

**JAPAN FUND FOR POVERTY REDUCTION GRANT
DEMONSTRATING INNOVATIVE APPROACHES FOR PRIVATE SECTOR AND WOMEN'S
EMPOWERMENT IN TECHNICAL VOCATIONAL EDUCATION AND TRAINING IN SRI
LANKA**

I. INTRODUCTION

1. Approved in March 2014, the Skills Sector Enhancement Program (SSEP)¹ is a results-based lending program to support the government's Skills Sector Development Program (SSDP) 2014–2020.² SSEP supported the government's efforts to improve efficiency of the skills education system to meet local and foreign labor market by improving quality, access, relevance and recognition of technical and vocational education and training (TVET) while supporting strengthening policies, systems and structures during 2014 to 2016.
2. The proposed additional financing to SSEP³ will extend ADB's support to SSDP covering the full program period of 2014–2020, covering from 2017 to 2020. Building upon the current program's achievements, the additional financing will (i) encourage continuous system improvement and expansion; (ii) incentivize deepening reform actions; and (iii) help institutionalize key interventions, thus aiming at increasing development results. The Ministry of Skills Development and Vocational Training (MSDVT) is the executing agency, and nine TVET agencies are the implementing agencies covering over 450 training centers across the country. The direct beneficiaries include over 250,000 youth who need vocational skills and 1,000 in-service workers who will avail of skills upgrading training opportunities per year. Employers of skilled workers would also benefit from more skilled workers.
3. This Japan Fund for Poverty Reduction (JFPR) grant will complement the project by demonstrating innovative approaches in promoting private sector participation and women's empowerment in TVET and employments of TVET graduates. It will (i) support the private sector-driven industry sector skills councils (ISSCs) in establishing themselves as competent advisory service providers in human resource development for industry members, advising the TVET system for demand-oriented training services, and creating linkages among industries and TVET graduates for job placement; (ii) promote self-employment among female TVET graduates; (iii) expand women's access to male-dominated and emerging employment opportunities; and (iv) pilot innovative approaches and support expansion of private sector best practices aiming to facilitate women's employment. The design and monitoring framework is in Appendix 1. The project directly targets over 3,500, including at least 2,000 women, TVET graduates from selected districts of Northern, North Western, Uva, and Sabaragamuwa provinces as well as from poverty pockets spread around the Western province.

¹ ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loans to the Democratic Socialist Republic of Sri Lanka for the Skills Sector Enhancement Program (RRP)*. Manila.

² Published as: National Planning Department, Government of Sri Lanka. 2014. *National Skills Development Plan of Sri Lanka 2014–2020*. Colombo.

³ ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loans to the Democratic Socialist Republic of Sri Lanka for the Skills Sector Enhancement Program Additional Financing (RRP)*. Manila.

II. THE GRANT

A. Rationale

4. In Sri Lanka, employers recognize critical skills mismatch between competencies of entry level workers and the required competencies at work places. One out of 5 youth (15–24 years) is unemployed, and youth unemployment rate is five times higher than overall unemployment rate in 2016.⁴ The government prioritizes TVET to address skills shortage and youth unemployment. Sri Lanka has a large TVET system that caters to around 173,000 trainees annually, of which over 65% is delivered by the government. Public TVET is tuition-free or with nominal fees, and therefore, it is an option for school leavers from poorer families when they cannot go to state universities. Workers with TVET qualification, in comparison to ones without TVET qualification can earn 17% more.⁵ The government's medium-term sector development plan, SSDP 2014–2020, is to expand the benefits of TVET to more people, especially youth, by increasing enrollment capacity, improving quality and social perception, as well as increasing relevance to the labor market demand. Its outcome target is higher employment rate among TVET graduates.

5. Under SSDP, the government facilitated the establishment of four ISSCs to increase relevance of TVET to the needs of employers since 2015.⁶ While ISSCs are private sector-driven, they are non-profit entities and their purpose is public in nature per their establishing articles of association. Their primary objective is to create a skilled workforce for each industry, thus contributing to the overall economy, but more specifically to increase youth employability by supporting “demand-oriented” training planning and provision. To ensure accountability, the board of directors in each ISSC includes at least one government official from relevant line ministries (e.g., ministry of construction for the construction ISSC). The ISSCs receive basic funding from the government per the tripartite agreement among the ISSCs, Technical and Vocational Education Commission (regulatory body of the TVET system), and National Apprentice and Industrial Training Authority (government body). In addition to the initial government support that only covers minimum human resource and office operations, the ISSCs deliver services such as developing or updating national competency standards of industrial occupations and training curricula. Over time, it is envisaged to generate incomes from industry memberships, and by delivering specialized services in human resource development, to public and private sector entities.

6. Still in an initial stage of development and faced by lack of understanding on its role in overall industry-specific workforce planning and development, the ISSCs require technical and financial support to establish themselves as trusted organizations in helping employers understand the importance of skilled workers and the need to invest in skills development (higher wages for skilled workers and upskilling of existing workers), and strengthen ties with TVET. Considering the rural population still prefers public jobs, which are decreasing in new recruits, encouraging more young people to take private sector jobs is an important role of ISSCs, too. As it has a public purpose, public support is justified especially at an early stage of development as

⁴ Department of Census and Statistics, Government of Sri Lanka. 2016. *Sri Lanka Labor Force Statistics Quarterly Bulletin (Q1 2016)*. Colombo.

⁵ World Bank. 2013. *Sri Lanka Skills Development Report*. Washington DC.

⁶ The four sectors are (i) building and construction; (ii) light manufacturing and engineering; (iii) information technology; and (iv) tourism and hospitality. One additional ISSC to be established is health and care services, which will be supported by USAID funded YouLead! Project. Tourism and Hospitality ISSC may be supported by an Australian government funded program. The grant will focus on (i) to (iii) ISSCs, and additional two ISSCs to be established branching out from light manufacturing and engineering, which represent wide range of manufacturing and servicing businesses such as auto mechanic, a/c and refrigeration, garment manufacturing, food processing, etc.

in the case for many chambers of commerce or business associations in the beginning in developing countries. The government also wants to reach out to industries that are not represented by the four ISSCs, especially those located outside of Colombo, and establish more effective linkages that will support increasing employability of TVET graduates.

7. Despite significant achievements in gender parity in education- and health-related indicators, women's economic and political participation in Sri Lanka are among the lowest in the region and, for decades, continue to lag without noticeable progress. Although girls outnumber boys in secondary, senior secondary and university education, and outperform boys in all advanced-level subject streams, women's labor force participation in Sri Lanka is less than half of men's (36% of women against 75% of men). Women's unemployment is prevalent across all levels of educational attainment but is higher among those completing secondary education and among women in rural areas. Domestic responsibility almost entirely put on women; social norms and stereotypes associated with women working in professional sectors; constraints in women's physical mobility; lack of working flexibility for pregnant and lactating mothers; and lack of training opportunities, and models and incentives for women to step into professional/technical fields underpin these negative impacts.

8. Although there is some gender parity in TVET enrolment, comparison of annual data from the last few years show that women enrolment is decreasing. Significantly lower percentage of women graduated with National Vocational Qualification certificates, and are employed after the training completion: 39% females and 61% males graduated, and 47% females and 64% males are employed. Female students dominate courses such as dress making, language and information and communication technology which offer few job opportunities in the formal sector. Courses such as automobile repair and maintenance, building and construction, electrical, electronics, and telecommunications are dominated by male students. While there are few female students pursuing these courses, their opportunities to be employed in the same roles as their male counterparts are limited. Employers perceive hiring women as resulting in increased costs and high turn-over for their business not only due to social perception but also archaic labor regulations for women's employment. Lack of encouragement and incentives as well as negative social pressures constrain girls stepping into male-dominated fields of education, training and employment. Working with industries diminishing such negative perceptions and promoting social support will encourage women to take vocational training, especially in non-traditional sectors, and be gainfully employed upon course completion.

9. Women's unemployment rates are higher in rural areas where poverty is more widespread⁷, employment opportunities are less, and gender stereotypes dominate. Self-employments and entrepreneurships are important means to increase employment rates of rural women and girls. However, due to limited access to credit,⁸ technical know-how and business counselling, poor rural women and girls severely suffer from lack of support to start and expand businesses. Studies shows that nearly 80% of women-led enterprises fail at the start phase, and rural women and girls hesitate starting self-employment due to lack of support at the seed phase. Strengthening the TVET system, especially private sector engagement and women's participation, is an important strategy to increase formal employment as well as self-employment of school leavers and women, especially in rural areas.

⁷ Including post-conflict areas. Poverty ratio is highest Mullaitivu (29%), Mannar (20%), Batticaloa (19%), and Moneragala (21%) districts. Of these, the first three districts are in former conflict areas.

⁸ Current concessionary loan program available to TVET graduates is limited to one-time loan before starting their businesses but not available for business expansion.

10. The current trajectory of the demographic transition in Sri Lanka raises considerable socio-economic concerns. The population above the age of 60 years was 12.5% in 2012, and the projection shows that it will increase to 16.7% in 2021 and over 25% in 2041. Its impact on women will primarily include additional burden related to elderly care, further restricting their participation in the labor force and their economic empowerment. Contrarily, a shrinking labor force in a growing middle-income country will place high demand for new and better approaches to substantially increase women's employment rates. This will demand innovations from the private sector, TVET institutions and other key players in TVET sector in building a skilled and diverse labor force. While SSEP will mostly address supply side issues on the access, quality and relevance of TVET, the grant will complement these improvements by addressing more demand side issues in private sector and women.

11. The proposed piggy-backed grant to SSEP will demonstrate innovative approaches in private sector engagement and women's empowerment, contributing to the achievement of selected SSEP results and building the capacity of private sector and TVET system stakeholders. Demonstration of successful pilot tests in these two areas through the grant fund will help the government gain experience and lessons to replicate and/or scale up successful interventions within the government program. The grant will help the government gain insights for designing and implementing effective demand side interventions (i.e. support for students and graduates, especially women and those in rural areas, as well as interaction with employers) moving away from supply-driven tradition. The grant will target beneficiaries from lagging regions where poverty incidence is higher than the national average. It will contribute to combating discrimination and violence against women, especially by promoting their economic empowerment and diminishing negative social norms related to women's equal access to productive and financial resources. This will lead towards achieving Sustainable Development Goals 5 (gender equality) and 10 (reduced inequalities).

B. Outputs and Key Activities

12. **Output 1: Private sector engagement in TVET strengthened.** The grant project will strengthen private sector involvement in increasing youth employability through industry councils and other skills forums. The project will provide activity/subproject-based support to these industry councils and skills forums in designing and implementing initiatives that will increase employment rates of TVET graduates, primarily women, from lagging regions. These initiatives should target creating linkages between industries and TVET centers, and facilitating industries to create working environments that attract and sustain rural youth, especially girls, in work placements. The following activities under this output will support MSDVT's broader approach to engage with private sector: (i) conduct an assessment on the status of industry participation in TVET sector in Sri Lanka (with a focus on outer regions as well) and provide recommendations on strengthening industry councils and skills forums; (ii) support MSDVT to develop a long-term strategy and an operation plan on engaging with industries; (iii) capacitate industry councils and skills forums for the implementation of operational plan; (iv) provide technical support to industry councils and skills forums in designing and implementing sustainable and innovative activities (subprojects) that increase employability of TVET graduates, especially females; and (v) facilitate setting up an advisory group to promote women's employment and entrepreneurship from the private sector.

13. **Output 2: The entrepreneurship development training program for self-employment enhanced with a focus on women.** Implementing agencies under SSEP offer entrepreneurship development training program (EDTP) for TVET graduates, especially those aiming to avail the Self-Employment Promotion Initiative (SEPI) loan scheme under the Central Bank of Sri Lanka

and local banks. The EDTP requires further enhancement with updated program contents and improved instructors/trainers to increase successful TVET graduates in starting their own businesses. Furthermore, a new program of advanced entrepreneurship will be developed and conducted targeting expansion of existing businesses of TVET graduates with improved skills in technology, financial management, marketing and value chains, with a focus on lagging regions, women-led small and medium-sized enterprises (SMEs) and job creation. Some TVET centers already have incubator center/technology parks to support business start-ups, but their capacity to provide adequate services is limited. These centers will be strengthened to provide business counselling and coaching; and facilitate networking, competitions and awarding of best entrepreneurs, and potential linkages with regional chambers of commerce and industry. By improving the existing program and supporting entrepreneurs expand their businesses, they will generate further employment for TVET graduates. Gender equality trainings, through male engagement approach, will be delivered to male family members of female entrepreneurs to ensure family support for expanding women-led businesses beyond the livelihood stage. Female entrepreneurs would also benefit from additional support to scaling up their businesses as they face more socio-economic barriers than male entrepreneurs.

14. The activities under this component will be: (i) design and deliver a promotional campaign to promote EDTP among females TVET graduates; (ii) improve the EDTP, and conduct training of trainers to expand it (training to be delivered with government funding); (iii) pilot integration of EDTP into potential sector trainings, such as masonry and carpentry; (iv) develop a new advanced entrepreneurship program, and deliver training targeting business expansions;⁹ (v) provide dedicated support to female graduates and entrepreneurs through business counselling, mentoring, networking events, and their participation in trade events; (vi) incorporate modules on gender equality and women's empowerment in existing and new training programs, focusing on training for male family members of women entrepreneurs; (vii) provide additional support to female entrepreneurs to expand their businesses by enabling market research and linkages with industry as well as availing matching funds for enterprises with high prospect of growth and employment opportunities; (viii) strengthen incubation center/innovation parks for business start-up services by training center staff and building networks with resource organizations; and (ix) conduct impact studies (case study, documentaries, etc.), and facilitate symposia to share experiences and impacts of successful female entrepreneurs.

15. **Output 3: Women-targeted incentives, mentoring, and on-the-job training provided to attract women into non-traditional areas.** Stereotypes associated with the types of jobs women should do; family and societal norms on the mobility of girls; lack of opportunities to follow on-the-job training in rural districts, and cost of travel and accommodation to follow such training in cities; and lack of motivation to attract women to non-traditional job areas limit girls from using their skills and knowledge to be productively employed. Maximizing the existing social marketing campaign of SSDP, the grant project will focus on diminishing negative social norms by providing financial and mentoring support for girls with a passion to access training and be employed in emerging and non-traditional jobs. This output will support a range of pilot initiatives benefitting female students, especially in lagging regions, including: (i) identifying emerging employment opportunities for women through ISSCs; (ii) designing and promoting new training programs in emerging areas for high employment opportunities among young women (design, promote and provide training of trainers only, while implementation of program will be under the government funding); (iii) providing incentives for women to enter non-traditional but better paying

⁹ The existing EDTP is for newly graduating TVET students who will go for new start-up businesses. The advanced entrepreneurship program is to support those among TVET graduates who already opened business, but would like to expand their business.

employments (especially courses on automobile repair and maintenance, building and construction, electrical, electronics, and telecommunications); and (iv) mentoring and coaching, as well as allowance for boarding during on-the-job training, apprenticeship, and job placement.

16. Output 4: Gender-inclusive recruitment and working environment practices demonstrated in the private sector. Increasing women's employment requires addressing barriers both in informal institutions (social norms, gender biases in recruitment, discrimination and lack of gender equitable measures at workplace, etc.) and formal institutions (regulations and legal issues affecting women's employment). The grant project will promote promising practices among employers by (i) showcasing and recognizing innovative efforts already undertaken; and (ii) supporting employers who promote women's employment through innovations such as flexible working hours, home-based work, and daycares for children. These would be mostly advisory and facilitation services for the employers to consider existing, proven innovative approaches. Small incentive grants can be provided for employers to start innovative approaches, e.g., paying three months to six months' salary of a day care center teacher if the employer decides to open a day care center, and lawyer fee to come up with contract forms for job sharing (part time work). Different kinds of support will be developed per the challenges faced by the employers participating in the pilot. The pilot activities, once successful, are expected to be sustained by the employers, and the grant will ensure that their design will enable them to do so.

C. Cost Estimates and Financing Plan

17. The grant is estimated to cost \$3 million (Table 1). The JFPR will provide grant cofinancing equivalent to \$3 million to be administered by ADB (Table 2). Detailed cost estimates are in Appendix 2. The executing agency, implementing agencies of SSEP, private sector, and other partners will provide in-kind counterpart support in the form of training facilities, staff time, etc.

Table 1: Cost Estimates

Item	Amount (\$ million)	Share of Total (%)
A. Base Cost^a		
Output 1: Private sector engagement in TVET strengthened	0.464	15%
Output 2: The EDTP for self-employment enhanced with a focus on women	0.933	31%
Output 3: Women-targeted incentives, mentoring and on-the-job training provided to attract women into non-traditional areas	0.855	29%
Output 4: Gender-inclusive recruitment and working environment practices demonstrated in private sector	0.306	9%
Subtotal (A)	2.558	85%
B. Project Management and Monitoring	0.353	12%
Subtotal (A+B)	2.911	97%
C. Contingencies	0.089	3%
Grand Total (A+B+C)	3.000	100%

EDTP = Entrepreneurship development training program, TVET = technical and vocational education and training

^a In mid-2017 prices. Applicable taxes and duties will be financed by the grant.

Source: Asian Development Bank estimates.

Table 2: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
JFPR Grant ^a	3.0	100.0
Total	3.0	100.0

^a Administered by the Asian Development Bank (ADB).

Source: Asian Development Bank estimates

D. Implementation Arrangements

18. MSDVT will be the executing agency for this grant project within the overall SSDP following ADB's relevant rules and procedures. The project will be implemented from May 2018 to April 2021. Procurement and disbursements will follow ADB's *Procurement Guidelines* (2015, as amended from time to time); *Guidelines on the Use of Consultants* (2013, as amended from time to time); and *Loan Disbursement Handbook* (2017, as amended from time to time).

19. ADB will assist MSDVT to engage an experienced entity (grant implementation firm) to carry out the activities under the grant project up to contract negotiation. The assignment would require national consultant inputs of 198 person-months for key experts. Upon approval of the JFPR grant by the Government of Japan in January 2018, advance actions to select the grant implementation firm commenced. The terms of reference for the grant implementation firm are in Appendix 3. The grant implementation arrangements are summarized in Table 3.

Table 3: Implementation Arrangements

Aspect	Arrangement		
Implementation period	May 2018–April 2021		
Estimated completion date	30 April 2021 (grant closing date: 31 October 2021)		
Management			
(i) Oversight body	Project Steering Committee providing overall direction of the project in consideration of the government's priorities in workforce development Secretary MSDVT (chair), DTET, CGTTI, NAITA, NYSC, OUSL, UNIVOTEC, VTA, SLIOP, industry councils (members), which are the implementing agencies under the main loans to deliver public technical and vocational training programs and benefiting from the grant project support		
(ii) Executing agency	MSDVT ensuring the project activities are delivered in line with the agreed project objectives and supporting the project activities in coordination with other ministries as necessary		
(iii) Implementation unit	A grant implementation firm (consultant) under MSDVT carrying out project activities per the project document (DMF, cost estimates, etc.) under the guidance of the executing agency. Key experts will include a project manager, gender and entrepreneurship expert, technical advisor – private sector engagement, and three district coordinators.		
Procurement	QCBS method (90:10) CQS method	1 contract 1 contract	\$ 2,925,000 \$75,000
Advance contracting	Advance action to select the grant implementation firm will be taken, but contract will be signed after the grant becomes effective		
Disbursement	The grant proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time), and detailed arrangements agreed upon between the government and ADB.		

ADB = Asian Development Bank, CGTTI = Ceylon-German Technical Training Institute, CQS = consultants' qualifications selection, DTET = Department of Technical Education and Training, MSDVT = Ministry of Skills Development and Vocational Training, NAITA = National Apprentice and Industrial Training Authority, NYSC = National Youth Service Council, OUSL = Ocean University of Sri Lanka, QCBS = quality- and cost-based selection, SLIOP = Sri Lanka Institute of Printing, UNIVOTEC = University of Vocational Technology, VTA = Vocational Training Authority.

20. For the grant project, ADB will arrange direct payments to the grant implementation firm subject to MSDVT's endorsement. The grant implementation firm will open a separate bank account to receive the grant funds, and maintain the bank account statements as well as detailed accounting of financial transactions using the grant proceeds. The financial information will be subject to annual financial audits by an independent auditor following the terms of reference endorsed by the Auditor General of Sri Lanka.

III. DUE DILIGENCE

21. Studies conducted on skills mismatch in Sri Lanka, especially on TVET sector, highlight the gaps between skills developed by TVET graduates and industry needs. Technical and operational capacities of industry councils to address those gaps by advising both TVET institutions and industries are vital for the country's economic growth. Recognizing industry councils as competent bodies to provide professional services enables their sustainability .

22. The 2014 Annual Report of the Central Bank of Sri Lanka emphasized the need to hasten efforts to reduce gender gaps in labor force participation and occupational choices. The report highlights the results of a study that found Sri Lanka's total per capita income loss due to gender gap in labor force participation at 20% (higher than the world average of 8.5%), and due to gender gap in occupational choices at 6% (higher than the world average of 5%).¹⁰ Increasing women in the labor force has long-term human development impacts for individuals, families, communities and the country. As Sri Lanka struggles to break the middle-income trap and rise to upper middle-income category, effectively using women's skills is indispensable. As the project interventions help overcome informal and formal institutional barriers to female employment, their impact on women, and their families and communities will be far beyond the project's immediate outcome.

A. Technical

23. The grant will support innovations in promoting employability of TVET graduates, especially women. The effects will go beyond the project because of the nature of replicability and scalability by government, private sector and other development partners. Key features of innovations include (i) functioning of industry councils as sharers of knowledge, information and models that fill skill gaps through industry centric research; (ii) exposing and contextualizing international best practices; and (iii) organizing regional, national and international symposia and conferences to facilitate dialogue, interaction and connections between industries, graduates and TVET institutions.

24. The innovative aspects of promoting entrepreneurship among female TVET graduates include supporting expansion and providing mentoring, technical and financial support to current entrepreneurs, enabling them as employers of fresh graduates and role models for starters. Priority will be given to providing equitable opportunities for female entrepreneurs from vulnerable groups and lagging regions while supporting male entrepreneurs who can create jobs for female graduates from vulnerable groups and lagging regions.

25. Private sector efforts to upgrade working conditions to attract skilled women into technical and professional jobs are quite rare, albeit existing, in Sri Lanka. Rewarding, demonstrating and expanding existing and embryonic efforts will highly contribute to increasing women's employment and diminishing social norms that bar women from being employed. Given that female unemployment rates are much higher in rural areas, impacts on rural women will be greater.

¹⁰ M. Teignier, and D. Cuberes. 2014. *Aggregate Costs of Gender Gaps in the Labor Market: A Quantitative Estimate*. UB Economics Working Papers E14/308. Using the span-of-control (occupational choice) model as the theoretical framework and most recent available labor market data of the International Labour Organization for 126 countries, Teignier and Cuberes (2014) quantified the effects of gender gaps in the labor market on aggregate productivity and income per capita. They based their analysis of Sri Lanka on the 2009 country labor market data of the International Labour Organization.

26. While MSDVT has adopted a gender equity and social inclusion framework to enable TVET sector development to better cater to the needs of women, MSDVT alone cannot address issues around women's labor market participation. They take multi-faceted efforts as the constraints cannot be resolved by a single entity. Dedicated support would be required to bring different stakeholders together to resolve issues, and demonstrate good practices for possible scaling up by relevant parties, including MSDVT.

B. Economic and Other Impacts, Financial Viability, and Sustainability

27. SSDP under MSDVT has some provisions to support industry councils which will continue until 2020. There is growing recognition within MSDVT to vitalize the performance industry councils to improve the quality, relevance, access and recognition of TVET, and government is committed to make the required policy and structural changes. There are other development partners such as the World Bank, and World University Service of Canada funded by the Government of Canada, who complement some activities of SSDP and consider extending their support beyond 2020. Other development partners, such as Australia, are willing to contribute towards strengthening the tourism sector ISSC.¹¹ The project will build the ISSCs' ability to provide industry intelligence on human resource development, and services to industry members while generating their operation costs, which are essential for sustainability beyond the project period. Internal resource generation and external support from government and industry members lead to long-term sustainability of ISSCs, and the project will facilitate collaborations among them.

28. MSDVT will improve the existing entrepreneurship program which will naturally pave the way for its sustainability. Technical and economic due diligence will be made case by case before supporting the expansion of existing women-led enterprises. Continued mentoring and business counselling support, linking women entrepreneurs with industry councils and/or chambers of commerce (especially the women's chambers of commerce), and raising women's awareness of available and upcoming credit programs (including ADB's SME credit line and SME credit guarantee institution) are some important measure for their growth and durability.

29. Provision of support to the private sector to establish and/or expand workplace facilities that attract women employees will be made with due economic and financial diligence. It will only include those efforts that can last independently of the project in the long run, and basically be limited to providing infrastructural or technical support for initiatives already undertaken. Collaborative efforts will be taken with other development partners, such as the International Labour Organization, to advocate policy formulation, revision and implementation that will advance private sector employment for women.

C. Governance

30. The fiduciary systems assessment concluded that the program system, following the country's public finance management and procurement system, is robust enough with some weaknesses mainly in staff capacity. Measures to strengthen the system are incorporated in the program action plan of the SSEP. For the grant administration, ADB's rules and procedures will

¹¹ The World Bank jointly finances the government's SSDP along with ADB until 2018, has a disbursement-linked target for ISSC establishment, and requires the government to provide basic financing to ISSCs. World University Service of Canada/Canada has a volunteer expert who assessed the needs and challenges of ISSCs, and conducted training for ISSCs and the government on the expected role and kind of partnership between industry and government. This support is completed already. The Australian government has a grant project to support tourism industry development in Eastern Province where tourism ISSC will be involved to support youth skills development activities.

be followed. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and MSDVT.

D. Poverty and Social Impacts

31. The overall objective of the grant project is geared towards poverty reduction and social inclusion. The project will provide employment opportunities for female TVET graduates, and young TVET graduates from vulnerable groups, especially from lagging provinces such as North, North Western Uva, and Sabaragamuwa. Poverty pockets in Western Province would be also targeted. The measurement of employability will be decent work with a monthly income of SLRs25,000 (\$166), opportunities for career growth, and security in the workplace. The project will generate such employment for at least 4,000 women and 1,000 men from vulnerable groups. Creating access to decent work with sustainable income would substantially reduce poverty in their families while recognizing women's skills by the employers and society will generate long-term social impacts on the lives of women and their families.

E. Participatory Approach

32. Wide range of consultations were done during preparation of the grant concept, and will continue during detailed action plan preparation, annual stakeholder reviews of the project implementation, and project monitoring.

33. Major stakeholders consulted during concept preparation were MSDVT, SSDP, TVET institutions, World University Service of Canada, Australian Aid, World Bank, four ISSCs, TVET graduates both male and female, self-employees, TVET graduates and students, district and divisional level government, non-government, and private sector, including chambers.

34. Women's chambers and other women-led organizations, such as Women in Logistic and Transport in Sri Lanka, will provide coaching and mentoring support for female TVET-graduate entrepreneurs while helping them establish strong social network for information, interaction, mutual support and business growth.

35. Industry councils and their members from the private sector will be the primary stakeholder contributing to improve the quality and relevance of TVET, employ TVET graduates, and expand opportunities for female employment. Continues discussions with these stakeholders and TVET students/graduates will be vital to adopt progressive and innovative approaches for expanding women employment, especially in non-traditional sectors.

F. Development Coordination

36. The Japan International Corporation Agency (JICA) and Japanese embassy were consulted on the proposed grant, and their suggestions are incorporated. Partnerships with them and Japanese nongovernment organizations (NGOs) operating in Sri Lanka will be sought to strengthen the work on gender equality during project implementation. Japanese volunteers involved in TVET and the private sector will be engaged. Efforts will be taken to engage Japanese private sector companies in Sri Lanka when supporting employers to pilot and upscale gender equitable employment practices. JICA confirmed the assistance to link the Japanese volunteers, NGOs and private sector companies with the project to maximize coordination, while the Japanese embassy emphasized the need and expressed their support to research and resolve deep-rooted causes that limit women's employment opportunities. Details on the Japanese

visibility for the grant project, and coordination with JICA and the Japanese Embassy are in Appendixes 4 and 5.

37. Development partner coordination will be done through the Development Partner Working Group on TVET. The grant proposal will be shared with the working group for consultation and identification of collaborations. Key development partners, such as World Bank, Australian Aid, Canada, Germany, and Deutsche Gesellschaft für Internationale Zusammenarbeit, will be involved in reconstructing a framework for strengthening ISSCs as self-sustaining entities serving industries and TVET institutions. A gender mainstreaming approach within TVET sector will be discussed with them for collaborative implementation. Development partners will be major constituents in organizing national and international conferences and symposia that promote private sector engagement to advance employment opportunities for women.

G. Safeguards

38. The categorizations for all safeguards—environment, involuntary resettlement, and indigenous peoples—related to the grant are “C”. No safeguard issues are anticipated relating to resettlement and indigenous peoples, which will require temporary or permanent land acquisition. Minimal environmental impacts are expected when starting and expanding self-employment of TVET graduates, and establishing women-friendly working environments such as day-care centers. Environmental implications of such activities will be assessed during feasibility, and environmental management plans, including grievance redress mechanisms, will be developed during detailed planning of activities with some environmental impacts.

H. Risks and Mitigating Measures

Table 4: Summary of Risks and Mitigating Measures

Risks	Description	Mitigating Measures
Lack of understanding between MSDVT/TVET institutions and ISSCs on the strategic areas for and modalities of private sector engagement, and lack of clarity of their respective roles and function.	MSDVT and TVET institutions face difficulties in facilitating an effective corporate environment for ISSCs to function. Coordination among them are weak resulting in the absence of an effective mechanism to reach expectations of the industries and TVET graduates.	The grant implementation firm will provide advisory and technical support to ISSCs and the government to build strategic partnerships among ISSCs, MSDVT and TVET institutions. The need for industry council sustainability will emerge when stakeholders recognize the importance of ISSCs' existence. Facilitating regular events for sharing ideas and best practices, listening to industries, and developing industry centric action plans will boost the performance and recognition of ISSCs.
Formal and informal barriers continue to surface when promoting women's employment.	Both the government and private sector are sensitive when taking gender equitable measures to positively discriminate women. Industries as well as TVET institutions lag behind accepting that women can enter and progress in non-traditional employment.	International and national best practices will be showcased to break gender stereotypes. Training for ISSCs, industry and TVET institutions will be conducted. Efforts will be taken to form a women's industry council to conduct research, promote best practices, and provide technical support for ISSCs, TVET institutions and industries to increase women in non-traditional jobs.

MSDVT = Ministry of Skills Development and Vocational Training, ISSC = industry sector skills council, TVET = Technical and Vocational Education and Training.

IV. ASSURANCE

39. The government and MSDVT have assured ADB that implementation of the JFPR grant shall conform to all applicable ADB policies including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement in this document and the grant agreement.

DESIGN AND MONITORING FRAMEWORK

Impact the project is aligned with Employability of the Sri Lankan workforce, particularly youth, increased (Sri Lanka Public Investment Program, 2017–2020) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome Employability of female TVET graduates increased through entrepreneurship promotion and private sector engagement	For all indicators, by 2020 a. At least one industry council has regular sources of income (2017 baseline: 0) b. At least 500 TVET graduates (50% of which are women) find job placements in the private sector through industry councils' interventions (2017 Baseline: 0) c. At least 1,500 new female TVET graduates employed in non-traditional and emerging areas, and by TVET graduate entrepreneurs (2017 baseline: 0) [contributing to main loan outputs 3a and 3e]	a. Annual reports of ISSCs b. Program impact assessment report c. Annual project reports	Economic growth and employment opportunities lower than expected
Output 1 Private sector engagement in TVET strengthened	For all indicators, by 2020 1a. At least three industry councils conducted sector skills forecasting and developed five-year strategic operational plans (2017 baseline: 0) [contributing to main loan outputs 2a (i) and 2a (ii)] 1b. At least three industry councils have implemented at least four sub-projects that promote female employability (2017 baseline: 0) 1c. An advisory group to promote women's employment in non-traditional sector established to provide advisory support to industry councils. (2017 baseline: non-existent) [contributing to main loan output 3e]	For all indicators, annual reports of ISSCs and quarterly project management reports	Slow economic growth does not allow the private sector to invest in human resource development Social norms and gender stereotypes persist. MSDVT discontinues EDTP.
Output 2 The entrepreneurship development training program (EDTP) for self-employment enhanced with a focus on women	2a. By 2018, an updated EDTP has been developed (2017 baseline: non-existent) [contributing to main loan output 3d] 2b. By 2020, at least 50 trainers of EDTP (including 40% of women) are provided advance training and are certified (2017 baseline: 0) 2c. By 2020, at least 1,000 entrepreneurs (minimum 70% of whom are women) are provided business expansion training (2017 baseline: 0)	For all indicators, MSDVT reports on EDTP and quarterly project management reports	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	2d. By 2020, at least 200 selected entrepreneurs (minimum 70% whom are women) are provided with customized technical training and assistance for business expansion (2017 baseline: 0)		
Output 3 Women-targeted incentives, mentoring and on-the-job training provided to attract women to non-traditional areas	For all indicators, by 2020 3a. Over 1,300 new female students are trained and/or employed in non-traditional and emerging fields (2017 baseline: 0) [contributing to main loan outcome and output 1c and 3a] 3b. Over 1,000 female students (at least 50% of whom trained/employed in non-traditional skills) provided with mentoring and career counselling (2017 baseline: 0) [contributing to main loan outcome and output 1c and 3a]	For all indicators, quarterly project management reports, and project completion report	
Output 4 Gender-inclusive recruitment and working environment practices demonstrated in private sector	For all indicators, by 2020 4a. Two national/international conferences/symposia held to exchange best practices related to private sector involvement in promoting women's employment (2017 baseline: 0) 4b. At least 20 industries pilot/scale up approaches to increase women's employment (2017 baseline: not available)	For all indicators, quarterly project management reports, and project completion report	

Key Program Actions

Output 1: Private sector engagement in TVET strengthened

1. Conduct an assessment on the status of industry participation in TVET sector in Sri Lanka (with a focus on outer regions as well), and provide recommendations on strengthening industry councils and skills forums (by 2018)
2. Support MSDVT to develop a long-term strategy and an operation plan on engaging with industries (by mid-2019)
3. Capacitate industry councils and skills forums for the implementation of operational plan (by 2020)
4. Provide technical support to industry councils and skills forums in designing and implementing sustainable and innovative activities (subprojects) that increase employability of TVET graduates, especially females (by 2020)
5. Facilitate setting up a women's advisory group from private sector to advise on promoting women's employment (by 2020)

Output 2: The EDTP for self-employment enhanced with a focus on women

1. Design and deliver a EDTP promotional campaign (by 2018)
2. Improve the existing EDTP program, and conduct training of trainers to expand it (by 2018)
3. Pilot integration of EDTP into potential sector trainings, such as masonry and carpentry (2019)
4. Develop and provide advance entrepreneurship and technical training for business expansion (by 2020)
5. Facilitate business counselling, mentoring, and networking events for female entrepreneurs (by 2020)

6. Incorporate gender equality and women's empowerment into all training programs (by 2018)
7. Provide additional support to best performing enterprises to absorb more female graduates (by 2020)
8. Establish incubation center/innovation parks to support start-up businesses (by 2020)
9. Conduct impact studies (case study, documentaries, etc.), and facilitate learning events (by 2020)

Output 3: Women-targeted incentives, mentoring and on-the-job training provided to attract women to non-traditional areas

1. Identify emerging employment opportunities for women through ISSCs (by 2019)
2. Design and promote new training programs in emerging areas (by 2020)
3. Provide incentives, on-the-job training and mentoring (by 2020)

Output 4: Gender-inclusive recruitment and working environment practices demonstrated in private sector

1. Recognize private sector innovations for increasing women's employment (by 2020)
2. Support employers to introduce/upscale innovations for increasing women's employment (by 2019)

Inputs

Japan Fund for Poverty Reduction: \$3 million (grant)

Assumptions for Partner Financing

Government continues its entrepreneurship development program and SEPI loan scheme till 2020.

Australia supports the strengthening of tourism sector industry council.

EDTP = entrepreneurship development training program, ISSC = industry sector skills council, MSDVT = Ministry of Skills Development and Vocational Training, NVQ = National Vocational Qualification, SEPI = Self-Employment Promotion Initiative, TVET = technical and vocational education and training, VTA = Vocational Training Authority, WUSC = World University Service Canada.

^a Government of Sri Lanka, Ministry of National Policies and Economic Affairs. 2017. Public Investment Program, 2017–2020. Colombo.

DETAILED COST ESTIMATES

Activity	Item	Unit	Quantity Units	Cost per Unit (USD)	Total (USD)
Component A			Subtotal		2,558,200
Output 1	Private sector engagement in TVET strengthened		Subtotal		464,000
1.2.1	Training for industry council members and staff	Training	10	2,000	20,000
1.3.1	Workshops with employers on workforce planning and development (national and provincial level)	Event	20	2,000	40,000
1.4.1	Conduct market research to promote employability	Research	5	15,000	75,000
1.4.2	Conferences to share learning and best practices	Event	3	3,000	9,000
1.4.3	Grant funding to industry councils for innovative projects to promote employment for women	Project	12	25,000	300,000
1.4.3	Technical advisor- private sector engagement (intermittent)	Person-month	10	2,000	20,000
Output 2	The EDTP for self-employment enhanced with a focus on women		Subtotal		933,200
2.1.1	EDTP promotional campaign	Campaign	4	5,000	20,000
2.2.1	Conduct TOT for delivering EDTP	Training	6	1,500	9,000
2.3.1	Develop advanced entrepreneurs training manual (contextualizing existing manuals)	Training Manual	1	3,000	3,000
2.3.1	Deliver training to existing entrepreneurs on business expansion	Training	40	1,500	60,000
2.4.1	Provide mentoring and business counselling for women entrepreneurs	Event	50	1,000	50,000
2.5.1	Develop a gender training manual for women entrepreneurs and their family members (targeting male engagement for gender equality)	Training Manual	1	3,000	3,000
2.5.2	Gender training to women entrepreneurs and their family members	Event	30	1,000	30,000
2.5.3	Conferences to share experiences of women-entrepreneurs	Event	2	2,500	5,000
2.5.4	Annual award ceremony for young female entrepreneurs	Event	2	3,000	6,000
2.6.1	Provide support for women entrepreneurs to start and expand their business	Entrepreneurs	600	1,000	600,000

Activity	Item	Unit	Quantity Units	Cost per Unit (USD)	Total (USD)
2.6.2	Link women entrepreneurs with international markets	Lump-sum			14,000
2.7.1	Support TVET centers pilot test establishing incubation centers	Center	3	25,000	75,000
2.8.1	Conduct baseline and impact studies	Study	2	7,500	15,000
2.8.2	Gender and Entrepreneurship expert	Person-month	36	1,200	43,200
Output 3	Women-targeted incentives, mentoring and on-the-job training provided to attract women into non-traditional areas		Subtotal		855,000
3.2.1	New programs designed, promoted, delivered focusing on non-traditional and emerging employments for women	Course	6	5,000	30,000
3.3.1	Provide incentives for women to follow courses non-traditional and emerging fields (Accommodation and or travel allowance maximum for a period of six months)	Individual	700	600	420,000
3.4.1	Provide incentives for women to work in non-traditional and emerging fields (Accommodation and or travel allowance maximum for a period of six months)	Individual	600	600	360,000
3.5.1	Provide mentoring and life skill support to pursue working in non-traditional/emerging sectors	Event	30	1,500	45,000
Output 4	Gender-inclusive recruitment and working environment practices demonstrated in private sector		Subtotal		306,000
4.1.1	Recognize employers piloting innovations to promote women's employment (linked to 1.4.2)	Event	2	3,000	6,000
4.2.1	Support private sector employers to pilot/scale-up innovations to promote women's employment, especially in non-traditional fields	Employer	20	15,000	300,000
Component B	Project Management and Monitoring		Subtotal		277,900
B.1	Consulting Services		Subtotal		183,600
B.1.1	Project manager	Person-month	36	2,250	81,000
B.1.2	Per-diem for field visit	Per-week	10	150	1,500
B.1.3	Travel and accommodation for field visit	Per-week	10	300	3,000
B.1.5	Per-diem for field visit	Per-week	20	150	3,000
B.1.6	Travel and accommodation for field visit	Per-week	20	300	6,000
B.1.7	District Coordinators (3)	Person-month	108	700	75,600

Activity	Item	Unit	Quantity Units	Cost per Unit (USD)	Total (USD)
B.1.8	Per-diem for field visit	Per-week	30	150	4,500
B.1.9					
B.1.10	Travel and accommodation for field visit	Per-week	30	300	9,000
B.2	Management and Coordination		Subtotal		94,300
B.2.1	Vehicle rental for daily use	Month	36	800	28,800
B.2.2	Vehicle fuels (for rented car)	Month	36	200	7,200
B.2.3	Fixed-term driver contract	Year	3	3,500	10,500
B.2.5	Accountant salary (intermittent)	Year	3	5,000	15,000
B.2.6	Per diem and accommodation for field visit of project director	Week	10	400	4,000
B.2.7	Copy, paper, printer toners	Month	36	300	10,800
B.2.8	Electricity, water, communication bills	Month	36	500	18,000
Components A + B subtotal					2,836,100
Contingency					88,900
Total for Grant Implementation Firm					2,925,000
Annual Financial Audit					75,000
Grand Total					3,000,000

Source: Asian Development Bank estimates.

Summary of Competitive and Non-competitive Components

Description	Amount
Grant Implementation Firm	
Competitive component	
Consulting services	246,800
Management and coordination	94,300
Subtotal	341,100
Non-competitive component	
Industry councils strengthened	444,000
The EDTP for self-employment enhanced with a focus on women	890,000
Women-targeted incentives, mentoring and on-the-job training provided to attract women into non-traditional areas	855,000
Gender-inclusive recruitment and working environment practices demonstrated in private sector	306,000
Contingency	88,900
Subtotal	2,925,000
Annual Financial Audit	75,000
Grand total	3,000,000

EDTP = Entrepreneurship Development Training Program
Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE OF GRANT IMPLEMENTATION FIRM

A. Background

1. Asian Development Bank (ADB) supports the government's efforts to improve efficiency of the skills education system to meet local and foreign labor market by improving quality, access, relevance and recognition of technical and vocational education and training (TVET) while strengthening policies, systems and structures through its Skills Sector Enhancement Program (SSEP) running from 2014 to 2021.

2. The program will (i) encourage continuous system improvement and expansion, (ii) incentivize deepening reform actions, and (iii) help institutionalize key interventions, thus aiming at increasing development results. The Ministry of Skills Development and Vocational Training (MSDVT) is the executing agency, and nine TVET agencies are the implementing agencies covering over 450 training centers across the country. The direct beneficiaries include over 250,000 youth who need vocational skills, and 1,000 in-service workers who will avail of skill upgrading training opportunities per year. Employers of skilled workers would also benefit from more skilled workers.

3. Linked to SSEP, a \$3 million grant fund will complement the project by demonstrating innovative approaches in promoting private sector participation and women's economic empowerment, prioritizing employments of female TVET graduates. It will (i) support the private sector-driven industry sector skills councils (ISSCs) in establish themselves as competent advisory service providers in human resource development for industry members to advise the TVET system for demand-oriented training service, (ii) promote self-employment among female TVET graduates, (iii) expand women's access to male-dominated and emerging employment opportunities, and (iv) pilot innovative approaches and support expansion of private sector best practices aiming to facilitate women's employment.

4. ADB will support the government in selecting a grant implementation firm or an international nongovernmental organization (Consultant) with skills sector work experience in Sri Lanka and expertise in private sector engagement and women's economic empowerment to administer the grant project under MSDVT.

B. Scope of Work

1. Objective, outputs and outputs

5. The overall objective of the project is contributing to increased female labor force participation and women's economic empowerment through TVET. This is expected to be achieved through:

- (i) Enhanced skills development and employment opportunities for women in non-traditional and emerging sectors.
- (ii) Increased income of female TVET graduate through self-employment.
- (iii) Greater recognition and receptivity from private sector for women's employment, facilitated by ISSCs.

6. Four outputs and their constituent activities are described below.

7. **Output 1: Private sector engagement in TVET strengthened.** The grant project will strengthen private sector involvement in increasing youth employability through industry

councils and other skills forums. The project will provide activity/sub-project based support to these industry councils and skills forums in designing and implementing initiatives that will increase employment rates of TVET graduates, primarily women, from lagging regions. These initiatives should target creating linkages between industries and TVET centers and facilitating industries to create working environments that attract and sustain rural youth, especially girls, in work placements. The activities under this output will support MSDVT's broader approach to engage with private sector by:

- (i) conducting an assessment on the status of industry participation in TVET sector in Sri Lanka (with a focus on outer regions as well) and provide recommendations on strengthening industry councils and skills forums;
- (ii) supporting MSDVT to develop a long-term strategy and an operation plan on engaging with industries;
- (iii) capacitating industry councils and skills forums for the implementation of operational plan;
- (iv) providing technical support to industry councils and skills forums in design and implement sustainable and innovative activities (sub-projects) that increase employability of TVET graduates, especially of females: and
- (v) facilitate setting up a women's advisory group from private sector to advice on promoting women's employment.

8. Output 2: The entrepreneurship development training program for self-employment enhanced with a focus on women. Implementing agencies under SSEP offer entrepreneurship development training program (EDTP) for TVET graduates, especially those who aim at availing the existing "Self-Employment Promotion Initiative" (SEPI) loan scheme under the Central Bank of Sri Lanka and local banks. The EDTP requires further enhancement with updated program contents and improved instructors/trainers to increase successful TVET graduates in starting their own businesses. The fact-finding mission observed that lack of EDTP trainers in rural districts is a major challenge for graduates to build their entrepreneurship skills and accessing SEPI loans scheme to start businesses. Furthermore, a new program of advanced entrepreneurship will be developed and conducted targeting expansion of existing businesses with improved skills in technology, financial management, marketing and value chains, with a focus on lagging regions, women-led SMEs and job creation. Innovations will be supported in the areas of TVET institute-led incubator centers/technology parks for business germinations with low-risks at start-up phase, business counselling and coaching, facilitating networking, competitions and awarding of best entrepreneurs, and potential linkages with regional Chambers of Commerce and Industry. Gender equality trainings, through male engagement approach, will be delivered to male family members of female entrepreneurs to ensure family support for expanding women-led businesses beyond livelihood stage. By improving the existing program and supporting entrepreneurs expand their businesses it will generate further employment for TVET graduates. Female entrepreneurs would also benefit from additional supports to scaling up their business as they face more socio-economic barriers than male entrepreneurs. The activities under this component will be:

- (i) design and deliver a promotional campaign to promote EDTP among females TVET graduates;
- (ii) improve the existing program and conduct training of trainers to expand it (training to be delivered with government funding);
- (iii) integrate entrepreneurship training program with potential sector trainings, such as masonry and carpentry;
- (iv) develop a new advanced entrepreneurship program and deliver training targeting business expansions;

- (v) provide dedicated support to female graduates and entrepreneurs through business counselling, mentoring, networking events and their participation in trade events;
- (vi) incorporate modules on gender equality and women's empowerment in existing and new training programs, especially focusing on training for male family members of women entrepreneurs;
- (vii) provide additional support to female entrepreneurs expand their business by enabling market research and linkages with industry as well as availing matching funds for enterprises with high prospect of growth and employment opportunities;
- (viii) pilot test incubation centers/innovation parks for business starters attached to training centers; and
- (ix) conduct impact studies (case study, documentaries, etc.) and facilitate symposia to share experiences and impacts of successful female entrepreneurs.

9. **Output 3: Women-targeted incentives, mentoring and on-the-job training provided to attract women into non-traditional areas.** Stereotypes associated with type of jobs women should do, family and societal norms on the mobility of girls, lack of opportunities to follow on-the-job training in the rural districts and cost of travel and accommodation to follow such training in cities, and lack of motivations to attract women into to non-traditional work areas limit girls using their skills and knowledge to be productively employed. Maximizing the existing social market campaign of SSDP, the grant project will focus on diminishing negative social norms by providing financial and mentoring support for girls with a passion to access training and be employed in emerging and non-traditional areas of jobs. This output will support a range of pilot initiatives benefitting female students, especially in lagging regions with:

- (i) identifying emerging employment opportunities for women through ISSCs;
- (ii) designing and promoting new training programs in emerging areas for high employment opportunities among young women (design, promote and provide training of trainers only, while implementation of program will be under the government funding);
- (iii) providing incentives for women to enter non-traditional but better paying employments (esp. courses on automobile repair and maintenance, building and construction, electrical, electronics, and telecommunication); and
- (iv) mentoring and coaching, as well as allowance for boarding during on-the-job training, apprenticeship, and job placement.

10. **Output 4: Gender-inclusive recruitment and working environment practices demonstrated in private sector.** Increasing women's employment requires addressing barriers existing both in informal institutions (social norms, gender biases in recruitment, discrimination and lack of gender equitable measures at workplace, etc.) and in formal institutions (regulations and legal issues affecting women's employment). The project will promote promising practices among employers by:

- (i) showcasing and recognizing innovative efforts already undertaken; and
- (ii) supporting employers who promote women's employment through innovations such as flexible working hours, home-based work, daycare for children, etc.

2. Assignment

11. The grant project will be implemented targeting lagging districts in Northern, North Western, Uva and Sabaragamuwa provinces as well as low-income urban settlements in the Western Province. The Consultant should have considerable experience working in the TVET

sector, private sector engagement, entrepreneurship development, and women's economic empowerment. MSDVT as the executing agency will manage and supervise the Consultant. ADB will be involved in planning activities and regularly monitoring progress towards the project output and outcome targets which must be achieved within three years.

12. The Consultant will be recruited through the quality- and cost-based selection (QCBS) using the quality and cost ratio of 80:20 and the full technical proposal procedures.

C. Required Qualifications and Experience

13. The national key experts of the Consultant will include the (i) Project Manager (Team Leader), (ii) Gender and Entrepreneurship Expert, (iii) Technical Advisor – Private Sector Engagement (intermittent), and (iv) Area Coordinators (3). The non-key experts may include an account and admin officer.

14. The Consultant may hire individual consultants to meet any arising needs – e.g. for evaluation, preparing some multimedia materials for dissemination of achievement. The key team members will plan and organize the activities, and source additional inputs using provisional sums under the contract with prior approval from MSDVT and ADB.

15. The Consultant, as an organization, should have demonstrated, strong organizational capacity in managing and delivering development projects while upholding good management and accounting practices acceptable to ADB. The annual project financial statements shall be subject to financial audits.

16. **Project Manager cum Team Leader (national, 36 person-months).** The Project Manager should have a graduate degree in management, social sciences, economics or other relevant fields. A post-graduate degree is preferred. S/he is expected to have at least 10 years of project management experience. Experience in coordinating with ministries and government institutions, private sector and other stakeholders; and qualifications and experience in project management (including design, monitoring and evaluation) are required. Prior management experience of donor funded project and skills development, entrepreneurship development, private sector engagement is important. The Project Manager will

- (i) lead the team of experts and be responsible for the delivery of the overall management and administration of the project,
- (ii) facilitate the design and implementation of the detailed project plan to ensure achievement of project outputs and outcomes,
- (iii) maintain strong coordination with SSDD/MSDVT and ADB through regular communication, meeting and reporting,
- (iv) lead the project coordination with TVET institutions and other development partners implementing similar projects,
- (v) ensure adequate and timely project monitoring and completion of expected deliverables, and
- (vi) ensure good management practices and accounting of all project expenses.

17. **Gender and Entrepreneurship Expert (national, 36 person-months).** This expert should possess a graduate degree in social science, gender studies and other relevant disciplines. Post-graduate degree in social science or gender studies is preferred. S/he should have at least 7 years of experience in social development, gender analysis and programming.

Experience in designing and delivering gender and/or entrepreneurship training is required. Experience in project design, monitoring and evaluation is an advantage. Prior work experience in skills or education sectors, especially in donor funded projects, is preferred. Ability to converse in both Tamil and Sinhala is important. The Gender and Entrepreneurship Expert will:

- (i) ensure the project identifies and implements innovative interventions to support empowerment of girls and women;
- (ii) design and implement the required entrepreneurship promotion programs with a gendered focus;
- (iii) design and implement interventions that promote girls entering, continuing and being productively employed in non-traditional and emerging sectors of employment;
- (iv) lead the facilitation of mentoring, coaching, and skills development (soft skills and leadership skills) of female TVET graduates;
- (v) lead the development of required training manuals and curriculums;
- (vi) build capacity of stakeholders, especially TVET institutions and ISSCs, on gender equality and women's empowerment; and
- (vii) coordinate with the Private Sector Engagement Technical Advisor in supporting the ISSCs and private sector recognition and incentivization of girl's employment

18. Technical Advisor – Private Sector Engagement (national, 18 person-months intermittently over three years). The Technical Advisor will possess a graduate degree in business administration, economics, public policy or related fields. A post-graduate degree is preferred. S/he is expected to have at least seven years of experience in private sector development, and building partnerships between private and public entities (preferably between TVET providers and industry). Experience in (i) conducting labor market research, skills gap analysis and labor force planning; (ii) working with private sector on promoting women's employment; and (iii) institutional capacity building are required. The Technical Advisor will:

- (i) ensure strengthening, formation, and evolution of ISSCs to meet the objectives of their establishment;
- (ii) facilitate development of five-year strategies, including sustainability and capacity development, of ISSCs'
- (iii) advise ISSCs and MSDVT on conducting comprehensive labor market research and skills gap analysis;
- (iv) support ISSCs to become recognized and reputed private sector organizations that coordinate with the government in addressing labor market demand; and
- (v) engage with private companies in identifying, prioritizing and implementing female-friendly work environments to promote female labor force participation.

19. Area Coordinators (3 nationals, 108 person-months). The Area Coordinators will have degrees in social science, business administration, agriculture or other relevant fields. Post-graduate degrees are preferred. They should each possess at least five years of experience in project management. Experience in project coordination with multiple agencies, skills or education sectors projects, and working with youth are required. They will be based full-time in the selected districts, and coordinate the project interventions in more than one district. The Area Coordinators will:

- (i) coordinate the project interventions with training institutions, private companies, chambers and other stakeholders at field level;

- (ii) support the Gender and Entrepreneurship Expert in designing and implementing relevant project activities on entrepreneurship and empowerment of girls and women within the specific context of given district(s);
- (iii) support the Technical Advisor in successfully designing and implementing interventions that target strengthening ISSCs and leveraging the private sector to promote employment opportunities for female (and male) TVET graduates; and
- (iv) ensure implementation and monitoring of all project interventions at field level.

D. Key Deliverables

- (i) Inception report – within three weeks of contract signing
- (ii) Quarterly progress reports with action plan for the following quarter
- (iii) Six monthly and annual monitoring reports, including review of M&E framework (annex 1)
- (iv) Project completion report
- (v) Revised entrepreneurship development training manual, advanced entrepreneurship training manual and entrepreneurship curriculum.
- (vi) Gender training manual
- (vii) Training manual for soft skills and leadership skills development of female TVET graduates
- (viii) Five-year strategy documents for ISSCs
- (ix) Impact stories and video collection
- (x) Other important documents and reports as requested by MSDVT and ADB

JAPANESE VISIBILITY

1. The Government of Japan (GOJ) is committed to support mitigation of challenges related disparity between urban areas and rural areas in Sri Lanka. It supports the empowerment of women with a primary focus on women headed households in the post-conflict villages in the northern region. Through its Country Partnership Strategy 2017–2021, ADB will assist Sri Lanka by (i) strengthening the drivers of growth aimed at promoting diversification of economic activities and enhancing productivity, and (ii) improving the quality of growth to facilitate poverty and inequality reduction. Focusing on these synergies, ADB will explore opportunities for collaborating with GOJ to promote gender equality and women’s empowerment in Sri Lanka.
2. Both the Japan International Corporation Agency (JICA) and Asian Development Bank (ADB) are members of the Development Partner Gender Working Group (DP-GWG) in Sri Lanka. DP-GWG is designing a long-term strategy to work with the Ministry of Women and Child Affairs (MOWCA) to support the government’s effort for reducing gender inequalities and empowering women. The grant project will be one of the key areas of strategic engagement with the MOWCA and it will demonstrate the contribution of GOJ for the women’s economic development in Sri Lanka.
3. The project will strengthen the existing incubation centers/technology parks which aim to help new and startup business by technical and vocational education and training (TVET) graduates, but with limited experience and capacity. The project will support the incubation centers/technology parks to provide services such as management training, office space, entrepreneurship knowledge and skills, business registration support, marketing and networks, and access to finance. Japanese technology, expertise and human resources will be sought for the establishment of the incubation center/technology park, primarily through Japanese volunteer program.
4. Initial discussion was held with Pacific Asia Resource Center Inter-Peoples Cooperation (PARCIC), a Japanese nongovernment organization (NGO) working for the economic empowerment of the women-headed households in northern Sri Lanka. The project will explore possibilities for supporting PARCIC’s efforts by for business expansions and women’s skills and economic development. The use of other Japanese NGO expertise will also be pursued through collaborative arrangements through JICA the Embassy of Japan in Sri Lanka.
5. Visibility of Japanese aid will also be ensured through the (i) attendance of a representative from the Embassy of Japan in every major event of the Japanese Fund for Poverty Reduction (JFPR) grant and loan implementation with press coverage including loan and grant signing ceremonies; (ii) systematic use of JFPR and Japan aid logos on JFPR grant correspondence, workshop material and banners, training manuals, promotion campaigns and any media publication; (iii) invitation to Japanese representatives to deliver speeches or presentations during important events, such as workshops and conferences; and (iv) clear reference to the financial contribution of the GOJ during major project activities and for major outputs (publications, press releases, speeches).
6. Guided by GOJ’s education cooperation policy launched in 2015, and reflecting commitment to the achievement of the SDG4 by 2030, JICA has set out the new position paper in education cooperation for the next five years. It presents JICA’s new vision for education cooperation: Learning Continuity, and place high value on three guiding principles: (i) trust, (ii) mutual learning for knowledge creation, and (iii) equity and inclusion. The proposed project will contribute to JICA’s four priority areas of the position paper, namely: (i) quality education for

learning improvement, (ii) education for fostering equitable and sustainable growth, (iii) education for knowledge co-creation in societies, (iv) education for building inclusive and peaceful societies. All components of the project have features that support reaching the vision and priority areas set in the position paper. Project progress and completion reports will report against these areas to demonstrate its contribution in achieving JICA's priorities.

SPECIFIC COORDINATION DETAILS WITH THE LOCAL EMBASSY OF JAPAN AND JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

1. Asian Development Bank (ADB) conducted separate meetings with the Embassy of Japan and Japan International Corporation Agency (JICA) in Sri Lanka during the project preparatory period. Mr. Sakae Waratani, First Secretary, and Mr. Kuniyoshi Ito, Second Secretary, of the Embassy of Japan supported the project proposal by acknowledging the need to address the issue of low female labor force participation in Sri Lanka at the meeting held on 20 June 2017. Mr. Waratani suggested that social norms, which are the root causes that bar female labor participation should be addressed. Mr. Ito stressed the need to engage men to promote gender equality within this project. These suggestions have been incorporated into the final design.
2. A consultation meeting was held with Mr. Toru Kobayakawa, Senior Representative, and Ms. Naoko Kato, Project Formulation Advisor, of JICA on 9 June 2017. Mr. Kobayakawa expressed his strong support to the proposed grant project. He also expressed the willingness to provide contacts of Japanese volunteers and NGOs in the skills and women's economic development sectors for coordination and increasing Japanese visibility.
3. Government of Japan's focus on gender emphasizes the need to change the consciousness of men, decision-makers and socially influential people such as administrative officials, educators, politicians and religious leaders to reform the social structure and systems surrounding women. The project will engage male decision makers including family members, educators, trainers and administrators, and policy makers to promote gender equality and diminish social norms restricting women's empowerment.
4. Supporting Sri Lanka in accelerating economic growth, JICA is committed to strengthen infrastructure to promote investment, alleviating poverty and reducing inequalities. JICA also assists the government of Sri Lanka to formulate priority projects in the areas of small and medium-sized enterprise (SME) and to realize the full potential of the tourism sector. Collaborations with these projects, primarily SME and tourism sectors, will be explored to promote women's skills and earning.
5. Another area of collaboration with JICA would be to maximize synergies between the grant project objectives and JICA's focus on poverty alleviation and regional development, and focus on improvement of lives of the conflict-affected population. The project will prioritize post-conflict communities in North and East and other lagging regions of the country. Building synergies with JICA projects having similar priority will constantly be reviewed for future collaborations.
6. The grant project will draw from the lessons and recommendations of the previous Japanese Technical Cooperation Project for the "Establishment of Japan - Sri Lanka College of Technology to Strengthen Technical Education and Training in Sri Lanka". Following one of key recommendations to have a focused and continuous effort for improving the teaching capacity of instructors when a training course is introduced, the proposed project will ensure that continues trainings are provided and competency levels are assessed when delivering trainings on entrepreneurship and gender equality.