



Regional: Improving the Performance of Labor Markets in the Pacific

Project Name	Improving the Performance of Labor Markets in the Pacific	
Project Number	46154-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8794-REG: Improving the Performance of Labor Markets in the Pacific	
	Technical Assistance Special Fund	US\$ 750,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions	
Sector / Subsector	Education - Non-formal education - Technical and vocational education and training - Tertiary Public sector management - Social protection initiatives	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The Midterm Review of Strategy 2020 commits the Asian Development Bank (ADB) to expanding operations in education, with a focus on post-basic education, technical and vocational education and training, and higher education. The objective is to promote human capital development and the acquisition of the skills demanded by the market to improve employment prospects for the labor forces of developing member countries (DMCs), and increase resilience to economic shocks. This commitment is especially relevant to the Pacific, where human capacity development that enables productive, sustainable employment remains a significant challenge. The Pacific Approach, 2010_2014, which acts as ADB's country partnership strategy for the 10 smaller Pacific DMCs, highlights the particular need to involve women and youth in the development process to enable them to participate in the benefits of growth through increased employment and greater economic empowerment.</p> <p>The proposed technical assistance (TA) aims to improve labor market outcomes in the Pacific, including for women and youth, by supporting deeper analysis and understanding of labor markets, sharing knowledge on approaches that improve labor market performance, and promoting more collaborative approaches to developing and implementing labor market policies and programs. The TA complements ongoing economic policy TA, and seeks to strengthen labor market links to infrastructure and education sector operations in the Pacific.</p>	

Project Rationale and Linkage to Country/Regional Strategy	<p>Pacific labor markets are generally performing poorly. While there is considerable diversity among the 14 Pacific DMCs, there are examples across the region where unemployment and underemployment are both high, with a large proportion of the labor force engaged in subsistence activities; women's labor force participation is low; youth unemployment is high relative to other age groups; and the number of formal private sector jobs is limited. If these current challenging labor market conditions persist and recent population trends continue, the number of unemployed and underemployed people in the Pacific is likely to rise sharply in coming decades. Given the size of the regional labor force is expected to increase by about 45% to 9.6 million people by 2030, to avoid further increases in unemployment, nearly 1 million new formal sector jobs (an increase of 44% over current levels) need to be generated. This does not include providing formal jobs for a further 830,000 workers who will otherwise join the subsistence economy.</p> <p>Poor labor market outcomes result from the interaction of many factors. Skills mismatches can lead to a gap between the supply of skilled workers and industry demand. Inappropriate labor market regulation may limit the demand for labor by constraining private sector development. Large informal sectors in many Pacific DMCs result in low levels of labor productivity; while higher levels of public sector employment may crowd out private sector employment. Gender stereotyping and other forms of discrimination may limit the participation of women and youth in labor markets. A growing number of young people have inadequate foundational capabilities, so are unable to find productive employment. Fragile situations in many Pacific DMCs compound the labor market challenge. In these countries, weak institutions, insufficient capacity, and social tension may undermine effective policy and program implementation.</p> <p>There is a substantial body of ongoing and recently completed analysis on labor market issues in the Pacific. Information gaps will be assessed on a country-by-country basis. For example, in the case of Fiji, the TA will build on analytical work being undertaken by the Economics and Research Department. In two other Pacific DMCs, which will be selected during TA implementation, analytical work supported by the TA will be used to synthesize existing knowledge and data, and identify gaps. Key issues in labor market policy will be identified and supported through the preparation of action plans and establishment of multi-stakeholder partnerships.</p>
--	--

Impact	National development plans for Pacific DMCs systematically incorporate policies and programs to improve labor market performance
--------	--

Project Outcome

Description of Outcome	Labor market policies and programs in participating Pacific DMCs are more evidence-based, collaboratively determined, and gender-focused
------------------------	--

Progress Toward Outcome

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Development of regional knowledge-sharing and analysis platform on Pacific labor markets 2. Analysis of labor market performance in selected Pacific DMCs 3. Development of and support for partnerships to improve labor market outcomes
--------------------------------	--

Status of Implementation Progress (Outputs, Activities, and Issues)	<p>The TA's Project Coordinator/Researcher (National Consultant) commenced services on 16 Mar 2015. The Research Analyst (International Consultant), meanwhile, commenced services on 15 June 2015. Lastly, the International Labour Organization (team of consultants), commenced services on 20 June 2015.</p> <p>Under output 2, the expected deliverables from the International Labour Organization are currently in progress. The case study on the impact of externally funded infrastructure projects on skills development and labor demand in PNG has been completed and will be processed into an ADB knowledge product. Activities to support greater regional cooperation under output 3 currently under preparation and will be completed as planned.</p> <p>On 5 Aug 2016, a Change in Implementation Arrangements was approved to allow the engagement of a Technical Writer to assist in the production of high-quality knowledge products and web write-ups as outputs of workshops, consultations, and country assessments supported by the TA. The technical writer was engaged for a total of 40 working days from 12 Sep 2016 to 31 Jan 2017.</p> <p>-On 13 Mar 2017, contract completion date for the Project Coordinator and Researcher was extended to 15 May 2017 to allow completion of deliverables namely (i) population, labor, and employment indicators database and oversee the publication production of the compendium of labor market laws and social protection systems; and (ii) database of labor market and employment related knowledge products.</p>
---	--

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services The TA will require an estimated 40 person-months of consulting services (15 person-months of international and 25 person-months national). ADB will engage a consulting team following a fixed-budget method of selection using a simplified technical proposal. In addition, two individual consultants will be hired: a project coordinator and a research analyst. The consultants will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). Proceeds of the TA will be disbursed in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).

Procurement None

Responsible Staff

Responsible ADB Officer Veve, Emma M.

Responsible ADB Department Pacific Department

Responsible ADB Division Urban, Social Development & Public Management Division, PARC

Executing Agencies *Asian Development Bank
6 ADB Avenue,
Mandaluyong City 1550, Philippines*

Timetable

Concept Clearance 21 Oct 2014

Fact Finding -

MRM -

Approval 12 Dec 2014

Last Review Mission -

Last PDS Update 10 Apr 2017

TA 8794-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
12 Dec 2014	-	12 Dec 2014	31 Dec 2017	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
750,000.00	0.00	0.00	0.00	0.00	0.00	750,000.00	12 Dec 2014	465,881.84

Project Page <https://www.adb.org/projects/46154-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=46154-001>

Date Generated 06 July 2017

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information is provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.