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JAMAICA

NEW EMPLOYMENT OPPORTUNITIES FOR YOUTH IN JAMAICA (NEO-JAMAICA)

(JA-M1036)

DONORS MEMORANDUM

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PROJECT SUMMARY
NEW EMPLOYMENT OPPORTUNITIES FOR YOUTH IN JAMAICA (NEO-JAMAICA)
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“New Employment Opportunities for Youth in Jamaica,” or NEO Jamaica, is part of the regional program ATN/ME-13213-RG, “New Employment Opportunities for Youth (NEO)”. NEO seeks to improve the human capital quality and employability of one million vulnerable youth in the region within 10 years. It began with a five-year first stage (2012-2017) for 500,000 vulnerable young people in at least 10 countries of Latin America and the Caribbean. Launched in 2012, NEO is led by the MIF, the Labor Markets Unit of the IDB’s Social Sector, and the International Youth Foundation, along with seven partners: Arcos Dorados, Caterpillar, CEMEX, Microsoft, Walmart, FORGE Foundation and CNI (Brazil’s National Confederation of Industries). The latter two joined NEO in August of 2015.

Jamaica has a long history of low economic growth and high public debt. In fact, over the last 20 years, its economy grew less than 1% per year, significantly below the average for the region. Even though the Jamaican economy has recently shown positive signs of recovery, the overall economy continues to pose significant challenges for the country’s labor market. In 2014, the overall unemployment rate improved significantly to 13.7%, the lowest since 2010. Youth unemployment (37.2% in 2014), however, is 2.7 times as high when compared to the overall unemployment rate and the female youth unemployment rate is nine percentage points higher than the male youth unemployment rate (40% vs. 31%).

The NEO Jamaica model focuses on the formation of multi-stakeholder partnerships where businesses, governments, and civil society contribute resources, knowledge, and capabilities to implement effective, sustainable employment solutions for poor and vulnerable youth. The NEO Jamaica partnership was formed voluntarily by the following institutions: Planning Institute of Jamaica; Ministry of Labour and Social Security; Ministry of Youth, Sports and Culture; National Youth Service; Ministry of Science, Technology, Energy and Mining; HEART; The Private Sector Organisation of Jamaica; Red Stripe; Hotel and Tourism Association of Jamaica; Business Process Industry Association; CEMEX; Youth Upliftment Through Employment; and The University of West Indies.

The desired impact of NEO Jamaica is to increase job opportunities for poor, vulnerable and low- income Jamaican young people ages 17 to 29. The expected results are to broaden the quality and relevance of training programs and employment systems for vulnerable young people in the country. The project will benefit 10,000 vulnerable youth, half of whom will be female. Beneficiaries will be served by 11 training and employment institutions that will adopt the NEO Quality Standards. Finally, 100 companies will benefit by employing skilled youths from the NEO program.

NEO Jamaica complements the work that the Labor Markets and Social Security Unit of the IDB (LMK/SCL) and the Government of Jamaica are carrying out under the labor components of the Integrated Social Protection and Labour Programme (JA-L1037) and the Citizen Security and Justice Programme or CSJP (JA-L1043 AND JA-X1008). On the one hand, NEO will scale up job placement and career guidance best practices through the Ministry of Labour and Social Security. In the case of CSJP, NEO will free up resources by taking the Programme’s beneficiaries with the highest job readiness skills and offering them training, internships and job placement opportunities in pre-defined strategic sectors with employment potential. Additionally, NEO Jamaica will contribute to systemic change through a multi-stakeholder partnership that promotes and adopts high-impact youth training and employment models, which can be replicated and transferred to other productive sectors and potentially to more than 130 training and employment centers in the country, providing services to more than 70,000 youth.

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ACRONYMS AND ABBREVIATIONS

AOP	Annual Operating Plan
BPIAJ	Business Process Industry Association
BPO	Business Process Outsourcing
CSEC	Caribbean Secondary Education Certificate
CSJP	Citizen Security and Justice Programme
CXC	Caribbean Examination Council
DNA	Diagnostic of Executing Agency Needs
ELE	Electronic Labor Exchange
HEART	Human Employment and Resources Training Trust
IADB	Inter-American Development Bank
IYF	International Youth Foundation
JHTA	Jamaica Hotel & Tourism Association
LMK	Labor Markets and Social Security Unit of the IDB
MIF	Multilateral Investment Fund
MLSS	Ministry of Labour and Social Security
MSTEM	Ministry of Science, Technology, Energy and Mining
MYSC	Ministry of Youth, Sports, and Culture
NYS	National Youth Service
OR	Operating Regulations
PCU	Project Coordination Unit
PIOJ	Planning Institute of Jamaica
PSOJ	The Private Sector Organisation of Jamaica
PTS	Passport to Success Program
QED	Quality for Effectiveness in Development
TOR	Terms of Reference
UWI	The University of the West Indies
YUTE	Youth Upliftment Through Employment

PROJECT INFORMATION
NEW EMPLOYMENT OPPORTUNITIES FOR YOUTH IN JAMAICA (NEO-JAMAICA)
(JA-M1036)

Country and Geographic Location:	Jamaica. The geographical areas of Kingston and St. Andrew; Portmore in St. Catherine, Montego Bay in St. James, Mandeville in Manchester, Clarendon and St. Elizabeth parishes.		
Executing Agency:	YUTE - Youth Upliftment Through Employment		
Access Area:	Access to Markets and Skills		
Agenda:	Youth: employment, skills, and entrepreneurship.		
Coordination with Other Donors/Bank Operations:	NEO Jamaica complements the work that the Labor Markets and Social Security Unit of the IDB (LMK) and the Government of Jamaica are carrying out under the labor components of the Integrated Social Protection and Labour Programme (JA-L1037) and the Citizen Security and Justice Programme or CSJP (JA-L1043 and JA-X1008). Also the program complements the World Bank's animation industry and youth skills program with the Ministry of Science Technology Energy and Mining (MSTEM).		
Direct Beneficiaries:	<ul style="list-style-type: none"> • 10,000 poor, vulnerable and low-income youth 17 -29 years old, 50% of whom will be females. Initially, 8,000 youth will benefit from a comprehensive training and employment services model, and 2,000 youth will receive career counselling and/or job placement services. • 11 training and employment centers will be strengthened according to the NEO Quality Standards Guide and 90 of their professionals will be trained to provide services aligned with labor-market needs, to include teaching methods tailored to young people, and strengthened life skills, vocational guidance and job placement services. • Additionally, 100 companies will participate in the program and will benefit by employing skilled youths from the NEO program. 		
Indirect Beneficiaries:	Taking in consideration that the average household size in Jamaica is 3.64 ¹ , approximately 36,400 people will be indirect beneficiaries of this project.		
Financing:	Technical Cooperation:	US\$ 1,200,000	13%
	TOTAL MIF FUNDING:	US\$ 1,200,000	
	Counterpart:	US\$ 2,222,850	24%
	Cofinancing	US\$ 5,894,000	63%
	TOTAL PROJECT BUDGET:	US\$ 9,316,850	100%
Execution and Disbursement Period:	36 months of execution and 42 months of disbursement.		
Special Contractual Conditions:	Conditions precedent to the first disbursement: (i) Operating Regulations for the project; (ii) governance agreement for the NEO Jamaica Alliance; (iii) commitment letters signed by the Alliance members; (iv) submission of the annual work plan; and (v) selection of the NEO Jamaica coordinator. All of these conditions will be met to the satisfaction of the IDB/MIF.		
Environmental and Social Impact Review:	This operation has been prescreened and classified in accordance with the requirements of the Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703). Since the impacts and risks are limited, the proposed category for the project is "C."		
Unit with Disbursement Responsibility:	The project will be supervised by the IDB Country Office in Jamaica, with technical support from the NEO regional team at IDB Headquarters.		

¹ Calculated by 2012. World Bank. The definition of a private household essentially comprises a group of people who live in a single dwelling, whether they are related or not.

I. BACKGROUND AND JUSTIFICATION

A. Diagnosis of the Problem to be addressed by the Project

- 1.1. **Macroeconomic context.** Jamaica has a long history of low economic growth and high public debt. In fact, over the last 20 years, its economy grew on average less than 1% per year, significantly below the average for Latin American countries and the Caribbean (3.8% and 2.0% respectively). Moreover, the high level of debt has been identified as a major constraint that crowds out private investment and diverts scarce resources from investment and social services to debt service².
- 1.2. **Repercussions on the labor market and high youth unemployment.** Even though the Jamaican economy has recently shown positive signs of recovery – in 2014 it grew by 0.69% when compared to 2013 – the overall macroeconomic context, continues to pose significant challenges for the country's labor market, especially post the 2008 economic downturn. In terms of total employment, in 2008 a total of 1,162,200 persons were employed; by 2013 this number had declined to 1,109,100. Moreover, data shows that the country's labor productivity is one of the lowest in the Caribbean region.. Notwithstanding these indicators, in 2014, the overall unemployment rate improved significantly, equaling 13.7%, the lowest since 2010. Youth unemployment (37.2% in 2014), however, is 2.7 times as high when compared to the overall unemployment rate³ and the female youth unemployment rate is nine percentage points higher than the male youth unemployment rate (40% vs. 31%).
- 1.3. Addressing Jamaica's high youth unemployment, therefore, is critical to ensuring a promising future for the country. Defined by the Statistical Institute as those between the ages of 14 and 24 years of age, the youth cohort as of January 2015 totaled 205,800 persons, which represents around 16% of the total workforce and which is composed of 57% males and 43% females.⁴ When disaggregated by gender, the overall unemployment rate for male youth is 31%, while the female rate is 40%. Finally, unattached youth, defined as those youth that are not employed, not enrolled in school, and not engaged in any other form of training, represent 30.3% of the total youth population with a majority of them being females (36.1% females, 24.6% males).⁵
- 1.4. **Problem to be addressed by the operation:** Given the central problem of high youth unemployment, aggravated by a context of low job creation, NEO Jamaica intends to address the challenges that vulnerable youth⁶ face in finding quality jobs in the most dynamic sectors of the economy.

Causes of high youth unemployment in Jamaica:

- 1.5. **(i) Mismatch between the skills required by employers and the current skills of vulnerable youth:** In a 2012 study from the Ministry of Labour and Social Security (MLSS), which surveyed 606 firms from different sectors, over 50% of employers with

² Average total public debt as a percentage of GDP from 2002-2013 totaled 110.5% of GDP compared to 32.4% for Trinidad and Tobago, 59.9% for Barbados and 36.5% for Bahamas. Jamaica's high public debt worsened with the global economic downturn of 2007-2008, when it fell into a prolonged recession, with the economy contracting for 13 consecutive quarters.

³ While this pattern is typical of the region as reported by Parra-Torrado (2014), - Bahamas at 2.4 times the total unemployment rate (2007), Barbados 2.5 (2010), Trinidad & Tobago 2.5 (2012), Guyana 2.0 (2011), Dominican Republic 2.0 (2007), Grenada (2008), St. Lucia (2010), and St Vincent and the Grenadines (2008) 1.7 times – Jamaica stands out.

⁴ Statistical Institute of Jamaica found at <http://statinja.gov.jm/LabourForce/NewLFS.aspx>.

⁵ STATIN, SWTS Jamaica 2013.

⁶ Vulnerable youth for NEO is defined as those youth who are over the line of poverty but are at risk of falling back into poverty.

vacancies cited the inability to find the skills needed for the position. Moreover, the “Hot Occupations in the Jamaican Labour Market”, a study conducted by the intelligence unit of the MLSS that analyzes job advertisements in the major newspapers in Jamaica, consistently indicates that employers consider the lack of soft skills to be an important gap in the workforce. Gaps are also noted in levels of skills: employers do not want to hire people with only short-term training; instead they want workers with some job experience, and prefer to see at least three CXC CSEC⁷ subjects (secondary education qualifications in the Caribbean).

- 1.6. **(ii) Lack of coordination in the youth employability system:** There is a wide range of institutions – both public and non-profits – working in the youth employability arena in Jamaica, whose efforts are often not coordinated. Moreover, the lessons learned in the design and implementation of youth programs are not shared among the different stakeholders in order, to improve future programs and ensure their success. On the public front, in Jamaica, vocational training programs are dominated by the HEART Trust-National Training Agency, itself established in the 1980s in response to high youth unemployment, and by far the largest provider, with 72,750 persons enrolled for 2014-2015 (to end of March). HEART Trust includes 30 self-owned training institutions and centers, about 100 community programs offering HEART Trust financed training, and both an on-the-job training program for more qualified secondary leavers and a program to train and certify existing workers. Second, the National Youth Service (NYS), under the Ministry of Youth, Sports, and Culture, offers a range of different programs to the youth population ages 17-24, with a particular focus on females (62% of participants being female over the past three years), on rural youth and youth with disabilities. Third, the Ministry of Education has implemented technical and vocational training in schools with support from HEART Trust, including a number of programs leading to National Council Technical and Vocational Education and Training (NCTVET) certification in some traditional areas and the introduction of new occupational skill areas into secondary schools. Finally, the Ministry of Science, Technology, Energy and Mining (MSTEM) Youth Employment in the Digital and Animation Industries Project launched in September 2014. This \$20m five-year World Bank program aims to build the capacity and skills of Jamaican youth to improve their employability in the growing animation industry and the global online labor market, and provide critical skills to young tech entrepreneurs to bring ideas to market. It targets approximately 15,000 youth in rural and urban areas, with the main target group being youth between the ages of 15-30 years.
- 1.7. A fairly large number of NGOs and community organizations also offer vocational training programs, many financed by HEART. Some of these include the Youth Upliftment through Employment (YUTE), St. Patrick’s Foundation, Operation Friendship, Western Hospitality Institute, the International Institute for Recognized Qualifications or IIRQ, Rural Family Support Organisation, programs aimed at helping school leavers obtain more CXC subjects (about 20 programs), and church-sponsored programs such as Cornerstone Ministries, Trinity Moravian, Stella Maris Foundation, and Boulevard Baptist Church. An inventory of post-secondary programs conducted in 2013 identified 156 total post-secondary training locations (including 30 HEART-operated locations) and 22 programs for additional secondary subjects in Jamaica. Given the ample array of programs available, and more importantly, the various types of training provided (life skills, basic and general skills, vocational skills), it is important to understand what methodologies work and do not work, for which youth segments and under what circumstances, and to focus on applying those elements that have been proven to be critical in increasing the youth’s employability and insertion into the labor market.

⁷ Caribbean Examination Council (CXC) Caribbean Secondary Education Certificate (CSEC).

- 1.8. **(iii) Inadequate youth employment services:** According to Mazza (2011),⁸ the Jamaican labor market lacks transparency: many openings are never advertised, and networks and connections fill most posts. Better integration of youth into the labor market requires better provision of Employment Services. In fact, data gathered by the Statistical Institute of Jamaica shows that only 3.5% of the unemployed youth registered at an employment center as a step to find work, compared to 29.9% who asked friends, relatives, and acquaintances; 25.2% who directly applied to companies; 18.4% who inquired directly at factories, farms, markets, shops; 12.1% who placed/answered job advertisements; and 6.2% who took a test or interview. It is therefore clear that youth in general are not well informed about labor market opportunities and trends, have limited knowledge of the changing job market, and often have unrealistic expectations. Moreover, the latest technologies such as social media and mobile access in employment services are used only in a limited way, and youth-targeted services such as career counseling and mentoring are not widespread.
- 1.9. Public employment services have been generally weak in Jamaica. The MLSS Electronic Labor Exchange (ELE) has been in operation for many years, but had not been effective at getting firms to list openings: until recently, the ELE had never had more than 10 open job listings at one time and sometimes couldn't be accessed electronically. The IDB financed Integrated Labor and Social Protection project has been addressing this problem and noted improvement has been shown over the past year. More than 6,750 job seekers have registered on the website by the end of 2014, and over 170 companies have registered during the same period, while the number of posted jobs increased from 8 in November of 2013 to 274 in November of 2014. The Electronic Labor Exchange placed 642 persons in jobs both locally and overseas in 2014 compared to 531 in 2013. Additionally, regional satellite offices are planned in Montego Bay, Mandeville, Westmoreland, St Thomas regional MLSS office, and East Street office in Kingston. Complementary services include resume preparation, job search techniques, interview techniques, and career counseling.
- 1.10. Public training programs (HEART, NYS, and others) also offer job placement, but in the case of HEART, the results are unsatisfactory. Out of a cohort of 16,775 certified graduates in 2014-15 HEART was only able to make 4,838 actual job placements, and over half of these represent jobs obtained by graduates and not placements made directly by the agency. Furthermore, HEART participants rate instructor quality and facilities and equipment highly, but 52.4% rate job placement services as "very poor" or "poor". In general, therefore, there has been a passive approach of responding to employer requests for job candidates rather than an active marketing of graduates, although it should be noted that HEART is placing increasing emphasis on job placement results. Finally, The University of the West Indies (UWI) Placement and Career Services offers a range of employment services including graduate placement.
- 1.11. **(iv) Deficiencies in the vocational training programs:** According to the Labor Market Transition of Young Women and Men in Jamaica Report (ILO, STATIN, PIOJ, 2013), the second most important obstacle to finding a job, as perceived by youth themselves are "requirements for job were higher than education/training received" (23.1% of youth), preceded by "not enough jobs available" (46.2% of youth). This fact, coupled with complaints from employers about not being able to find youth with the right set of technical and soft skills, speaks to the need to strengthen Jamaica's vocational training programs. Data from STATIN, which reports on characteristics of first job seekers,

⁸ Mazza, J. "Fast Tracking Jobs: Advances and Next Steps for Labor Intermediation Services in Latin America and the Caribbean." Inter-American Development Bank, Labor Markets and Social Security Unit (SCL/LMK), Dec 2011. Found at <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=36976181>.

shows that of 29,000 total first job seekers in 2013, the majority (46.3%) had no secondary education qualifications, or had one or two CSEC passes and only 29.6% had three to five or more CSECs. This is worrying, given that three to four CSECs are generally needed for entry-level employment, while five CSECs are needed for more highly-skilled jobs. Further, skills mismatch results from the academic orientation of regional CSEC curricula, while employers increasingly seek concrete job skills.

- 1.12. With regard to vocational training providers, as mentioned previously, HEART is the most important, and when compared to other National Training Institutes in the region, it has the highest expenditure in the region on training as a percentage of GDP (0.52%). This compares to 0.14% for the LAC region and 0.17% for the OECD.⁹ It should be noted that while HEART Trust/NTA's qualifications are highly regarded by employers¹⁰ - along with the bachelor's degree qualifications, those associated with HEART Trust/NTA equally represent 26.7% of those asked for by employers in newspapers – there is always room for improvement. Specifically, enhancements can be made in using the labor market intelligence information HEART generates, along with data from other sources, including the MLSS through its Labor Market Information System, to better inform the development of its training programs. Also, within vocational training, a stronger emphasis on linking academic to more practical, on-the-job training through apprenticeships or internship-type programs would be helpful in boosting training centers' effectiveness at achieving employment outcomes.
- 1.13. **NEO Jamaica Context:** The Government of Jamaica, through the MLSS, has made important advances in the development of employment services through the Electronic Labor Exchange (ELE). Currently, the MLSS plans to strengthen its regional and local offices in Montego Bay/St. James and in Manchester/Mandeville. Additionally, it has launched an on-the-job training program targeted at Steps to Work candidates in July, 2015 in five pilot parishes including Kingston/St. Andrew, Manchester, St. Catherine, St. Thomas, and St. Elizabeth. MLSS has also increased its efforts to produce valuable labor market information intelligence through labor market studies in the areas of logistics, green jobs, regional labor market dynamics, geriatrics, and is in the process of developing a National Labor Market Study and National Employment Policy. In order to increase labor market attachment and employability among youth, the government has also continued to execute the National Citizen Security and Justice Programme (CSJP) under the premise that decreasing youth unemployment translates into youth's reduced involvement in crime and violence activities.
- 1.14. HEART Trust/NTA also launched in April, 2015 the National Underserved Youth Programme to improve livelihoods of 15,000 underserved youths between the ages of 17 and 30 years through their community training intervention programmes across Jamaica. The intervention includes apprenticeship and school leavers' training to help them transition from school to work, skills training, as well as pre-technology (remedial English and Math), life skills and basic skills training to help low achieving participants.
- 1.15. With regard to the private sector, during the analysis, the project team has interviewed key private sector leaders, companies and organizations that have confirmed positive job growth in the short to medium- term in specific sectors of the economy (see paragraph 2.5). This positive job creation outlook is critical to test the hypothesis of the NEO model, which aims to close the skills gaps and better align training and employment services to the needs of the private sector.

⁹ Inter-American Development Bank – own calculations based on fiscal information from the Sistema de Información de Mercados Laborales y Seguridad Social (SMIS) and from Huneus, C. et al, 2013.

¹⁰ Labor Market Information System Jamaica. Hot Occupations in the Jamaican Labour Market. March 29 – April 2, 2015.

- 1.16. NEO Jamaica has been developed through a process of consultation and participatory planning, which has led to the creation of a strategic alliance, composed of public, private and civil society entities in Jamaica seeking to improve the employability of the country's youth. The vision of NEO Jamaica's Alliance is to be a model and innovation agent for the employability of young people, transforming the work culture of both employers, the public service, and of the poor and vulnerable youth. Thus it seeks to avoid duplication of effort, increase effectiveness and ensure economic and social impact.
- 1.17. The members of the NEO Jamaica Alliance are the following:

Public Sector:	<ul style="list-style-type: none"> • Planning Institute of Jamaica (PIOJ) - is the planning agency of the government that undertakes research on national development issues to advise the Government on major issues relating to economic, environmental and social policy, which leads the process of policy formulation. • Ministry of Labour and Social Security (MLSS) - Its mission is to promote a stable industrial climate to facilitate increased access to employment and effectively manage social protection programmes, including those for groups with special needs, such as households below the poverty line. • National Youth Service (NYS) - is an agency of the Ministry of Youth, Sports, and Culture (MYSC) that provides personal and professional development services to youth through training, work experience, entrepreneurship activities, mentorship and volunteer opportunities.” • Ministry of Science, Technology, Energy and Mining (MSTEM) - One of the responsibilities of this Ministry is to encourage private sector innovation in the science, technology, energy and mining sectors. • HEART Trust/NTA - The Human Employment and Resource Training Trust, National Training Agency known as ‘HEART’ was established in 1982 and restructured by the amended HEART Act in 1991. It is the largest Technical and Vocational Education and Training provider in the country. It focuses on providing a variety of training options and employment placement opportunities for trainees as well as placement in on-the-job training programs..
Private Sector:	<ul style="list-style-type: none"> • The Private Sector Organisation of Jamaica (PSOJ) - It was established in 1976, as a national organisation of private sector associations, companies and individuals working together to promote a competitive and productive private sector. PSOJ seeks to influence national policy issues of a political, social, or economic nature. • Red Stripe - Beverage company with a strong commitment to investing in sustainable community projects through its Enriched Communities agenda which presents employment opportunities for NEO youth., which can Build NEO's reputation and enhance the relationship with government and other stakeholders. • Hotel and Tourism Association of Jamaica (JHTA) - Institution that represents the interests of the industry, and which seeks to promote the economic and professional growth while contributing to community development and the sustainability of Jamaica's

	<p>tourism industry. JHTA promotes cooperation between hotels and other bodies interested in the tourist industry and facilitates information exchange on all matters affecting the hotel and tourist industries in the country..</p> <ul style="list-style-type: none"> • Business Process Industry Association (BPIAJ) - This association represents the Business Process Outsourcing (BPO)/Information and Communications Technology (ICT) sector, and promotes and enhances investment in an industry which has become a major employer in Jamaica. • CEMEX - A global company which supplies materials for the construction industry and with operations in more than 50 countries, is part of NEO initiative Steering Committee, as well as part of NEO Jamaica Alliance.
Civil Society and Academic Sector:	<ul style="list-style-type: none"> • Youth Upliftment Through Employment (YUTE) - YUTE was established in 2010 by a coalition of private sector companies led by the PSOJ in response to the sustained levels of anti-social behavior, violence and crime. YUTE is implementing development projects and programs benefitting young persons in more than 30 inner city communities. • The University of the West Indies (UWI) - The University provides job placement opportunities for the student population, through its office of Placement and Career Services.

B. Project Beneficiaries

- 1.18. During the execution period, the project will benefit a total of 10,000 poor, vulnerable and low- income youth ages 17-29 years old, 50% of the youth will be females. The beneficiaries will have the following profile: urban, unemployed or underemployed, who may be outside of the formal educational system and who have been unable to continue with their studies after ninth grade, or who may be within the formal educational system. Initially, 8,000 youth will receive training under a comprehensive training and employment services model, and 2,000 youth would receive career counselling and/or job placement services. "Vulnerable"¹¹ refers to a low-income individual or family group at a high risk of falling back into poverty.
- 1.19. In addition, 11 training and employment centers will be strengthened according to the NEO Quality Standards Guide. The following institutions have been identified to receive capacity building services: 1 center from NYS, 1 center from YUTE, 4 centers from HEART, 1 center for UWI and 4 centers from MLSS. 90 of their professionals will be trained to provide services aligned with labor-market needs, to include teaching methods tailored to young people, and to develop life skills and vocational guidance and job placement services
- 1.20. Additionally, 100 companies that will participate in the design of the training programs and offer mentorship, internships, on-the-job- training, apprenticeships and job opportunities, will benefit by employing skilled youths from the NEO program.

¹¹ Based on "A Renewed MIF Vision: The Next Ten Years," 2013

C. Contribution to MIF Mandate, Access Framework and IDB Strategy

- 1.21. Poverty reduction. The NEO Jamaica initiative will contribute to the poverty-reduction objective by strengthening the institutional capacity of youth employability service providers, which in turn will enhance the development of skills of poor and vulnerable youth in the country. NEO will also benefit the private sector because participating youth will be better prepared to be productive in the workplace, thereby reducing the costs associated with hiring and training new employees and with turnover. Lastly, the NEO experience in Jamaica will serve as an input for public policies intended to reduce youth unemployment and strengthen the vocational training and employment systems.
- 1.22. Gender approach. The NEO Jamaica project will evaluate the entities strengthened through the program in accordance with the NEO Quality Standards Guide, which includes gender indicators for job training, counseling, and placement services, in order to address gender differences on a crosscutting basis and thus achieve effective and equitable formal job market integration for both men and women. To evaluate the program's outcomes and analyze the relevance of the gender dimension, plans call for (i) disaggregating the indicators by gender in the monitoring system; (ii) analyzing gender, ethnicity, geographic origin, or disability considerations in activities to evaluate quality and build technical capacity of the youth service providers included in the project (see paragraph 2.7); and (iii) promoting and facilitating equal access to training activities, social and employment services, and formal jobs for men and women.
- 1.23. The NEO Jamaica project will address the gender-related challenges faced by its youth population by promoting an inclusion of 50% males and 50% females in its pool of target beneficiaries. With respect to male youth-specific challenges, statistics show that the out-of-school population – including students who dropped out of school and who completed grade 9 but were not admitted to upper secondary - is largely male (60%). This means that young male drop-outs face particularly low levels of literacy and numeracy, which prevent them from accessing technical and vocational training and they are also more prone to become involved in criminal activities. In fact, according to Jamaica Constabulary Force Data, the majority of the perpetrators and victims of violent crimes are “unattached” males aged 15-29. Women, on the other hand, generally have higher education and training qualifications than men, yet face lower employment rates. As mentioned previously, when disaggregated by gender, the overall unemployment rate for female youth is 9 percentage points higher than for male youth.
- 1.24. Link to the Agenda. NEO takes into account the main good practices and lessons learned included in smaller-scale and innovation projects in the past, and this feedback continues to have an effect on the framework of the new agenda¹². NEO Jamaica will contribute in particular to the scale pillar of the MIF Youth Agenda. It will also contribute to the innovation and knowledge-generation pillars by using a novel approach i.e., multi-stakeholder partnerships, for working at scale.
- 1.25. Knowledge gap. This project will help to narrow the knowledge gap of the Youth and Employment Agenda in terms of determining: a) which public-private partnership models are effective at improving employability; b) which models for collaboration between businesses and training centers exist and are effective for reducing the gap between job supply and demand; and c) which are the various job placement processes for poor youth that have been proven effective. Moreover, the NEO Jamaica knowledge products will contribute and feed into the objectives of the NEO regional program by making it possible to perform comparative thematic analyses of the country-level experiences for a regional reading of outcomes and findings. These knowledge objectives were developed as part of the NEO regional program knowledge strategy in

¹² Give Youth a Chance: An Agenda for Action. MIF. Sept. 2012.

order to close the identified gaps. Given the “laboratory” nature of the MIF, it has been particularly important to ensure that the knowledge generated by NEO is innovative and unique. To develop the knowledge strategy, the following three criteria were evaluated: (i) relevance for NEO; (ii) the usefulness of the knowledge to program managers and policy-making entities; and (iii) NEO’s ability to provide noteworthy knowledge. The key issues selected were: (i) life skills as a part of employability skills; (ii) relevance of job training to market needs; (iii) public-private partnerships to promote youth employability; (iv) the coordination of job placement services for poor and vulnerable youth; and (v) vocational guidance services to help poor and vulnerable youth make better decisions about their training and professional development.

- 1.26. Specifically, the project will seek to answer the following questions: (i) how does a multi-stakeholder partnership focused on strengthening and coordinating youth employability service agencies works?; (ii) what are the critical factors for the success of the youth employment taskforce?; (iii) what different training, vocational guidance, and job placement processes for youth who are vulnerable have proven to be effective?
- 1.27. Linkage with the regional program New Employment Opportunities for Youth (NEO) (RG-M1210). NEO Jamaica is a country-level project that is part of the NEO regional program (document MIF/AT-1175). NEO currently has initiatives¹³ in Argentina, Brazil, Colombia, the Dominican Republic, El Salvador, Mexico, Panama, Paraguay, Peru, and Uruguay. These initiatives offer a wide range of services, from online learning in Brazil to technical strengthening of secondary education in Mexico or vocational guidance and job placement in Panama. Together, existing NEO projects are expected to offer employability services to some 470,707 youth (including NEO Perú & NEO El Salvador numbers, both projects recently presented for approval to the MIF Donors Committee) by the time they have concluded. In addition to reaching young people, NEO mobilizes hundreds of companies, public sector agencies, and nongovernmental organizations to join the partnership. To date, for the approved NEO projects overall, 2,000 companies are expected to offer internships and jobs to poor and vulnerable youth, while 172 employability service providers are expected to improve the quality and relevance of their services.
- 1.28. The following table summarizes the main NEO targets:

Key indicators	NEO Regional Goals 2017¹⁴	Progress toward the target*
Beneficiary youths	500,000	470,707
Service providers strengthened	200	172
Companies offering internships and jobs	1,000	2,000
National partners that adopt high-impact employability models	10	7

*Projections based on the sum of the indicators for [NEO projects](#) approved up to date: BR-M1114, DR-M1044, ME-M1091/MET1255, CO-M1094/CO-T1374, RG-M1256, PN-M1027, PR-M1031, ES-M1049, ES-M1054 and PE-M1110. Additionally, it is included data from Regional Project NEO – Walmart, Regional Project NEO – Caterpillar, and the State of Mexico Project NEO – PepsiCo. Click [here](#) for more information

¹³ For information on the selection criteria of the NEO countries, see: www.jovenesneo.org/paises or MIF/AT-1175.

¹⁴ All NEO partnerships are expected to have a 36-month period to implement their projects in the countries, so a one year delay is expected in regional program RG-M1210.

- 1.29. Collaboration with the Bank Group. NEO Jamaica complements the work that the Labor Markets and Social Security Unit of the IDB (LMK) and the Government of Jamaica are carrying out under the labor components of the Integrated Social Protection and Labour Programme (JA-L1037) and the Citizen Security and Justice Programme or CSJP (JA-L1043 AND JA-X1008). On the one hand, NEO will support the efforts of the Ministry of Labour and Social Security to solidify and increase the national employment service's youth-targeted services. On the other, it will encourage the use of the ELE through coordination with other actors in the youth employability system that are also carrying out placement activities and reaching out to the same employers to capture vacancies. Additionally, it will refer youth who are being trained by both public and non-profit organizations that are part of the Alliance to the ELE to procure employment opportunities in accordance with the training received. As far as the CSJP, NEO will integrate part of the Programme's beneficiaries (those in Group 1 with highest job readiness who have secondary school completion) into NEO's pipeline.

II. PROJECT DESCRIPTION

A. Objectives

- 2.1. The desired impact of NEO Jamaica is to increase job placement opportunities for poor, vulnerable and low-income Jamaican young people ages 17 to 29. The expected results are to broaden the quality and relevance of training programs and employment systems for vulnerable young people in the country.

B. Description of Model/Solution/Intervention

- 2.2. NEO seeks to close the gap between the skills that young people have and the demand among companies for qualified personnel by: (i) coordinating and linking the efforts of the main stakeholders in the fields of education/training, the labor market, and youth, so that they may address these problems in a systemic manner and not simply through isolated and uncoordinated efforts; and (ii) scaling up effective models of vocational guidance, training, and job placement services so as to increase the quality and relevance of job placement services and job opportunities for poor and vulnerable youth.
- 2.3. NEO Jamaica is based on a large-scale intervention model that was designed at the regional level and is now being implemented in several countries. The model consists of forming multi-stakeholder partnerships where businesses, governments, and civil society contribute resources, knowledge, and capabilities to implement effective, sustainable employment solutions for poor and vulnerable youth. The NEO Jamaica partnership was formed voluntarily, and a coordinating entity was selected: The Youth Upliftment Through Employment (YUTE). Through a joint and participatory process, the NEO Jamaica Alliance formulated a youth employability diagnostic assessment and a time- and resource-bound strategic plan, including a mission, objectives, and expected outcomes. This plan was reviewed and adjusted with the MIF/IDB team, and is embodied in this operation.
- 2.4. The NEO Jamaica partnership identified the geographical areas of Kingston in St. Andrew, Portmore in St. Catherine, Montego Bay in St. James, Mandeville in Manchester, Clarendon and St. Elizabeth parishes, to start implementation due to their youth distribution and high levels of youth unemployment along with prospects for new employment opportunities.
- 2.5. In addition, NEO Jamaica has pre-identified the sectors of Business Process Outsourcing (BPO), Logistics, Agro-Processing, Tourism and Animation, among others,

to start implementation. This selection was based on a two-fold process: (i) actual demand identified through the project team's consultations with key stakeholders from the private sector and (ii) congruence with the country's definition of strategic sectors as reflected in the country's Vision 2030 National Strategy Document put forward by the Planning Institute of Jamaica (PIOJ).

- 2.6. Firstly, Business Process Outsourcing (BPO) is an area of growth with currently about 20,000 relatively recent jobs and projections over the next two years of 10,000 additional new jobs. This sector is focused in Montego Bay, Kingston and Portmore, and Mandeville in the parish of Manchester. Second, the development of a logistics and transportation hub is a central element of Vision 2030 and is considered a driver of future real economic growth. The scope of this program includes infrastructure (roads and ports), warehousing and bulk packaging facilities, primary processing and packaging zones, including connecting road, rail, air and digital communications infrastructure and associated facilities in Kingston and elsewhere in the island¹⁵. Third, in terms of Agro-processing, Red Stripe Beer is launching a new project with the support of the MIF, to grow and process cassava as an alternative to imported high fructose corn syrup. This initiative is expected to employ several hundred farmers and about 2,500 production workers in St. Catherine (and later) Clarendon and St. Elizabeth parishes. Finally, upon consultations with the Jamaica Hotel & Tourism Association (JHTA), the sector is expected to open 5,000 new hotel rooms over the next three years, mostly on the North Coast, which translates into approximately 8,750 jobs. At the same time, the Ministry of Science, Technology, Energy and Mining (MSTEM) has expressed interest in being part of the NEO Alliance, and has interest in training and job creation in the area of renewable energy. The Ministry also operates the Animation project with financing from the World Bank. These sectors may be adjusted during execution in order to take account of local demands in the parishes and the actions that members of the partnership may be implementing.
- 2.7. These partnerships also undertake to adopt and implement a comprehensive job training model and good practices developed by the MIF, IDB, and the International Youth Foundation (IYF). The project will seek to strengthen the technical capacity of 11 centers from public and private institutions that provide training, vocational guidance, and job placement services. This capacity-building will be achieved by sharing and adapting good practices validated in the IYF/MIF entra21 program¹⁶ and in other Bank-financed programs. These capacity-building services will be offered directly by IYF, as stated in paragraph 3.19 of the NEO Donors Memorandum (document MIF/AT-1175). To do so, IYF has developed two products under the NEO regional program: (i) a "Quality Standards Guide: Tool for Evaluating Job Training and Youth Placement Processes,"¹⁷ with an online portal that will allow entities to perform self-evaluations and determine what aspects of their employability services they wish to improve and then define their improvement and support plans; and (ii) a package of strengthening services and handbooks¹⁸ that includes training for life skills instructors, training for

¹⁵ According to JAMPRO reports, thousands of jobs are expected to be created in areas such as logistics and supply chain management, mechatronics, integration of marine engineering systems, (mechanical, electrical and informatics), various ship-board professions such as electromechanical engineering, port operations management, ICT, aircraft mechanics, warehousing, and trucking and heavy duty equipment operations.

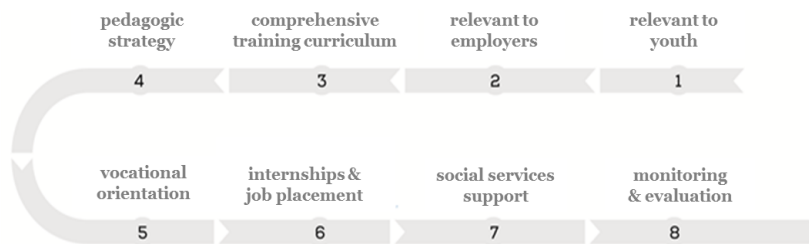
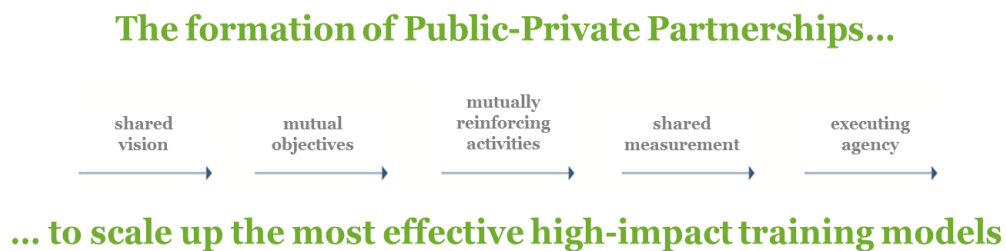
¹⁶ The entra21 program (operation ATN/MH-10303-RG) was created by the MIF and IYF in order to improve the employability of disadvantaged youth in Latin America and the Caribbean. It was successfully implemented from 2001 to 2011 and benefited more than 137,000 vulnerable youth in 22 countries of the region through 50 civil society organizations. Seventy-five percent of the graduates found work or continued their studies six months after completing the program

¹⁷ For more information about the guide, click [here](#).

¹⁸ For more information about the capacity-building services, click [here](#).

workforce managers in job placement, training for vocational guidance counselors, training for instructors in teaching methodologies, and training for supervisors in all four areas, in order to build installed capacity at the institutions. The approach will be tailored to meet the needs of the poor and vulnerable youth population, considering gender-based differences and needs.

- 2.8. Introducing these good practices and scaling them up at public and private/non-profit service providers is expected to lead to better outcomes in terms of youth employed, with market-relevant skills and returning or continuing their education. With this demonstration effect, it is hoped that providers will continue to implement these practices after the project has ended, once the model has been scaled to other entities, thereby contributing to the systemic impact objective and to many more young people benefitting beyond the project's execution period. (See diagram of NEO model below).



- 2.9. The most important aspect of NEO Jamaica may be the coordination among the different members of the NEO Jamaica Alliance by providing them with a space for public policy dialogue around the issue of training and employment for vulnerable youth, sharing what works, and seeking out synergies among programs and a closer alignment between objectives and impact. The NEO Jamaica Alliance will create a taskforce that will analyze, discuss and produce specific public policy recommendations on how to build a more rational and effective national youth training and employment system.
- 2.10. To foster such institutional coordination, NEO Jamaica will also contribute to the development of management models for job placement offices and making general information and vacancy information accessible to young people, in order to narrow the existing information gap among young people on social and employment services by providing beneficiaries with information, guidance, and referrals to the NEO Jamaica partnership service providers and the MLSS centers and general services.
- 2.11. Lastly, the NEO Jamaica partnership seeks to make an impact on youth employability systems that will serve as a large-scale demonstration to validate an effective employability model that can be replicated and transferred to other productive sectors and potentially to more than 130¹⁹ official vocational and technical training institutions in

¹⁹ HEART has 30 centers and there are over 100 community training centers as of June 2015.

the country with an annual enrollment of more than 70,000 students. Likewise, the pilot model of the job placement offices of the MLSS is expected to provide a systematized procedure that can be replicated at the MLSS 9 planned employment centers.

C. Components

Component I: Coordination of the youth employability ecosystem. MIF:

US\$116,950; Counterpart/ Cofinancing: US\$7,800.

- 2.12. The objective of this component is to develop a national youth employment coordination structure proposal to strengthen the youth employability ecosystem coordination and articulation. The idea is that NEO Jamaica Alliance will coordinate a taskforce sponsored by eminent actors from the public and private sectors to analyze the fragmentation of the youth ecosystem in the country and develop technical proposals for an institutional framework for youth employability, a common metric system and recommendations for public policy.
- 2.13. The main activities linked to this component are: (i) organizing a taskforce to analyze the youth ecosystem fragmentation in the country; (ii) developing a technical proposal related to institutional framework for youth employability, a common metric system and recommendations for public policy; (iii) organizing 4 strengthening workshops for the NEO Jamaica Alliance; and (vii) strengthening the monitoring and evaluation practices of 5 institutions²⁰.

Component II: Implementation of a more effective vocational training programs system. MIF: US\$176,000; Counterpart/ Cofinancing: US\$6,869,750

- 2.14. The objective of this component is to evaluate and provide training and advisory services for at least 4 centers that provide job training services²¹ to a total of 8,000 young people. The NEO quality standards guide will be used for the evaluation; quality will be improved through NEO strengthening services provided directly by the IYF and with MIF funds (see paragraph 2.7), and teachers will be trained to implement effective teaching methodologies²² tailored to poor and vulnerable youth and to develop life skills in accordance with the *Passport to Success* (PTS) program²³. Their professionals will be also trained in career guidance²⁴ best practices, and supervisors will be trained in all areas, in order to build installed capacity in the institutions. At the same time, NEO seeks to improve the demand-supply alignment process for HEART and provide appropriate recommendations to ensure that the training provided is labor market driven. This component also includes stipends for transportation and lunch as it has been proven to be very difficult for vulnerable youth to participate in youth training program without them. Finally, there will be a consultancy that will analyze two successful mentorship interventions that NYS and YUTE are currently implementing to assess common key factors, systematize a model, and introduce it as a pilot to a subset of NEO youth.
- 2.15. The main activities linked to this component are: (i) developing a study to provide HEART with improvement proposals to assure training provided are labor market

²⁰ It has been pre-identified: HEART, YUTE, ELE, NYS and UWI.

²¹ The vocational or job training provided by HEART consists of predominantly hands-on courses, generally short in duration, aimed primarily at training unemployed or actively employed individuals to adapt to a specific occupation or work activity. The courses are not subject to school calendar dates or hours since they are typically not part of the education system's regulated technical training.

²² For more information on effective teaching methodologies, click [here](#).

²³ More information on the [Passport to Success](#) program and [life skills for employment](#).

²⁴ More information on [career guidance best practices](#) and [Discover your vocation](#) program.

driven; (ii) evaluating 4 job training centers in accordance with the NEO quality standards guide and having them develop their comprehensive improvement plans; (iii) training 40 teachers in teaching methods tailored to poor and vulnerable youth; (iv) training 40 facilitators and supervisors in the PTS program and certifying four teachers or supervisors as “teacher trainers” in the PTS program; (v) training 10 professionals in best practices in career guidance; (vi) registering²⁵ and training 8,000 young people in job-training courses; and (vii) placing 4,000 youth in internships opportunities.

Component III: Strengthening of youth employment services. MIF: US\$352,000; Counterpart/ Cofinancing: US\$1,102,100

- 2.16. The objective of this component is to evaluate and provide training and advisory services for 7 centers and institutions that provide career guidance and job placement services to a total of 2,000 young people. The NEO quality standards guide will be used for the evaluation; quality will be improved through NEO strengthening services provided directly by the IYF and with MIF funds (see paragraph 2.7), and professionals will be trained in job placement²⁶ and in career guidance tailored to poor and vulnerable youth, and supervisors will be trained in both areas, in order to build installed capacity in the institutions.
- 2.17. This component seeks also to narrow the social and employment services information gap for poor and vulnerable youth and to coordinate vocational guidance and job placement services. The component will endeavor to ensure that all young people seeking guidance, training, and placement services receive the appropriate information from the public employment centers operated by the MLSS as well as from the job placement offices operated by private and civil society institutions. It will also seek to ensure that the public and non-profit institutions offering job placement services work collaboratively and share information on job vacancies.
- 2.18. Similarly, a key aspect of this component is the linkage with the productive sector and the mobilization of companies for job placement. This component will also raise awareness and encourage companies to use de ELE platform and to offer employment opportunities to vulnerable youth, especially women, and mobilize their trade unions.
- 2.19. The main activities linked to this component are: (i) evaluating 7 employment centers in accordance with the NEO quality standards guide and having them develop their comprehensive improvement plans; (ii) training 30 professionals in job placement methods adapted to poor and vulnerable youth; (iii) training 10 counselors in career guidance best practices adapted to poor and vulnerable youth; (iv) strengthening Government’s employment digital portal to offer information adapted to poor and vulnerable youth; (v) attending 2,000 young people with job placement and career guidance services; and (vi) mobilizing 100 employers to use the Government’s employment digital portal.

Component IV: Knowledge Management and Communications Strategy. MIF: US\$183,000; Counterpart/ Cofinancing: US\$74,200.

- 2.20. The objective of this component is to document and disseminate the initiative’s outcomes and lessons learned, in order to consolidate and expand the NEO Jamaica partnership experience. As explained in paragraph 1.23, the Youth Agenda’s

²⁵ The total number of young people to benefit through the training services provided is 8,000, but a young person may benefit from multiple services simultaneously. A 20% dropout rate is calculated. To review the formulas, see the logical framework.

²⁶ More information on [Job placement best practices guide](#)

knowledge gap will be narrowed with respect to the NEO Jamaica scale project. In this process, the institutions that provide youth employability services will be motivated to make improvements and changes in how they operate, proven sustainable models will be scaled up and replicated, and dialogue will be fostered among the various stakeholders with a view to improving public policies.

- 2.21. This component will finance a communication strategy. Among the activities to be developed are: (i) dissemination of the ELE platform services among youth and employers, (ii) promotion of employability services among youth in underserved communities, and (iii) mobilization of trade organizations, companies and leading businesspersons to offer internships and employment opportunities to vulnerable youth, especially women.
- 2.22. The following audiences have therefore been identified for the dissemination of the knowledge products: (i) businesses interested in addressing the issue of youth employment and skilled labor for their business; (ii) public entities interested in finding and implementing solutions to youth unemployment and attracting the attention of poor and vulnerable youth; (iii) educational institutions interested in improving the quality of their teaching practices; (iv) civil society organizations interested in strengthening their youth services.
- 2.23. The main channels for reaching these audiences will be: public events, personalized face-to-face meetings, presence in online and print media, project launch and closing events, roundtable discussions to disseminate the technical notes and project outcomes, and other channels deemed relevant when formulating the communication strategy for the project.
- 2.24. The component activities are as follows: (i) develop and implement a strategic communication and dissemination plan to promote NEO services and to bring the developed products to the strategic audiences; (ii) identify the knowledge products created by the project and convey them to a total of 20 interested institutions related to youth employment: 5 private sector institutions, 5 public sector entities, 5 educational institutions, and 5 civil society organizations, (III) participate in international knowledge sharing events.
- 2.25. The following knowledge product will be developed and will shed light on the regional NEO gaps: (i) one thematic analysis on the experience of the NEO Jamaica partnership. In addition, the project will generate the following knowledge product specific to NEO Jamaica: (ii) thematic analysis which will include proposals on improving the youth employability policy and serving vulnerable youth based on the experience and outcomes of the NEO Jamaica partnership.

D. Project Governance and Execution Mechanism

- 2.26. The NEO Jamaica partnership comprises public, private, and civil society institutions that are involved with and influence programs and strategies intended to increase and improve the integration of young people into Jamaican society, particularly through youth, education, and employment policies. The IDB and the IYF may participate as observers at the meetings of the NEO Jamaica partnership. Given that this is a new approach in the country, the MIF, in its role as donor, may participate as a full voting member whenever it deems such actions appropriate.

- 2.27. The NEO Jamaica partnership was formed based on a governance agreement²⁷. This agreement is signed by the members of the NEO Jamaica partnership and describes the intent of its members, the rules of operation, commitments²⁸, contributions, roles, responsibilities, relationship between the NEO Jamaica partnership and the executing agency, and how it should be organized for the implementation, evaluation, and supervision of the budget. The governance agreement will be aligned with the NEO regional initiative and with the agreement to be signed by the project executing agency and the MIF. Approval of this governance agreement will be a condition precedent to the first disbursement.
- 2.28. Structurally, the NEO Jamaica partnership consists of a board, executive council, working committees, a consultative council, and collaborators. The board, made up of all members of the partnership, is responsible for reviewing and approving the annual work plans and budgets, delegating to a smaller and more operationally oriented executive council the task of ensuring compliance with the governance agreement and coordinated implementation of the annual work plans and budgets of the NEO Jamaica initiative. This executive council is represented by institutions in the three sectors (private, public, and civil society) and those institutions with greatest responsibility in the implementation of key activities. To ensure the executive council's best performance, the governance agreement provides for "specific working committees" covering areas such as securing funds, marketing, sustainability, coordination with IDB programs, dispute settlement, and ethics and describes the respective decision-making processes.
- 2.29. Lastly, the governance agreement describes the role of the executing agency that will lead the project execution process, the coordination of actions carried out by the various members, and the administration of funds, under the direct supervision of the executive council of the NEO Jamaica partnership and the MIF. After serving as technical secretariat of the pre-partnership at the unanimous request of the partnership members, YUTE was reconfirmed as the executing agency and will sign the legal agreement with the MIF and be responsible for execution and meeting the objectives of the NEO Jamaica initiative. YUTE has obtained letters of commitment for the funding and formal support of the NEO Jamaica project from key partnership stakeholders, which were gathered during the process of forming the partnership and will be confirmed once the activities and respective costs have been identified. To ensure that the project is executed effectively and efficiently, YUTE will assemble a technical team. This team will be part of the executing agency's operating structure and will report to the executive council of the NEO YUTE partnership.

E. Sustainability

- 2.30. Sustainability will be ensured by four factors. First the **Alliance and the capacity of the of its members** including companies, public and private training centers, the public sector and NGOs offer more and better services for the employability of vulnerable youths, which does not necessarily imply additional investments, but rather the strengthening of their systems and better preparation of teachers, guidance counselors, and placement officers. Another guarantee of the sustainability of NEO Jamaica could

²⁷ The NEO regional team has developed a guide based on conversations with the IDB Legal Department and the experience of NEO partnerships, is to provide the NEO partnerships in each country with guidance for crafting their respective governance agreements. It includes guidelines and examples which are merely illustrative and do not represent the NEO regional program's opinion on how the agreement should be crafted by each local NEO partnership. A governance agreement approved and signed by all members of the NEO partnership is required as a condition precedent to the first disbursement.

²⁸ Along with this governance agreement, bilateral agreements between each member of the partnership and the executing agency will be developed and included, confirming the amounts to be contributed and the responsibilities to be borne by the parties.

possibly be the partnership itself. Having built the proposal in a participatory, open, and transparent fashion has made for consensus and the backing of all of the institutions. During execution, it is expected that trust will be strengthened and that, based on the results and lessons learned, the NEO Jamaica partnership can continue to deepen and contribute better programs and policies on youth employability in the country.

- 2.31. **Institutionalizing the taskforce** to undertake the role of policy coordination and promotion of best practices for youth employment in Jamaica, a structure which involves national key actors from the public, private, and NGO sector, and seeks to strengthen coordination in the youth employability system. Sustainability of the project will then be sought through technical studies, proposals and roundtables on Public Policy youth employability have consensus and the strength level of all political sectors so that it can remain over time, surpassing governments, which would ensure continuity in public funding, mainly those actions for guidance, brokerage, monitoring and measurement.
- 2.32. **Transferring and scaling up.** Once the working model implemented in the pre-identified vocational training, guidance, and placement centers has been validated, expected during the last year of implementation, a plan will be drawn up to transfer the model to other centers and institutions, potentially to more than 130 official vocational and technical training institutions in the country with an annual enrollment of more than 70,000 students. Likewise, the pilot model of the job placement offices of the MLSS is expected to provide a systematized procedure that can be replicated at the MLSS 9 planned employment centers.
- 2.33. One year before the end of execution, a **sustainability workshop** will be held with all entities involved, to identify the measures necessary to ensure the continuity of the project's actions once the funding ends.

F. Experience and Lessons Learned from MIF or other Institutions

- 2.34. The principal lessons²⁹ that shaped the design of this operation are summarized below:
- 2.35. **Consolidating the partnerships to develop a proposal in a participatory manner and begin to jointly implement a project requires a lead time of at least six to nine months in order to develop a group identity.** The dynamics of forming partnerships in the social sectors are slow and cannot be forced. These dynamics depend on prior collaboration and a level of trust among their members, the selection of a lead executing agency that coordinates the planning process, the organizational cultural experience of having worked previously in partnerships, and the change of vision of constructing a joint project in which everyone contributes financially, technically and with in-kind resources.
- 2.36. **The coordination and institutional cooperation arrangements to attain a scale or systemic impact require specific institutional strengthening** for the members of the partnerships, the executing agencies, and the partnership group itself.
- 2.37. **To effectively transition from school to work, education must be linked to jobs.** This is particularly important in the case of technical education, which involves preparing students for a trade so that, once they graduate, they can enter the job

²⁹ In consultation with: Project Status Report NEO ATN/ME-13213-RG-1, Ibarraán, Ripani et al. (2012), MIF (2012), Baptista and Flores Lima (2014).

market. To ensure an effective transition, courses must be relevant to demand, and ongoing feedback must be provided.

- 2.38. **Young people require information and guidance on occupations and the expected remuneration.** When choosing what to study from the menu of possible educational offerings, young people and their families lack information on the different offerings, job profiles, and expected pay. This is even more true for vulnerable youth. Information and guidance on these key issues helps students make better decisions and minimizes an oversupply in certain occupations. Job placement services have some impact on shortening the time to find a job, and for those who get one, they help in securing formal employment with a higher monthly or hourly pay.
- 2.39. **Employers value life skills**, despite being difficult to measure and observe during the hiring process. In addition, research has shown that employers value these skills (motivation, work attitude, responsibility, and commitment) even more than technical skills. Several studies have demonstrated the impact of life skills on the success of interpersonal relationships, in the school environment, and in the job market.

G. MIF Additionality

- 2.40. Non-Financial Additionality. The presence of the MIF, LMK, and the IYF, as well as of other regional NEO partners, serves as a catalyst for attracting and mobilizing the main stakeholders of the public and private sectors and civil society who work for more and better technical training and job programs for poor and vulnerable youth. The MIF plays a key role as a facilitator in the negotiation process during the project design stage with this extensive network of partners and the sharing of the technical knowledge and best practices accumulated not only by the MIF but also by the IYF and the IDB. In addition, the MIF, by encouraging an improvement in the quality (through the NEO quality standards) and relevance of the employability services (through the linkage of the public sector and training centers to the productive sector), increases the efficiency of the investments and cofinancing of the members of the partnership in vocational guidance, training, and job placement activities and optimizes resources. This increases the impact on the socioeconomic and living conditions of young people. Lastly, the MIF's experience in monitoring and evaluation will complement the transmission of technical knowledge, thus strengthening the entities in monitoring so that they can verify
- 2.41. Financial Additionality. The MIF's financial contribution is fundamental for encouraging the establishment of the partnership and leveraging public and private resources. For every US\$1 from the MIF, at least US\$3 has been leveraged and the MIF's presence creates the confidence necessary to attract investments from the other members.

H. Project Results

- 2.42. The NEO Jamaica project seeks to improve the quality and relevance of occupational and technical training programs and of youth employability service providers. To this end, the quality of these services will be evaluated and improved in accordance with the NEO Quality Standards Guide in 11 job training, guidance, and placement centers. This includes 90 professionals in the aforementioned areas who work at the centers. In turn, 10,000 young people will have access to better training services, career counseling, and information about educational, social, and labor supply and demand. The project also seeks to create a public-private partnership and include 100 employers to offer internships and jobs to young people

I. Project Impact

- 2.43. The impact sought by this initiative is to increase job placement opportunities for 10,000 young people, 50% of whom will be young women (5,000). 50% of youth who graduate from technical and vocational training programs are expected to obtain a job, and at least 20% are expected to continue their studies and/or reenter the formal education system. 50% of employed graduates are expected to have formal jobs. In addition, the graduates who are hired are expected to earn a salary above the legal minimum wage.

J. Systemic Impact

- 2.44. NEO Jamaica will contribute to systemic change through the following indicators: (i) a public-private partnership that promotes and adopts high-impact, scaled youth employability models; and (ii) 11 centers from key public and private institutions in the country that are strengthened and institute new practices and improvements in their youth employability services based on the knowledge and models sponsored by the MIF.

III. MONITORING AND EVALUATION STRATEGY

- 3.1. Baseline: At the regional level, a monitoring and evaluation system was designed that seeks to capture the outcomes and changes in all the countries where the NEO digital platform is implemented. This system contains a limited set of indicators and a series of tools for their measurement. All NEO countries are expected to implement this system in order to obtain information that can be aggregated at the regional level and is comparable across the different local experiences. As part of the NEO regional program, NEO Jamaica will connect digitally to the technological platform of the NEO information system, which helps monitor the education and employment paths of young people as well as the institutions to be strengthened. To this end, a series of enrollment or registration tools will be implemented with a unique number for each participant and institution, which will serve as a baseline for the program.
- 3.2. Monitoring: In addition to tracking the performance of the young people and institutions, the information system will also be used to compile management indicators for the program to facilitate decision-making by the NEO Jamaica partnership. Plans call for - contracting an individual as part of the execution unit to monitor the system and ensure data quality control.
- 3.3. Evaluation: Midterm and final evaluations are planned for the project to examine its progress and to determine if the following knowledge questions have been answered: (i) how does a public-private partnership focused on strengthening and coordinating youth employability service providers work?; (ii) what are the key factors for the success of youth employment taskforce?; and (iii) what different training, vocational guidance, and job placement centers for youth who are vulnerable have proven to be effective?
- 3.4. The initiative's effects on the socioeconomic conditions and living standards of young people will be measured, in terms of the end beneficiaries' ability to find work and/or resume their studies, distinguishing between poor and vulnerable young men and women. Lastly, one question to be answered is whether the NEO Jamaica partnership has been able to position, adopt, and continue replicating best practices and high-impact programs for vulnerable youth that include a gender component, and better cohesion and coordination among the employability programs offered in Jamaica.
- 3.5. Closing Workshop. During the third year of implementation, the executing agency will organize a closing workshop to jointly evaluate the outcomes achieved with the other

members involved, identify additional tasks to ensure the sustainability of the actions begun by the project, and identify and disseminate lessons learned and best practices.

IV. COST AND FINANCING

- 4.1. The Project's total cost is estimated at US\$9.3 million, of which US\$1.2 million (13%) in non-reimbursable financing will be contributed by the MIF and US\$8.1 million (87%) by the NEO Jamaica partnership in counterpart/cofinancing. Although YUTE will sign the agreement with the MIF, the counterpart funds and cofinancing come not only from YUTE, but also from the members of the NEO Jamaica partnership mentioned in paragraph 1.17. Therefore, YUTE will make every effort to ensure that the members of the NEO partnership contribute their share and to obtain additional contributions from other donors in order to reach the total value of the counterpart contribution. The project execution period will be 36 months, and the disbursement period will be 42 months.
- 4.2. With regard to the 87% contribution from the NEO Jamaica partnership, the public and private institutions in the partnership will contribute approximately US\$8.1 million. On the public sector side, approximately US\$6.6 million will be contributed to finance various services, including skills training courses, stipends, and additional job placement and career guidance professionals. The private sector and civil society will contribute approximately US\$1.5 million, most of which will be devoted to financing career orientation, job placement services, mentorship and administration support (See Annex IV for the contributions from each entity, by component).
- 4.3. The MIF contribution largely finances Components 2 and 3 related to the evaluation and institutional strengthening of the service providers, including monitoring and evaluation, improvements to the ELE digital platform and new consultants for job placement. The services of evaluating and developing the improvement plans in accordance with the NEO quality standards guide and the NEO strengthening services will be provided directly by the IYF (see paragraph 2.7). The resources provided to the executing agency to contract a general coordinator and support staff for project management represent another area where the MIF's contribution is key.
- 4.4. In terms of scaling the project, there is significant public sector involvement, and a large number of the pre-identified centers to be strengthened come from public sector institutions, along with many of the young people served by these institutions (see paragraph 2.8). Investments in direct services for young people that the institutions are already providing or planning to offer are identified as cofinancing. The NEO initiative seeks to optimize the funding that they invest, increasing the quality and relevance of their training programs and job guidance and placement services. The cofinancing provided by these providers will be recognized upon performance of the activities described in their letters of commitment.

	MIF	Counterpart	Cofinancing	Total
Project Components				
Component 1 Youth Employability ecosystem coordination and articulation strengthened	\$ 116,950	\$ 7,800		\$ 124,750
Component 2 A more effective vocational training programs system implemented	\$ 176,000	\$ 1,669,750	\$ 5,200,000	\$ 7,045,750
Component 3 Youth employment services strengthened	\$ 352,000	\$ 408,100	\$ 694,000	\$ 1,454,100
Component 4 Knowledge Management and Communications Strategy	\$ 183,000	\$ 74,200		\$ 257,200
Execution and Supervision Components				
Executing Agency/ Administrative	\$ 282,200	\$ 61,000		\$ 343,200
Mid-Term Evaluation	\$ 15,000	\$ -		\$ 15,000
Final Evaluation	\$ 15,000	\$ -		\$ 15,000
Ex post reviews	\$ 20,000	\$ -		\$ 20,000
Contingencies	\$ 39,850	\$ -		\$ 39,850
Sub-total	\$ 1,200,000	\$ 2,220,850	\$ 5,894,000	\$ 9,314,850
% of Financing	13%	24%	63%	
Launch and Closing Workshops		\$ 2,000		\$ 2,000
Grand Total	\$ 1,200,000	\$ 2,222,850	\$ 5,894,000	\$ 9,316,850

V. EXECUTING AGENCY

- 5.1. Youth Upliftment Through Employment (YUTE) will be the Executing Agency of this project and will sign the agreement with the Bank. YUTE, was evaluated as a low-risk institution according to the diagnostic needs assessment (DNA) and is eligible for annual ex-post reviews of goods and services procurement.
- 5.2. YUTE was established in 2010 by a coalition of private sector companies led by The Private Sector Organisation of Jamaica (PSOJ) in response to the sustained levels of antisocial behavior, violence and crime within inner-city communities, and consistent with the national agenda to roll out an aggressive program of inner-city renewal. The program was reorganized in 2014 under the ICD Group of Companies which provides the administrative support to YUTE in terms of payroll and accounting, human resource administration, and purchasing.
- 5.3. Major funders and partners in the YUTE Phase 2 program (as of June 2015) include: ICD Group Holdings Limited, National Housing Trust, Jamaica Money Market Brokers Limited, Victoria Mutual Building Society, Australian High Commission. It should be noted that the Chairman of YUTE and of the ICD Group is a Board member of the International Youth Foundation.. As it was explained in the governance section YUTE was chosen to be the executing agency with the support of all the members of the alliance in an open and participatory way.
- 5.4. YUTE will establish an executing unit and the necessary structure to effectively and efficiently execute project activities and manage project resources. This unit will have a

Coordinator to manage and supervise the NEO Jamaica program and a financial specialist. YUTE will also be responsible for providing progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex 7 in the project technical files.

VI. PROJECT RISKS

- 6.1. **Risks associated with project sustainability.** Public-private partnerships are an essential part of the initiative, but with changeovers of institutional authorities, especially at public sector agencies, there is a risk that the members of the partnership will lose interest and stop being involved or making contributions over time. To mitigate this risk, the NEO Jamaica partnership has prepared a governance agreement describing the responsibilities of the members and ensuring their participation. Additional responses are planned, such as: (i) spreading responsibilities between the public and private sectors, to ensure a certain level of implementation of activities; (ii) lobbying the incoming and outgoing authorities in sector groups and public authorities, informing them of the benefits and results of the initiative; and (iii) making the initiatives part of the government's long-run development plans that normally involve different sectors and civil society actors. Furthermore, project Component 1 provides for strengthening the NEO Jamaica partnership through specialized workshops on working in partnership, dispute settlement, and the standardization of processes, to mitigate the risks of dissolution.
- 6.2. **Sector risks.** Another risk is the inability to assemble a significant number of companies in the selected sectors willing to contribute by offering internships or employment opportunities coupled with the risk of the economy slowing down or not growing. To mitigate this risk, the NEO Jamaica partnership, YUTE, and the MIF intend to use their network of contacts to reach out to these companies. Specifically, project Component 3 provide for making contacts with businesses for this purpose. Another way of getting companies involved will be through the communication campaign described in Component 4.
- 6.3. **Macroeconomic risks.** As it was mentioned in the justification section, the central problem of high youth unemployment is aggravated by a context of low job creation. To mitigate this risk the team has identified certain sectors where there is a positive outlook for new jobs in the short to medium term, such as business process outsourcing, logistics, tourism, agro-processing, and animation (see paragraphs 2.5 and 2.6). Nonetheless, these sectors may be adjusted during execution in order to be responsive to local demands of the economy.

VII. ENVIRONMENTAL AND SOCIAL EFFECTS

- 7.1. The project will have no adverse environmental or social impacts. On the contrary, it will facilitate the social integration of low-income young men and women, through technical training and education in life skills to allow them to enter the formal labor market or continue their studies.
- 7.2. The Environmental and Social Review (ESR) classified this project as a category "C" operation.

VIII. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 8.1. **Disbursement by Results and Fiduciary Arrangements.** The Executing Agency will adhere to the standard MIF disbursement by results, procurement and financial management arrangements specified in Annex VIII.

IX. INFORMATION DISCLOSURE AND INTELLECTUAL PROPERTY

- 9.1 **Intellectual Property.** The IDB will own the intellectual property rights to any work produced or results obtained within the framework of the NEO Jamaica project. At its discretion, the Bank may grant a free, nonexclusive license for noncommercial purposes for the dissemination, reproduction, and publication in any media of such works, which are the exclusive property of the Bank. The executing agency will ensure that all the contracts entered into with consultants under this operation expressly assign all copyrights, patents, and all other intellectual property rights to the Bank.