents) from 10 TVET institutions apply new teaching methods and technical skills	0	200 multipliers (e.g. teachers, extension agents) from TVET institutions
		O2 I3: 1,000 Nigerian youth, of which 50% women, participate in one of 4 newly developed competency-based TVET programmes (e.g. agricultural machinery, agro-processing)	0	1,000 Nigerian youth, of which 50% women
	<b>Output 3: The environment for employment creation in construction and agriculture value chains is improved</b> Output 3.1: Access to finance and financial services are improved	O3 I1: 4 new financial products targeting MSMEs in construction and agricultural are offered by 15 financial institutions	0	4 products in 15 institutions

	Results chain	Indicators	Baseline <sup>18</sup> (incl. reference year)	Targets (incl. reference year)
	Output 3.2: Market linkages in the construction and agricultural sector are strengthened Output 3.3: Business enabling environment is improved Output 3.4: Approaches for facilitating transition to employment are implemented	O3 I2: 5,000 MSMEs apply 1 of 10 new business models (e.g. mechanization, storage, irrigation, incremental housing), offering 10,000 new jobs, of which 30% women	0	5,000 MSMEs offer 10,000 new jobs, of which 30% women
		O3 I3: 8,000 new people are registered in 5 job centres in 5 states	2,000 people	8,000 new people registered in 5 job centres
Outputs	<b>Output 4: Innovative approaches for employment promotion are implemented</b> Output 4.1: A funding facility is operational Output 4.2: Innovative pilot projects are selected and implemented Output 4.3: Positive experiences from pilot projects are disseminated and scaled up	O4 I1: 10,000 Nigerian youth, of which 40% women, have participated in innovative employment promotion measures (qualification, job placement and counselling, and job creation)	0	10,000 Nigerian youth, of which 40% women
		O4 I2: 10 ICT-based projects with new approaches for employment promotion (qualification, job placement and counselling, and job creation) are implemented through the facility	0	10 ICT-based projects
		O4 I3: 5 innovative project approaches for employment creation are replicated by the Nigerian government and/or other organisations	0	5 replicated project approaches
	<b>Output 5: Framework conditions for employment-oriented TVET are improved</b> Output 5.1: Mechanisms for public-private dialogue on employment oriented skills development and TVET are strengthened Output 5.2: Reform processes for increased permeability of the TVET system are initiated Output 5.3: A communication and information platform on TVET and employment related knowledge sharing is established Output 5.4: An M&E system of the programme is in place and regularly updated	O5 I1: Sector skills councils approve 5 occupational standards for the construction and agricultural sector	0	5 approved occupational standards
		O5 I2: X joint recommendations to support the TVET reform process are drafted between public and private TVET stakeholders in the context of 4 dialogue events	0	X jointly developed recommendations
		O5 I3: 1.5 Mio. young Nigerians, of which 30% women, are informed about TVET and employment potential in Nigeria through different ICT media channels	0	1.5 Mio. young Nigerians, of which 30% women