

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Guyana
▪ TC Name:	Supporting Technical Training in Extractive Industries in Guyana
▪ TC Number:	GY-T1106
▪ Team Leader/Members:	Malaika Culverwell Masson (INE/ENE) Team Leader; Jesus Tejeda (ENE/CEC); Alejandro Melandri (INE/ENE); Clevern Lidell (CCB/CGY); Maria Victoria Fazio (SCL/LMK); Martin Walter (IFD/ICS); Anaitee Mills (INE/ENE); Hisakhana Corbin (VPS/ESG); Javier Jimenez Mosquera (LEG/SGO); under the supervision of Leandro Alves, Energy Division Chief (INE/ENE).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	n/a
▪ Reference to Request: (IDB docs #)	37898690
▪ Date of TC Abstract:	July, 2013
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Guyana
▪ Executing Agency and contact name	Inter-American Development Bank (IDB)
▪ IDB Funding Requested:	US\$435,000.00
▪ Local counterpart funding, if any:	n/a
▪ Disbursement period (which includes execution period):	24 months
▪ Required start date:	August, 2013
▪ Types of consultants (firm or individual consultants):	Firm and Individual Consultants
▪ Prepared by Unit:	The Energy Division (INE/ENE)
▪ Unit of Disbursement Responsibility:	The Energy Division (INE/ENE)
▪ Included in Country Strategy (y/n);	yes
▪ GCI-9 Sector Priority:	Small and Vulnerable Countries; Poverty Reduction; Sustainable environmental and natural resources management; Education & Labor Markets; Regional cooperation and integration

II. Objective and Justification

The objective of the Technical Cooperation (TC) is to provide support for curricula development, facilities upgrading and course delivery in vocational training in the extractive industries (e.g., oil, gas, and mining) in order to promote technical skills-upgrading among a local labor force in Guyana. The TC supports the development of a pilot case in Guyana, and provides for a scoping study to determine the feasibility (e.g., institutional, economic, financial, and commercial) for regional collaboration on vocational training and work placement in the extractive industries in the Caribbean as a way of promoting regional employment and poverty reduction.

Justification. There is an acute shortage of skilled personnel in Guyana and other CARICOM countries with regards to mining, mineral exploration and processing related qualifications, just at the time when new hydrocarbon and mineral investments are spurring growth in their economies. The extractive industries are renowned for being enclaves, capital intensive, and one of the largest users of high-technology equipment that require practitioners who have the skills necessary to keep up with these advances. This lack of skills runs the risk of further distancing these small and vulnerable countries from participating in the economic benefits of the extractive industries, leading in part to declining employment and innovation trends that have contributed a phenomenon associated with growing poverty in resource rich countries.

A skill needs survey for the mining sector in Guyana, conducted in April 2012 by the Council for Technical and Vocational Education and Training and Statistical Unit (CTVET) in the Ministry of Labor Human Services and Social Security, revealed that there are a number of skills shortages among technical operators and machinery drivers.

Managerial and technical professional were also noted to be scarce supply as they are already occupied as planners, evaluators and analysts for the expansion of the mining sector and not within jobs fitting their profile.¹ With further hydrocarbon exploration, resumption of manganese mining, increased production of bauxite and gold and the opening of new exploration in rare earths, the extractive sector is expected to be the most rapidly growing sector in Guyana. As a result, it has become imperative that the existing Guyanese workforce is trained and skilled to work in the sector. The Government of Guyana (GoG) is seeking partners experienced in these industries to design and deliver technical training modules within the establishment of a 'Mining Training School' that will qualify Guyanese workers to undertake positions offered in the short term, thereby securing work and alleviating unemployment and its link with poverty in Guyana.²

This trend in extractive industry growth and skills shortages is not only taking place in Guyana but in other mineral-rich and CARICOM countries. The extractive industry has been driving economic growth in Guyana (bauxite, gold, and diamonds), Jamaica (bauxite, gypsum, and limestone), Suriname (gold, bauxite, and oil/gas), Trinidad & Tobago (oil/gas, asphalt), Belize (oil/gas), and is poised to become an important revenue generator in Bahamas (oil/gas) and Haiti (gold, copper). A key concern for CARICOM resource-rich countries is to continue promoting the enabling environment for investments in oil, gas and mining whilst also strengthening the value-added to their local economies from these primarily export-based sectors, so that more local labor profit from the presence of these industries in their country.

Therefore, the objective of this TC is to support the development of a pilot case in Guyana for technical training and work place in the extractive industry as well as to determine the feasibility (e.g., institutional, economic, financial and commercial) for regional collaboration on vocational training and work placement in the extractive industries in the Caribbean. This TC is aligned with the IDB's commitment to poverty reduction particularly among small, vulnerable and less developed countries in the Caribbean region with a Gross Domestic Product (GDP) of less than US\$55 billion. The TC is also aligned with the IDB's sector priorities as outlined in the report on the Ninth General Capital Increase in Resources for the Inter-American Development Bank (GCI-9) (AB-2764), particularly with "Social policy for equity and productivity" where the IDB emphasizes well-functioning labor market and appropriate vocational training linked with the skills demanded by the industry in order to achieve sustainable reduction in poverty and inequality. The TC also contributes to the priority areas under the IDB Country Strategy with Guyana 2012-2016 (GY-P1067), which include "natural resources management" through boosting productivity growth of labor in natural resource-based economic activity with sustainability as well as "private sector development", where the IDB supports improvement in quality of technical and vocational education and training. Finally, the TC is directly linked to the preparation and development of operation GY-L1039 as the delivery of technical training is key to improving capacity in Guyana with regards to improved environmental protection practices in the extractives sector and land-use management.

III. Description of Activities and Outputs

Component I. Facilities upgrading in Guyana. Component I will see resources allocated to upgrade physical training facilities and requisite infrastructure within Guyana including technical hardware and computer equipment, Information Communication Technology (ICT) system, and building enhancements. Furthermore, this will entail an assessment of physical and computer hardware required to deliver the vocational training and recommendations from the assessment will be used to determine exact upgrading of facilities.

Component II. Course delivery in Guyana. Component II will focus on delivering skills-oriented training to Guyanese seeking to enter or currently employed within the extractive industries. Training will be designed and delivered in close collaboration with Guyana private sector. In order to ensure sustainability of project outcomes and responsiveness of training going forward, the initial training focus will be on instructors (Train-the-Trainers), who will be trained in Competency Based Education and Training (CBET). This will strengthen capacity within Guyana to develop and deliver skills-oriented industry-responsive training. The second, and core, phase of the training will focus on the extractive industry workers. Formal in-classroom programming will be complemented where feasible with on-site delivery and practical work placements. Collaboration with the private sector including Small and Medium Enterprises (SMEs) will help guarantee training closely matches with industry needs. The focus of training will be on practical skills and

¹ Summary of critical skills needed in this study; heavy duty drivers; mechanist; geologists; surveyors; mining engineers; skilled operators; bulldoze operators; technicians; seaman; mechanics; production managers; drillers.

² A Memorandum of Understanding (MOU) between the Government of the Co-Operative Republic of Guyana Ministry of Natural Resources and the Environment and The Fisheries and Marine Institute of Memorial University, Newfoundland and Labrador was signed on 20th September 2012.

technician-level instruction geared toward lower-socioeconomic groups. Specific training will recognize the existing skill sets and prior credentials of the learners. Training will conform to current national, regional and/or international training standards and will include certification where applicable. The expected outcome will be to have upgraded the skill-set for a growing pool of current and prospective employees in the broad extractive industries.

Component III. Scoping Study Extractive Industry Technical Training at the Caribbean Regional Level. Component will focus on a study of Caribbean regional training capability in the extractive industries with specific focus on best practices and opportunities for regional collaboration and private sector partnership/engagement. Explicit focus will be on building Guyanese expertise in the processes of skills development and local employment in the extractive industries. The expected outcome will be a report that helps delineate the economic, institutional, political will, costs and opportunities. The report will recommend the level of qualifications that can be supported by a regional/institutional arrangements (existing or new), the types of partnerships that would need to be established to finance the initiative, the target labor pool, and expected labor and skills upgrading outcomes that can be expected in the medium-term. Furthermore, the information gathered on regional best practices will be used to inform training delivery in Guyana, both in terms of content and process, and can help accelerate the growth in the number and quality of trainers.

Component IV. Dissemination. An important aspect of the TC will be dissemination of project information and lessons learned. This will be achieved through: seminars on project outputs delivered to IDB; a final report in both hard and electronic format; a package of on-line tools to assist Guyana and its regional partners with future extractive industry responsive education and training.

IV. Budget ³

Activity/Component	IDB/Fund Funding (US\$)
Component I: Infrastructure Upgrading	60,000
Component II: Course Delivery	170,000
Component III: Regional Scoping Study	40,000
Component IV: Dissemination	20,000
Project Management for two years (includes administration & monitoring)	135,000
Contingencies	10,000
Total	435,000

V. Executing Agency and Execution Structure

The Program will be executed by the Energy Division of the Inter-American Development Bank (IDB) with support from the IDB country office in Guyana, over the course of 24 months from the date of the first disbursement.

Overall Administration and Monitoring

A project manager will be hired under the TC to facilitate its execution. Coordination with governmental entities, education delivery agents, Non-Governmental Organizations (NGOs) and the private sector will be essential in the collection of data and analysis the TC components. In addition, the project manager will be required to summarize quarterly results and updates as well as mid-term review when 50% of the funds are disbursed or half of the execution time is accomplished, whichever occurs first. A final progress and monitoring report will be prepared at the completion of

³ Note: Above figures are estimates. An initial rapid assessment of learning facilities will be conducted at project outset to determine availability of classrooms and requisite equipment. The assessment will help determine costing of upgrades necessary to deliver training. Training will make use of existing learning infrastructure (local training institutes and facilities). Synergies with existing facilities and initiatives will be pursued.

the TC, 90 days from the last disbursement and it will have indicators relating to: number of trained labor force and trainees, gender information, facilities upgrading and finalized regional study and dissemination outputs and outcomes. An ex-post evaluation will be performed to measure the impact in terms of new jobs created, % of females trained and in new jobs, and number of partnerships established with Caribbean countries for collaboration on vocational training in the extractive industries.

VI. Project Risks and Issues

There are no major risks in the implementation of the TC. However, given the level of planning and coordination required with respect to curricula design, delivery, facility upgrading and regional feasibility studies, the team will need to work closely with consultants and course delivery agents to ensure that the deliverables are produced according to the planned schedule and intended Government requirements. For this reason, a project manager will be hired to ensure effective coordination.

VII. Environmental and Social Classification

There are no envisioned environmental or social risks associated with this operation. We expect a C classification.

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(original signed)

Leandro Alves, INE/ENE

July 24th, 2013

Date