



Sector Study on

# Demand Driven Competency Based Training in Potential Sectors

of

# Federally Administered Tribal Areas (FATA)



Implemented by  
**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

**Published by**

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

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Bonn and Eschborn, Germany

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**March, 2017**

This document has been produced by the TVET Reform Support Programme, which is funded by the European Union and the Federal Republic of Germany. The Programme has been commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and is being implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in close collaboration with the National Vocational and Technical Training Commission (NAVTTTC) as well as provincial Technical Education and Vocational Training Authorities (TEVTAs) and private sector organizations. The analysis, results and recommendations of this study represent the opinion of the authors and does not necessarily reflect the position of GIZ.

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# Glossary of Acronyms

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<b>BIA</b>	Business and Industry Association
<b>CPEC</b>	China Pakistan Economic Corridor
<b>ERKF</b>	Economic Revitalization of Khyber Pakhtunkhwa and FATA
<b>GDP</b>	Gross Domestic Product
<b>KP</b>	Khyber Pakhtunkhwa
<b>KPBOIT</b>	Khyber Pakhtunkhwa Board of Investment and Trade
<b>KPEZDMC</b>	Khyber Pakhtunkhwa Economic Zones Development and Management Company
<b>KPTC</b>	Khyber Pakhtunkhwa Tourism Corporation
<b>LFS</b>	Labour force Survey
<b>MDG</b>	Millennium Development Goals
<b>NVQF</b>	National Vocational Qualifications Framework
<b>PEDO</b>	Pakhtunkhwa Energy Development Organization
<b>PVT</b>	Private Limited Company
<b>RSP</b>	Rural Support Programme
<b>SMEDA</b>	Small and Medium Enterprises Development Authority
<b>TEVTA</b>	Technical Education and Vocational Training Authority
<b>TTC</b>	Technical Training Center
<b>TVET</b>	Technical and Vocational Education and Training
<b>TRSP</b>	TVET Reform Support Programme

# Executive Summary

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This study focuses on the identification of potential economic sectors/sub sectors to support the TVET interventions to be undertaken by the TRSP in its upcoming phase, executing from 2017-2021. The selection of the sectors/sub sectors is based on the growth and high employability, availability of training facility and related BIAs. A comprehensive review of the available literature was undertaken in order to identify the potential economic drivers in FATA. Following were the key factors considered to identify the key economic sectors and subsectors:

- Job market dynamics
- Training facilities
- Natural endowments
- Trade associations and chambers membership
- Socially accepted occupations

The agriculture, fisheries, livestock, transportation, mining, construction and trades are the sectors overall economy of the FATA is based on at the moment. Based on literature review, government priorities and input from the stakeholders, following sectors are considered to have the potential for future skill development initiatives in FATA:

- Construction
- Mining (marble)
- Agriculture based businesses (Pine nuts).

The shortlisted sectors/subsectors have a significant contribution towards FATA economy and livelihood. Huge marble reserves are found in five out of seven tribal agencies with an estimated production of 570,519 tonnes and around 2,000 workers are involved in marble quarrying only. Similarly, an estimated 300,000 pine nut trees exist in South and North Waziristan Agency. The revenue from these trees for the local population is approximately PKR 3 billion and the beneficiary of this business is mostly female group of the population. Construction is also one of the potential sectors with the higher contribution in economic growth of FATA. It is expected that the proposed merger of FATA with KP province will further stimulate activities in the construction sector as the sector will get more space in terms of GDP and labour force concentration.

The study has witnessed some mismatch between TVET skills providers and market requirements. Moreover, there is a limited training structure for vocational training in pine nuts (sub-sector of agriculture); recently the FATA DA has initiated a project to tap on potentials in this sector. Similarly, organized BIAs in the economic sectors and sub-sectors is missing, which makes the coordination of TVET design and delivery through BIAs a challenge in FATA.

After negotiation with different stakeholders, associations, chambers and government officials, the following growth centers, associations and training facilities are identified on preliminary stage and will be helpful in the implementation of the TRSP in FATA.

Geographical area/Cluster Location	Sector/sub Sector	Association	Training Establishment & Concern departments
<b>Entire FATA specially North &amp; South Waziristan</b>	Construction	Contractor Association of KP Association of builders and developers, Pakistan All Pakistan Contractors Association (APCA)	GTI Khyber Agency GTI Mahmond GCT Bajaur ATIN NLC Amangarh, Nowshera
<b>North and South Waziristan</b>	Agriculture Based Business (Pine Nuts)	NIL	Skill Development of FATA DA in collaboration with Wana Welfare Association and traders from Lahore is implementing a project to capacitate around 1000 male in different skills.
<b>Mahmond Agency &amp; Bajour Agency</b>	Marble	All Pakistan Marble Industries Association Chitral Mine Owner Association Pakistan Mine Owners Association 2, Al-Sayyed Plaza, Jamrud Road, Peshawar, NWFP, Pakistan Phone: 9291-584272	GCT Bajaur Agency GTI Mahmond Agency

## Way forward

- All the stakeholders should develop effective job market information sharing mechanism which will effectively enable the job market information into the training design and delivery mechanism.
- The trade associations need capacity building in terms of their role in TVET design and delivery.
- Capacity building on norms, culture, work ethics and behaviour, co-workers' rights, knowledge about consumer rights, and workplace harassment shall also be the part of the curriculum.
- A structured process is required to be followed while selecting the qualifications with identified business associations.
- The pine nuts sub sector has considerable livelihood opportunities for female skilled workers. Therefore, a cultural sensitive approach needs to be adopted to train women folk in the respective trades.

# Introduction

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## Scope of the Assignment

The first five year phase of the TRSP in Pakistan has ended on December 2016. During the last five years, a number of milestones have been achieved as far as overhauling the existing TVET system is concerned.

The second five year phase of the TRSP, which has started in January 2017, is developed on the groundwork, policies and accomplishment of the earlier phase. The next phase of the Programme is to take the reform to the next developmental stage, provide wider access to adequate vocational training and support higher involvement of the private sector in TVET design and delivery.

The overall objective of the TRSP (TVET III) is to contribute towards socio-economic growth through development of human resources, enabling people to engage in productive employment. The specific objective is to improve governance and private sector participation in the TVET sector to enhance access to quality skills development that meets the demand of the labour market.

This assignment aims to identify potential sectors in FATA, where there is a demand for skilled workers and hence accordingly future interventions can be supported under TRSP.

## Assignment Objectives

The main objectives of the study are given below:

- Identification of sectors/sub sectors having high and decent paid employment potential which may include overseas employment
- Identification of the required trades and professions suitable for men and women
- Identification of possible skill gaps
- Identification and rating of the relevant training institutions
- Identification and rating of the relevant chambers / associations
- Formulation of recommendations / preparation of future Road Maps.

## Methodology

The report is characterized on the basis of scientific research techniques and it includes the following steps:

### Review of literature of relevant documents

All the relevant published materials **were reviewed** and certain growth drivers of the FATA's economy were identified. These sectors and subsectors are mainly related to the significant



natural endowments, services and industrial sectors. The websites of FBS, FATA development authority and FATA Secretariat was also reviewed for the current TVET skills interventions in FATA, mechanism, programmes, training facilities and efficacy.

## Consultative Workshops/Meetings

To identify skills required and gap in TVET skills in selected sectors/subsectors a consultative meetings were conducted with Manager Skills (head of TVET FATA), Secretary FATA, Assistant Director Technical Education FDA, Project Manager Technical Education Reformation FDA and with private sector.<sup>1</sup>

## Key Informant Interviews

A comprehensive KIIs were conducted with representatives of government, FATA Secretariat, TEVTA, trade association members in FATA, FATA DA and individual employers in the construction, marble and pine nuts sectors. These KIIs have helped in giving their input on study objectives and was beneficial for data related to prevailing TVET skills in the market, relevancy with the professions, deficiency and gap in TVET skills. The Key informants were asked for current and futuristic labour market necessities and prerequisites. Their reactions have helped in testing of the skills that have high demand in the particular sector and distinguished level of competency required to play out that occupation. For the ease of the key informants, they were requested to rate the level of TVET skills required for a job on the scale of semi-skilled, skilled and proficient levels.

## Scheme of the Report

The study report is formalized with the following sections:

1. **Background:** In this section background of the study, ToRs and objective of the study are discussed.
2. **Socio-Economic Status of FATA:** This section has clarified the social and economic remaining of FATA. The statistics related to literacy, poverty, gender, labour force, employment, growth rate and investment were discussed in this section.
3. **The identification of potential sectors with economic potential:** In this section potential sectors were identified on the basis of literature review. The rationale of the selection included the sector contributions to the growth of FATA and for job employability.
4. **Shortlisting of potential sectors:** This segment has given the key partner contributions on potential sectors. This has helped in short listing the available sectors in view of growth, employability, training facilities and trade associations.
5. **Skill and gap Identification in selected sectors:** This section is provided in tabular form. The section gave a direction for the shortlisted sectors, training facilities, trade associations, chambers details, skills required and the demographic concentration of these skills
6. **Identification of chambers/trade associations & training facilities:** This section has identified different training facilities which will help in training the labour force.

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<sup>1</sup> Details of contacted persons are given in list attached in appendices

Since, trade association and chambers work as a coordinating body between industry, government and non-government institutions, therefore, the identification of such bodies is highly beneficial in recognizing and highlighting issues related to industry and businesses.

7. **Recommendation to fill the skill gaps:** This section has provided handful recommendations to TVETA and Chambers in order to overcome TVET skills gap in selected sectors and improve further.
8. **Questionnaire:** The questionnaire used for KIs purpose is appended at the end of this report.

# Socio-economic Status of FATA

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FATA borders with Afghanistan as a jagged topography of around 450 kilometers, surrounded by mountainous land, and populated by Pakhtuns. It shares boundaries with the provinces of KP, Panjab and Balochistan. FATA is comprised of seven agencies/regions namely Bajaur, Khyber, Kurram, Mommand, Orakzai, North Waziristan & South Waziristan and six Frontier Regions (FR) of Bannur, D. I. Khan, Kohat, Tank, Lakki and Peshawar. According to the 1998 census, FATA has a total population of 4.3 million with an annual growth rate of 2.1% which make it around 5 million at present. The population density was recorded 117 in 1998 census and found highly variable in different FR and FATA agencies. The literacy rate is 21.4% and the female literacy is as low as 7.5%.<sup>2</sup> The poverty indicators are alarming too as 60 percent of the population lives below the poverty line in FATA.

Enormous dependency on agriculture, trade and transport narrowed the job market into concentrated professions; where, unskilled labour is mostly associated with limited earnings. The paucity of wage employment and low level of skill compels them to be associated with low paid jobs in agricultural, industrial and commercial sectors. Backwardness, poverty, insufficient basic infrastructure, prevailing conflict are some of major factors, which contribute towards economic and social deprivation of FATA. The poorly skilled labour force is interrelated with these factors and impede the expansion of industry, commerce and economic development in FATA.

## TVET landscape in FATA

The FATA DA is the main government body managing the TVET sector in FATA. At present, there are 15 functional TVET institutions, 102 women skills development centers which offer training in technical, commerce and some traditional skills. Approximately, 5,000-7,000 youth from FATA receive training from TVET institutes outside FATA. The FATA DA has also managed to make available financial services to TVET graduates which were previously not accessible. The reformation in the TVET sector is also encouraging. Competency Based Training and Assessment CBT&A in nine institutions has been piloted, a cell established to capture demand and supply side information for informed decision making, TVET M&E is helping gauging the effectiveness of training programs, and employer engagement in TVET has been legalized in six institutes.

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<sup>2</sup> MICS, 2007

## **FATA Sustainable Development Plan 2007-2015**

Most of the population is engaged in agriculture cultivation. The rest of the population is engaged in the services sector and businesses. Small landholders make up the greater part of ranchers and participate in agribusiness basically at the subsistence level, portrayed by the under-utilization of land, poor efficiency and risk adverse conduct. Only 7% of aggregate geographic territory of FATA is used for cultivation.

Animals and poultry are a basic segment of the rustic economy, giving wage support to most family units. Keeping domestic animals additionally fills in as a support in times of hardship. With the expectation, if there is a short of agriculture in the future, the animals can be slaughtered and expended or sold in the market to cover needs. Approximately 4.9 million animals and 6.7 million birds are being raised crosswise across FATA.

Business and trade is the second most labour intensive sector of the FATA economy after agriculture. The dominant part of this sector is wholesale and retail trade in consumer products, clearance and transportation, warehousing, restaurants and hotels, used vehicle spare parts, vehicles, and on a smaller scale business foundation giving additional services.

Only a small size of the industry can be seen; these include marble quarrying, weaving, furniture makers and light engineering units manufacturing arms and ammunitions. It is evaluated that nearly 10,000 specialists are as of now utilized in this segment. Except for those occupied with weapons and furniture production, almost all the remaining labourers are unskilled. Some mineral extraction is carried out in different organizations, utilizing obsolete technology and out of date techniques. Remarkable reserves of minerals and profitable stone stay unexplored.

With few industries and only limited unorganized mining, unemployment and under-employment are on the higher side. People seek employment as short-term unskilled labourers or enlist in the local security and paramilitary forces. People who can travel tend to find work in cities across Pakistan and in the Middle East in order to support their families. About 8% land has the forestry reserves, which is decreasing rapidly as the forests serves as fuel for these rural populations.

### **Step-1: Identification of Sectors and Sub-Sectors (Based on Literature Review)**

#### **Rationale of selected sectors**

These sectors extract from literature review based on the set pattern described in the objectives of the study. Several policies and government documents were reviewed, followed by meetings with government officials, independent researchers, and economist as well as with representatives of the business community. A broad array of sectors and subsectors in FATA was selected for further shortlisting. The commonality of the criteria adopted for preliminary sector selection is listed below:

1. Those sectors mentioned in different government documents showing higher GDP contribution
2. Those sectors/sub sectors which show a high tendency for employability
3. An industry with potential to become a growth sector in a specific geographic area or having a tendency of becoming cluster
4. The consideration of training facilities, association and chamber memberships
5. Sectors, or sub sectors having professional appeal to the students and showing higher student enrolments.

## Potential economic sectors in FATA

### Agriculture

The total area of FATA is 2.7 million hectares in which 8.3 percent is cultivated (0.227MH), far behind as compared to KP and other provinces. The average land holdings are 0.72 hectares and about 85% of farmers have less than two hectares of land. This insignificant proportion of land's utilization has put tremendous pressure on farmland already 19.3 persons per cultivated hector and 54 persons per irrigated hector.

A huge dependency on agriculture, employed unskilled or semi-skilled workers in agriculture, low productivity and using outdated cultivation methods are some of the factors for low agriculture activity in FATA. However, enormous potential exists to raise the productivity of different crops in FATA. For example the yield of wheat is 1,189kg/hectare, which can be raised to 3,500 kg. In the same manner the yield of maize 1,084kg/hectare may easily be raised to 5,500kg/hectare, rice 9.8kg/hectare to 198kg/hectare, vegetables from 4,180kg/hectare to 7,320kg/hectare. Many other products possess potential which can be unlocked with skilled labor and modern technology.

### Livestock

The livestock sector is another promising economic area in FATA with a high potential of improvement and commercialization in a relatively short time. Livestock in FATA is relatively stable and sustainable due to local tribes' rights over grazing grounds. Livestock in FATA comprise of poultry, fodder, feed, ruminants and milk production (cows, buffaloes, goats and sheep). According to agriculture policy of FATA 2014-2018, an enormous potential exists in the livestock sector. The livestock is 15.35 million, which can be raised to 15.6 million, the large ruminants are 2.42 million and has the potential of raising to 2.5 million, the small ruminants are 5.5 million and has a potential to touch 5.6 million figures. There are 200 poultry farms in FATA with an average capacity of 2,000 birds per farm, with current production of 7.2 million having potential for 7.4 million.

### Fishery

The poor use of land in FATA for agricultural purposes has a large potential for fishery, where unused large territories of leftover and peripheral parks can be utilized for fish production. The water resources are very significant for the development in the fishery sector. There are 934 km rivers/streams and 1,450 km of irrigation canals. The newly

constructed dams, hitching basins, irrigation channels and other closed water systems take in fish culture and have added to the existing water resources. According to agriculture policy (2014-2024), there are two fish hatcheries and 71 private fish farms, with an estimated fish production of 156,710 metric tons. Further, the fishery sector can contribute vitally in overcoming the food security in FATA. Factors such as marketing, awareness, improved watershed management and building image of fishery products will multiply fishery activities

## **Minerals (Marble)**

FATA produces several types of minerals, which include marble, limestone, coal, chromite, quartz, soapstone, scrap, manganese and fluorites. Marbles exist in five out of seven agencies and the overall estimated production is 570,519 tons. The limestone (454,094 tons) and coal production (178,370 tons) are ranked second and third respectively. Minerals is a highly labour intensive industry and provides immediate employment opportunity. Looking at the potential in marble; it is estimated that it is one of the biggest resource of employment in the region. Around 2,000 men and women are involved in marble quarrying in FATA. A high quality white, grey, and other attractive colour marble exist at Mohmand, Bajour and other agencies. The removal of administrative anomalies, resolving tribe's ownership rights, adaptation of modern technologies and provision of skilled workers, preferably from the same proximity can boost the sector enormously thus will generate a number of jobs.

## **Domestic Commerce and Trade**

Historically, FATA remained a transit hub for regional trade. In earlier times, it was a midway junction of the trade caravans between central and Southeast Asia. Domestic commerce and trade is the second major source of income for FATA and is dominated by wholesale and retail business of consumer goods, clearing and warehouses, transport and vehicles used spare parts.

Most of the Afghanistan imports lands at Karachi port and move through the Torkham border to Afghanistan and central Asian countries.

The absence of a legal framework, lack of credit facilities, shortage of skilled workers, poor law and order situation are the factors which exacerbated the commerce and trade situation in FATA. The poor and inadequate infrastructure, limited access and connectivity to roads, porous borders and low skilled labour force are other reasons which negatively affect the domestic businesses in FATA.

## **Agriculture based business**

FATA has strong potential in agribusiness and processing sectors. The WANA Tehsil of South Waziristan has a splendid production of fruit and vegetable. It is estimated that WANA Tehsil is producing 50% of agribusiness of the entire FATA & FR regions. Further, the pine nut business is also on the rise in WANA Tehsil. Around 300,000 to 350,000 pine trees are located in the region. According to estimates the turnover of pine nut business ranges between PKR 1.5 billion to PKR. 2.24 billion. Apple is also another product of the area with huge potential to grow.

## Construction

A recent report of SBP shows rising figures for the construction industry in the total industrial growth, and it was recorded as 11.3% against targeted 5.7% in 2013-14. The construction sector accounts for 36.2% workforce in FATA (FATA development indicator Household survey, 2013-14). This high number was associated with a fact that most of the workforce from FATA is involved in the construction industry all over the country. The reconstruction of FATA, road connectivity and infrastructure development within the context of China, Pakistan Economic Corridor (CPEC) will further increase the construction activities in FATA.

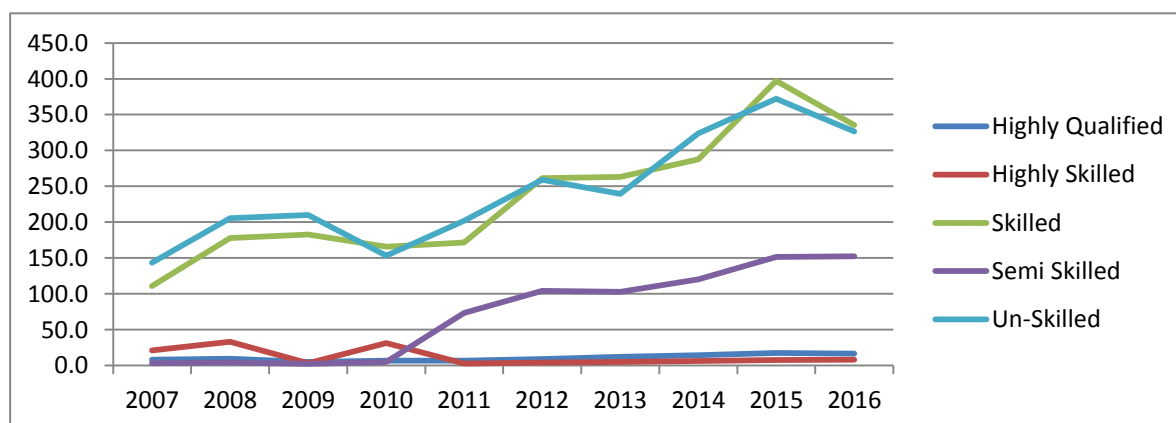
## Overseas Employment

The following table shows the number of Pakistanis who travelled abroad for employment registered with the Bureau of Emigration and Overseas Employment during the period 2007-2016. The analysis shows a higher tendency for skilled and unskilled labour from 2007-2016. However, the rate of skilled workers is increasing as compared to unskilled labour in the last 10 years. This clearly demonstrates that skilled workers demand is increasing overseas.

Overseas Employment in Last 10 Years  
All figures are in (000)

Year	Highly Qualified	Highly Skilled	Skilled	Semi-Skilled	Un-Skilled
2007	8.2	21.0	110.9	3.2	143.7
2008	9.7	33.2	177.8	4.2	205.4
2009	5.0	3.3	182.7	2.5	210.2
2010	7.1	31.7	165.7	5.2	153.3
2011	7.0	3.0	171.7	73.2	202.0
2012	9.3	4.2	261.5	104.2	259.3
2013	12.1	5.0	263.1	103.0	239.5
2014	14.6	6.2	287.6	120.2	323.8
2015	17.5	7.9	397.3	151.6	372.3
2016	16.5	8.2	335.7	152.2	326.8

Source: Bureau of Emigration and Overseas Employment



## Overseas employment province-wise

This table shows workers registered for overseas employment by the Bureau of Emigration & Overseas Employment during the period 2007-2016. The last 10 years data demonstrate that FATA stands 5th in overseas employment as compared to other regions and provinces. This shows the tendency and willingness of FATA labour force to work abroad and contribute towards remittances.

Overseas employment Province WISE (000)

YEAR	Federal	Punjab	Sindh	KP	Baluchistan	AJK	NA	FATA
2007	1.3	153.0	20.4	76.7	3.7	19.5	0.4	12.0
2008	9.1	197.2	31.7	131.4	6.8	31.9	0.4	21.8
2009	1.6	199.7	30.8	114.6	4.5	31.3	0.5	20.5
2010	1.2	189.4	31.8	98.2	3.1	22.5	0.5	16.2
2011	1.8	226.9	40.2	130.1	5.3	33.1	0.7	18.8
2012	4.2	337.7	46.6	176.3	5.1	38.8	0.8	29.0
2013	7.1	326.0	55.6	150.4	9.3	40.0	1.2	33.0
2014	8.9	383.5	89.7	167.4	7.3	52.1	2.1	41.4
2015	9.0	478.6	116.9	221.0	7.7	64.6	2.9	45.8
2016	8.5	446.6	85.3	206.9	6.4	43.1	3.0	39.6
<b>Total</b>	67.5	4614.8	863.6	2298.0	102.7	588.3	15.3	452.7

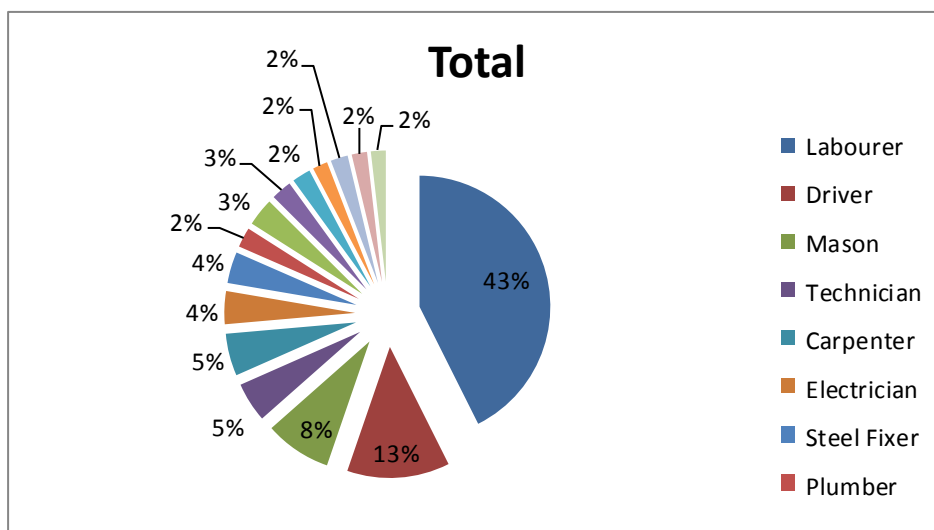
Source: Bureau of Emigration and Overseas Employment

## Overseas employment category (occupation) wise

The following graphic present the analysis of the last 10 years with respect to top 15 occupational trades. The information reveals that 43% of unskilled labour contributed in the international labour market. The second significant category is a driver which is 13% the rest all are in single digit. Based on the analysis one may easily infer the need of TVET for overseas employment is eminent.



Pie Chart of Overseas Employment in last 10 Years



## Step 2: Identification of potential economic sectors (KIs based)

After considering the overall job market in Pakistan and abroad, and consultation with stakeholders, following are the potential sectors/subsectors identified in this study;

### FATA Selected Sectors

1. Construction
2. Agro-Based Businesses
3. Mining (Marble)

### Rationale of Selecting FATA Economic Sectors

#### Construction

At present construction hold more than 36% share in the FATA domestic labour market. The prevailing conflict in FATA has affected not only the local economy, but also the basic infrastructure inside FATA. Currently, the temporary displaced persons-TDPs are returning to their respective home towns and the reconstruction process continues in full swing. Furthermore, the merger of FATA within KP is also on the cards, which, if happened will bring more financial resources from the public exchequer for FATA reconstruction. Based on reconstructions and merger of FATA with KP, there will be a huge demand coining for this sector, thus will increase the demand for skilled workers in the construction sector. It is also worth mentioning that during the period 2007-2016 around 452,000 labourers from FATA contributed to the international labour market mostly in construction sectors. The following skills/occupations are mostly in demand i.e. quantity surveyor, site supervisor, plant mechanic, Insulation technician, pipefitter, sheet metal worker, steel fixer and water proofer. The level of skill required for the mentioned occupations is ranging from level-2 to level-3 on the scale of NVQF.

### **Agro-Based Business (Pine Nuts):**

The terrain of FATA varies from one location to another. A great deal of cultivable land is either fallow or extremely underutilized. In spite of all the predicaments agriculture still constitute around 14% of the FATA labour market. North and South Waziristan agencies are blessed with the largest forest of pine nuts, apple, apricot etc. According to estimates agriculture based business is ranging from PKR.10-12 billion in South & North Waziristan. Almost 50% of Agri products of the entire FATA are produced in South Waziristan. Pine nut business has a high concentration of female labour. Due to inadequate skilled workers in the area the local inhabitants cannot exploit the maximum potential of the resources. FATA DA is piloting a project to capacitate locals to equip them with modern techniques in picking, cracking pine cones, roasting, grading, peeling and packing. A decent number of people will also get training in entrepreneurship/marketing.

The current training is being imparted without formal training curricula which may affect the training quality. The qualification required for the mentioned skills will fall within level-1 and level-2 of NVQF.

### **Mining (Marble industry)**

Marble is one of the natural resources and is available in a large magnitude in FATA. Marble requires a low end technology and it can be converted easily to a very successful industry in FATA. The marble associations and chambers are available in FATA but the formal training facilities were not available in the region in the past which restrained the growth in the sector. Now GTI Ekka Ghund Mohmand Agency and GCT Khar Bajour Agency are having training facility. The current demand and need of the labour is being met from outside FATA, which has certain demerits. Therefore, there is a high tendency that the locals can take over the labour force with proper training and skill up-gradation. Almost in all FATA agencies, marble reserves are available, but Mohmand and Bajour should be focused under TVET-III programme. The level of skill requires for workers range from level-3 to level-4 of NVQF. The most needed skills/occupations are marble quality testing technician, marble purification, machine based polisher, quality testing, material mixer, designer, quarrying technician, mines technician and mosaic. The mosaic trade can easily absorb 500-1,000 female, subject to the creation of market linkages for the product.

## **Conclusion and Recommendations**

Based on a review of the available documents and input from both public and private sector representatives, following are some of the deficiencies in the delivery of TVET in FATA;

1. The role of chamber and trade associations inside FATA is limited. The engagement of an employer/industrialist in the FATA TVET system requires individual consideration. At the strategic level, Tribal Area Chamber of Commerce and Industry can play its role, but at the function level (institute level) alternative arrangements needs to be looked into.
2. The level of qualification required in the identified potential sectors/sub sector falls between level 2-4 with few exceptions of level-5 qualification. The skills are

required in the Agri businesses can be catered through level 1-2 qualification of NVQF.

3. It was also suggested by the stakeholders to consider skills associated with Agri based businesses such as cracking, roasting, grading of pine nuts etc. in TVET III interventions.
4. FATA is also facing the problems of product sophistication and competitiveness. Although in terms of number the construction labourer has some advantages, in terms of skills, these workers need to upgrade their skills considerably.
5. Cultural barrier is also playing an important role in job placement and working with a low cadre employees are considered a stigma in FATA. A prime example of such of culture bearer is the marble sector, where almost 34% of employees are not from FATA. Therefore, there is a need to attract the youth from FATA towards this sector with proper training.

## Way forward

Considering the TVET deficiencies at sectors/subsectors, the different disconnects among job market demands and skill providers, industrialist and all other stakeholders, the following recommendations are proposed:

1. A demand driven TVET training is needed in Agri based businesses, marble and construction sectors meet the anticipated demand in the coming years.
2. A dynamic TVET demand and supply framework is needed for informing the stakeholders regarding the job market demands, TVET skills requirements, training facilities and job placement.
3. A comprehensive liaison needs to be developed amongst all stakeholders regarding TVET skills demand; TVET skills training facilities, quality of TVET skills imparted and job placement and performance.
4. With technical TVET skills, soft skills such as communication, work ethics, organizational culture and norms, law and harassment also needs to be adjusted in the training programmes.

## TVET skills Gap Matrix KP

### Sector: Construction

Geographical area/Cluster Location	Sector/sub Sector	Rational	Trade/Professions	Employment Potential	Association	Training Establishment & Concern departments
Entire FATA specially North & South Waziristan	Construction	The IDPs are going back and the reconstruction process continues in full swing. The merger of FATA into KP is in final stage and this will bring an additional 3% of the entire PSDP as a package for the reconstruction of FATA. Based on reconstructions and Merger of FATA with KP, another important factor is the overseas jobs in construction sectors, together with the mason & steel fixer trade, 55% of the overseas jobs are related to construction sector. Compiling all the	Quantity surveyor Construction sub engineer Designer (Building & Road) Quality control Sub engineer Architecture Water supplier technician Plumber Sanitary workers, Filtration Plant mechanic Sewerage Technician Carpenter Welder Mason Plumber	Construction constitute 36% of the total labour market in FATA in which the following are the existing and non-existing most demanded trades/occupations mainly in NVQ level 2-3.  Quantity surveyor Site supervisor Plant mechanic Quality control Engineer (DAE or Level-5) Insulation technician Pipefitter Sheet metal worker Steel fixer Water proofer	Contractor Association of KP  Association of builders and developers, Pakistan  All Pakistan Contractors Association (APCA)	GTI Khyber Agency GTI Mohmand GCT Bajour ATIN NLC Amangarh, Nowshera

Geographical area/Cluster Location	Sector/sub Sector	Rational	Trade/Professions	Employment Potential	Association	Training Establishment & Concern departments
		factors, it is expected that there will be a huge demand coining for this sector.				
<b>Key Potential</b>	<p>Construction sector grow with an 11.3% against targeted 5.7% in 2013-14.</p> <p>The construction sector accounts for 36.2% workforce in FATA.</p> <p>FATA merger with KP and its 3% share in annual PSDP as a package will further boost construction sector</p> <p>CPEC and its projects will give handy support to the sector and will provide more opportunities of employability.</p>					
<b>Key Weakness/Risks</b>	<p>Highly volatile Area</p> <p>Extremely dangerous and hub of militancy in the region</p> <p>Limited training facilities available inside FATA</p>					
<b>CBTA packages available</b>	<p>NVQF Level-2 HAVC</p> <p>NVQF Level-3 Building Electrician, Plumber &amp; Pipe fitting,</p> <p>NVQF Level-4</p>					

## Sector: Agriculture based Businesses

Geographical area/Cluster Location	Sector/sub Sector	Rational	Trade/Professions	Employment Potential	Association	Training Establishment & Concern departments
<b>North and south Waziristan</b>	Agriculture Based Business (Pine Nuts)	FATA has strong potential in agribusiness and processing sectors. The WANA Tehsil of south Waziristan producing stunning fruit and vegetable production. It was calculated that WANA Tehsil is producing 50% of agribusiness of the entire FATA & FR region. Further, the pine nut business is also incredible in WANA Tehsil around 3 to 3.5 lac of trees of pine nuts are recorded. About 2.24 billion and 1.5 billion rupees were earned from pine nuts in 2010 and 2011	Picking Cracking Pine cones Roasting Grading Peeling Packing Entrepreneurship/ marketing	The share of agriculture sector in FATA is 14%, Waziristan is having the largest forest of pine nuts, but mostly used to be sold in raw shape, now FATA DA is capacitating locally on the following which require NVQ level 1-2. A total of 2000-3000 worker will need training Picking Cracking Pine cones Roasting Grading Peeling Packing Entrepreneurship/ marketing, this	NIL	Skill Development of FATA DA in collaboration with Wana Welfare Association and traders from Lahore are implementing a project to capacitate around 1000 male in different skills.

### Key Potential

Localization of the training on Pine Nuts is in process with 20 ToTs and 1000 overall trainings  
WANNA is established to support Agri based businesses  
South Waziristan is producing 50% of agriculture products

Geographical area/Cluster Location	Sector/sub Sector	Rational	Trade/Professions	Employment Potential	Association	Training Establishment & Concern departments
3 to 3.5 lac of wild grown pine nuts tree existed in North and South Waziristan High intensity of female labour existed						
<b>Key Weakness/Risks</b>	No formal training institution existed The curriculum is yet to be developed Very high propensity of earning existed but the business ownership is highly skewed and unskilled.					
<b>CBTA packages Available</b>	Nil					

## Sector: Mining (Marble)

Geographical area/Cluster Location	Sector/sub Sector	Rational	Trade/Professions	Employment Potential	Association	Training Establishment & Concern departments
<b>Mohmand Agency &amp; Bajour Agency</b>	Marble	FATA produces several types of minerals which includes; marble, Limestone, Coal, Chromite, Quartz, Soapstone, Scrap, Manganese and Fluorites. Marbles existed in 5 out of seven agencies and the overall estimated production 570,519 tons is also significant.	Raw Stone Mixing Grinding Cleansing Glazing Burning & moulding Material Mixing Polishing Folding Jigsaw operators	Level-3-4 NVQ will required to be trained the following most demanded skilled workers Marble quality testing technician Marble purification Machine based polisher Quality testing Material mixes Designer Quarrying technician Mines technician Geological Surveyor (BSc Engineers) Blaster Mosaic (NVQF Level-2)	All Pakistan Marble Industries Association Chitral Mine Owner Association Pakistan Mine Owners Association 2, Al-Sayyed Plaza, Jamrud Road, Peshawar, NWFP, Pakistan Phone: 9291-584272	GCT Bajour Agency GTI Mohmand Agency
<b>Key Potential</b>	<p>The marble associations, chambers are available in FATA</p> <p>Marble required a low end technology and it can be converted easily to a very successful industry in FATA.</p> <p>An estimated production 570,519 tons of marble</p> <p>Existed in 5 out of 7 agencies.</p> <p>One of the biggest source of employment in the region</p> <p>About 2000 persons are involved in marble quarrying in FATA.</p> <p>A high tendency that the local labour take charge of the expatriate Labours in marble quarrying sub sector</p>					
<b>Key Weakness/Risks</b>	<p>Cultural and administrative issues regarding the ownership of marble</p> <p>Obsolete extraction methods</p> <p>No formal training facility is available in FATA</p> <p>A very poor road connectivity and infrastructure</p> <p>Extremely dangerous area</p>					
<b>CBTA packages available</b>	Nil					



# References

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1. FATA sustainable development Plan, (2007-2015)
2. Households integrated Economic Survey (HIES), (2013-14)
3. Multiple Indicator Survey, FATA Secretariat
4. Labour Force Survey, 2014-15, Thirty-Third Edition
5. Workforce Development in Khyber Pakhtunkhwa & FATA, 2013, Abacus Consulting
6. Pakistan Economic Survey, (2015-16)
7. Workers, Registered For Overseas Employment By Bureau of Overseas Employment (2016)
8. Pakistan's Employment Trend, Federal Bureau of Statistics, Islamabad (2016)

# Annexes

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## Terms of Reference

Sector Study to identify potential sectors for implementation of demand driven Competency Based Training in Khyber Pakhtunkhwa and Federally Administered Tribal Areas

PN: 09.2254.2-009.00

Country: Pakistan

AV: Hans-Ludwig Bruns

Contracting period: 20 working days max. between Dec 12, 2016 – Jan 10, 2017

### 1. Background:

The Technical and Vocational Education Training (TVET) Reform Support Programme in Pakistan is funded by the European Union, the Embassy of the Kingdom of the Netherlands, the Embassy of the Kingdom of Norway and the Federal Republic of Germany. It aims at improving access, equity and relevance of TVET in Pakistan.

The five-year programme has five components: 1) Improving TVET Governance and Institution Building, 2) National Qualifications Framework and Human Resource Development, 3) Fund for Innovative Training (FIT) and Labour Market Services, 4) Capacity-building for TEVTAs, and 5) Cooperative Training and Green Skills.

Piloting of the Competency Based Training & Assessment (CBT&A) is one of the key elements of the ongoing reform, being supported by the Programme.

Under this paradigm shift, the training programmes are designed and delivered by adopting a systematic competency standard approach, focusing on the TVET skills for better employability of the trainees. The CBT courses meet the needs of the enterprises and at the same it ensures greater employability of the graduates.

Currently the CBT&A courses are being offered in 60 trades through over 130 TVET institutes across Pakistan. From Jan 2017, the delivery of CBT&A courses will be up scaled in other potential economic sectors and sub-sectors, where there is high potential of employment or self-employment for the completers.

### 2. Objective and tasks of the consultancy:

Main objectives include:

- Identification of at least 04 sectors having high and well paid employment potential which may include overseas employment
- Identification of the required trades, professions
- Identification of possible skill gaps
- Identification and rating of the relevant training institutions,

- Identification and rating of the relevant chambers / associations,
- Formulation of recommendations / preparation of future Road Maps.

Specifically, the expert is required to perform the following tasks:

#### **A. Planning**

- Collect and analyse materials, documents and information suitable to support the sectoral feasibility study and subsequent identification of suitable Business and Industry Associations (BIAs)
- Preparation of draft time table, visiting schedules and travel arrangements; planning of appointments and meetings in close liaison with the relevant staff at the TVET RSP
- Extended desk review, documents study and internet research

#### **B. Implementation**

- Conduct regular meetings (both face to face and online) with the relevant experts at TVET RSP to finalize roles/responsibilities and execute assignment related activities
- Carry out field research through visits, meetings, surveys activities, interviews
- Data/information collection and analysis
- Keep a close liaison to synergies his/her work with the other national and international experts hired for sector studies and other cross cutting assignments by GIZ and/or its subcontractors
- Conduct needs analysis of the identified BIAs (chambers and/or trade associations) to gauge their capacity and readiness to perform management and coordination tasks of designing and delivering CBT&A courses. Specifically;
  - Identify any current practices to address the skilled workforce needs of their member companies.
  - An overview of the widely demanded TVET skills-set and jobs in each sector/subsector.
  - Information about their current capacity and priority areas e.g. political/social influence, engagement/influence with member companies, involvement in public-private partnerships/dialogues for TVET etc.
  - Further capacity building needs to take over the planning, and coordination roles for TVET in general and CBT&A courses in particular.

#### **C. Follow up & Reporting:**

- Consolidate main findings and results into an overall draft document. Collection and incorporation of feedback from GIZ and other experts
- Prepare and submit the final report.

#### **3. Deliverables:**

- A detailed work plan to execute the assignment.
- Draft versions of
- Sector analysis reports
- Needs analysis for each identified business membership organisation
- Road map (recommendations) for CBT&A-related activities for each identified organization in the next phase of the TVET Reform Support Programme

All documents must be submitted in English and in electronic form (MS Office compatible).

#### **4. Duration and reporting:**

The assignment is expected to start on 12 Dec 2016 and last until 15 Jan 2017. During this period the maximum expected input of the consultant is 20 working days.

The expert reports to the Senior Technical Advisor Communication, PR & Advocacy for all operational, administrative and technical matters.

## **5. Travel and duty station**

The main duty station is Peshawar with expected visits to following cities:

- Hattar, Haripur
- Nowshera
- Kohat

## **6. Qualification and Experience**

- At least 5-7 years of experience of conducting feasibility studies, job market assessment and training needs analysis for industrial sectors, preferably with relevance to the TVET sector
- Strong report writing skills
- Strong communication skills
- Prior knowledge and links with TVET bodies, chambers of commerce and trade associations will be an added advantage

# Roll Out Plan

Roll out Plan																														
#	Activities	weeks	week-1							week-2							week-3							week-4						
		days	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
1	Offer Letter																													
2	Lit Review																													
3	Development of tools																													
4	Establishing contacts with stakeholders																													
5	Key informants interview at Pesahwar/Nowshera																													
6	Key informants interview at Kohat																													
7	Key informants interview at Hattar																													
8	Analysis																													
9	Workshop																													
10	Report Writing																													

## List of organizations/People Consulted

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