

KAZAKHSTAN

ETF Country Plan 2007- 2010

1. Socioeconomic background

Kazakhstan entered a period of economic recovery that resulted in an average annual GDP growth of almost 10% between 2000 and 2005, attributed to the enhanced performance of the oil, energy, metal and chemical industries, and the agricultural sector. The country has embarked upon an industrial policy designed to diversify the economy away from overdependence on exporting crude oil by developing processing and light industries. In agriculture, individual farms and household plots are gradually replacing agricultural enterprises.

The population of Kazakhstan is currently estimated at 15.2 million, of which 56% live in urban areas and 44% live in rural areas. Migration is an issue because of large outflows of Russians and people of other nationalities of the former Soviet Union since 1991. This is only partly balanced by ethnic Kazakhs returning from neighbouring countries and by increasing labour migration mainly from Kyrgyzstan. The GNI per capita (Atlas method) was \$2,930 in 2005, which ranks the country 103rd amongst 208 countries. Although Kazakhstan is not a low income country any more, there are large income and social disparities, with estimated 19% of the population living below the national poverty line in 2004. In rural areas the poverty incidence is almost three times higher than in urban areas.

In 2005 the labour force amounted to 7.85 million people (55% of the labour force were employed as wage and salary workers, 36% as self-employed). Female labour force participation was 49% in 2004. The official unemployment rate was 8.5% in 2005, but the real figure may be much higher due to unregistered unemployment. Rural unemployment is widespread and families continue to vacate rural settlements. Small enterprises (up to 50 employees) play an increasingly important role in the nation's economy. Hidden, part-time and illegal employment has grown in scope over the last decade and now plays a significant role in the national labour market. It is estimated that "unregistered" employment covers more than 38% of the economically active population and the shadow economy accounts for 20–28% of GDP.

2. Key policy issues and strategies in the Human Resource Development sector in the country

Kazakhstan faces human resource development challenges in its effort to build a cohesive national identity, diversify the economy, fight poverty and develop democracy. The country has embarked upon viable industrial and agricultural policies. However, due to a decreased birth rate, emigration, and mismatch between qualifications supply and demand, there are severe shortages of skilled workers, especially in middle and higher level technical occupations. Though a decrease in the unemployment and poverty rates has been observed recently, unemployment among youth and women remains high, particularly in rural areas.

The system of education and training is still largely centralised, underfinanced, supply driven, without an appropriate involvement of social partners. Access to education and training and the quality of provision are not satisfactory. Cooperation between education and training institutions, enterprises, employment services, and non-formal training providers is weak. This situation leads increasingly to a lack of qualified workers and skill shortages on the labour market. Active employment measures to tackle unemployment, poverty and social exclusion require further development and capacity building, so that they can reach more people.

The government has responded with an ambitious National Programme of Education Development for 2005-2010 (NPED), but much effort is still needed to identify priorities, to work out realistic action plans, to build partnerships and to support implementation. However, the relative availability of national funds has made it possible to already start a far-reaching education reform. At the end of 2006 a concept for the National Programme of VET development 2008-2011 (NPVET) was presented by the Ministry of Education and Science. NPVET objectives are:

- Improve VET by developing and implementing new education programmes and standards with employers involvement;
- Draft regulations for distributing responsibilities among the government and corporations, getting private sector involved in financing;
- Strengthen vocational schools and colleges by setting up interregional centres;
- Improve quality of teaching at vocational schools and colleges by providing better social security of teachers and trainers;
- Put in place a system to collect VET data by using advanced information technology and a system to objectively forecast demand of industries for skills.

3. EU and other donors' policy and interventions in the country

The government's commitment to implementing NPED and the recent NPVET provides a solid foundation upon which the donor community could build its actions in a harmonised and aligned way during 2007-2010. Both require external support in order to achieve systemic and lasting outcomes.

In 2007 the new Development Cooperation Instrument (DCI) will be introduced in Central Asia, while interventions from the final phase of the Tacis programme will continue in the region. The overall priorities for Central Asia in DCI are to promote stability, strengthen governance and transparency, reduce poverty and promote closer cooperation both within Central Asia and with the EU. In this context it is planned for Kazakhstan to support diversification of the country's economy, which bears an important aspect of the development of an appropriately qualified workforce. At the middle levels of qualifications this implies the development of a relevant vocational education and training system.

In the Tacis programme, after the project "VET linked to the development of SMEs in Kazakhstan" completed in 2005, another large VET project is envisaged for funding from the AP 2006. This intervention will link up with the ongoing Tacis project "Methodology and capacity for developing competence based VET curricula in Kazakhstan".

Among the other donors, the Asian Development Bank in cooperation with the British Council presented an education sector development strategy in 2004, which provided input to the Government's concept and planning for the National Programme of Education Development 2005-2010. ADB and the Open Society Institute with its national Soros foundations are initiating a Central Asia Education Cooperation Network. The Korean International Cooperation Agency is providing assistance to establish the national and regional centres for awarding and verification of qualifications. The Korean Research Institute for VET has organised training activities for high rank officials and experts in the field of vocational education and training. The Norwegian RKK Training and Education Centre provides assistance in training for oil and natural gas drilling. The German GTZ implemented a project on sub-regional cooperation in Central Asia and Caucasus in the field of VET, and an SME development project in Kazakhstan. A new six-year GTZ project will focus on improving

access to VET for girls. UNESCO has been supporting local community learning centres and the UNESCO-ILO recommendations on TVET have been disseminated in Kazakhstan. For the near future there are signs of renewed interest of large multilateral donors in VET reform policies in Central Asia. As an example of that, the World Bank recently approached ETF to jointly support a regional debate of the issue with other donors and national stakeholders.

4. ETF strategy of intervention in a mid-term perspective 2007- 2010

ETF functions in Kazakhstan will concentrate on supporting the delivery of Community assistance and providing information, policy analysis and advice. Given these functions, the expected key results of ETF activities are improved relevance of HRD components in EU funded interventions, enriched education and training policy debates and education and training system playing its role in poverty reduction efforts.

In more detail, the mid term objective for ETF support is to contribute to the programming and evaluating the human resource development aspects of the DCI support of economic diversification in Kazakhstan, to review the policy impact of the final Tacis VET project, and to assist the VET reform by informing the policy development and implementation processes through the ETF policy advice activities combined with capacity building. ETF activities in the programming period will draw on an enhanced network of key stakeholders to provide policy analysis and information support to human resource improvements linked to economic and social development objectives, comprising the role of skills development in raising the competitiveness of enterprises, and increased employability.

For the DCI theme of economic diversification the ETF approach will be to develop a dialogue with Commission services to secure that the issue of reforming education and training is connected to economic diversification as a key factor for availability of well developed human resources at all levels of qualifications. In Kazakhstan this is particularly relevant in the sectors of light industry, processing industries and building construction, and in the whole services area.

The concept of national qualification frameworks as a reference tool for reviewing the education and training system will be discussed with the network of stakeholders. ETF interventions will be policy oriented, using peer review and learning activities for policy advice, analysis and the facilitation of national policy dialogue. Options for regional cooperation between the countries of Central Asia in the area of qualifications will be explored, including the position of Kazakhstan as a receiving country for labour migrants from the other three countries.

ETF support within the skills development for poverty reduction theme will take place through continued direct policy advice at the level of the national and regional authorities in Kazakhstan to ensure that due consideration is given to skills development in national, regional and local development planning. It will also discuss how to create enabling environments which allow the education and training system to play its role in poverty reduction efforts.

At the end of the mid term period, ETF's activities in Kazakhstan will have

- supported the mainstreaming of the outcomes of the Tacis AP 2006 VET project within the National Programme of Education Development for 2005-2010 (NPED) and the National Programme of VET development 2008-2011 (NPVET)
- contributed to human resource development dimension of the DCI project Diversification of Economy in Kazakhstan and potential other projects by taking part in their design and evaluation
- facilitated policy discussion on national qualifications framework which broadened the circle of VET stakeholders, resulted in an NQF strategy, provided methodological advice to national capacities and informed VET reform through NPED/NPVET implementation

- contributed to increased regional cooperation in VET between Kazakhstan and its neighbouring countries through regional projects, peer learning activities and a policy advice approach coordinated across Central Asia
- promoted the role of VET schools in skills development for poverty reduction and facilitated its reflection in national VET policy and poverty reduction strategy by making available experience based guidelines
- contributed to aid effectiveness by supporting the alignment of the EU aid flow in human resource development to national priorities, by coordinating national capacity building with other donors, and by promoting the preparation for the sector based approach in education and training.

5. Objectives and indicators for the Work Programme 2007

The ETF country objective in 2007 will be to design the final Tacis VET project, to contribute to the programming of the human resource development aspects of the DCI support of economic diversification in Kazakhstan, and to assist the VET reform by informing the policy development and implementation processes through the ETF policy advice activities. It will be achieved through three ETF projects: Support to Tacis and DCI project cycles, National Qualification Frameworks in Central Asia, and Skills Development for Poverty Reduction.

Support to Tacis and DCI project cycles will aim to improve relevance of HRD components in EU funded interventions in the country through ETF support to their definition, preparation and impact assessment. The outcome indicators for the project will be the ongoing Tacis project review, the new Tacis VET project design, and the contribution to the design of the DCI project Diversification of Economy in Kazakhstan.

National Qualification Frameworks in Central Asia will aim to build consensus among key stakeholders about policy to be adopted concerning a national qualification framework and to further promote regional cooperation in the area of qualifications. The outcome indicators for the project will be the pilot framework of qualification profiles, level descriptors and assessment principles for tourism, and a national qualification framework policy paper.

Skills Development for Poverty Reduction will aim to promote policy thinking on how to enable vocational schools become a provider of skills development opportunities for poor people, and to provide advice to the Commission services on how to integrate skills development in Track III type interventions. The outcome indicators for the project will be policy guidelines for VET systemic reform for increasing the responsiveness of vocational schools and principles for inclusion of skills development in PRSP and EC assistance programming and project definition.

ETF 2007 Activities and Services in Kazakhstan

ETF Country Objective 2007: To design the final Tacis VET project, to contribute to the programming of the human resource development aspects of the DCI support of economic diversification in Kazakhstan, and to assist the VET reform by informing the policy development and implementation processes through the ETF policy advice activities.

Proj. Num.	Project Title	Objective of the project at the country level Longer-term effects the project is expected to have at the country level	Expected outcomes of the project in the country Outcome = short-term and medium-term effects of an intervention's output	Outcome indicators Quantitative or qualitative variables measuring achievement against the expected outcomes	Sources of verification	(Yearly) Outputs Products and services resulting from activities	Project duration
DCI 07-01	Support to Tacis and DCI project cycles	To improve relevance of HRD components in EU funded interventions in the country through ETF support to their definition, preparation and impact assessment	DCI and Tacis interventions identified and designed Tacis interventions reviewed and policy impact assessed	ETF contribution to the design of DCI support of economic diversification in Kazakhstan New Tacis VET project designed End-of-project review drafted for the Tacis VET curriculum methodology project	DCI project specification Tacis VET project TOR Tacis project review	ETF participation in DCI programming missions in Kazakhstan ETF drafts and consultations ETF review mission	2007-2010

DCI 07- 02	National Qualification Frameworks in Central Asia	To build consensus among key stakeholders about policy to be adopted concerning a national qualification framework and to further promote regional cooperation in the area of qualifications	Basis for further development of sector qualification framework for tourism Implications of the pilot sector qualifications development for a national policy on qualifications assessed	Pilot framework of qualification profiles, level descriptors and assessment principles for tourism A national qualification framework policy paper drafted by country team	Pilot qualifications framework for tourism Draft NQF policy paper for Kazakhstan	Learning outcomes /qualification profiles Level descriptors Assessment approaches (formal, informal, non-formal learning) Implications for developing related VET programmes Identified policy issues Review of pilot experience Draft NQF policy Consultations of draft	2007-2008
DCI 07- 03	Skills Development for Poverty Reduction	To promote policy thinking within the countries on how to enable vocational schools become a trusted partner as a provider of skills development opportunities for poor people and a partner within poverty	Experience-based policy guidelines for VET systemic reform for increasing the responsiveness of vocational schools to local learner and enterprise skill development needs	Lessons from pilot school experience Consultation process with national authorities Policy guidelines for increasing	Peer review reports Pilot school reports Reports by local coaches National and regional	ETF publication Pilot school coaching and peer reviews Capacity building of national authorities National seminar on policy guidelines	2007-2008

		reduction projects, and to provide informed advice to the Commission services on how to integrate support to skills development and VET system reform in Track III type interventions.	Principles agreed for inclusion of skills development in PRSP and EC assistance programming and project definition	responsiveness of VET schools Draft principles Validation process	events Draft policy guidelines Draft principles Conclusions of regional seminar	Validated principles for inclusion of skills development in PRSP and EC assistance programming and project definition	
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