



# Formal and Informal Apprenticeships in Kenya Implementation Lessons

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Abla Safir

World Bank – Social Protection and Jobs

[Jobs, Labor & Migration Course](#)

# Kenya Context

- About 800,000 youth entering the labor market every year
- 80% both of stock and flow is informal
- Market failures:
  - Across formal and informal
    - Demand-side
      - From individuals: Credit constraints
  - Formal sector:
    - Demand for skills
      - Some evidence of skills as a constraint to firm operation in formal firms
    - Supply
      - Small market for short-term training
      - Absence of market for some skills such as socioemotional skills
  - Informal sector:
    - Information asymmetry on quality of providers

# Kenya Youth Employment and Opportunities Project (KYEOP): US\$ 150 million to provide Jobs for 110,000 youth + information for 170,000 others

## Two support options

1

Skills Building  
(6 months)



MPYG



Build life skills

Get a KSh 6,000 stipend

Build technical skills

Become a Craftsman

or

2

Entrepreneurship  
(3 months)



Get business development support

Become a Business owner

Choose:

Join a master craftsman for 5 months

or

Attend 2 months of skills training and 3 months attachment



Get a \$400 grant and 2-day mentoring

### Job creation activities

- Business Plan Competition – 750 youth-led businesses
- Innovation challenge – hard to reach youth

### Intermediation

- Kenya Labor Market Information System

### Support to Policy

- National Youth Policy

### Generate knowledge with RCT for:

- Business support, including behavioral interventions
- Business plan competition

# KYEOP – Basic Facts

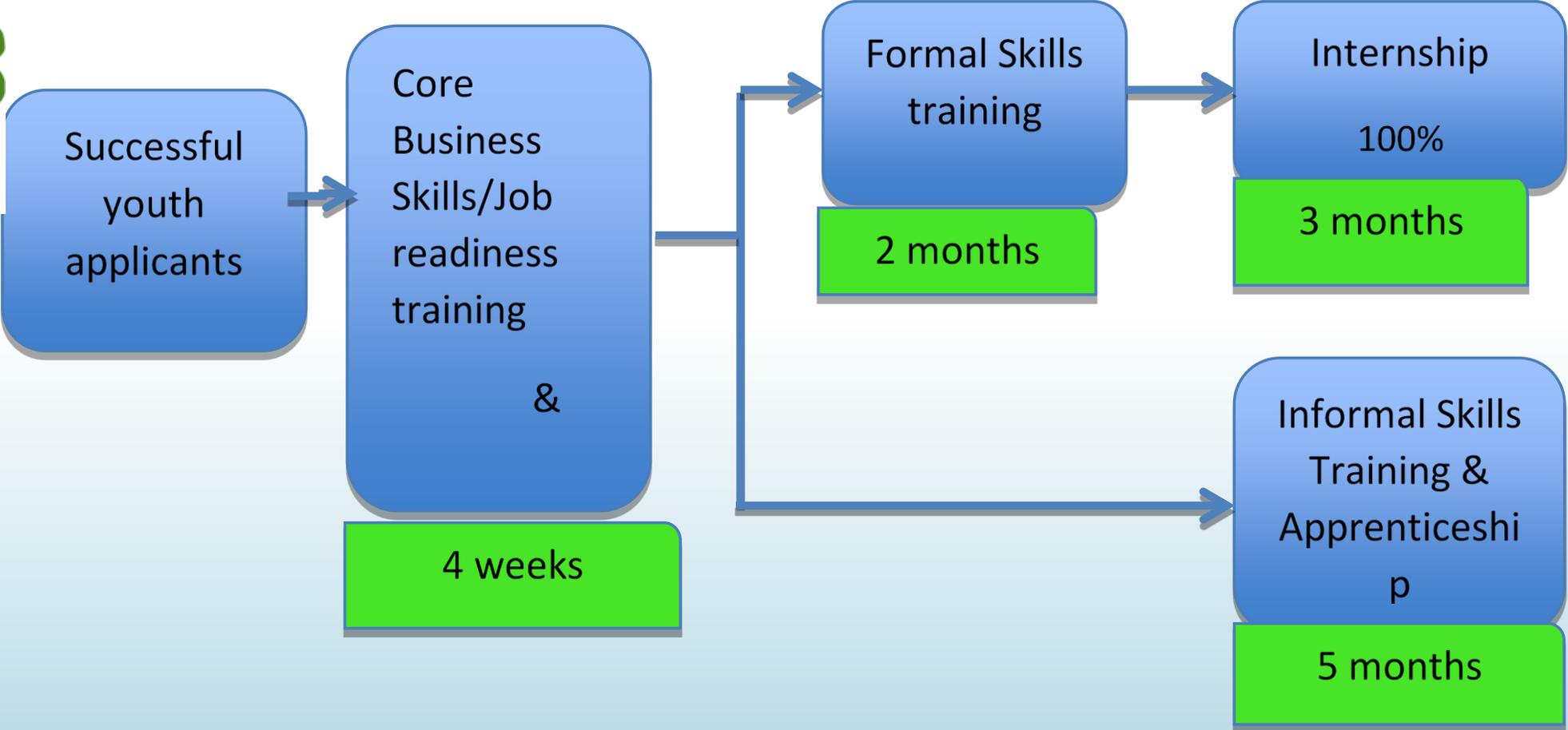
- Target:
  - Youth aged 18-29
  - No more than Secondary Education
  - Gender quotas and support
  - PwD quota
- Location
  - 17 counties spread throughout Kenya for the main activities of employability and business support
  - Urban and rural areas
- Current phase: Implementation
  - Monitoring, evaluation about to start

# KYEOP Component 1 : Skills Training

**1**  
Skills Building  
(6 months)



Build life skills  
Get a KSh 6,000 stipend  
Build technical skills  
Become a Craftsman

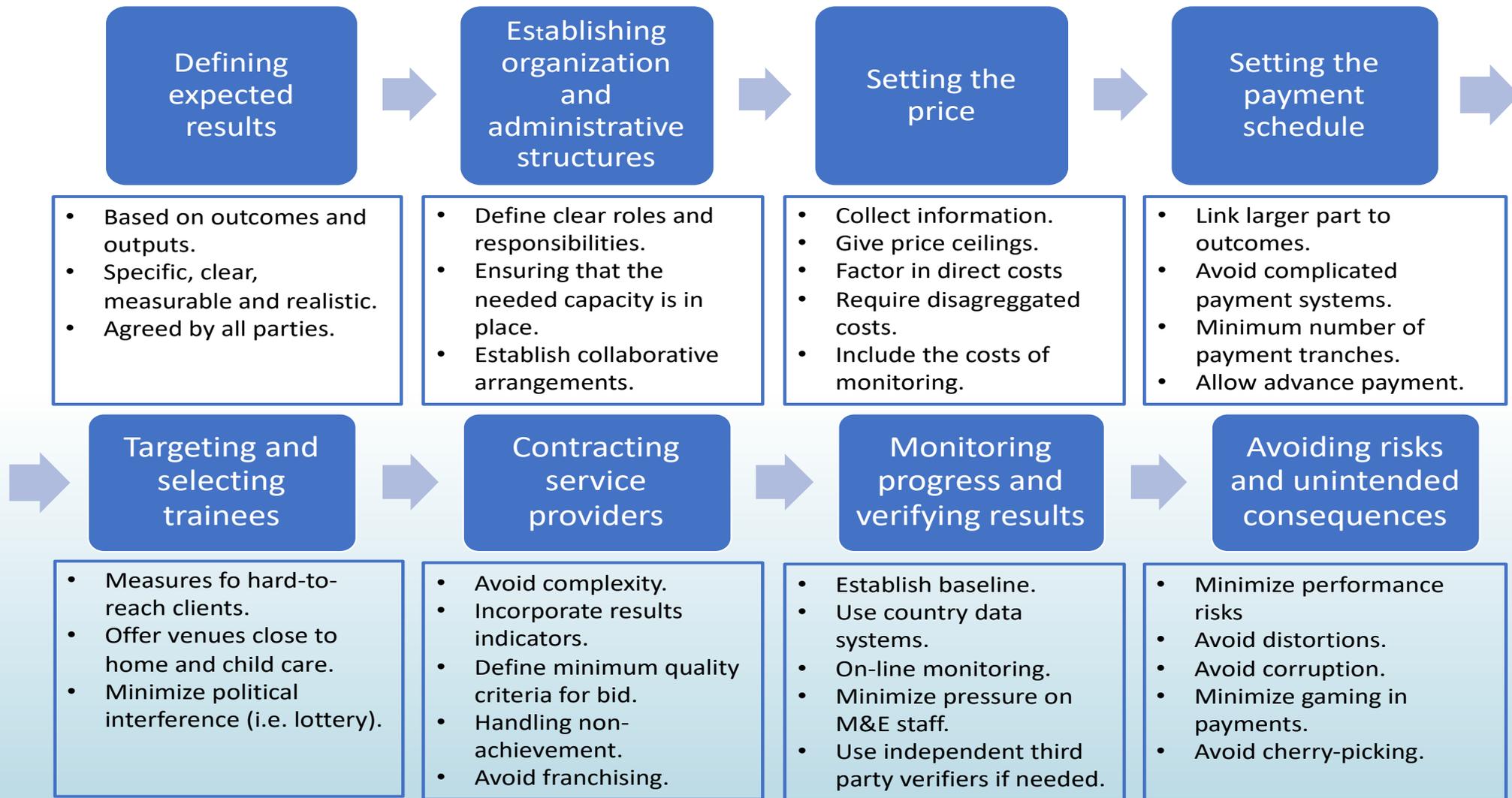


Graduate or Access component 2

# Formal Training - Making technical training demand- driven (I)

- A little more context: Predecessor Kenya Youth Empowerment Project (KYEOP) led by private sector employer association
  - Successful: 75% of youth in employment 6 months after the program
- KYEOP until now:
  - How to make DDT without leadership by employers
  - Solution: Results-based contracts for formal training providers (FTP)
    - FTP Have to identify firms with internship and job opportunities
    - 40% of their payment conditional upon employment

# Formal Training – Lessons on results-based contracting



# Formal Training - Making technical training demand-driven (II) – How to attract employers

- A pool of interns – paid by KYEOP - who have gone through soft skills, job skills, and technical training:
  - Youth will come with 3 months training paid by KYEOP:
    - One month of broad “soft” and job-relevant skills, increasing their readiness for the technical training and for employment
    - Two months of technical skills training
  - Youth who stay in the training signal their motivation, reducing screening costs for employers
- Opportunity to select performing interns to join your business, cutting down on recruitment process
- Opportunity to partner with training institutions to shape the training curricula for specific skills you have been looking for

# Did the solution found to make KYEOP DDT without leadership by the private sector work?

No it did not.

## Why?

- FTP struggling to:
  - Establish partnerships with employers...
  - ...Especially at high scale
- Project Implementation Unit struggling to:
  - Produce/use labor market information to guide youth choices
  - Monitor FTP to weed out non-performers

## Formal Training - Making technical training demand-driven (II) – Bringing back the private sector

- Modified KYEOP (hopefully): bring back private sector employers in leadership role
- How to make it work for Government and private sector:
  - Bring in the private sector in an organized manner
  - Ensure Government's oversight role is well supported with budget and human resources
  - Communication

# Informal Training

- Also RBC: About 20% of payment conditional upon employment
- Why do informal trainers train under KYEOP
  - Appreciate the socioemotional skills training
  - See it as signaling of the quality of their training
- Quality:
  - Due diligence for selection
  - Pedagogical upskilling
- Certification
  - On-going revision of trade tests for the informal sector (but with delay compared to the training timeline)

## Pervasive challenge: Drop-outs

- From a theoretical perspective, drop-outs can be fine...
  - Youth update their information and decide to drop
  - Drop-out point shows revealed preference on what is most useful in the program, e.g. socioemotional skills training
- ...Although never sure:
  - Do they need such a program but drop because they think it's low quality?
  - Or do they drop because of various delays?
- From a logistical perspective
  - Drop-outs waste resources for the program
  - Pose challenges to reach program targets and cannot be counted among program achievements

# Conclusion

- Involve the private sector in a leadership role as much as possible
- Understand the context
  - Conduct a scoping analysis on training providers available and their linkages with employers
  - In the informal sector, understand traditional quality signaling methods for master craftsmen
- If using Results-Based Contracts:
  - Put careful M&E in place
  - Focus results on outcomes