

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	SURINAME/CCB - Caribbean Group
▪ TC Name:	Support to the Implementation of Labor Market Alignment with New Industries
▪ TC Number:	SU-T1191
▪ Team Leader/Members:	CRUZ AGUAYO, YVANNU (SCL/LMK) Team Leader; CHIN MELISSA FAYE (SCL/LMK); FERRIN GASTON (SCL/LMK); GONZALEZ HERRERA, BEATRIZ MARIA (SCL/LMK); LIBERTAD SICCHA (SCL/LMK); ECHEVERRI DURAN CAROLINA (SCL/LMK)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Labor Market Alignment with New Industries - SU-L1061
▪ Date of TC Abstract:	28 Feb 2024
▪ Beneficiary:	Ministry of Labour and Trainees of the Training for Employment system in Suriname
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$150,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	SCL/LMK - Labor Markets
▪ Unit of Disbursement Responsibility:	SCL/LMK - Labor Markets
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation

### II. Objective and Justification

- 2.1 The objective of this technical cooperation (TC) is to support the execution of the 5626/OC-SU “Labor Market Alignment with New Industries Program” by assisting in the following activities (i) identify the training requirements of the productive sector and relevant stakeholders that drive the labor demand in the country to target and align the training supply to those identified needs; (ii) strengthen the focalization strategy to identify potential beneficiaries of Labor Intermediation (LI) and Training for Employment (TFE), with a special focus on vulnerable populations such as women and ethnic groups living in the interior; and (iii) promote the sustainability of the program by strengthening the institutional capabilities of the Ministry of Labour, Employment Opportunity, and Youth Affairs (MOL).
- 2.2 The program 5626/OC-SU “Labor Market Alignment with New Industries” was approved by the Board of Directors on October 21st, 2022, and was signed by the Government of Suriname on November 11th, 2022. The Program is currently in the execution phase after reaching eligibility on May 8th, 2023. The general objective of the program is to promote employability for jobseekers. The specific objectives are to: (i) provide jobseekers with relevant and high-quality training for employment, and (ii) expand the use of labor market intermediation services by jobseekers and employers. This TC will support the execution of the loan program by identifying sector-specific training needs, targeting vulnerable populations, and strengthening institutional capacity.

- 2.3 Three economic sectors have been identified as promising due to their current and future potential to provide formal employment, and in turn, increase productivity. Under the TC SU-T1143 (that supported the preparation of the program), agriculture and tourism were preliminarily identified as promising sectors in Suriname, highlighting the importance of developing and implementing training for employment programs tailoring those industries. During the execution phase, the information technology sector was added, since it is a horizontal area that is showing increasing demand. However, to ensure the effective alignment of training supply with the labor demand of these sectors, a more comprehensive analysis is required. This involves delving deeper into the specific skills and competencies necessary to enhance productivity and competitiveness within each sector.

Second, to ensure that LI and TFE effectively target individuals facing significant challenges in securing employment due to skill mismatches and a lack of information about job opportunities, it is crucial to establish an enhanced focalization mechanism based on socio-demographic and economic factors. Additionally, to enhance the participation of individuals who stand to benefit from training programs, it is necessary to identify entry barriers such as opportunity costs (e.g., loss of wages), financial constraints to cover course fees and materials, transportation expenses, childcare responsibilities, and other domestic obligations.

- 2.4 Finally, the program's implementation has faced challenges related to institutional areas for improvement. Particularly, the MOL needs additional support to effectively carry out its active labor market policies. While commendable progress has been made in recent years, including the development of a Mid-Term Active Labour Market Policy and the establishment of a third Decent Work Country Program with the International Labour Organization, there is a need to further integrate these initiatives into SU-L1061. This will ensure that investments made within the program align with the MOL's medium-term objectives and endure beyond the execution period of SU-L1061.

### III. Description of Activities and Outputs

- 3.1 **Component I: Support to strengthen focalization of the interventions of SU-L1061.** This component will involve consultancies aimed at two main objectives: (i) mapping the labor demand within priority sectors to inform demand-driven training programs for employment, and (ii) identifying potential beneficiaries for participation in the training programs developed under SU-L1061. Additionally, it will entail identifying candidates eligible for financial or in-kind assistance through the program.
- 3.2 **Component II: Support to enhancing institutional capacity of the MOL for the implementation of TFE and LI.** This component consists of consultancies for (i) an organizational assessment of the Labour Market Department to identify knowledge and skills gaps for managing demand-driven TFE Systems and modernized PES; (ii) a technical senior advisor to support the MOL with decision-making on the organizational and policy aspects; and (iii) for project and procurement management services to support the MOL and PEU in defining and implementing effective compliance and governance policies and procedures.

#### IV. Budget

##### Indicative Budget

Activity/Component	IDB/Fund Funding	Total Funding
Component I: Support to strengthen focalization of the interventions of SU-L1061.	US\$80,000.00	US\$80,000.00
Component II: Support to enhancing institutional capacity of the MOL for the implementation of TFE and LI.	US\$70,000.00	US\$70,000.00
<b>Total</b>	<b>US\$150,000.00</b>	<b>US\$150,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 The Bank will execute the proposed technical cooperation, through the Labor Market and Social Security Division. The team leader, Yyannú Cruz Aguayo (SCL/LMK) will be responsible for the execution and oversight of this TC.
- 5.2 At the request of the Government of Suriname, the IDB, through the Labor Market and Social Security Division (SCL/MK) will execute this TC given that: (i) the Bank, through SCL/LMK has technical expertise in labor market programs, based on international best practices, (ii) administrative burdens can be reduced on the government, particularly in the identification and contracting of international experts, and (iii) the Bank is positioned to provide execution and oversight of the consultancies that will be carried out under this TC. The supervision of this TC will be carried out by the project team. The results of these activities are intended to bring key and timely design inputs to the loan (SUL1061). SCL/LMK will be responsible for the direction, supervision, and coordination of this TC. The Bank will coordinate its work extensively with the Government of Suriname other benefitting ministries/entities.

#### VI. Project Risks and Issues

- 6.1 The success of the project will depend on significant levels of engagement and participation by private and public sector stakeholders, as well as civil society. Insufficient integration, coordination, and communication among government agencies may also lead to delays in project execution. To mitigate this risk, the TC will finance a technical, operational, and administrative consultant, with project management experience to support with the execution.

#### VII. Environmental and Social Aspects

- 7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Banks Environmental and Social Policy Framework (ESPF).