

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC11005

**Date ISDS Prepared/Updated:** 08-Dec-2014

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## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Kazakhstan	<b>Project ID:</b>	P150183
<b>Project Name:</b>	KZ SKILLS AND JOBS PROJECT (P150183)		
<b>Task Team Leader:</b>	Keiko Inoue		
<b>Estimated Appraisal Date:</b>	26-Jan-2015	<b>Estimated Board Date:</b>	31-Mar-2015
<b>Managing Unit:</b>	GEDDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	General education sector (50%), Other social services (50%)		
<b>Theme(s):</b>	Education for the knowledge economy (50%), Improving labor markets (50%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	147.00	<b>Total Bank Financing:</b>	100.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			47.00
International Bank for Reconstruction and Development			100.00
Total			147.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The proposed PDO is to enhance the quality assurance, relevance, and equity of skills development programs and labor market services.

### C. Project Description

The estimated total Project amount is US\$147 million. Total duration of the Project is four years. Further Project details are provided below.

Component 1. Building the Foundation of a National Qualifications System (Total US\$12m). The objective of this component is to enhance the institutional capacity for improving the quality assurance and relevance of pre-employment vocational and technical education and in-service training. This will be achieved by establishing the key building blocks of a national qualifications system that is well aligned with labor market demands.

Sub-component 1.1. Expansion and operationalization of occupational standards (US\$4m). This Sub-component will support technical assistance and capacity building to expand the occupational standards to include economic sectors for which standards do not exist and/or for which standards do not correspond to changing labor market demands. The standards will also address the needs of large, as well as small and medium enterprises (SMEs). The methodology for developing the occupational standards will be driven by the private sector and build on prior experience of the respective private sector organizations, the MHSD, and the World Bank's Technical Vocational Education Modernization (TVEM) Project implemented by the MOES. The occupational standards will also be expanded to cover all four levels of competencies of occupations, ranging from technical vocational and professional, to management. The Sub-component will also establish a process for regular review and updating of occupational standards to ensure ongoing alignment with labor market fluctuations.

The specific activities to be supported by the Project include: (i) development of a national classification of occupations; (ii) review of the existing regulatory framework to identify gaps for adjustment; (iii) harmonization of the processes and methodologies developed to date; and (iv) selection of developers based on established criteria through competition. A national body representing industries and firms will coordinate the development of occupational standards through the competitive selection of developers representing respective industries and sectors in accordance with established criteria. The Sub-component will also support the adoption of the standards developed for modernizing the educational and training standards and curriculum.

Sub-component 1.2. Modernization of educational and training standards and curriculum (US\$4m). This Sub-component will build on the achievements of the TVEM Project and support the continued modernization of educational and training standards and curriculum towards competency-based modular programs aligned with occupational standards. This effort will build on prior good practice and with strong ownership and participation by the private sector. The education and training standards and curriculum should include career guidance norms, as well as attention to a balance among cognitive, job-relevant, and life skills development. A process will also be put in place for ongoing review and updating of educational standards and curriculum.

The MHSD will begin a pilot of the development of educational and training standards and curriculum, in conjunction with Kasipkor Holding, with selected colleges and universities. Once the selection criteria for educational and training institutions are developed, the Project will determine whether the pilot institutions are eligible for inclusion.

The Sub-component will support the following activities: (i) review of international experiences and ongoing pilots in Kazakhstan on modernizing educational and training standards and curriculum; (ii) refinement of methodology for developing the standards and curriculum; and (iii) selection of developers based on established criteria through competition. A national body will coordinate this effort through a competitive selection of developers in accordance with established criteria to assure quality and cost effectiveness.

Sub-component 1.3. Enhancing independent qualifications assessment and award system (US\$4m). This subcomponent will support technical assistance and capacity building to enhance the qualifications assessment and award system by piloting sector/industry specific skills testing and certification, and build the capacity of assessment and awarding institutions towards an independent institutional structure and practice. A process will also be put in place for ongoing review and updating of the qualifications assessment and award system.

The Sub-component will support the following activities: (i) pilot of three sector-specific skills testing and certification centers—in mining, energy, and tourism—and an evaluation of the pilot before a system-wide scale up; (ii) review of the regulatory framework and structures of the existing qualifications assessment and award system; (iii) development of a roadmap for a comprehensive system and build capacity to undertake independent assessment and award of qualifications aligned to the National Qualifications Framework; and (iv) development of accreditation procedures and practice for in-service training programs that target firm employees under Component 2.

Component 2. Providing more relevant and equitable training to the working age population (Total US\$130m). The purpose of this component is to provide more relevant and equitable training to the working age population, contributing to the longer-term objective to improve worker and firm productivity and earning capacity. The proposed approach is to address existing market failures and inefficiencies in public delivery of training services. The proposed activities will enhance access to and financing of training, which are chosen by beneficiaries based on improved information on labor and skill demand. The increased demand and financing of relevant training is expected to have a positive impact on the provision of demand-driven training supply.

Target beneficiaries are the unemployed and underemployed, as well as current employees. While this is a potentially large beneficiary pool, it should be noted that adult training is uncommon in Kazakhstan. In 2013, according to official data, only 3.4 percent of the employed undertook training, retraining, or upgrading of qualification courses in the 12 months prior to the survey. Further, there is a large gap between urban and rural areas, where only 2.4 percent of employees received training compared to 4.2 percent in urban. Furthermore, less than 1 percent of the self-employed took training in comparison to 4.6 percent of wage employees. Adult training in Kazakhstan, therefore, is underutilized and hence, a wider beneficiary pool is proposed under this project. However, target beneficiaries who are hard-to-reach (for example, people residing in rural areas or with disabilities) will be a particular focus. For all beneficiaries, the training will offer a balance between cognitive, job-relevant, and life skills development. Proposed sub-components include: (i) the establishment and implementation of a Training Grant Program (TGP) which will finance the provision of demand-driven training; (ii) outreach activities to encourage TGP participation of hard-to-reach and underserved target beneficiaries and of potential training providers; (iii) capacity building activities for the TGP's implementing institutions and coordination of stakeholders; and (iv) activities to modernize the integration, analysis, and use of labor market information to improve labor market services.

Sub-component 2.1: Increasing access to relevant training through a demand-driven Training Grant Program (TGP) (US\$70m). This sub-component will establish a TGP, which will apply a demand-driven approach to financing training activities with increased relevance. The TGP will be advised by a high level entity that will, at minimum, represent the private sector, MHSD, and MOES. The TGP is an umbrella program that will deliver training to all target beneficiaries through three windows (see below for further details). There will be a gradual nationwide roll-out of the program, whereby the findings from evaluations of initial interventions will inform adjustments in further program design and implementation.

The first window will focus on unemployed and underemployed workers, while the other two will offer options for either customized or pre-identified training for current employees. For the first window, in addition to the unemployed and underemployed, self-employed or unregistered small and medium enterprises (SMEs ) will qualify for training. The first window will be administered by Employment Centers or Employment Units (EC/EU) staff and will finance training programs for beneficiaries. The training program and the training provider will be chosen by the beneficiary in consultation with EC/EU staff with the help of labor demand information.

The other two TGP windows will target firms, with a focus on registered SMEs, and will be designed to encourage deeper collaboration across firms and also across firms and training providers. These two windows will provide grants in response to proposals prepared by firms to provide training to current employees, which should enhance the relevance of the content and pedagogy of the training programs. The administration of the last two windows will be determined during project preparation. However, an explicit strategy will be put in place to ensure private sector ownership and leadership of the training programs for current employees. This will include regular and broad stakeholder consultation, with representatives from SMEs, sector associations, and other industry/economic zone groups.

Sub-component 2.2 Integration of hard-to-reach workers, firms, and training providers into the TGP (US\$20m). This sub-component will conduct outreach to potential project beneficiaries and training providers that are difficult to integrate through regular communication channels. Those living in rural or remote areas will be a focus, but also potential beneficiaries who may not consider themselves as good candidates for the program because they are older/youths, have disabilities, or are single parents. The outreach effort under the sub-component is important given Kazakhstan's geographic size and the difficulty for the EC/EUs to inform all the potential beneficiaries of the new training opportunities, the traditionally low uptake among underemployed workers, and the difficulty of integrating older people and youth, people with disabilities, and single parents into the labor market. The sub-component will expand training coverage by enhancing outreach through the use of media (TV, radio, web, SMS, etc.) and mobile units.

The sub-component will also conduct outreach to training providers to ensure that all prequalified training providers are included in the TGP. The outreach will be conducted by providing information about the programs (i.e., the benefits) and about the prequalification criteria. The outreach will also include awareness building about the distinction between pre-employment training and training that targets the unemployed, underemployed, or firm employees. Training providers in rural or remote areas will be a focus and the outreach will also include sensitization about the importance of providing training to microenterprise employees, people with disabilities, or people in low wage/ productivity jobs.

Sub-component 2.3 Strengthening capacity and collaboration of key stakeholders involved in skills development programs and labor market services (US\$10m). Capacity building and enhanced collaboration will focus on two levels: (i) administration and management of the TGP and (ii) higher level coordination of the linkages between skills development programs and labor market services as well as key stakeholders such as training providers, firms, industry/sector associations, and government and employee representatives at both national and local levels.

For the administration and management of the TGP, the activities will include the establishment (where necessary) and capacity building of TGP management and implementing entities, including

the EC/EU. Given the complexity of the TGP, with respect to a diverse group of target beneficiaries and the three modalities of training delivery, effective administration and management of the program is critical. This includes strengthening coordination and information flow among firms, working age people, and training providers. This Sub-component will also ensure the integrity and transparency of the process for selecting the grantees and prequalifying training providers.

This Sub-component will support effective coordination between the TGP and other skills development programs and labor market services, as well as with broader national programs. For example, the Damu Entrepreneurship Development Fund and technical assistance provided through the European Bank for Reconstruction and Development (EBRD) provide capacity building to entrepreneurs, some of whom (or their employees) may be potential beneficiaries of the TGP. The Project also needs to link to national level efforts, which are also undertaken through the PFA, to generate better quality jobs, stimulate the private sector, or enhance trade and competitiveness: without which the TGP is constrained. The Sub-component will provide technical assistance to ensure that the TGP remains relevant, responsive, and coordinated with other initiatives to diversify Kazakhstan's economy. It will also promote collaboration and coordination among key stakeholders such as training providers, firms, industry/sector association, and government and employee representatives at both national and local levels around skills development and job creation policies. The details of ways to improve the coordination across national level efforts will be discussed during project preparation.

Sub-component 2.4 Strengthening the integration, analysis, and use of information management systems to improve labor market services (US\$30m). This subcomponent aims to improve the manner in which visitors to EC/EU are assigned to training and other labor market programs or services by supporting three key activities. The subcomponent is structured in three areas:

First, it will support the implementation of a jobseeker profiling and targeting tool. By implementing this tool, EC/EU staff can prioritize services as well as better target interventions based on the recommendations provided by a statistical (data-assisted) profiling tool together with a more in-depth interview that is undertaken by the EC/EU staff. The statistical profiling tool complements the staff member's assessments about a candidate's suitability for different labor market programs. Implementation of such a tool will help increase efficiency of labor market services and programs as well as their effectiveness.

Second, it will strengthen the labor market information system so that beneficiaries are better able to make informed choices about the types of training that will benefit them based on labor market demand, and also make choices about the actual training providers (based on the training provider's past performance) for the courses. In the past, decisions about the types of training and the actual training provider were often made based on availability of training positions in the local area, leading to surpluses in some trades (trained cooks, seamstresses, and hairdressers, for instance).

Third, this subcomponent will maintain information about prequalified training providers, and will periodically update the performance of those training providers. The performance indicators will be generated under a Joint Economic Research Program (JERP) and will be reflected in the Project Operations Manual (POM).

Component 3. Project management and monitoring and evaluation (Total US\$5m). A small Project Management Unit (PMU) will be financed within the MHSD to manage the fiduciary aspects of the project, supervise the entities involved with the implementation of the project, ensure project

monitoring, and prepare and submit timely reports. The PMU will also ensure that the project is well coordinated with the diagnostics and technical assistance offered through the two Joint Economic Research Program (JERP) engagements, respectively focusing on labor and jobs. The PMU will also develop a rigorous monitoring and evaluation framework to track the intermediary and PDO level indicators of the project. Thus the PMU will ensure that the project remains flexible in its design so as to accommodate emerging recommendations from the JERP engagements, results of the project M&E, as well as feedback from stakeholders and beneficiaries. An important task of the PMU will be to update the Project Operations Manual (POM) on a regular basis. The staff comprising the PMU will be determined during project preparation.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Unknown.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The GOK went through extensive restructuring in August 2014 in an attempt to enhance efficiency of government entities and reduce the number of ministries and committees. The main counterpart for the proposed Project is the Ministry of Healthcare and Social Development (MHSD), and other key counterparts include the Ministry of Education and Science (MES) and the Ministry of National Economy (MNE).

The MHSD is the implementing agency for the World Bank's Health Sector Technology Transfer and Institutional Reform Project (P101928, effective as of 2010). No environmental assessment safeguards were triggered (Category C), thus the Project Management Unit does not include a safeguards specialist. Although unconfirmed, the MHSD's capacity to carry out safeguards policies is likely to be low.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Lola Ibragimova (GSURR)

Rustam Arstanov (GENDR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	Component 2 includes the provision of competitive training grants to be used by firms. Some firms may request minor civil works, including the upgrading of training facilities. Potential environmental impacts associated with the above interventions are minor, short-lived, and primarily limited to the project sites (except for movement of equipment and materials to/from the site). These issues are primarily dust, noise, disposal of waste material and/or older equipment, some traffic disruption (depending upon specific location), worker safety (e.g. works at height) etc. All these impacts are addressed with good engineering and construction practices and with mitigation measures specified in the project EMP

		<p>checklists. EMP checklist with project description and potential environmental issues usually related to rehabilitation as well as typical mitigation measures shall be disclosed on the website of the MHSD and the Infoshop prior to appraisal.</p> <p>The Safeguards Policies are also relevant for Component 1 in that the educational standards and the certification standards developed under the project should incorporate environmental and social Safeguards aspects that are relevant to the fields in question (notably the pilot of three sector-specific skills testing and certification centers, which will be in the fields of mining, energy, and tourism – environmental and social sustainability and protection are important elements to include in capacity building and certification/standards processes in all three of these fields).</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/ BP 4.12	No	<p>The project will bring positive social impacts as the proposed activities would increase the youth and women employability and capabilities for continuous skills upgrading. Component 2 includes the provision of competitive training grants to be used by firms. Some firms may request minor civil works, including the extension or upgrading of training facilities. There will be no expansion of buildings beyond existing site boundaries, and no land acquisition will be required. Thus OP4.12 is not triggered and no resettlement documents have to be prepared.</p>
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/ BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 24-Dec-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The pre-appraisal mission was held from November 10-21, 2014, and will be followed by appraisal in late January 2015. Given the tight preparation schedule, the team proposes to agree on the TORs for the safeguard-related studies and complete them by end of December.

Guidance from Social Safeguards team: Both gender, citizen engagement assessment but also vulnerable groups targeting (identification, outreach, design of relevant training modules, participation, feedback) should be done during the social assessment phase (i.e soon) and recommend to include a simple institutional mapping (key actors involved in the project) to check their capacity to reach those groups and current channels used (so we could propose relevant feedback/citizen engagement mechanisms). This social assessment would allow the team to create a baseline which could be useful for both the result framework but also to monitor the project impact during the MTR and ICR phases. The social safeguards team has provided a draft TOR, for discussion during pre-appraisal. The assessment will be completed by end of December.

Prior to Appraisal the checklist EMP will be disclosed in-country (MHSD website) and in Infoshop, with the first section describing the overall project and subsequent sections listing typical rehabilitation activities with related environmental issues and mitigation measures.

No formal public consultation is required prior to appraisal. However, should the sub-project activities include substantial rehabilitation activities triggering OP 4.01 the checklist EMP shall be developed for particular subprojects and formal public consultations might be conducted depending on the scale of activities and related risks to environment.

### IV. APPROVALS

Task Team Leader:	Name: Keiko Inoue	
<b><i>Approved By:</i></b>		
Regional Safeguards Coordinator:	Name: Agnes I. Kiss (RSA)	Date: 09-Dec-2014
Practice Manager/ Manager:	Name: Andrea C. Guedes (PMGR)	Date: 17-Dec-2014

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.