

## Zantchito (Skills for Jobs) – Project Fiche

Programme name:	Zantchito – Skills for Jobs (FED/2019/041-797)
Budget	EUR 55 million
Duration	7 years (12 <sup>th</sup> August 2020 – 11 <sup>th</sup> August 2027)

### 1. Description of the Action:

Building on the Africa-Europe Alliance<sup>1</sup>, the Zantchito programme will (i) invest in people by **investing in education and skills**, and (ii) **strengthen the business environment and investment climate**.

The programme will improve the employability and self-employment opportunities of young TEVET graduates and entrepreneurs, with special attention to women's entrepreneurs, so as to create an ecosystem of job creators, as opposed to job seekers. On the one hand, the programme will support the improvement of the workforce qualifications and access of TEVET graduates to employment. On the other hand, it will support the delivery of business support services to entrepreneurs, while also facilitating their access to affordable finance, improving the business-operating environment and perceptions towards entrepreneurship. The programme will thus address two key needs in Malawi: skills development and entrepreneurship development.

The **major challenges** identified evolve around a significantly sized **informal sector**, with limited decent formal employment, coupled by a very limited yearly offering of jobs in the formal economy, and limited interaction and mentorship between the industry and TEVET graduates and small businesses. **Poorly developed business enablers, limited entrepreneurial skills, weak entrepreneurial culture and limited access to affordable finance** are other critical constraints for business and job creation. These challenges have a strong gender dimension with **women facing additional cultural hurdles** and prejudices to access decent jobs or start their own business in traditionally male dominated trades. Hence, this programme applies a different approach with intervention points at essential pressure points in the entrepreneurial and skills development eco-system.

### 2. Expected Results:

The programme will help train over **150,000 TEVET students** and support **over 3,000 entrepreneurship ventures, expecting to create a multiple of this number as newly created jobs** through the following interventions:

- Stimulating a **mind-set change in favour of job creators rather than job seekers**, with a particular focus on female entrepreneurs;
- Supporting the **establishment of a government-private sector platform**, as a forum for advancing business environment reforms for young and small entrepreneurs;
- Enhancing the quality, relevance and equitable **access to TEVET education** in the country;
- Improving the management and monitoring systems of the **TEVET regulatory bodies and training institutions** and increasing linkages of TEVET institutions with private sector;
- Providing **targeted incubation support** to potential entrepreneurs and TEVET graduates;
- Partnering with selected Malawian private financial institutions to **offer affordable financing for graduates and Micro and Small Enterprises** whilst in incubation or early stages of growth;
- Spearheading the **Decent Work** agenda.

<sup>1</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_373](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_373)

### 3. Implementation modality/ partners:

The main official partners are the Ministry of Labour, and Ministry of Industry<sup>2</sup>.

There are two main components, the first (**EUR 33.2 million**) focusing on skills development will be implemented through grant contracts, service contracts, and works and supply contracts as follows:-

- **Grant Agreements (EUR 5.0 million)** through a call for proposals accessible to private TEVET institutions, local and international NGOs and other TEVET providers to create and implement technical training programs.
- **Service Contracts (EUR 0.7 million)** for studies related to improvement of instructor training facilities and infrastructure needs assessment and compilation of technical specifications for works and supplies.
- **Works and Supply contracts (EUR 22 million)** for infrastructure and equipment to complete the Community Technical Colleges to comply with official requirements and ensure that their full operations.
- **Service Contracts (EUR 5.5 million)** for the supervision of works and Technical Assistance support towards equitable access and increased quality of TEVET.

The second component (**EUR 18.5 million**) will support the Government in promoting entrepreneurial culture, sustainable enterprise creation and decent, formal jobs. The component will be implemented through a contribution agreement and two service contracts as follows:-

- A **contribution agreement (EUR 13.5 million)** with the United Nations Development Programme (UNDP) focusing on supporting enterprise incubation and business development services, as well as setting up a finance facility with Malawian banks offering concessional loans and small grants to qualifying entrepreneurs.
- A **service contract (EUR 3.0 million)** aimed at creating a multi-stakeholder platform led by relevant representatives from government and the MSME sector, that will seek to improve the business environment for entrepreneurship development whilst advancing labour rights.
- A **service contract (EUR 2.0 million)** to support the promotion of a dynamic entrepreneurial culture at the national level, and create an ecosystem of job creators rather than job seekers, paying specific attention to promote females as successful entrepreneurs.

The programme has reserved **EUR 3.3 million** for Evaluations and Audit (EUR0.5 million), Communication and Visibility (EUR0.2 million) and Contingencies (EUR2.6 million).

Implementation of the individual contracts under the programme will start soon after contract signature.

The programme is financed by the European Development Fund through a **non-reimbursable grant** from the European Union to the Republic of Malawi.

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<sup>2</sup> At programme formulation stage, this partner was termed ‘Ministry of Industry, Trade and Tourism’. However recent reconfiguration of Ministries and their functions entails that the partner is now Ministry of Industry.