



Technical Assistance Report

Project Number: 50025-001
Policy and Advisory Technical Assistance (PATA)
December 2016

Republic of Uzbekistan: Skills Strategies for Industrial Modernization and Inclusive Growth (Financed by the Japan Fund for Poverty Reduction)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 10 November 2016)

Currency unit	–	sum (SUM)
SUM1.00	=	\$0.0003212
\$1.00	=	SUM3,113.47

ABBREVIATIONS

ADB	–	Asian Development Bank
MOL	–	Ministry of Labor
MSEs	–	micro and small enterprises
SDG	–	Sustainable Development Goal
TA	–	technical assistance
TVET	–	technical and vocational education and training

NOTE

In this report, “\$” refers to US dollars.

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POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 50025-001	
Project Name	Skills Strategies for Industrial Modernization and Inclusive Growth	Department /Division	CWRD/CWSS
Country	Uzbekistan	Executing Agency	Ministry of Labor
2. Sector	Subsector(s)	Financing (\$ million)	
✓ Education	Education sector development		0.50
	Technical and vocational education and training		0.40
		Total	0.90
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive Pillar 3: Extreme deprivation prevented and effects of shocks reduced (Social Protection)	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development Institutional systems and political economy Organizational development	Gender equity (GEN)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities Pilot-testing innovation and learning		
Partnerships (PAR)	Implementation Regional organizations		
Private sector development (PSD)	Conducive policy and institutional environment		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Not Applicable	
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG4, SDG8, SDG10		
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		0.90	
Japan Fund for Poverty Reduction		0.90	
Counterpart		0.00	
None		0.00	
Total		0.90	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		Yes	

I. INTRODUCTION

1. The Government of Uzbekistan requested support from the Asian Development Bank (ADB) to strengthen its transformation into a modern industrial and service economy through sustained and inclusive growth, a reduction in poverty, and expanded regional cooperation.¹ The proposal was discussed in detail with the government during three ADB missions in May, June, and October 2016. The government concurred with the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference for consultants of the proposed policy and advisory technical assistance (TA). The design and monitoring framework is in Appendix 1.²

II. ISSUES

2. The government is pursuing an ambitious development agenda to achieve rapid and broad-based economic growth through economic diversification, industrial modernization, and infrastructure development.³ Anticipating and addressing labor market challenges has become a government priority, with an increase of more than 30% in the working age population projected by 2030 and a rising unemployment rate (5.2% in 2015).⁴ As one of the youngest countries in Asia, with almost 60% of the population under the age of 30, Uzbekistan will require a high rate of job creation and well-functioning labor markets to absorb this economically active and growing population.⁵

3. Successive government industrial modernization policies (2011–2015 and 2015–2019) outlined key economic objectives, including targets for growth in gross domestic product, expanding the share of industry value added in gross domestic product, rehabilitating roads, and increasing access to utilities for rural populations. Target areas under the strategy include oil and gas, electricity, chemicals and petrochemicals, and metallurgy. The government's strategy seeks to expand the middle class, promote shared prosperity, and eliminate poverty through the creation of quality jobs for its citizens.

4. Uzbekistan's skills development system faces several challenges and is not well placed to support the government's economic modernization agenda. Employers in the country report that inadequate workforce skills pose a significant obstacle to firm growth: (i) 73% of employers in a 2008 survey identified inadequate skills as an obstacle to doing business, up from 60% in 2005; and (ii) 35% of firms in a 2013 survey conducted by the World Bank reported that employee skills posed a major or very severe obstacle to growth.⁶ Industrial enterprises were very likely to experience difficulties in finding workers with the right skills, with nearly half reporting a lack of qualified specialists with a higher education degree (footnote 6). Other evidence shows a mismatch between the number of graduates and the number of jobs created in different fields of study. This is particularly true for specialized senior secondary school graduates, but also for higher education graduates.⁷ While progress has been made in

¹ ADB. 2015. *Country Operations Business Plan: Uzbekistan, 2016–2018*. Manila.

² The TA first appeared in the business opportunities section of ADB's website on 10 September 2016.

³ Government of Uzbekistan. 2015. *About the Program of structural reforms, modernization and diversification of industry for 2015–2019*. Resolution of the President of the Republic of Uzbekistan No. UP-4707. Tashkent.

⁴ O. Arias et al. 2014. *Back to Work: Growing with Jobs in Europe and Central Asia*. Washington, DC: World Bank; and State Committee of the Republic of Uzbekistan. 2015. *Statistical Review of the Republic of Uzbekistan January–June 2015*. Tashkent.

⁵ United Nations Development Programme. Country Info. *About Uzbekistan*. <http://www.uz.undp.org/content/uzbekistan/en/home/countryinfo.html>

⁶ M.I. Ajwad et al. 2014. *The Skills Road: Skills for Employability in Uzbekistan*. Washington, DC: World Bank.

⁷ World Bank. 2014. *Uzbekistan: Modernizing Tertiary Education*. Washington, DC.

educational system reform, weaknesses have been highlighted, including that technical and vocational education and training (TVET) institutes are often small, widely dispersed, and lacking in modern equipment. The quality of education is also highlighted as a concern.⁸ The World Bank has characterized labor market information systems as weak, and highlighted the adverse effects this may have on job search and skills signaling. In particular, it noted that workers do not have ready access to information on job openings, job search strategies, and ways of effectively presenting their qualifications to prospective employers (footnote 7).

5. The TA is expected to focus on addressing skills needs in micro and small enterprises (MSEs), which are defined as firms with up to 100 employees.⁹ These firms are estimated to represent more than 99% of all enterprises in Uzbekistan and provide employment to more than 77% of all workers in the country. Some aspects of the TA will focus on three geographic areas of the country: Navoi region, Angren district of Tashkent region, and Andijan region, which account for about 43% of MSEs in Uzbekistan. These three geographic areas were selected because (i) they are classified as economic free zones or special economic areas; (ii) MSEs contribute significantly to gross regional product in these three geographic areas (51.4% in Andijan, 24.9% in Navoi, and 41.9% in Tashkent); and (iii) the government has identified them as the key areas for industrial modernization and job creation. The needs of MSEs differ sharply from those in large enterprises; they have greater challenges in identifying skills needs and they train employees up to 50% less than large firms.¹⁰

6. Uzbekistan's labor market has significant gender gaps, and the number of economically active women remains considerably lower than the number of economically active men. Although women make up almost half of the adult labor force (46%), employment rates show a clear gender gap. During 2007–2010, employment among men grew more rapidly than employment among women—10.8% for men versus only 5.5% for women. During that same period, the proportion of women in the working population decreased while the proportion of men increased. Unemployment rates in Uzbekistan show distinct gender patterns. The official unemployment rate for women has consistently been higher than for men. There is some indication that women are not seeking jobs at the same rate as men, or at least are not using official channels for assistance. Unemployed women generally spend more time looking for jobs than men and, on average, remain unemployed for more than a year.¹¹

7. Reforms and investment in the skills development sector in Uzbekistan could yield significant returns. A study concluded that further investment in education and skills would improve labor market outcomes, support growth in the new economy and private sector, and give impetus to regional economic development.¹²

8. The government is aligning its policies and strategies to the following Sustainable Development Goals (SDGs): quality education (SDG 4), decent work and economic growth (SDG 8), and reduced inequalities (SDG 10). The TA will develop policy design capacity to pursue the SDG targets to help ensure socioeconomic development that is inclusive for the

⁸ M. Bjarnason et al. 2013. *Private Sector Development Policy Handbook: Developing Skills in Central Asia through Better Vocational Education and Training Systems*. Paris: Organisation for Economic Co-operation and Development.

⁹ Uzbekistan classifies the size of enterprises differently than the standard classification: Micro enterprises are defined as 1–20 employees, small as 21–100 employees, and large as more than 100 employees.

¹⁰ Organisation for Economic Co-operation and Development. 2014. *Skills Development in SMEs*. Paris.

¹¹ ADB. 2014. *Uzbekistan Country Gender Assessment*. Manila.

¹² M.I. Ajwad and Z. Nikoloski. 2014. *Cognitive and Non-Cognitive Skills Affect Employment Outcomes: Evidence from Central Asia*. Washington, DC: World Bank.

more disadvantaged groups. The TA is included in ADB's country operations business plan for Uzbekistan, 2016–2018 (footnote 1).

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impacts and Outcome

9. The impact of the project is aligned with skills developed and decent jobs created for disadvantaged groups.¹³ The outcome will be a framework for a more effective and relevant skills development system that supports industrial modernization and inclusive growth developed.

B. Methodology and Key Activities

10. The TA will have three outputs:

- (i) **Skills demand and supply identified and analyzed in three geographic areas: Navoi region, Angren district of Tashkent region, and Andijan region.** This output will involve the development and pilot testing of a survey to determine current and expected employer demand for skills in Navoi region, Angren district of Tashkent region, and Andijan region. It will also assess the supply of skills being provided through the TVET system in Uzbekistan and assess the degree of mismatch between skills supply and demand. The survey is expected to be conducted with a sample of at least 100 firms in the three identified regions. The survey instrument and methodology developed under the TA will provide a platform for the government to institutionalize regular assessments of skills supply and demand in the country. The TA will also assess government capacity development and other requirements in relation to institutionalizing labor market surveys. The analysis will include a gender-disaggregated assessment of skills supply and demand.
- (ii) **Skills monitoring system to address emerging jobs designed and pilot program established.** This output will involve designing and establishing a pilot skills monitoring system, including gender-disaggregated components, to monitor the changing demands for skills, identify changes in industry skills needs, and provide information for TVET providers to adjust program offerings to meet emerging skill demands. This system will include mechanisms for anticipating and responding to changing skills needs resulting from shifts in regional trade patterns and the emergence of greening key sectors such as energy and water. Specific outputs will include (a) developing and establishing a pilot skills monitoring system model relevant to Uzbekistan, (b) identifying capacity-building needs for the operation of the skills monitoring system, and (c) designing and establishing a knowledge-sharing platform to facilitate industry partnerships.¹⁴

¹³ The government's National Development Strategy 2016–2020 incorporates several Presidential resolutions, including: Government of Uzbekistan. 2015. *Resolution of the President of the Republic of Uzbekistan No. UP-4707*. Tashkent; Government of Uzbekistan. 2015. *Resolution of the President of the Republic of Uzbekistan No. UP-4725*. Tashkent; and Government of Uzbekistan. 2015. *Resolution of the President of the Republic of Uzbekistan No. PP-2340*. Tashkent.

¹⁴ C. Martinez-Fernandez, I. Miles, and T. Weyman, eds. 2011. *The Knowledge Economy at Work: Skills and Innovation in Knowledge Intensive Service Activities*. Cheltenham, United Kingdom: Edward Elgar.

- (iii) **Possible reform and program design options to improve the skills development system identified and assessed.** This output will assess the TVET sector in Uzbekistan, including the identification of key challenges facing the sector, strengths and weaknesses of the existing framework, and possible reforms to the regulatory and funding framework that would help to improve the efficiency, quality, and relevance of the skills development system. This output will also identify and assess possible program design options to improve the operation of the TVET system, including revisions to curricula and programs, qualifications frameworks and skills certification, labor market information systems, capacity-building measures, mechanisms to increase linkages between the TVET system and enterprises, investment requirements, and the introduction of innovative models for financing and delivering TVET. The TA will also identify possible assistance that may be required to support improvements in the skills development system, including identifying broad preliminary costs and any potential safeguards issues.

11. Key assumptions for the TA include the government's continued commitment to reform skills development and labor market policies and its continued high priority for industrial modernization consistent with TA recommendations. Risks for the TA include (i) domestic instability or fiscal constraints that divert government efforts to other priorities, (ii) insufficient or no collaboration from local stakeholders in the planned activities, and (iii) personnel changes in the executing agency leading to inability to coordinate effectively with all agencies involved.

C. Cost and Financing

12. The TA is estimated to cost \$1,000,000, of which \$900,000 will be financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. The government will provide counterpart support in the form of staff, office accommodation, office supplies, and other in-kind contributions. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

13. The executing agency will be the Ministry of Labor (MOL). ADB will administer the TA. A steering committee is being formed to oversee TA implementation and provide interministerial coordination. Its members include the MOL, Ministry of Education, Ministry of Finance, and the Ministry of Higher and Secondary Specialized Education. The implementing agencies will be (i) the Center for Secondary Specialized Vocational Education under the Ministry of Higher and Secondary Specialized Education, and (ii) the National Scientific Center for Employment and Labor Protection under MOL. A working group, which will report to the steering committee, has been established. It will provide day-to-day support to TA implementation. The TA will be implemented from January 2017 to January 2018. The TA is categorized as *gender equity as a theme*.

14. ADB will recruit a firm to implement the TA. Individual consultants may also be engaged to undertake particular tasks, including TA coordination. All consultants will be engaged in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The selection method will be quality- and cost-based selection, using full technical proposals, with a 90:10 weighting of technical and financial scores. Performance (output) terms of reference will be used with a minimum of three key experts, one of which will be the team leader: (i) labor market economist, (ii) skills development specialist, and (iii) labor market expert. The TA will also mobilize resource persons as needed to provide expertise. Equipment under

the TA will be procured in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). TA funds will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Upon completion of the TA, equipment procured will be turned over to the executing agency. The outline terms of reference for consultants are in Appendix 3.

15. ADB will monitor the performance of the TA through regular TA review missions. ADB will work closely with the steering committee in the coordination and implementation of the TA. A knowledge-sharing platform will be established to ensure the effective dissemination of TA outputs, including good practice and lessons learned.

IV. THE PRESIDENT'S DECISION

16. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$900,000 to the Government of Uzbekistan to be financed on a grant basis by the Japan Fund for Poverty Reduction for Skills Strategies for Industrial Modernization and Inclusive Growth, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned With: Skills developed and decent jobs created for disadvantaged groups. ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Framework for a more effective and relevant skills development system that supports industrial modernization and inclusive growth developed	a. Technical assistance outputs, including survey of skills needs, assessment of skills delivery, and reform and program design options incorporated into government policy processes relating to skills development by January 2018 (baseline: N/A) b. Comprehensive gender-inclusive skills strategy developed by the government of Uzbekistan, incorporating the findings and policy and strategic advice from the TA by Q4 2017 (baseline: N/A)	a.–b. Steering committee reports	Domestic instability or fiscal constraints divert the government's efforts to other priorities
Outputs 1. Skills demand and supply identified and analyzed in three geographic areas: Navoi region, Angren district of Tashkent region, and Andijan region	1a. Report outlining survey results—including analysis by gender, age, and occupation—accepted by the government by January 2018 1b. Results of the skills needs survey accepted by the steering committee by Q3 2017 (baseline: N/A) 1c. Results of the survey of skills currently offered by education institutions and private organizations accepted by the steering committee by Q3 2017 (baseline: N/A)	1a.–c. Steering committee reports	Low or no collaboration from TVET institutes and firms
2. Skills monitoring system to address emerging jobs designed and pilot program established	2a. Report outlining design of skills monitoring system, including gender-disaggregated components, accepted by the government by Q4 2017 (baseline: N/A) 2b. Gender-disaggregated indicators for skills monitoring system designed and pilot tested by Q4 2017	2a.–b. Steering committee reports	
3. Possible reform and program design options to improve the skills development system identified and assessed	3a. TVET sector assessment accepted by the government by Q3 2017 3b. Report outlining program/project design options to support improved performance of the skills development system that addresses the needs of women, youth, and other disadvantaged groups accepted by the government by Q4 2017 (baseline: N/A)	3a.–b. Steering committee reports	

Key Activities with Milestones

1. Skills demand and supply identified and analyzed in three geographic areas: Navoi region, Angren district of Tashkent region, and Andijan region
 - 1.1 Conduct initial desk review and consultations with steering committee and stakeholders, particularly reviewing all documentation and decrees related to skills, labor markets, industrial districts, industrial and trade policies, new trade opportunities in the regions, and inclusive growth (by April 2017)
 - 1.2 Design survey instrument for analysis of skills needs in micro and small enterprises (by April 2017)
 - 1.3 Conduct the survey of at least 100 enterprises in Navoi, Angren district of Tashkent region, and Andijan in collaboration with national and local stakeholders (by June 2017)
 - 1.4 Hold consultation workshops in each of the regions under analysis to perform a stakeholder analysis and present results from the survey (by August 2017)
 - 1.5 Produce a draft and final report containing the methodology to perform skills analysis and identifying skills needs in the three regions (by September 2017)
2. Skills monitoring system to address emerging jobs designed and pilot program established
 - 2.1 Build a database of international best practice for skills monitoring systems (by July 2017)
 - 2.2 Identify and develop possible options for a skills monitoring system in the three geographic regions (by September 2017)
 - 2.3 Develop a more detailed design model for a skills monitoring system (by December 2017)
 - 2.4 Establish a knowledge-sharing platform to facilitate knowledge transfer and industry partnerships (e.g., for regional trade, clean energy, and water management (by December 2017)
 - 2.5 Produce a draft and final report outlining the skills monitoring system and requirements for institutionalization of the skills monitoring function (by December 2017)
3. Possible reform and program design options to improve the skills development system identified and assessed
 - 3.1 Complete TVET sector assessment, including identification of challenges and strengths and weaknesses of existing system (by June 2017)
 - 3.2 Identify possible reform directions and program design options for improving the performance of the skills development system (by October 2017)
 - 3.3 Consult with the government and stakeholders on possible reform options (by October 2017)
 - 3.4 Identify possible assistance that may be required to support improvements in the skills development system (by November 2017)
 - 3.5 Develop design options for improving the performance of the skills development system after consultations with government and stakeholders (by November 2017)
 - 3.6 Produce a report on possible design options to improve the skills system (by December 2017)

Inputs

Japan Fund for Poverty Reduction: \$900,000

Note: The government will provide counterpart support in the form of staff, office accommodation, office supplies, and other in-kind contributions.

Assumptions for Partner Financing

Not applicable.

N/A = not applicable, Q = quarter, TA = technical assistance, TVET = technical and vocational education and training.

^a The government's National Development Strategy 2016–2020 incorporates several Presidential resolutions, including: Government of Uzbekistan. 2015. *Resolution of the President of the Republic of Uzbekistan No. UP-4707*. Tashkent; Government of Uzbekistan. 2015. *Resolution of the President of the Republic of Uzbekistan No. UP-4725*. Tashkent; and Government of Uzbekistan. 2015. *Resolution of the President of the Republic of Uzbekistan No. PP-2340*. Tashkent.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Japan Fund for Poverty Reduction^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	485.0
ii. National consultants	43.0
b. International and local travel	82.0
c. Reports and communications	20.0
2. Equipment ^b	5.0
3. Workshops, seminars, and conferences ^c	
a. Facilitators and resource speakers ^c	55.0
b. Workshops ^d	40.0
c. Regional conference ^d	40.0
4. Surveys	30.0
5. Miscellaneous administration and support costs ^e	15.0
6. Contingencies	85.0
Total	900.0

Note: The technical assistance (TA) is estimated to cost \$1,000,000, of which contribution from the Japan Fund for Poverty Reduction is presented in the table above. The government will provide counterpart support in the form of staff, office accommodation, office supplies, and other in-kind contributions. The value of the government contribution is estimated to account for 10% of the total TA cost.

^a Administered by the Asian Development Bank.

^b Tablets will be turned over to the Ministry of Labor at the end of the TA.

^c Workshops and a regional conference will be held as part of TA implementation. These will be held in Tashkent or in regional cities. ADB staff may be used as resource persons and some representation costs may be charged to the TA.

^d Includes rent of equipment, food and beverages, translations, and other workshop-related costs.

^e Includes translation and interpretation costs.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. Consultants will be engaged through a firm by use of performance-based (or output-based) terms of reference.¹ The skills requirements consist of labor market economics, skills development, costing, gender, industry partnerships, trade and global value chains, and safeguards. Consultants will be engaged in accordance with the Asian Development Bank (ADB) Guidelines on the Use of Consultants (2013, as amended from time to time). The firm selected will have expertise in labor market analysis, skills development in small and medium-sized enterprises, and trade and global value chains. It will also be experienced in working in partnership with governments, trade unions, industry associations, and small firms. The firm should, to the extent possible, ensure gender balance in the composition of the team. An inception report, including planned deliverables, timetable, and work schedule, will be provided by the firm within 2 weeks of mobilization. All reports will be closely linked to the design and monitoring framework deliverables and time lines, and produced in English with copies in Russian.

A. Scope of Services and Major Outputs

2. The firm will report to ADB through the team leader and perform the work highlighted below.

1. Identification and Analysis of Skills Demand and Supply in Three Geographic Areas: Navoi Region, Angren District of Tashkent Region, and Andijan Region

3. This will include

- (i) preparing and pilot testing, in collaboration with national and local stakeholders (e.g., key staff from the Ministry of Labor national and regional offices and local chambers of commerce), a survey instrument for the analysis of skills needs in micro and small enterprises;
- (ii) holding consultation workshops in the three identified geographic areas of Navoi, Angren district of Tashkent, and Andijan to perform a stakeholder analysis;
- (iv) preparing a brief containing the methodology to perform skills demand–supply analysis and identify skills needs;
- (v) identifying capacity building and other requirements for institutionalizing labor market surveys;
- (vi) building an intraregional database of skills needs, in partnership with the National Scientific Center for Employment and Labor Protection;
- (vii) assessing public and private provision of technical and vocational education and training (TVET) and nonformal skills training;
- (viii) holding a regional forum on skills and employment strategies for industrial modernization; and
- (ix) producing a policy brief, to be discussed at a regional forum, drawing on the results of the technical assistance (TA).

2. Development and Establishment of a Pilot Skills Monitoring System Model to Address Emerging Job Demands

¹ Performance-based (or output-based) terms of reference encourage innovative approaches to delivering the desired outputs. They require defined outputs as part of the scope of services, and definition only of key experts.

4. This will include
 - (i) outlining the key features of a skills monitoring system in the three geographic areas and identifying key implementation features;
 - (ii) conducting a workshop on horizon scanning and skills monitoring for job creation and forecasting skills changes with sector stakeholders;
 - (iii) establishing a stakeholders group with senior management from key enterprises, education organizations, and local government institutions to guide the monitoring system;
 - (iv) collecting international best practice for anticipating skills needs, and for skills needed in small firms to participate in trade and global value chains;
 - (v) building a knowledge-sharing platform to facilitate industry partnerships (e.g., for regional trade, clean energy, and water management);
 - (vi) analyzing the impact of labor market regulation on the demand for, and supply of, skills;
 - (vii) organizing a regional forum on skills and employment strategies for industrial modernization;
 - (viii) identifying capacity-building requirements, as well as indicative capital and operating costs, of the skills monitoring system;
 - (ix) identifying the requirements for expanding the skills monitoring system beyond the three identified geographic areas; and
 - (x) preparing a policy brief outlining key design and implementation features of the skills monitoring system, for discussion at a regional forum.

3. Identification of Possible Reform and Program Design Options to Improve the Skills Development System in Uzbekistan

5. This will include
 - (i) undertaking a TVET sector assessment, including identification of challenges and strengths and weaknesses of the existing system;
 - (ii) identifying and assessing possible reform and program design options to improve the operation of the TVET sector, including revisions to curricula and programs, qualifications frameworks and skills certification, labor market information systems, capacity-building measures, mechanisms to increase linkages between the TVET system and enterprises, investment requirements, and the introduction of innovative models for financing and delivering TVET;
 - (iii) outlining options for training programs to respond to the needs of enterprises and support the innovation process of firms by building skills for competitiveness;
 - (iv) identifying capacity-building requirements;
 - (v) identifying programs designed to meet the needs of specific target groups (women, youth, and the disadvantaged);
 - (vi) identifying and undertaking preliminary environmental and social assessment for the design options;
 - (vii) generating broad indicative costings of possible design options; and
 - (viii) identifying possible assistance requirements, including entry points and potential financing modalities.

B. Key Expertise Required

6. **Labor market economist and team leader** (international). The labor market economist and team leader will have a higher degree qualification in economics or a related field in the social sciences, and be experienced in the management of large projects and teams. At least 15

years of experience in labor market policy and skills analysis are required for this position, preferably with international organizations. The position requires sound understanding of labor market dynamics of industrial zones and the impact of trade and global value chains. Experience in developing and implementing active labor market policies for gender equity will be an advantage. The main tasks are to

- (i) lead, manage, coordinate, and operate as facilitator for all aspects of the TA and produce a road map of activities and schedule of consultants during the first 2 weeks of the project as part of the inception report, including a gender plan;
- (ii) lead, manage, and coordinate the design and implementation of the skills survey in the three identified geographic areas;
- (iii) lead, manage, and coordinate the design and implementation of the assessment of TVET provision;
- (iv) conduct an assessment of the TVET sector;
- (v) review and assess regulations and institutional arrangements pertaining to the labor market in Uzbekistan, including gender aspects;
- (vi) plan and oversee the implementation of the skills survey, skills monitoring system activities, including labor demand analysis, and the possible reform and program design options;
- (vii) identify and assess possible reform and program design options to improve the operation of the TVET sector, including revisions to curricula and programs, qualifications frameworks and skills certification, labor market information systems, capacity-building measures, mechanisms to increase linkages between the TVET system and enterprises, investment requirements, and the introduction of innovative models for financing and delivering TVET;
- (viii) coordinate TA activities with development partners and other technical advisors to ensure consistency and collaboration of planned and ongoing work in the three identified geographic areas;
- (ix) review regularly the milestone reports and activities of other components, and ensure timely completion of deliverables as indicated in the corresponding design and monitoring framework; and
- (x) prepare interim and final reports that identify possible reforms, programs, and capacity-building activities that could guide the TVET system.

7. **Skills development specialist** (international). The specialist will have higher degree qualifications in education or a related field in the social sciences and be experienced in the management of skills analysis projects and teams, including addressing gender elements. At least 10 years of experience in education policy and skills analysis are required for this position, particularly at international organizations. Experience in skills analysis and curriculum design by gender will be an advantage. The position requires understanding of skills development in small firms and the skills requirements for participating in trade and global value chains. The main tasks are to

- (i) prepare a skills analysis questionnaire to be pilot tested in the three identified geographic areas;
- (ii) prepare a road map on survey implementation in consultation with local consultants and local stakeholders to determine the logistics for undertaking the skills survey and assessment of the TVET sector;
- (iii) support the design and implementation of the skills survey in the three identified geographic areas;
- (iv) support the team leader in the design and implementation of the assessment of TVET provision;
- (v) support the team leader in the assessment of the TVET sector;

- (vi) support the team leader in identifying and assessing possible reform and program design options to improve the operation of TVET, including revisions to curricula and programs, qualifications frameworks and skills certification, labor market information systems, capacity-building measures, mechanisms to increase linkages between the TVET system and enterprises, investment requirements, and the introduction of innovative models for financing and delivering TVET;
- (vii) analyze the survey data with the support of other consultants, and prepare the survey data report in coordination with the team leader and deputy team leader;
- (viii) prepare an assessment of the quality and relevance of skills development in the country; and
- (ix) assist in preparing draft and final reports that identify possible reforms, programs, and capacity-building activities that could guide the TVET system.

8. **Labor market expert and deputy team leader** (national). The specialist will have higher degree qualifications in economics or a related field in the social sciences and be experienced in the dynamics of the labor market in Uzbekistan. The expert will also have a good understanding of the knowledge economy and the role of knowledge-intensive service activities. At least 8 years of experience in skills and employment analysis (including by gender) and labor market policy are required for this position. Experience in developing and implementing active labor market policies for gender equity will be an advantage. The position requires sound understanding of the labor market dynamics of industrial zones and the impact of trade and global value chains. The main tasks are to

- (i) develop the gender components of the skills survey, in coordination with the team leader and skills development specialist;
- (ii) support the team leader and the government officials in preparing a road map for workshops to be undertaken under the TA, in coordination with the local stakeholders;
- (iii) coordinate the logistics and schedule of the activities, and serve as a focal point for the core working group;
- (iv) ensure the preparation of documentation needed for the workshops and regional conference in coordination with the team leader, resource persons, and local consultants;
- (v) monitor the development of the TA and provide feedback to the steering group and working group, in coordination with the team leader and the focal point of the executing agency;
- (vi) prepare the summary reports after each event and coordinate the dissemination at regional and local levels and through the knowledge-sharing platform;
- (vii) organize the regional conference in coordination with the team leader and the focal point of the executing agency; and
- (viii) prepare an interim and final report of the skills monitoring system, and identify the elements required for extending the model to other regions in Uzbekistan.

9. In addition to these required key experts, the proposing entities should include in their technical proposal, in the personnel work plan, and in their financial proposal all other non-key experts required in accordance with their proposed approach and methodology. The proposing entity must also determine and indicate the number of person-months for which each key or non-key expert will be required.

10. All experts engaged under the contract, whether key or non-key experts, must be citizens of one of the ADB eligible countries.

C. Preparation of Proposal

11. Short-listed entities are requested to prepare a full technical proposal to describe how they propose to deliver on the outputs of the contract in the “approach and methodology” section of their proposal. In this narrative, entities should be explicit in explaining how they will achieve the outputs, and include any information on their existing activities on which they may eventually build as well as the details of what staff will comprise the project team. The proposal needs to include a gender plan.

12. Entities must also describe their experience in Uzbekistan, and their ability to operate in Uzbek and/or Russian language.

13. Only one résumé must be submitted for each key and non-key expert included in the proposal. Only the résumés of key experts will be scored as part of the technical evaluation of proposals. The résumés of non-key experts will not be scored. However, ADB will review and individually approve or reject each résumé for each non-key expert position in the proposal. The overall structure of the team will be considered as part of the evaluation of the “approach and methodology.”

14. All positions under the contract, both key and non-key experts, must be included and budgeted for in the financial proposal, in accordance with the person-month(s) allocation required for each as defined by the proposing organization.

D. Terms of Assignment

15. The duration of the assignment is 1 year from the start date, expected to be around the last week of January 2017, and the assignment of experts is intermittent in nature. The terms will be revised based on consultations between the parties involved in the assignment according to changes and/or additional requirements identified during implementation.