



## Bangladesh: Skills for Employment Investment Program

Project Name	Skills for Employment Investment Program																
Project Number	42466-014																
Country	Bangladesh																
Project Status	Active																
Project Type / Modality of Assistance	Grant Loan																
Source of Funding / Amount	<table border="1"><tr><td colspan="2"><b>MFF Facility Concept 0081-BAN: Skills for Employment Investment Program</b></td></tr><tr><td>Government of Switzerland</td><td>US\$ 30.00 million</td></tr><tr><td colspan="2"><b>MFF Facility Concept 0081-BAN: Skills for Employment Investment Program</b></td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 350.00 million</td></tr><tr><td colspan="2"><b>MFF Facility Concept: Skills for Employment Investment Program</b></td></tr><tr><td>Chevron U.S.A. Inc.</td><td>US\$ 1.00 million</td></tr><tr><td colspan="2"><b>MFF Facility Concept: Skills for Employment Investment Program</b></td></tr><tr><td>World Bank</td><td>US\$ 79.00 million</td></tr></table>	<b>MFF Facility Concept 0081-BAN: Skills for Employment Investment Program</b>		Government of Switzerland	US\$ 30.00 million	<b>MFF Facility Concept 0081-BAN: Skills for Employment Investment Program</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 350.00 million	<b>MFF Facility Concept: Skills for Employment Investment Program</b>		Chevron U.S.A. Inc.	US\$ 1.00 million	<b>MFF Facility Concept: Skills for Employment Investment Program</b>		World Bank	US\$ 79.00 million
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Strategic Agendas	Inclusive economic growth																
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development																
Sector / Subsector	<b>Education</b> - Education sector development																
Gender Equity and Mainstreaming	Gender equity																
Description	The investment program will support the Government of Bangladesh's reforms in skills development, anchored in the National Skills Development Policy (NSDP), 2011. It will support large-scale private sector involvement and public-private partnership, which is critical to meet existing and future labor market needs and to reduce skills gap. This in turn is crucial for Bangladesh to move away from the 'low-skill, low-wage equilibrium' to a 'higher skill, higher wage virtuous cycle' to become a middle-income country. The investment program will help the government scale-up skilling of new entrants and up-skilling of existing workers to contribute to higher growth of priority sectors. It will strengthen skills development in Bangladesh and support transition to a sector-wide approach (SWAp) by establishing a unified funding system and enhancing overall coordination of the currently fragmented system.																

Project Rationale and Linkage to Country/Regional Strategy	<p>The Bangladesh economy has grown rapidly at about 6% annually since 2003, up from 5% in the 1990s. The poverty headcount index declined sharply from 57% in 1992 to 31% in 2010. Social indicators have improved significantly, particularly for women. However, despite impressive progress, the 2010 labor force survey indicated that more than 60% of the labor force has either no education (40%) or up to primary education (22.8%); about 2 million young people enter the labor force every year. The average wage per worker has remained low at Tk200 per day for day laborers and Tk3,500 per month for garment workers.</p> <p>With the approval of the National Education Policy and the NSDP, the government embarked on major education and training reforms. The National Education Policy emphasizes the overall importance of education and training, while the NSDP reinforces the importance of skills development and opens up the sector for major policy and institutional reforms. Bangladesh has achieved gender parity in primary and secondary education participation since 2000. Women's labor force participation grew from 26% in 2003 to 36% in 2010. A major opportunity for the country comes from its declining dependency ratio, from a high of 108% in 1974 to 66% in 2010, leading to an increasing share of the working age population in the next three decades. However, this opportunity cannot be capitalized on unless urgent investments are made in much higher quality schooling combined with at least a four-fold increase in skilling and/or upskilling of the labor force, which is expected to increase from 56.7 million in 2010 to 78 million in 2025. In its Perspective Plan 2021, Bangladesh articulates its vision to achieve middle-income status by 2021, including reducing the poverty rate by half. To accelerate economic growth from the current 6% to 8% and above, the government must address the skills shortage, one of the key binding constraints. Skills development requires a two-pronged approach. First, it must be anchored in foundational skills that come from high-quality schooling combined with relevant vocational and technical skills to capitalize on the demographic dividend. Second, it requires scaling up skills training by four to eight times the current annual training capacity to (i) increase labor force productivity to contribute to higher average household income leading to higher gross domestic product, (ii) double exports within 10 years, (iii) double remittances through higher skills leading to higher per capita remittances, and (iv) promote economic diversification including trade facilitation and industrialization.</p>
Impact	increased income and productivity of the working population aged 15 years and over.

## Project Outcome

Description of Outcome	increased employment in priority sectors and skills for males and females.
Progress Toward Outcome	

## Implementation Progress

Description of Project Outputs	market responsive inclusive skills training delivered quality assurance system strengthened institutions strengthened effective program management
Status of Implementation Progress (Outputs, Activities, and Issues)	Under Tranche 1: Recruitment of officers and staff of the Support to Skills Development Coordination and Monitoring Unit (SDCMU) have been completed. Recruitment of individual consultants and consulting firms are ongoing. Contracts with industry associations for skills training are being finalized. Procurement of equipment to be used for training is ongoing.
Geographical Location	

## Summary of Environmental and Social Aspects

Environmental Aspects	Category C
Involuntary Resettlement	Category C
Indigenous Peoples	Category B

## Stakeholder Communication, Participation, and Consultation

During Project Design	<p>Representatives of the project stakeholders were consulted during program preparation. The stakeholders consulted were the TVET regulating body, those responsible for labor market functioning, industry and other employers, private and nongovernment organization providers of TVET, and development partners. The program will seek inputs from other stakeholders, such as trade unions, new TVET students, TVET graduates, parents, and international employers, and secondary and higher education institutions to improve the quality of training.</p> <p>Likewise, public consultations were conducted with industry associations, public training institutions, the Bangladesh Bank small and medium enterprise program, and Palli-Karma Sahayak Foundation, which partners with more than 200 nongovernment organizations.</p>
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During Project Implementation Regular consultation will be undertaken during program implementation not only to identify any program-related grievances but also to seek feedback from the community on how it sees the program achieving its targets. Adequate participation of civil society organizations in project implementation will also be ensured through constant dialogue, workshops, training programs, and dissemination of findings from monitoring and evaluation.

## Business Opportunities

Consulting Services	All consultants will be selected using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Since this program is being financed by ADB's Special Fund resources and ADB will also be administering cofinancing to be provided by the Government of Switzerland, ADB's member country eligibility restrictions will not apply to this program. Up to nine industry associations and PKSF will be contracted by the executive agency using single source selection to deliver skills training in agreed sectors and skills areas.
Procurement	The government will procure all goods, works, and consulting services for the investment program. Goods and civil works will be procured in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Goods valued at more than \$1 million and works valued at more than \$2 million will be procured using international competitive bidding and ADB's standard bidding documents, and be subject to prior review. Goods and works valued below the international competitive bidding threshold will be procured using national competitive bidding in accordance with the government's Public Procurement Act (2006) and its Public Procurement Rules (2008), subject to modifications agreed by the government and ADB.

## Responsible Staff

Responsible ADB Officer	Lee, Sunhwa
Responsible ADB Department	South Asia Department
Responsible ADB Division	Human and Social Development Division, SARD
Executing Agencies	<i>Finance Division, MOF (EA) Bangladesh Secretariat, Dhaka-1000 Bangladesh</i>

## Timetable

Concept Clearance	18 Nov 2013
Fact Finding	29 Sep 2013 to 11 Oct 2013
MRM	04 Feb 2014
Approval	19 May 2014
Last Review Mission	-
Last PDS Update	13 Mar 2015

## MFF Facility Concept 0081-BAN

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	380.00	Cumulative Contract Awards			
ADB	350.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	30.00	-	0.00	0.00	%

Project Page	<a href="https://www.adb.org/projects/42466-014/main">https://www.adb.org/projects/42466-014/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=42466-014">http://www.adb.org/forms/request-information-form?subject=42466-014</a>
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