



Bangladesh: Skills for Employment Investment Program - Tranche 1

Project Name	Skills for Employment Investment Program - Tranche 1																
Project Number	42466-015																
Country	Bangladesh																
Project Status	Active																
Project Type / Modality of Assistance	Grant Loan																
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Grant 0391-BAN: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>Government of Switzerland</td><td>US\$ 10.00 million</td></tr><tr><td colspan="2">Loan 3131-BAN: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 100.00 million</td></tr><tr><td colspan="2">Grant: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>Chevron U.S.A. Inc.</td><td>US\$ 1.00 million</td></tr><tr><td colspan="2">Loan: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>World Bank</td><td>US\$ 79.00 million</td></tr></table>	Grant 0391-BAN: Skills for Employment Investment Program - Tranche 1		Government of Switzerland	US\$ 10.00 million	Loan 3131-BAN: Skills for Employment Investment Program - Tranche 1		concessional ordinary capital resources lending / Asian Development Fund	US\$ 100.00 million	Grant: Skills for Employment Investment Program - Tranche 1		Chevron U.S.A. Inc.	US\$ 1.00 million	Loan: Skills for Employment Investment Program - Tranche 1		World Bank	US\$ 79.00 million
Grant 0391-BAN: Skills for Employment Investment Program - Tranche 1																	
Government of Switzerland	US\$ 10.00 million																
Loan 3131-BAN: Skills for Employment Investment Program - Tranche 1																	
concessional ordinary capital resources lending / Asian Development Fund	US\$ 100.00 million																
Grant: Skills for Employment Investment Program - Tranche 1																	
Chevron U.S.A. Inc.	US\$ 1.00 million																
Loan: Skills for Employment Investment Program - Tranche 1																	
World Bank	US\$ 79.00 million																
Strategic Agendas	Inclusive economic growth																
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development																
Sector / Subsector	Education - Technical and vocational education and training																
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 the 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 program will help the government to scale-up skilling of new entrants and up-skilling of existing workers to contribute to higher growth of priority sectors. The program 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%) and less than 2% have any kind of vocational training; 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 employment in priority sectors and skills for males and females [NSDP 2 & 3].

Project Outcome

Description of Outcome	increased inclusive access to skills training in priority sectors.
Progress Toward Outcome	Till 28 February 2017, 111,108 trainees were enrolled of which 32,483 were female trainees. In the same period 78,715 were certified and 48,359 were either placed in jobs or self-employed.

Implementation Progress

Description of Project Outputs	Market-responsive inclusive skills training delivered, Quality assurance system strengthened, Institutions strengthened, and Effective program management
--------------------------------	---

Status of Implementation Progress (Outputs, Activities, and Issues)	<p>35 Competency Standards and 35 Assessment guides/tools have been developed with the involvement of the Fast Track International/National Consultants, BTEB and industry experts, which have been distributed to the training providers for implementation. SEIP specialists have been providing training to implementing partners and trainers on these competency standards. These standards have been printed and distributed to training providers.</p> <p>Another 50 Competency Standards will be developed with support from a consulting firm. Three firms have already been engaged for training of trainers (Pedagogy and skills) and management training. The management training has been going on. A total of 89 TVET officials including 9 female officials were so far trained. The training preparation has been going on to train a total of 1640 trainers.</p> <p>One MoU has been signed with ITEES Singapore for training of 80 master trainers on pedagogy. So far, 40 master trainers (2 batches) have completed this training, and another batch of 20 trainers are now undertaking training.</p> <p>After approval of the Cabinet for creation of a new National Skills Development Authority(NSDA) under Prime Minister's Office, process of drafting a law is under way.</p> <p>The Cabinet approved the proposal to establish the NHRDF under Finance Division of the Ministry of Finance. The Fund will get registered under the Company Act 1994 from the RJC office soon. Letter to register the fund in name of NHRDH was sent to that office.</p> <p>No objection on Draft Business Plans and Contracts for operationalization of Light Engineering ISC has been received from ADB. Contract with them will be signed on 13.03.17. SEIP will also support CISC (Construction Sector) business Plan, the agreement of which is being finalized.</p> <p>Necessary delegation of power to facilitate implementation of project activities is already granted to the PTIs .</p> <p>41 job placement officers/Coordinators are currently working to provide job placement support services.</p> <p>MTBF guideline will be finalized after establishment of the new NSDA.</p> <p>According to the NHRDF concept paper, the possible sources of Fund are:</p> <ul style="list-style-type: none"> - Government budget - Development Partners - CSR fund of companies - Levy on the factory owners - Subscription by the recruiting agencies - Other sources
---	--

Geographical Location

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	Under project 1, only existing facilities will receive support for minor adjustment or renovations to cater to training activity needs. No acquisition of land is planned. Accordingly, project 1 is category C for environment safeguard.
Involuntary Resettlement	Since no relocation of people is also planned, project 1 is category C for involuntary resettlement safeguard.
Indigenous Peoples	The investment program will reach and include unskilled residents of remote areas and members of disadvantaged groups, including indigenous peoples. Project 1 is expected to have positive impacts and is classified category B for indigenous peoples safeguards in accordance with ADB's Safeguard Policy Statement (2009). A small ethnic community planning framework was developed to guide the executing and implementing agencies in assessing the presence of indigenous peoples in the project area and conducting separate consultations to elicit their views, identify the need for culturally compatible mechanisms for their participation, and ensure incorporation of adequate measures in project activities. The executing agency through the SDCMU will monitor these activities closely and ensure necessary actions.

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, TVET graduates, parents, and international employers, and secondary and higher education institutions to improve the quality of training.</p> <p>Public consultations were also conducted with industry associations, public training institutions, the Bangladesh Bank small and medium enterprise program, and Palli-Karma Sahayak Foundation which has more than 200 partner nongovernment organizations.</p> <p>Public consultations were also conducted with industry associations, public training institutions, the Bangladesh Bank small and medium enterprise program, and Palli-Karma Sahayak Foundation which has more than 200 partner nongovernment organizations.</p>
-----------------------	---

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 the investment program is being financed by ADB's Special Funds 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 investment 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	Bangladesh Resident Mission
Executing Agencies	<i>Finance Division, MOF (EA)</i> <i>MONWARA@ERD.GOV.BD</i> <i>Bangladesh Secretariat, Dhaka-1000</i> <i>Bangladesh</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	04 Feb 2014
Approval	03 Jun 2014
Last Review Mission	-
Last PDS Update	14 Mar 2017

Grant 0391-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Jun 2014	19 Jan 2015	24 Feb 2015	30 Jun 2018	30 Jun 2019	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	38.50		Cumulative Contract Awards			
ADB	0.00		03 Jun 2014	0.00	4.34	43%
Counterpart	28.50		Cumulative Disbursements			
Cofinancing	10.00		03 Jun 2014	0.00	5.23	52%

Loan 3131-BAN

Milestones					
------------	--	--	--	--	--

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Jun 2014	04 Jun 2014	24 Jul 2014	30 Jun 2018	30 Jun 2019	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	100.00	Cumulative Contract Awards			
ADB	100.00	03 Jun 2014	0.00	66.29	74%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	03 Jun 2014	0.00	25.82	29%

Project Page <https://www.adb.org/projects/42466-015/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=42466-015>

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 are 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.