

Djibouti Workforce Development and Competitiveness Study

Scope of Work

I. Background

Djibouti has articulated a vision of its economic future as a highly competitive and modern communications, transport and value-added export facilities hub. Djibouti has considerable strengths to build on in striving to achieve this vision, but it also faces many challenges. Djibouti's strengths include its strategic location, its stability and relatively good public infrastructure, its openness to policy change, promising reforms in the education and health sectors, competent government officials and commitment to promoting private sector growth. It also has Pole, an on-line university that has the potential for responding rapidly and flexibly to workforce development needs.

Djibouti faces significant challenges on the demand- and supply-side of the labor market that will have to be overcome to achieve the vision stated above. These challenges include the low level of education of its population and refugees residing in its borders, and very limited economic opportunities for most of the population resulting in high levels of poverty, unemployment and underemployment. It also has a very academically-oriented education system that cannot meet the population's demand for education and that doesn't adequately prepare students for earning a livelihood. The NGO sector in Djibouti is still in the formative stage of development and the country doesn't have the resources or infrastructure to provide alternative opportunities for non-formal education for the vast number of out-of-school youth and adults.

II. Results and Objectives of the Study

The workforce development and competitiveness study will:

- Examine the workforce development and related competitiveness challenges that Djibouti will face in achieving its goal of becoming a globally competitive communications, transport and value-added export facility, including related banking and IT requirements, and in developing its fishing, livestock and tourism sectors;
- Assess current capacity and willingness in the public, private and non-profit sectors to address these workforce development and competitiveness challenges;
- Identify short- and long-term workforce development and other strategies the Government of Djibouti (GOD) and the Djiboutian private sector can undertake to improve their competitiveness and increase the number and quality of employment opportunities in Djibouti Ville and rural areas; and
- Recommend holistic options for USAID assistance to support these efforts, particularly education and training related strategies and interventions in Djibouti's formal and non formal education system and services so that education services meet the market demands, and strategies and recommendations for linking youth (whether school graduates or unemployed youth) to employment.

The specific results of this effort will include an assessment of the following:

Labor market conditions including, estimates of the current and future supply and demand for workers, workforce demographics, worker and employer attitudes, worker education and skill levels, wages, and current employment in the formal and informal sectors of the economy, by industry sector, and in rural and urban areas;

The labor market policy environment including government policies related to employment generation, hiring, wages, immigration, education including out-of-school youth and adult; and the quantity and quality of communication and collaboration among employers, government and the education sector at all levels;

Private sector policies and practices that impact their competitiveness including investment in developing workforce skills, the use of technology, the amount and quality of collaboration among firms in a sector and patterns of cluster cooperation;

The quantity and quality of workforce related education and training including the organizational capacity of public, private and non-profit providers and e-learning to improve relevance and access so that they can prepare enough people at various levels in the necessary timeframes;

Opportunities for addressing labor market and competitiveness issues in USAID's country strategic objectives and country strategy, including potential linkages with other USAID supported activities;

Activities of other donors focused on labor market and competitiveness issues and opportunities for synergy with these activities; and

The interest and capacity of the labor market partners to undertake efforts that will strengthen Djibouti's workforce and economic competitiveness.

Based on this analysis, the study team will recommend strategies for improving Djibouti's workforce and economic competitiveness and provide options for how USAID could support such efforts.

III. Tasks, Activities and Methodology

Desk Review. The study will build on the USAID education sector review and other analyses conducted by the GOD, other donors, and the private sector. The team will begin by collecting data, analyzing available studies from USAID, the World Bank and Government of Djibouti (GOD) sources and contacting sources of information at the World Bank/Washington and Embassy of Djibouti. The team has already conferred and will continue to confer with USAID experts in Washington who have been working on these and related issues for Djibouti. In addition, as necessary, the team will hire a local

staff person to help set up meetings, serve as interpreter and handle the logistics associated with the study.

Initial Briefing (s). The team will provide an initial briefing on the study for USAID's Regional Economic Development Services Office (REDSO) in Nairobi prior to conducting field study and, as desired, brief US Embassy and Mission staff in Djibouti upon arrival in Djibouti.

Field Study. The project team will carry out the in-country portion of the feasibility study through structured interviews and focus groups in Djibouti Ville, and to the extent feasible outside Djibouti Ville. Existing data will be collected and analyzed, but no primary data collection will be undertaken. To the extent possible, interviews and focus groups will be conducted with:

- GOD officials in the President's office, Ministries of Planning, Commerce, Education, and Labor and National Solidarity;
- Key individuals in Djibouti's most important industries and/or industry clusters. These people will be identified in conjunction with USAID. They are likely to include employers, self-employed micro-entrepreneurs, workers at different skill and income levels, government officials, educators and others such as bankers, IT providers, providers of micro-credit and business support services, and other who support to these industries;
- Staff and students of formal and informal education and training providers including vocational schools, the Pole University, company human resources staff and any other training providers;
- Key staff from education reform projects;
- Representatives of other development donor agencies involved in workforce development programs.

The following kinds of questions will be posed through these interviews and focus groups. These will be refined based on further research and consultation with USAID.

Job Creation

- How do macroeconomic policy and legal and regulatory factors influence employers' decisions to hire new workers, and how do these decisions differ by size and type of firm? How can current barriers be overcome?
- What is the potential for job creation in the new port facility? In the transportation sector? In value-added commerce? In fishing and livestock? In eco-tourism? In communications and banking?
- What are the job creation estimates at all levels related to the new port and in what time frame?
- Has the Belgian company developing the new port assessed the workforce implications of the new port?
- What changes in infrastructure, production capability, etc. will be required to achieve this potential? What are reasonable time frames?

- What is potential for job creation from the free trade zone and the implications for skill needs?
- Which segments of the population (i.e., high skill and low skill adults, youth, non-Djiboutians) are likely to benefit from these new jobs? How can access be improved?
- What opportunities exist for raising productivity in the informal and semi formal sectors, which comprise approximately 80% of all enterprises, to raise incomes and expand employment opportunities for the unemployed?
- How can the formal and non-formal sectors be linked to enhance opportunities for workers in the non-formal sector?
- What options are there in urban and rural areas?

Current and future demand for skills at all levels

- What new products, production patterns, quality control requirements, and labeling requirements will be required to increase competitiveness?
- What are the consequences of these implications for changes in worker skills demanded by employers? For example, what skills (including basic, technical, English language, IT skills, supervisory and management skills,) and other qualifications such as certifications are needed for employment in targeted industries. i.e., banking and IT?
- Has the Belgian company developing the port projected skill needs? Have other employers?
- Do employers in the clusters studies understand the needs of their markets, end customers, and the supply chains to which they belong? Have they identified categories of skill needs to help them compete in selected markets? What information sources do they use to identify skill needs?

Current and future supply of skills at all levels

- What are the characteristics of the current and future workforce, by age, sex, Djiboutian, refugee, urban, rural?
- What are current skill levels, including basic skills, technical skills, IT literacy, work-readiness skills, supervisory and management skills, English?
- How do Djiboutians' attitudes toward different kind of work and the role of women affect labor force participation and employment?
- How do employers communicate skill needs, and to whom?
- What is the current and anticipated gap between the supply of and demand for skills at different levels?
- How do the national labor laws and other policies and practices influence the demand for skill development and employers' willingness to invest in employee skills development?
- In what kinds of education and training are workers and students enrolling? Are they getting jobs as a result of the training?
- How do entry qualifications for training influence participation?

Current capacity in public and private sectors to produce necessary skills (This inquiry will build on the education sector assessment)

- What is the current capacity of school system (primary, secondary and tertiary) in urban and rural areas to produce necessary work readiness and more specific technical skills at different levels and what it would take to increase their relevance to Djibouti's workforce development challenges?
- What is the capacity and expansion potential of the Pole distance university?
- What opportunities exist for informal skill development? How can this capacity be expanded?
- What is the capacity and interest of individual companies (foreign and Djiboutian) to address current and future workforce development needs?
- Which employers are willing to cooperate in identifying work readiness and technical skill requirements, providing work experience opportunities for program participants, mentoring etc.?
- Are employers willing to commit to hiring program completers if they meet requirements? If so which ones? How do tax and other policies influence employer investment in skill development?
- What is the current capacity of the chamber of commerce or other employer or industry associations and what role might they play in upscaling the skills of Djibouti's current and future workforce?
- What is the capacity and potential of NGOs to assume a role in workforce development?
- What role can the GOD play as an employer in upgrading the skills of its workforce?
- What is the current capacity in vocational schools and among other (public, private, non-profit) providers to provide long-term and short-term training, manage work experience and on-the-job learning, and provide access to quality e-learning opportunities? How many students can they currently serve and what is their capacity for expansion?
- Which, if any, public non-profit and/or private training organizations have the capacity to deliver such services?
- What opportunities exist for creating career pathways for young people that include work and learning opportunities to prepare them for the kind of employment envisioned for the new Djibouti?
- What are the perspectives and potential roles of different players in the GOD, especially in the Ministries of Education, Labor and Commerce?
- How do education financing systems and legislative and regulatory policies affect education and training providers' responsiveness to customer demands? How can identified regulatory, financial and other barriers to institutional responsiveness be removed?

Potential strategies

- What can be done in Djibouti's formal and non formal education system to enhance their capacity to deliver education and training in flexible, timely and demand-responsive ways?

- How could access be expanded to relevant tertiary education that supports Djibouti's economic development goals?
- How could the resource of trained and competent people be used more effectively to mentor others?
- What strategies could be developed to connect out of school youth to employment? (These youth include those who have not completed high school, unemployed high school, college graduates, very poor young people working in the informal sector, those aged out because of civil war, and non citizens who are not eligible to go to school.)
- How can workforce development strategies be integrated with job creation and other development strategies to produce holistic solutions that will benefit Djibouti's economy and population?
- What are other donors doing in this arena and how should USAID investments be coordinated with their activities?
- How can communication between educators and employers/entrepreneurs be improved?

Debriefing. Upon completion of the fieldwork, the study team will, as desired, provide a summary of key findings and recommendations in a debriefing with the Mission and US Embassy. Upon completion of the study, the study team will also be available to conduct a briefing on the study in Washington DC.

IV. Deliverables

The deliverables from the workforce development and competitiveness study will be as follows:

Report: A report of 25 pages or less, including a concise executive summary, on Djibouti's workforce development and competitiveness challenges that 1) identifies short- and long-term workforce development and other strategies the Government of Djibouti (GOD) and the Djiboutian private sector can undertake to improve their competitiveness and increase the number and quality of employment opportunities in Djibouti Ville and rural areas; 2) provides general cost estimates and timeframes associated with these strategies; and 3) recommends options for USAID assistance to support these efforts. The report will be prepared in English.

Mission/Embassy debriefing: A debriefing on the team's key findings and future program options will be held by the workforce assessment team with USAID and US Embassy officials at the end of the fieldwork period.

Debriefing with USAID official in Washington: This can be scheduled as desired after completion of the study.

V. Staffing and Level of Effort

The study will be conducted by a two person team- a workforce development and a competitiveness specialist- to conduct this feasibility study. The workforce development specialist will serve as team leader.

The team will spend a total of 32 days on this study. Approximately 6 days will be devoted to: reviewing existing studies, demographic and other statistics; talking with USAID and other experts on Djibouti; developing interview protocols; identifying people to be interviewed; and setting up meetings. Approximately 20 days will be spent in Nairobi conducting the initial briefing and in Djibouti for the field study. Approximately 6 days will be devoted to completing the write-up of the study and responding to USAID comments on the draft. The team will be supported by a research assistant in the US and a local hire who will serve as interpreter and logistics coordinator.

VI. Qualifications

Evelyn Ganzglass, director of the Global Workforce in Transition project, will serve as the workforce development specialist and team leader. She has more than 30 years professional experience in employment, formal and non-formal education, work-based training and youth development policies and programs in the US and developing countries. Kevin Murphy will serve as the competitiveness specialist. He has fluency in French, graduate degrees in business and public administration, a minimum of 15 years of relevant professional experience, prior experience with USAID competitiveness projects, prior experience with USAID workforce development projects in Africa and in-depth understanding of USAID competitiveness methodologies as applied throughout the world. Fuller descriptions of their qualifications are attached.

VII. Timing

The team will conduct its preparatory work in December and early January and will travel to Djibouti in mid-January. Field work will be completed in January. An initial draft report will be left in the field or will be provided within 10 working days thereafter. The final report will be provided within 20 working days after receiving USAID feedback on the draft report.