Department for International Development

Growth, Resilience and Rural Development Team Fact Sheet

KEY CONTACT: Julia Kraetke – julia-kraetke@dfid.gov.uk

UKaid from the British people

Skills for Oil and Gas Africa (SOGA)
Mozambique

SUMMARY

The oil and gas discoveries in Mozambique, Tanzania, Kenya and Uganda offer an opportunity for economic development. In response to this, the UK Department for International Development (DFID) and the German Federal Ministry for Economic Cooperation and Development (BMZ) have established an initiative which aims to improve access to jobs and economic opportunities for local people in the oil and gas value chains in those countries through demand driven and practice oriented skills development interventions, enterprise development activities and outgrower support implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ).

MARKET FAILURE

It is anticipated that there will be significant demand for skilled workers, as well as small and medium sized enterprises (SMEs) that can deliver products and services to international gas companies in Mozambique - once final investment decisions have been reached. At the same time, those companies are committed to meeting their legal obligations to employ local individuals and to ensure that SMEs are included in their supply chains. However, there is a gap between industry demand and the supply of skilled labour, largely due to a lack of capacity and quality on the part of the public technical and vocational education and training (TVET) system. In addition, few locally-owned SMEs are in a position to meet the standards required by international companies.

KEY FACTS

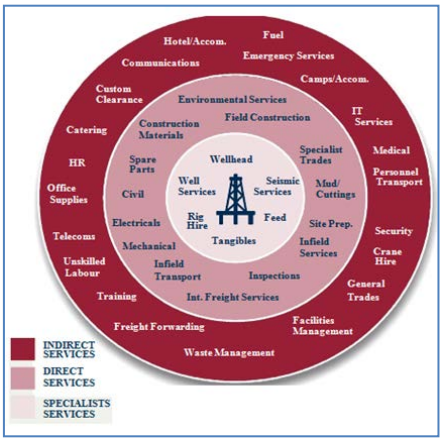
- **Total DFID contribution:** £25m
- **Project duration:** 2015 – 2019
- **Other donors:** BMZ and Norway
- **Implementation partner:** GIZ
- **Countries:** Mozambique, Tanzania, Kenya, Uganda
- **Focus areas in Mozambique**: Cabo Delgado

SOLUTION

The SOGA initiative aims to equip people with the right skills to get sustainable (self-) employment in the gas supply chain in Mozambique. The approach is two-pronged:

- **Training programmes** to prepare local communities for employment opportunities generated by the gas sector. These include literacy and work readiness training, coupled with wrap-around services (career guidance, work placements).
- **SME development** to overcome barriers to entering the gas supply chain. This includes support surrounding tendering, financial management, and Health and Safety training.

All aspects of the SOGA Mozambique approach have a strong gender and youth focus, and seek to work with SMEs that will have the biggest employment impact on local populations.



IMPACTS

The initiative seeks to increase the number of Mozambicans in jobs by 8,000, and to improve the incomes of as many local people as possible by 10%. The first annual SOGA conference took place in Nairobi in November 2015, where each of the participating countries presented their strategic approach, and Norway announced a €8.6m contribution to the overall programme.