Draft Terms of Reference
Mandume Ya Ndemufayo University (UMN), UNDP and ILO joint study on skill supply and demand, in the Huila Province, Angola
March 20, 2019

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1. Background

Since 2014, the Angolan economy has been characterized by low economic growth, with limited employment generation. Real GDP shrank 2.6% in 2016 and 0.1% in 2017. GDP per capita contracted -5.5% in 2016 and -3.2% in 2017.[1] The IMF projects real GDP to fall 1.7% in 2018.[2] Angola ranked 147th, out of 189 countries, in the 2018 Human Development Index (HDI). In 2018, half of the population (51.2%) lived in multidimensional poverty.[3]

Angolan population is projected to grow fast, from 25.9 million in 2014, to 41.8 million people by 2030. In 2018, 46.6% of the population was aged 14 or below. Unemployment rate was estimated at 20% in 2015; youth unemployment remains high: 44.5% in the age group 15-19, 31.8% in the age group 20-24, 18.2% in the age group 25-29, and 12.8% in the age group 30-34.[4] High unemployment can be attributed to several causes, including the structural mismatch between education sector and labor market needs, along with the stagnation of job opportunities in the public sector. Informal employment is widespread. In 2016, the share of informal employment in total employment was estimated to exceed 94%.[5]

The National Development Plan (NDP) 2018-2022 projects the economy will grow at an average rate of 3% per year, in 2018-2022, with sustained growth in non-oil sector. However, the shortage of professional personnel is a challenge. Innovative approaches are needed, which include increasing country production and creating new employment opportunities for the youth.

Access to schools, universities, and Technical and Vocational Education Training (TVET) has improved. At present, 10 million[6] students are enrolled in the primary and secondary education systems. However,

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[1] Source: INE, Annual National Accounts 2009-2017. October 2018.
[2] Source: IMF, 2018. IMF Country Report 18/370, December 2018.
[3] Source: OPHI (2018). Global Multidimensional Poverty Index 2018. Global Report and Country Reports.
[4] Source: INE, 2017. Employment Report. Based on IIMS survey 2015-2016.
[5] Source: ILO, 2018. Women and men in the informal economy: a statistical picture.
[6] Source: National Development Plan (NDP) 2018-2022.

quality remains elusive, which is reflected on low progression through programmes, in all types of educational institutions, as well as low completion rates, estimated at 79% from schools, TVET centres, and universities. The subsystems of Universities, Faculties and TVET centres are the largest components of the post-school education and training system. Since 2014, the national system of vocational training reported 550 trainings facilities, with capacity to enroll 50,000 students per year in the TVET sector.[7]

There is growing consensus regarding the skills problems facing Angola. Key strategic documents like the NDP 2018-2022[8], the Human Resource Development Strategy, the National Plan of Skill Development (Plano Nacional de Formação de Quadros, PNFQ) 2013-2020, Employment and Vocational Training Programme (Ministry of Labor) and Post-School Education Plan and Training Programme (Ministry of Education) all draw attention to the challenges of poor supply of skills from the education and training systems, and the misalignment between skills supply and demand from private sector.

Within this context, in 2012-2016, El Niño-induced drought caused US$750 million damages and losses, in six southern provinces. Of 1.2 million people directly affected by the drought, 1.1 million were found in just three provinces: Cunene, Huila and Namibe.[9] A Drought Recovery Framework (DRF) 2018-2022 was proposed, with US$475 million budget, during the five-year period, to support the interventions needed. The DRF 2018-2022 targets nine sectors: social, agriculture, water and sanitation, environment, education, governance, risk reduction, food security, and nutrition.

The response within the social sector calls for major investments in non-agriculture livelihood options, targeting those people affected by the impact of El Nino who cannot generate enough income from agriculture, even with more resilient crops. However, US$370 million, out of total US$475 million needed, has yet to be financed, mainly in non-agricultural sectors. Promoting TVET could have a potential large role to develop skills and generate income opportunities for the local population. It is noteworthy that the three provinces most affected by El Niño-induced drought are also suffering from high level of multidimensional poverty: in Cunene, 71.9% of the population is multidimensionally poor; in Huila is 68.7%; and in Namibe is 50%.[10]

The Provincial Government of Huila, in collaboration with Ministry of Education, Ministry of Labor and Ministry of Telecommunications and Information Technology has invested in establishing a TVET system, as well as education, training and learning activities, with the aims to foster knowledge and develop skills, to promote qualified employment and entrepreneurship.

Within this context, the joint study by ILO and UNDP, in close collaboration with the Provincial Government of Huila and Mandume Ya Ndemufayo University (UMN), aims to investigate the relationship between the demand of skills from the productive sector and the supply of skills in the economy of Huila. The study is expected to contribute to the implementation of the DRF 2018-2022 in non-agricultural sectors.

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[7] Source: idem.

[8] The NDP 2018-2022 contains several programs aims at fostering formal employment and training: program 1.3.1 (national plan of training), program 1.3.2 (strengthen national system of vocational training), program 2.3.1 (import substitution and export diversification), program 2.5.1 (informal economy reconversion), program 2.5.2 (employment program), among others.

[9] Source: Post-Disaster Needs Assessment (PDNA).

[10] Source: OPHI (2018). Global Multidimensional Poverty Index 2018. Global Report and Country Reports.

2. Objectives of the study

The overall objective of the study is to investigate the supply and demand of labor skills in the Huila province. The study aims to achieve the following specific objectives:

1. Analysis of policy framework and market structure related to skills demand and supply.
2. Provide evidence of skill demand and supply where people are likely to obtain employment in the future. The evidence will support national and local government to allocate resources at those skills where people are likely to get job, to contribute to poverty eradication.
3. Inform the planning of the supply side of labour market, for funding the development and creation of skills that are relevant to the needs of the labour market, including the role of TVET institutions.
4. Formulate key policy recommendations to fill in the identified skill mismatches, both in the short and the long term. Elaboration of possible policy scenarios on employment generation policies and on the creation of sustainable policies to operationalize the DRF 2018-2022.
5. Forecast potential market-driven skill demand.

3. Methodology

The study aims at providing a holistic understanding and evidence of the current supply and demand for skills in Angola. It will also analyze how labour skill supply and demand interact, to provide some advice for skill and training policies. The over-arching methodological approach is shown in Figure 1.

Fig. 1. Framework for the analysis of skill supply and demand
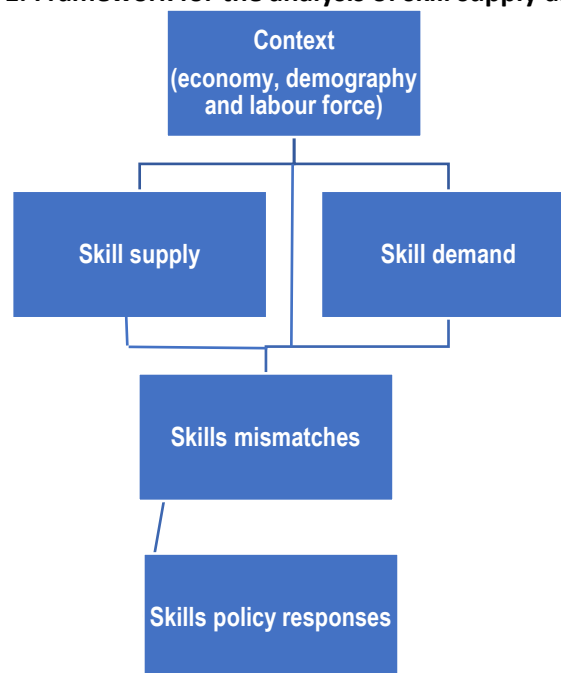
The analytical approach is expected to review the local economy to forecast market-driven skills demand by looking at features of the provincial and regional economy, growth trends in economic sectors, various factors affecting economic growth, untapped local opportunities and investment climate, and understanding skills mismatches, among others. The scope and depth of the analysis are confined to those areas with the purpose of skills demand analysis in mind.

4. Structure of study

The study will be designed to investigate the productive potential of Huila Province and provides substantive evidence on skills demand and supply gap to influence decision making process. The structure is as follows:

1. Analysis of macroeconomics and employment indicators of Angola.
2. Provide an overview of the Angolan labour market (labour force, employment, unemployment, etc.) in 2013-2018, with data disaggregation (provinces, gender, age, and education level)
3. Describe the existent and potential supply of skills from the schooling sector, the TVET sector, and the university sector. This provides the basis for identifying the types of skills that people acquire when they move through the education system and enter the labor market.
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5. Examine the changes in the structure of employment and skills. The analysis should focus on skills needed to support the government projects, employers' perceptions of skills needed in their firms, and outline the analysis to identify the list of jobs in high demand.
6. Extend the analysis of the demand for skills and provides an understanding of the mismatches that exist in the labor market. This analysis provides policy makers with evidence for interventions to tackle skills mismatches.
7. Identification of tools and component for an integrative joint ILO/UNDP programme.

5. Partnerships

The study will be carried out in collaboration with the Provincial Government of Huila and Mandume Ya Ndemufayo University (UMN). The collaboration will be guided by the Memorandum of Understanding between the UNDP and UMN, signed in October 2018. ILO and UNDP are expected to provide qualified advisory and technical assistance, which will be reflected on the quality of the report on skill supply and demand.

6. Expected deliverables

The study has five major expected deliverables, as follows:

1. Pre-analysis: conduct a mapping of skills development and youth employment policies and programmes to provide a clear and detailed picture of the current situation in terms of the scope of all these youth employment and vocational training programmes.
2. In-field analysis:

2.1 Identify bottlenecks facing the different sectors of the economy, with specific focus on promising sectors to generate youth employment. Outline possible activities that can be taken to overcome these gaps in collaboration with small and medium-sized enterprises (SMEs);

2.2 Identify possible gaps in the policy, legal and regulatory framework, market structure related to youth employment opportunities in Angola and outline the necessary activities that can be taken to overcome these gaps;

2.3 Identify skills gaps needed by sectors, and identifying training programmes to provide such skills in collaboration with SMEs;

2.4 Identify potential job opportunities for youth, with focus on women and most vulnerable groups;

2.5 Facilitate participation of the teams in knowledge sharing and organize focus groups discussion and workshops on youth employment and vocational training, with UMN and TVET institutions.

3. Post-field analysis: final research report with a proposed road map on how the study findings will instill policy dialogue and operationalization the DRF 2018-2022 in non-agriculture sector.

4. A stratification should be provided and specific options for the segment of people affected by El Niño in need of non-agriculture livelihood options should be provided.

5. Examine how the study findings will indicate the first components for a joint UNDP/ILO programme.

7. Reporting

The team will report to the Provincial Government of Huila, UNDP Angola's Resident Representative and ILO Director.

8. Team composition

The team is composed by:

1. ILO, senior consultant
2. ILO, senior officer
3. UNDP Angola, Senior Economic Adviser
4. UNDP Angola, head of Inclusive Growth and Sustainable Development (IGSD) cluster
5. UNDP Angola, economist
6. Mandume Ya Ndemufayo University (UMN), Dean of the Faculty of Economics/Cabinet of Firms and Interchange of the Faculty of Economics
7. Mandume Ya Ndemufayo University (UMN), researchers

9. Work plan

Table 1 below shows the work plan of the study, which is expected to end with the joint presentation of the research report.

Table 1. Work plan for 2019

Activity	February	March	April	May	June	July	August	September	October	November
Approval of ToR	▓	▓								
Selection of ILO consultant and set up of the team		▓								
Research design and methodology		▓	▓							
Literature survey, theoretical framework and desk research		▓	▓							
First mission, with ILO consultant (three weeks)				▓						
Training of researchers				▓						
Data collection					▓	▓	▓	▓		
Second mission, with ILO consultant (two weeks)								▓		
Data analysis								▓	▓	
Drafting of the report									▓	▓
Third mission for the presentation of the report, with ILO consultant and other officers (one week)										▓

Note: Mandume Ya Ndemufayo University (UMN) will coordinate and engage in the study elaboration. UNDP Angola will be fully engaged along the time of the study and results presentation. The main focal point from UNDP side will be Lorenzo Mancini, economist (PhD), with feedback from Senior Economic Advisor and Head of the Inclusive Growth Unit.