



SKILLS DEVELOPMENT FACILITY FACT SHEET

Background:

The Skills Development Facility is part of the \$100 million Uganda Skills Development Project (USDP) which is a Government of Uganda Project funded by the World Bank, implemented by the Private Sector Foundation Uganda. The SDF aims at promoting employer-led short term training in order to address prevailing skills imbalances and shortages in Uganda. An important element of the initiative is to facilitate collaboration between training providers and industry to promote demand driven skills development with special attention to innovative modes of training.

About SDF:

The facility is a 5 year project which is implemented through a Grant Facility mechanism that will be co-financed by the private sector through a matching grant contribution, and support training activities that lead to improved productivity and competitiveness in the formal and informal sectors. This requires strategic partnerships between firms, service providers and industry associations. The focus will be on short-term, practical and technical training of employees (including business skills for the informal sector) ranging from few days to not more than six months. The actual executing of the training must not exceed one year.

SDF priority sectors

The Facility will initially focus on three sectors; Agriculture, Construction and Manufacturing. However, the Grants committee may consider other sectors for inclusion for funding after the first call for proposals have been received and potential grantees awarded.

SDF Funding Windows:

SDF has four windows that target various categories of beneficiaries in the formal and informal sectors. Funding modalities and key eligible activities for each window are highlighted in table below:

| Window | Target beneficiaries | Eligibility Criteria | Highlights of eligible activities | Grant contribution |
|--|---|---|--|--|
| Window 1: Skills shortages in the formal sector. | Medium and large firms, including increased access to internships | -Should have been in existence for at least two years -Should be duly registered and operating under the laws of Uganda. - Should have the capacity to contribute the matching fund | - Practical & Technical training programs - Apprenticeship & internship - Voucher scheme for industries with mobility of workers | Ceiling: US\$ 250,000 Up to 80% (Medium companies) <i>(20% contribution from applicant)</i> Up to 50%(Large |

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| | | | | companies) (50% contribution from applicant) Up to 90%(Voucher Scheme) (10% contribution from applicant) Up to 100%(Internship) |
| Window 2: Skills shortages in informal sector. MSEs, Jua Khali | Self-employed, workers and apprentices in the informal (jua khali) sector, master craftsmen, micro and small enterprises and members of cooperatives, associations, NGOs, CBOs and Trade Unions | -The organization/association / NGO / CBO must have been in existence for at least 1 year and should be duly registered -Support must be targeting the right beneficiaries for the window: self-employed, micro enterprise operators, craftsmen, employees or apprentices of MEs -For Craftsmen and micro enterprises that don't have legal status can join existing relevant associations for them to access the support. | - Short and medium-term upgrading practical and Technical training programs -Short basic entrepreneurship, management and IT - Teaching skills for Craftsmen &Staff of association - Training tools - equipment (Not more than 10% of the budget) | Ceiling: US\$ 50,000. US\$ 100,000 for National umbrella organisations Up to 90% Grant contribution (The 10% contribution from applicant can be in kind) |
| Window3: Support to Innovative training | - Private or Autonomous Public Training institutes -Companies that have independent training wings | -Applicants / training institutions are Private and 'autonomous' public training institutions which is duly registered and operating under the laws of Uganda -Should have track record of delivering labor market relevant trainings -Should provide an estimate of demand for the training program to be introduced and of its sustainability prospect. -Applicant must indicate plan of follow up activities to ease the trainees entry into the market and provide methodology for post training, monitoring and evaluation. -The applying training institution must have been in existence for a minimum of two years. | - Short and medium-term training programs that intend to introduce new subjects not yet in Uganda - Development of learning and assessment materials Curriculum development - Equipment, tools and instruction materials, - minor infrastructure development | Ceiling: US\$ 350,000 Up to 75% (25% contribution from applicant) |
| Window 4: Recognition of prior learning | -Private Sector / Industry organisations - Trade Unions -Informal sector associations - Training institutions | -Applicant / training institutions should be duly registered and operating under the laws of Uganda. -Should have been in existence for a minimum of two years from the time of registration. -Provide an estimate of demand for the training and sustainability. -The training institutions should demonstrate capacity and have the necessary machine/tools. -Should be able to implement the training program within 1 year. | Selection of test centres for accreditation; Training of assessors and supervisors; Training of (selected) trainers; Development of test material; Development of curricula and learning materials; Equipment for testing purposes for accredited test centres; Assistance to further develop the Worker's PAS system | Ceiling: US\$ 300,000 Up to 90% (10% contribution from applicant) |

Ineligible activities

- Seminars and conferences designed to stimulate discussions
- Induction/orientation programmes
- Programmes specific to company procedures/policies
- Training for spiritual, cultural and social enhancement, e.g. religious studies and appreciation of music
- Professional-training programmes, involving the upgrading of personnel such as doctors, lawyers, accountants and architects

- Postgraduate training programmes, involving the pursuance of higher education leading to the award of an advanced diploma, graduate diploma, degree or post degree qualification
- Attachment of engineers and senior managers to advance their skills and knowledge in existing or new work areas.

How SDF finances/funds these initiatives

The Facility will co-finance the improvement of existing skills training systems and, if relevant, the expansion of these. Also, the Facility will provide funding, on a cost-sharing basis, to innovative new approaches to skills development and employment creation, with special attention to micro and small enterprises. The Skills Development Facility will mainly finance costs associated with development and delivery of the supported practical / technical training activities. Acquisition of equipment will only be financed in rare cases where this is vital for the implementation of the approved activities.

Note:

Before you apply, kindly ensure you have the following:

- a. A genuine skills need of your employees which affects productivity negatively
- b. A Training Needs Assessment identifying the skills gaps and recommended innovative skills training which directly leads to improvement in productivity
- c. A skills training for employees which will make your business more competitive
- d. Applications for less than \$ 5000 are not fundable
- e. Training activities can be undertaken within a period of one week to 6 months. However, maximum period to undertake any given activity cannot exceed one year

Does one have to pay back?

SDF is a grant and not a loan. Support provided under SDF is not required to be paid back. However, beneficiary businesses will have to contribute a percentage depending on the Funding window as reflected in the table above.

Accessing a Grant under SDF

Visit the SDF website: www.psfuganda.org.ug Download the SDF application template appropriate for the funding Window you are applying for and carefully study the requirements. SDF application forms can also be accessed from the District Farmers Associations (DFAs) offices in various districts.

1. Applicants under Window 2 may be offered Technical Assistance (TA) in developing their proposals on request. This TA is provided by Grant Support Assistance consultants approved by SDF. Note that Grant Support Assistance consultants will be fully paid by SDF. However for applicants under window 1 and 3, such assistance will also be made available upon the request of the applicants, but the cost of this will have to be covered by the applicant.
2. Identify a training provider with competence in the proposed skills training. SDF can assist you in identification of the training provider in case you are unable to identify the right one (SDF will have a database of the service providers).
3. Organize the following documents:

- A well developed proposal clearly demonstrating the skills shortages or innovations
- Certification of registration with local or national authorities
- List of targeted beneficiaries (Trainees) disaggregated by gender (Male / Female)
- Profile / Curriculum Vitae for the proposed Instructor(s)/Trainer(s). In case unable to identify any, SDF-PSFU can assist.
- Detailed activity plan

After submission, what happens next?

Upon submission, you will get a submission acknowledgement form from PSFU. Keep this until you receive a formal reply from PSFU.

SDF Selection process to choose candidates for support:

Skills training initiatives to be supported will be selected through a competitive process based on the merit and labor market relevance of the initiative. The applicant will need to demonstrate relevance by conducting an estimate of the demand for training and the expected impact. Successful grantees will have to attend a one day mandatory orientation training before commencement of the project.

For more information on SDF, please visit our offices or website.

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