

PUBLIC

**ADVANCING SKILLS AND EMPLOYMENT IN THE BAHAMAS  
(BH-T1035)**

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**Advancing Skills and Employment in The Bahamas  
Technical Cooperation Document  
BH-T1035**

**I. Basic information**

▪ Country/Region:	The Bahamas / CCB
▪ TC Name:	Advancing Skills and Employment in The Bahamas
▪ TC Number:	BH-T1035
▪ Type:	Client support (CS)
▪ Team Leader/Members:	Team Leader/Members: Jacqueline Mazza (SCL/LMK)/ Maria Victoria Fazio (SCL/LMK), co-team leader; Manuel Urquidi (CBO/LMK); Sharon Miller (CCB/CBH); Camille Davis-Thompson (CCB/CBH); Cherran O'Brien (CCH/CBA); Bernardita Saez (LEG/SGO); Ethel Muhlstein (SCL/LMK); and Ana Lucía Barragan.
▪ Date of TC Abstract authorization:	June 19, 2013
▪ Beneficiary:	The Bahamas, Ministry of Labour and National Insurance (MLNI).
▪ Executing Agency and contact name:	Inter-American Development Bank, Social Sector Department, Labor Markets and Social Security Unit (SCL/LMK), Jacqueline Mazza ( <a href="mailto:jaquelinem@iadb.org">jaquelinem@iadb.org</a> ).
▪ Donors providing funding:	Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals – Social Fund (ORC/SOF)
▪ IDB Funding Requested:	400,000
▪ Local counterpart funding, if any:	0
▪ Disbursement period:	39 months
▪ Execution period:	36 months
▪ Required start date:	October 9, 2013
▪ Types of consultants:	Individual consultants
▪ Prepared by Unit:	Labor Markets and Social Security Unit (SCL/LMK).
▪ Unit of Disbursement Responsibility:	SCL/LMK, in coordination with CCB/CBH.
▪ TC Included in Country Strategy (y/n):	No.
▪ TC included in CPD (y/n):	No.
▪ GCI-9 Sector Priority:	Social policy favorable for equity and productivity.

**II. Objective and Justification**

This technical cooperation is designed to support project origination in labor markets and skill development in The Bahamas, with a special emphasis on capacity and institution. The Bahamian economy is facing growing challenges to upgrade the skill levels of its workforce and match them to higher quality employment, particularly to meet growing demand in the tourism sector. Recent labor market trends in The Bahamas show the coexistence of high unemployment rates (particularly among youth and the less educated workforce, 14.7% overall) with a skills gap where the private sector is not

able to find qualified workers in key skill areas (Wage and Productivity Survey, 2012). A recent comprehensive survey of the Bahamian private sector funded by the IDB's Social Fund (Wage and Productivity Survey, 2012) found that the main difficulty in recruiting workers was the lack of soft skills or under qualification (60%). New jobs expected to come online from two new hotel expansions have raised serious concerns that the Bahamas has neither the employment services nor sufficient skills and training programs to insure that the maximum number of these jobs are filled by Bahamian workers.

This TC would support advancements requested by the Ministry in knowledge-building in international best practice, the national skills bank and job exchange, and critical monitoring and information systems, improving the Ministry's execution capacities and use of modern technologies and policy platforms. The Bahamian Ministry of Labour and National Insurance has never received multilateral bank financing and to date has limited program and policy experience in expanding active labor market policies. On July 16, 2013, the Government of The Bahamas approved the creation of a National Training Agency (NTA) and has requested that this technical cooperation help support monitoring systems for both the training conducted and the performance of training providers to improve the efficiency and market responsiveness of the NTA to labor market demand. The NTA is expected to focus on raising literacy and numeracy skills and on competency-based training leading to job placement (The Nassau Guardian, 16 July 2013). Proposed improvements for labor market information in The Bahamas would also support the market orientation of the new training institution.

The TC is intended to enable the Ministry to better execute expanded and more efficient labor market programs with stronger monitoring and evaluation features and to support the Ministry to design future external financing needs (project origination) to address the modernization of its employment and skills systems and expansion of its institutional capacity. The TC was identified as part of the new Country Strategy for the Bahamas (CP-3472-1) under the priority area of private sector development (subarea of labor market development); the Strategy was scheduled to clear Government consultation on August 21 and be distributed to the Board on August 30, 2013. The TC's emphasis on labor market analysis of youth, and the incorporation of youth into employment services is intended to complement a second priority area of the strategy in citizen security and justice. The Country Strategy sets indicators for increasing the number of individuals benefitting from programs that promote higher productivity, in particular in job placement and job training services (CP-3471-1, iii) which will be directly supported through the components of the proposed technical cooperation.

### **III. Description of Activities, Components, and Budget**

The technical cooperation will be divided into three components:

Component 1: Capacity-Building and Systems Development in Employment Services and Training. This component will provide technical assistance in the form of consultancies, analysis, and the design and application of new instruments to support an expansion and strengthening of employment services and monitoring systems for skills training in the Bahamas. The Ministry of Labour and National Insurance seeks to modernize and expand the current Bahamas Job Exchange Service so that it better supports the

diverse employment needs of all the islands of The Bahamas, more systematically lists new and higher skilled employment in the tourism sector, and more efficiently serves the unemployed who are required to register with the Job Exchange as a condition for receiving unemployment insurance. Areas identified by the Ministry of Labour and National Insurance under this component for employment and skills are: a strategic design for the expansion, service and technology improvements to the current labor exchange, including a needs assessment and feasibility for expansion of services to the Family Island; a technology upgrade to the current skills bank of Bahamian workers (the current version utilizes a framework begun in 2004 and unable to serve well employers and new foreign investors). As part of the service and technology improvements, international consultancies will analyze the demands on the service generated from other Bahamian government's programs, such as the national employment insurance and social services as well as the current delivery of services in order to identify ways of utilizing international best practice to reduce or streamline administrative burdens and organize local offices to deliver more services more effectively. Technical assistance consultancies will be used to provide on-going support to the Job Exchange with international best practice information and support to administer and contract the distinct supports of this component. While the programs for the new National Training Agency are being directly financed by the Government of The Bahamas, the MLNI has requested support in the form of international consultancies to assist the new agency in analyzing its monitoring and evaluation needs and developing systems to register providers and track and oversee the provision of quality training to beneficiaries and its link to employment placement.

Component 2: Labor Market Information: Studies and Survey Modernization. This component will support the Bahamian Ministry of Labour and National Insurance and the Department of Statistics (DOS) to strengthen and expand their respective responsibilities for labor market information and labor force surveys with specific labor market studies, capacity building and policy analyses. Improved labor market information is needed to manage and guide informed labor market policies in employment and training under the objectives of this TC. The specific activities identified and requested are the following: 1) labor market analyzes, in particular a study on youth in the labor market, in order to identify (i) the profile and experiences of young people with more disadvantages in transitioning to the labor market, and (ii) a youth policy and program review, that can provide guidance on shaping future interventions and training for the social and economic inclusion of youth; and 2) a technical assessment to support the modernization and operation of the Department of Statistics on labor market information, in the following areas: (i) capacity-building on the design and execution of labor market surveys (e.g. including the structure of panel data), (ii) labor market information design (e.g. to consolidate current fragmented data sets, and link labor market data to other key data sets (e.g. work permits, unemployment insurance) and (iii) adaptability of labor market information to social media and web formats. To accomplish these tasks, the TC will finance international and local consultancies, travel to The Bahamas and the family islands, studies and technology reviews including for training and workshops for DOS and MLNI staff. Consideration will be given to identifying improvements in the sharing of data systems between government ministries. Specifically, the youth study will analyze DOS and (limited) international labor market data, distinguishing analytically youth labor market performance respective to adult trends. The youth study will also include a qualitative policy provider review, using standard

program analysis of beneficiaries, costs, and performance (as data available). The additional studies would be technical reviews of labor market data (of family islands) and labor data needs and survey methodologies. Labor market studies and reviews will include emphasis on the labor market dimensions of family islands.

Component 3: Regional best practice exchange. MLNI seeks as well to build institutional capacity and policy knowledge based on field visits and technical exchanges with regional and international practitioners, emphasizing best practice in public-private collaboration. To do so, this component will finance the participation of key public and private actors in The Bahamas with technical exchanges with best practices models that have application to The Bahamas. Already identified in consultation with Bahamian authorities are the Human Capital Development Public-Private Partnership in Riviera Maya, Mexico (only select costs); the Public-Private Partnership of the Honduras National Employment Service; and training, entrepreneurship and skills development in Trinidad and Tobago. This component would finance travel, per diem, materials, transportation costs, translation costs in the case of Mexico and Honduras.

Component 4: Dissemination and Policy Workshops. The TC will also finance technical support and consultancies to disseminate the information and results of this TC, develop and translate materials, and organize workshops and training for the Ministry of Labour to advance technical knowledge of best practices within the Ministry of Labour and private sector, including in the area of labor markets and youth/citizen security.

**Table 1: Results Matrix**

<b>Results by Component</b>			
<b>Results Component 1</b>	<b>Build new capacity and strengthen technical systems in employment services and training</b>		
<b>Indicators</b>	<b>Baseline</b>	<b>Final Indicator</b>	<b>Verification</b>
Job Exchange – expansion of offices and services to improve quality and quantity of intermediation services			Job Exchange Monitoring system
<ul style="list-style-type: none"> <li>▪ Increase in physical office space and in job seekers and vacancies registered</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1 office Nassau/4 small offices in family islands</li> <li>▪ As of 10/1/2013</li> </ul>	<ul style="list-style-type: none"> <li>▪ Expansion to at least 4 offices in Nassau &amp; Grand Bahamas; modernization and expansion of family island services</li> <li>▪ 50% increase in job seekers and jobs registered in job exchange,</li> </ul>	Annual reports of job exchange and physical verification
<ul style="list-style-type: none"> <li>▪ Improvement in technology and systems used by national Job exchange</li> </ul>	0	<ul style="list-style-type: none"> <li>▪ 50% increase in job seekers and jobs registered as evidence of system improvements</li> </ul>	Annual reports of job exchange
Technical improvements and expansion of Skills Bank to assure greater utilization by the private sector and job exchange	No known private sector use	Updated skills bank with recorded consultations by private sector and job exchange (at least 20 consultations)	Skills Bank data base in final year of TC. Verification with employer associations.
Monitoring system and technical review for National Training Agency	0	1	Technical study and report of monitoring system

<b>Results Component 2</b>			
<b>Indicators</b>	<b>Baseline</b>	<b>Final Indicator</b>	<b>Verification</b>
Labor market analysis and study of youth	0	1 published study	MTNI and IDB archives; dissemination workshop
Technology Review DOS	0	1 completed review	DOS archives; activities of technical review; final report of TC
Feasibility study to improved labor force survey data collection and survey methodology completed and recommendations implemented	0	1 plus follow up implementation activities	DOS archives and final report of TC
<b>Results Component 3</b>			
<b>Undertake regional study tours with technical follow up</b>			
<b>Indicators</b>	<b>Baseline</b>	<b>Final Indicator</b>	<b>Verification</b>
2-3 separate regional study tours completed	0	Summary reports of each study tour	IDB and MLNI archives
<b>Results Component 4</b>			
	<b>Disseminate results and advance technical learning</b>		
<b>Indicators</b>	<b>Baseline</b>	<b>Final Indicator</b>	<b>Verification</b>
Publications produced for MLNI and DOS use	0		
Dissemination activities and workshops conducted	0	4	Final report of the TC
Materials produced for MLNI and DOS use in policy implementation and/or promotion of services	0	2	Materials produced

The following table summarizes the proposed indicative budget by component.

**Table 2: Indicative Budget (US\$)**

<b>Activity/Component</b>	<b>Description</b>	<b>IDB/Fund Funding</b>	<b>Counterpart Funding</b>	<b>Total Funding</b>
		<b>(ORC/SOF)</b>		
I. Capacity Building and Systems development in Employment services and Training	Technical assistance, needs analysis	137,081	0	137,081
II. Labor market information: studies and survey modernization	Studies	92,600	0	92,600
III. Regional best practice exchange	Private-public technical exchanges	51,319	0	51,319
IV. Dissemination, Policy Workshops and Training	Dissemination activities, technical assistance/Workshops	94,000	0	94,000
Contingencies		25,000	0	25,000
<b>Total</b>		<b>400,000</b>	<b>0</b>	<b>400,000</b>

#### **IV. Executing agency and execution structure**

The Inter-American Development Bank, Labor Markets Unit (LMK) is the proposed executing agency for this TC as requested by the counterpart. The Bank will coordinate its work extensively with the Bahamas government entities, most directly the Ministry of Labour and National Insurance and Department of Statistics. This execution scheme is proposed for the following reasons: SCL/LMK has particular technical expertise in labor markets and productivity issues and direct knowledge and contacts with international best practice; administrative burdens can be reduced on the government, particularly in the contracting of international experts and the organizing of international travel; and, the IDB can assure that The Bahamas benefits from studies which draw on lessons and best practices from a range of other Caribbean, as well as non-Caribbean countries known to the IDB.

During project execution, for the selection and contracting of consulting firms, the IDB's Procurement policies for the Selection and Hiring of Consultants (GN-2350-9) will be applied. For hiring individual consultants, HRD procedures (AM-650) will be applied and for services (publications, workshops among others), Corporate Procurement Policies (GN-2303-20) will be applied.

#### **V. Major issues**

This technical cooperation provides a series of analytical studies and technical support executed by the IDB, in cooperation with the Bahamas government, and in doing so does not face any significant execution risks. The key focus to be managed and kept in mind is assuring that the studies and technical assistance stay directly relevant to the policy debate and needs of the Bahamas private and public sectors and execute in a timely fashion to support the evolving needs overtime of project identification in labor markets. The TC contains mechanisms for continual coordination both with the government and within the IDB for resource coordination, as well as technical seminars, as requested by The Bahamas to manage this issue. As well, flexibility within and among components is anticipated to adjust the particular supports delivered under this TC and a line of contingencies (\$25,000) is included.

#### **VI. Exceptions to Bank Policy**

None.

#### **VII. Environmental and Social Classification**

Due to its emphasis on institution and knowledge building, the TC is not expected to have a significant negative environmental or social impact. The proposed TC has received the classification of category C under the current screening process. See safeguards in: [IDBdocs#-37682371](#).

##### **Required Annexes**

- Request from the Client:  
Special mission report [IDBdocs#-37566888](#) and BOBH non-objection letter [IDBdocs#-37826513](#).
- Terms of reference for activities / components [IDBdocs#-37964018](#).
- Procurement Plan [IDBdocs#-37959510](#).

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**CERTIFICATION**

I hereby certify that this operation was approved for financing under the Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals (SOF), through a communication dated June 19, 2013 and signed by Carmen Albertos (ORP/GCM). Also, I certify that resources from the Special Program for Employment, Poverty Reduction and Social Development in Support of the Millennium Development Goals (SOF) are available for up to US\$400,000 in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

(Original firmado)

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Sonia M. Rivera  
Chief  
Grants and Co-Financing Management Unit  
ORP/GCM

09/20/2013  
Date

**APPROVAL**

Approved: (Original firmado)  
\_\_\_\_\_  
Héctor Salazar Sánchez  
Sector Manager  
Social Sector  
SCL/SCL

09/26/2013  
Date

(Original firmado)  
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Chief SCL/AMK

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Astrid Wynter  
Country Representative CCB/CBH

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