

**ASIAN DEVELOPMENT BANK**

**TAR:NEP 36611**

**TECHNICAL ASSISTANCE**

**TO THE**

**KINGDOM OF NEPAL**

**FOR PREPARING THE**

**SKILLS FOR EMPLOYMENT PROJECT**

**December 2002**

## **CURRENCY EQUIVALENTS**

(as of 30 November 2002)

Currency Unit	–	Nepalese rupee/s (NRe/NRs)
NRe1.00	=	\$0.013
\$1.00	=	NRs76.50

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CTEVT	–	Council for Technical Education and Vocational Training
ICT	–	information and communication technology
IPSA	–	initial poverty and social analysis
M&E	–	monitoring and evaluation
MIS	–	management information system
MOES	–	Ministry of Education and Sports
SLC	–	school leaving certificate
TA	–	technical assistance
TEVT	–	technical education and vocational training

## **NOTE**

In this report, "\$" refers to US dollars.

This report was prepared by a team consisting of S. Brar (Team Leader) and K. Panday.

## I. INTRODUCTION

1. The Asian Development Bank (ADB) has provided broad-based assistance to the Government of Nepal for the education sector, covering primary and secondary education and vocational training. To strengthen previous investments in the sub-sectors, a loan to support teacher education at the primary level was approved in September 2001 and a loan to support secondary education was approved in September 2002. The Government requested ADB assistance in achieving its goal of poverty reduction through follow-up support for a skills development project. Consequently, a project preparatory technical assistance (TA) was included in ADB's Country Assistance Plan for 2002. A TA Fact-Finding Mission<sup>1</sup> visited Kathmandu on 23 September-3 October 2002 and held discussions with officials of National Planning Commission, Ministry of Finance, Ministry of Education and Sports (MOES), Ministry of Science and Technology, officials from concerned government agencies, and representatives of aid agencies active in the subsector. The Mission also visited three institutions offering vocational and technical training. In a wrap-up meeting held on 27 September 2002, the Government and the Mission reached an understanding on the scope, objectives, implementation arrangements, the cost estimates and financing plan, and the consulting services for the proposed TA, and recorded all in a Memorandum of Understanding.<sup>2</sup>

## II. ISSUES

2. Although its human development indicators have improved over the past two decades, Nepal remains one of the poorest countries in South Asia. Significant disparities in human development exist within the country due to social, cultural, economic, and geographic factors. Of its 23 million people, approximately 42% live below the poverty line. Approximately 87% of the population live in rural areas and depend on subsistence agriculture. Of the workforce, 92% live in rural areas and 81% of them are employed in agriculture. Over the last 15 years, Nepal's gross domestic product (GDP) has grown at an average annual rate of 5%. This growth has largely been based on the nonagriculture sector. The benefits of this growth have not been distributed to the majority of the population and disparities have been exacerbated. The prevailing civil unrest has further constrained growth. The rate of unemployment in Nepal is estimated at only 3-5%, which is consistent with an economy dominated by subsistence agriculture where labor force participation rate is high and unemployment is low. A high proportion of workers are underemployed. The high rate of underemployment, together with low wages, explains the high incidence of poverty, particularly in the rural areas.

3. Although development plans have focused on education as a key input to break the poverty cycle, the low level of general education in Nepal limits meaningful participation in economic activities. The rate of unemployment is higher among the educated than among the uneducated. A study in 1994 showed that the unemployment rate among persons with School Leaving Certificate (SLC) or more advanced education was 39% for the age group 25-29 years and 20% for the age group 30 years and above. The figures do not include the large number of students who drop out of the school system without completing SLC. Dropout rates and failure rates are high in public schools. The scope and reach of vocational and technical education programs remain limited, thus constraining the potential for economic growth.

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<sup>1</sup> The Mission consisted of S. Brar, Education Specialist/Mission Leader; and J. Bailey, Education Policy, Planning, and Management Specialist/Mission Member. The Mission was assisted by K.R. Panday, Project Implementation Officer, Nepal Resident Mission and A. Shrestha, Gender Specialist, Nepal Resident Mission.

<sup>2</sup> The TA first appeared in *ADB Business Opportunities* in October 2002.

4. **Technical Education and Vocational Training (TEVT).** In an attempt to mainstream vocational education, Nepal had introduced a vocation-oriented basic education system by including a compulsory vocational subject in the curriculum and by establishing technical streams. However, the attempt was not successful due to lack of adequate educational and physical infrastructure, and resources. The Council for Technical Education and Vocational Training (CTEVT) was created in 1989 under the Technical and Vocational Education Act of 1988. As the apex body, CTEVT formulates policies, ensures quality control, coordinates all the TEVT-related stakeholders, and provides services to facilitate TEVT programs. ADB provided a loan of \$11.8 million for a Technical Education and Vocational Training Development Project.<sup>3</sup> The project, co-financed with the Swiss Development Cooperation, was completed in September 1997. The project was assessed as successful. A recent evaluation of the Project by ADB suggests that the interaction between CTEVT and the private sector needs to be strengthened to overcome the problem of skills mismatch and make TEVT more marketable. Second, CTEVT should phase itself out of certain areas such as health, where the private sector can do well, and increase its focus on coordinating and controlling the quality of TEVT offered by private providers as well as other government agencies.

5. Despite the development and growth of TEVT, substantial gaps in the subsector need to be filled. There is a need to improve access to the TEVT system and enhance its quality to provide demand-driven skills of marketable quality to larger numbers of the country's youth. The TEVT system needs not only to be developed to cater to the employment needs in the current economic and educational scenario, also to be strengthened to deal with the rapid economic transformation. In the immediate term, the following key issues need attention.

6. **Institutional Infrastructure and Capacity for TEVT.** CTEVT has 17 institutions and 166 affiliated institutions under its umbrella.<sup>4</sup> An additional 33 institutions are managed by various line ministries such as agriculture, health, forest and soil conservation, labor, etc. Even though these institutions contribute substantial numbers of skilled manpower to the labor market, the demand far exceeds their capacity, forcing potential trainees to either access the private sector if they can afford it or remain outside the skills development system. The limited capacity of such technical institutions and the high cost of good-quality private providers have led to a proliferation of private skills providers of varying quality. These factors lead to large numbers of youth without marketable skills, thus depressing their income potential and perpetuating the cycle of poverty. Unemployment and underemployment among the youth can have serious implications for economic and social stability. There is, thus, an urgent need for a demand-driven, cost-effective, and focused skills development program aimed at increasing the employment potential of the youth. The Government is launching a pilot program of annex schools as a cost-effective, skills development scheme that can address the training needs of the disadvantaged sections of the population. The scheme will use the facilities of 15 existing secondary schools across the country. The previous ADB project laid the foundation on which a strong vibrant CTEVT can be developed. However, the CTEVT structure needs reviewing to improve overall policy development, and management, and to ensure efficient delivery.

7. **Information and Communication Technology (ICT).** ICT is an underdeveloped sector in the economy and is almost entirely in the sphere of the private sector, with only some small-scale pilot activities being undertaken or planned in the public sector. Nepal is on the wrong side of the digital divide, and there is a clear danger of a further digital divide developing within the country. It is necessary to examine ways of improving access to ICT within the public education

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<sup>3</sup> Loan 974-NEP(SF).

<sup>4</sup> Figures pertain to the year 2000.

system and improving access for those who cannot afford the high fees charged by the private sector. Given the high initial as well as recurrent costs, strategies that examine cost-effectiveness, multiple levels of skills development, and multiple use of ICT facilities need to be explored in partnership with the private sector. Because many institutions that are involved in ICT training are in the private sector, cost and location exclude the disadvantaged. There is a need to widen access to ICT for girls and other disadvantaged groups.

8. **Access and Equity.** Given the widespread social, economic, and geographic disparities in the country, improving access to income-generating programs for women and other disadvantaged groups is key to poverty reduction. Access to TEVT remains limited because (i) there are not enough places in the oversubscribed technical institutions under CTEVT, and (ii) the private training institutions are either too expensive or are logistically difficult to access. Any skills development program must address the needs of these groups through multiple approaches to ensure their participation in economic development.

9. **Quality and Relevance.** Although CTEVT has built up a certain competence, there is a need to improve the quality of TEVT through further quality control procedures and managerial aspects including (i) improving the reliability and validity of examinations; (ii) developing and operationalizing the monitoring and supervision system; (iii) developing an accreditation and affiliation system; (iv) continuing improvement of a national standard skills testing system that includes occupational analysis and job analysis; (v) further developing curricula appropriate for various occupations and income-generating employment; and (vi) decentralizing some instructor training to the regional level.

10. **Linkages to Other Training Providers, Industries, and Occupations.** Education and training programs have a weak link to a training needs assessment. Business and industry for these reasons are not involved in training, labor market information systems are weak, coordination and linkages do not exist between the supply side (training providers) and the demand side (business and industry). Insufficient attention is given to developing (i) a reliable labor market information system, (ii) an education management information system, (iii) a standard training needs assessment system, (iv) linkages with business and industries, and (v) employment services.

11. **Supply and Demand.** The national TEVT system is perceived to be irrelevant, ineffective, and inefficient with weak links to labor market demands. The results are (i) higher rate of unemployment among graduates of TEVT than among the uneducated; (ii) unemployment among Nepalese job seekers, while workers from India in the manufacturing sector constitute 15% of the workforce; and (iii) orientation of most training programs in rural areas to subsistence activities rather than employability.

### III. THE TECHNICAL ASSISTANCE

#### A. Purpose and Output

12. The TA will assist the Government to prepare a project that will help achieve the goal of poverty reduction by improving the earning potential of the country's youth, and to improve the quality of its skills development programs. The TA will cover the vocational and technical education (including ICT)<sup>5</sup> subsector.

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<sup>5</sup> For the purpose of the TA, technical education includes ICT.

13. The output from the TA will be (i) an analysis of the vocational and technical education subsector; and (ii) a feasibility report for a focused, quality-oriented and demand-driven skills development project. The analysis will take into account (i) the existing capacity within the subsector, (ii) its strengths and weaknesses, (iii) policies pertaining to the subsector, (iv) past support to the subsector and lessons learned, (v) participation of women and other disadvantaged groups, (vi) geographic dispersion, (vii) role of the private sector, and (viii) the potential of different levels of vocational and technical education to address the skills development needs of the country's youth. The analysis will also review existing labor market studies, if any, and survey the demand for skills in areas identified for potential support. Based on this analysis, and in consultation with the Government, the TA will prepare a feasibility report for a skills development project with costs, components, proposed management structures, monitoring systems, and implementation arrangements to support specific interventions that will help meet the Government objectives and policies agreed upon for the subsector in the Tenth Plan.

## **B. Methodology and Key Activities**

14. The TA will also interact closely with CTEVT and other providers of TEVT in the public and private sector to analyze the capacity as well as need for skills development. It will examine the different levels of skills needed for different target groups. The TA will examine ongoing interventions and programs in the subsector and ensure that the proposed support follow an overall integrated approach. The TA will undertake extensive consultations with stakeholders through seminars, workshops, and focus groups as necessary. From these consultations, the TA will make recommendations for (i) policy revisions, if necessary; (ii) cost-effective strategies; and (iii) an implementation framework including costs.

15. The project to be proposed will include rationale; objectives; detailed project components; policy targets; monitoring indicators; an analysis of benefits; impact, and risks; consultant requirements with indicative terms of reference; and a project framework. The TA will undertake a social and poverty impact analysis and recommend strategies to improve access for girls and other socially, economically, and geographically disadvantaged groups. An initial poverty and social assessment has been done and is in Appendix 1. The TA will also conduct studies, as necessary, to (i) determine the skills required in areas recommended for coverage the by project, (ii) collect baseline data and identify indicators for monitoring and evaluation, (iii) determine needs assessment and quality and effectiveness among users, and (iv) examine the need for employment support services.

## **C. Cost and Financing**

16. The TA is expected to cost \$475,000 equivalent of which ADB will provide \$400,000 covering the entire foreign exchange component of \$298,400, and local currency cost equivalent of \$101,600. The TA will be financed on a grant basis by ADB's TA funding program. ADB will finance domestic and international consulting services, production of reports, required equipment, organization of workshops, studies, field surveys, and administrative and support services. The Government support to the TA, estimated at \$75,000 equivalent, will be in kind, and will include the provision of counterpart staff, office accommodation and meeting space, translation services, and general office support. A detailed financing plan and cost estimates are in Appendix 2. The Government has been advised that approval of the TA does not commit ADB to financing an ensuing project.

#### **D. Implementation Arrangements**

17. A team of four international and five domestic consultants will be recruited to provide specialist services totaling 24 person months (11 international, 13 of domestic). ADB will engage all consultants through a firm using the simplified technical procedure in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB. Office equipment will be procured in accordance with ADB's *Guidelines for Procurement*. Indicative terms of reference for the consultants are in Appendix 3.

18. MOES will be the Executing Agency for the TA. An interministerial steering committee chaired by the secretary of MOES will be established to provide overall guidance to the TA team and to ensure coordination with concerned ministries, departments, and central and local government agencies and institutions. In view of the linkages with the private sector, the steering committee will also include two members from the private sector. CTEVT will give technical support to the TA. The Government has also agreed to provide, through CTEVT, the following support to the TA team: (i) qualified staff to assist the international consultants in all aspects of its work including liaison with concerned agencies and institutions; (ii) administrative and logistic support; (iii) office accommodation, supplies, and facilities; and (iv) data and reports as required.

19. The TA will begin in April 2003 and end in September 2003. An inception report will be submitted at the end of the first month of the TA. It will be followed by a stakeholder workshop to clarify the TA's purpose, identify and discuss the issues, and ensure close interaction and coordination among all stakeholders. To ensure a widely consultative process, workshops meetings and interviews will be held at the regional and district levels with representation from stakeholders. A draft of the subsector analysis will be completed and submitted at the end of the first 2 months. The final document will be submitted along with the feasibility report in case any modifications may be necessary as the TA progresses. The findings and proposals of the TA will be shared with the stakeholders at a national workshop before the feasibility report for the proposed project support is finalized. The feasibility report will include costed components, management and monitoring arrangements, and an implementation framework. At the end of the TA, ADB will enter into an agreement with MOES on the proposed Skills for Employment Project.

#### **IV. THE PRESIDENT'S DECISION**

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$400,000 on a grant basis to the Government of Nepal for preparing the Skills for Employment Project and hereby reports this action to the Board.

## SUMMARY INITIAL POVERTY AND SOCIAL ANALYSIS (IPSA) REPORT<sup>1</sup>

### A. Linkages to the Country Poverty Analysis

Sector identified as a National Priority in country Poverty Analysis? Yes	Sector identified as a National Priority in Country Poverty Partnership Agreement? Yes
<p><b>Contribution of the sector/ subsector to reduce poverty in Nepal</b></p> <p>Literacy levels are key indicators of human development. Nepal ranks 129 out of 162 countries and has a human development index of 0.48, lower than the weighted average for South Asia. Human Development Index (HDI) values disaggregated at the regional level show significant differences in human capacities and well-being. HDI at 0.446 for rural areas is much lower than the HDI for urban areas (0.616). The gender-related development index (GDI) follows the same pattern with 0.426 for rural and 0.605 for urban areas.<sup>2</sup> Similarly, the index for rural poverty (41.4) is twice as high as that for urban poverty (23.9) and it varies widely across ecological regions. Population growth rate increased from 2.1% in 1991 to 2.3% in 2001 with the increase concentrated in rural areas, rural women having more than twice as many children (4.4) than urban women (2.1).</p> <p>The structure of the household population shows a youthful population (44% of the population is under 15 years of age). Fifty-two percent of the population is in the age group of 15-64 years and 4% are over 65 years. The sex ratio, the number of males per 100 females, is 90. Urban areas have a higher sex ratio (97) than rural areas (89). The sex ratio is markedly lower among the working age population particularly in rural areas and is attributed to the high rate of out-migration of males to the urban areas and to other countries for employment. Significant reduction in poverty can be achieved by targeting interventions to those left behind. Nepal's economy centers on agriculture with 83% of the labor force relying primarily on agriculture for employment. Forty-four percent of rural households live below the poverty line. The agriculture sector grew by less than 2.5% per annum during the past 30 years. The growth of the nonagriculture sector has helped to reduce the incidence of urban poverty, but not strong enough to have a significant impact on the rural poor. Studies show that that the poor derive even smaller returns from the land in relation to the size of their holdings due to the smaller share of good quality agricultural land, and poor access to technology. Low agricultural incomes correlate with low levels of education and commensurate skills.</p> <p>Literacy rates are substantially higher in urban areas (64%) than in rural areas (36%). The literacy rates of 41 caste ethnic groups are below the national average, and there are marked gender disparities in the literacy rates of men and women—65% for men and 42.5% for women. The formal school system is perceived to be poorly designed to meet the needs of girls and the disadvantaged. It has functioned to produce students, primarily urban males able to obtain School Leaving Certificate (SLC), enter college, and apply for limited civil service positions and hence have had limited impact in reducing rural poverty.</p> <p>Current vocational and technical education is seriously inadequate in scope and relevance. It is estimated that about 3,000 candidates graduate each year, but with low levels of employability. In addition, girls and disadvantaged groups have had little opportunity for vocational and technical education and therefore for job opportunities. The proposed project builds on past ADB investment by directing resources to technical and vocational education with the intention of expanding opportunities to girls and disadvantaged groups while focusing on the demand side of education. The project is in line with the Poverty Reduction Partnership Agreement and the Government's Tenth Plan. It also addresses critical gender issues relating to access and equity and is an effective entry point to the economic empowerment of girls and disadvantaged groups. Public expenditure in vocational and technical education will benefit the poor. One constraint is that enrollment in vocational and technical education relies on strong primary and secondary education systems as they provide the foundation of basic knowledge so workers can adapt to shifting skill requirements. Therefore, the project preparatory technical assistance (PPTA) will assess enrollment requirements with a view to lowering requirements for girls and disadvantaged groups, and review and make recommendations so that the curricula of vocational and technical education are responsive to market signals. Other issues of importance include looking into placement services, liaising with industry and employers, conducting rapid surveys of parental attitudes toward vocational and technical education with a view to creating demand. The PPTA will identify measures to improve and broaden economic opportunities by linking curricula to market demand and employment opportunities. The returns to vocational and technical education is envisaged to be much greater than these from general education and thereby contribute to achieving rural poverty reduction goals.</p>	

### B. Poverty Analysis

**Proposed Classification:** Poverty intervention  
Human development

Poverty is estimated at 38% at the national level (Government estimate). It is more pervasive in rural areas, worst in the mountains, followed by the hills and then by the terai. Poverty varies not only spatially but also socially. Its incidence is higher among ethnic minorities, reflecting a severe deprivation of opportunities in all aspects of life. Women who belong to disadvantaged groups fall far

<sup>1</sup> An initial poverty and social analysis (IPSA) for the proposed project was undertaken by A. Shrestha, Gender and Development Specialist, Nepal Resident Mission. The objective of the IPSA was to determine the scope of poverty and social/gender issues that will need to be addressed during the design process. The IPSA report format is based on ADB's *Handbook on Poverty and Social Analysis*, December 2001.

<sup>2</sup> UNDP. 2001. *Nepal Human Development Report 2001*. Kathmandu, Nepal.

below their male counterparts in all indices. The other hard-hit groups comprise the occupational caste groups who remain severely deprived and discriminated against despite constituting 16% of the total population. A higher proportion of males than females attend school at every age, but this difference is significantly higher after age 10. School attendance drops significantly after age 15 for females and after age 17 for males.

Historic inequalities in the distribution of social and economic power have contributed to maintain the status quo. These biases have confined disadvantaged groups to the lowest paying menial jobs and impeded their access to government and public service. Despite increased investments in education since the 1990s, one third of the primary age children, including those in the urban areas, remained out of school in 2000 largely because of household or other work. Less than two thirds of the girls of this age were enrolled. About 30% children, primarily from poor households and disadvantaged groups, lack access to basic primary education. Rural household expenditure on basic and primary education is about NRs100 per child per year. Parents from disadvantaged groups perceive that neither primary nor secondary education will help them or their children. Investment in education is not a priority, as it does not resolve their immediate problem. The education of girls and disadvantaged groups is constrained by a lack of an enabling environment and in-school factors such as inappropriate curriculum, unbalanced gender composition of teachers, poor teacher training and motivation, inadequate physical facilities, and teachers' insensitivity to issues of cultural diversity. The formal school education is perceived to have little relevance to traditional life. Child labor is significantly higher in districts that have a higher incidence of poverty and lower level of educational attainment. Poverty affects girls more than boys, which reflects why girls of poor families are the ones to forgo schooling. The high level of wastage in primary education is critical in a resource-poor country. High repetition and dropout rates reduce the efficiency of the primary education system. There is a growing concern about the duality of education: a poor public education system for poor children and a higher quality private education system for the rich. If this is allowed to continue, it could further deepen the social divide and eventually increase the social conflict fueled by wide development disparities throughout the country. The net enrollment of girls is lowest in the mid and far western development regions and parts of the central and eastern terai districts.

Targeted programs address issues of regional disparities, gender insensitivity, and problems experienced by disadvantaged groups. The overall goal of the proposed project is to provide vocational and technical education or trade in an occupation where placement in wage or self-employment is likely. Therefore, girls and disadvantaged groups should be involved in identifying their training needs. The PPTA will survey girls, and men and women of disadvantaged groups in need of vocational and technical education to determine their areas of interest for purposes of curriculum development. More women could be trained for self-employment in service trades. The growing inability of agriculture to accommodate the labor force and increasing pressure on environmental resources should provide guidance for identifying suitable activities. It is estimated that 15 international and 508 national nongovernment organizations are involved in literacy programs for parents and children alike. The proposed project could build on these efforts to ensure wider inclusion of girls and disadvantaged groups and increase their opportunities to participate in and benefit from the proposed project.

### **C. Participation Process**

#### **Stakeholder Analysis – Identify consultations needed at project design**

In terms of reducing poverty, the poor and disadvantaged depend on government ability to deliver services, which stems not from low investments but rather from institutional structures that exhibit domination by local elites, traditional sociocultural practices, and lack of participation by the poor. Most targeted programs have been centrally driven and characterized by low local participation, and high level of political interference. To ensure local ownership, the PPTA will develop a strategy that will define the participation of all stakeholders and determine their role and level of participation. This includes the role of the Ministry of Education and Sports, the Council for Technical Education and Vocational Training, Department of Women Development, local governance structures, indigenous and disadvantaged groups, women's groups, and line agencies among others. Workshops will be conducted to consolidate their views and recommendations for project design. The PPTA will assess the institutional capacity of these stakeholders to define what each stakeholder group is best equipped to play, agree on how best to engage them; determine the type of participation for each group; and develop a strategy to organize primary beneficiaries.

Participation strategy required

No

**D. Potential Issues<sup>3</sup>**

	<b>Significant/ Nonsignificant/ Uncertain/ None</b>	<b>Strategy to Address Issues</b>	<b>Plan Required<sup>4</sup></b>
Resettlement <sup>5</sup>	None		None
Gender	Significant	The proposed project will target girls and disadvantaged groups. Since men are the primary decision makers, the PPTA will assess factors that stand in the way of transforming gender relations at the household/community level and identify mechanisms to elicit male family members' support for girls' participation.	No
Affordability	None	The project will ensure that the cost of vocational and technical education is reasonable and that the poor have equal access. The provision of scholarships for the poor and disadvantaged may be looked into and criteria developed for selection.	None
Labor	None		No
Indigenous People	Nonsignificant	Many ethnic groups go to traditional schools, which teach religion, art, and rituals in their native mother tongues as they have difficulty comprehending in the Nepali language. The project targets disadvantaged and indigenous groups.	No
Other Risks/ Vulnerabilities	Non Significant	The PPTA will develop criteria and identify mechanisms to foster full participation of girls and disadvantaged groups and contribute toward building ownership of the proposed project.	None

<sup>3</sup> If not known, a contingency should be included in the TA budget to predict the need for a plan.

<sup>4</sup> A plan will be required at design stage if any of the potential issues are found significant.

<sup>5</sup> Significant involuntary resettlement requires a full resettlement plan; nonsignificant requires a short resettlement plan.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International (11 person-months)	220,000	0	220,000
ii. Domestic (12 person-months)	0	39,000	39,000
b. International Travel	15,000	0	15,000
c. In-Country Travel	0	7,800	7,800
d. Reports	5,200	0	5,200
2. Equipment	7,000	0	7,000
3. Workshops and Seminars	0	15,000	15,000
4. Surveys and Data Collection	0	10,000	10,000
5. Administrative Support			
a. Local Transport	0	10,000	10,000
b. Office Supplies		6,000	6,000
6. Contract Negotiations	5,000	0	5,000
7. Communications	1,500	1,500	3,000
7. Contingencies	44,700	12,300	57,000
<b>Subtotal (A)</b>	<b>298,400</b>	<b>101,600</b>	<b>400,000</b>
<b>B. Government Financing</b>			
1. Office Accommodation and Utilities	0	35,000	35,000
2. Counterpart Staff and Allowances	0	20,000	20,000
3. Support for Meetings	0	15,000	15,000
4. Translation Services	0	5,000	5,000
<b>Subtotal (B)</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>
<b>Total</b>	<b>298,400</b>	<b>176,600</b>	<b>475,000</b>

<sup>a</sup> Financed by ADB's TA funding program.  
Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE

### A. International Consultants (11 person-months)

#### 1. Team Leader - Specialist in Technical Education and Vocational Training, Education Planning, Monitoring and Evaluation (5 person-months)

1. The team leader will (i) coordinate the work of all team members, providing assistance where necessary, for the effective implementation of the technical assistance (TA); (ii) be responsible for both the analysis phase and the project design phase of the TA; and (iii) have overall responsibility for the analysis of the technical education and vocational training subsector, which will include policy orientation, focus and institutional capacity, and lead to the preparation of a skills development project. All activities will be done in accordance with a planned implementation schedule, culminating in a final report detailing the skills development project in a format acceptable to the Asian Development Bank (ADB). The final report will cover all project aspects and will be written in collaboration with the consulting team, including government counterparts. The report will be discussed with the Government and ADB toward the end of the project preparation phase. The final project document will incorporate the comments received during discussions on the first draft covering the background, objectives, scope, components, management, project framework, monitoring and evaluation arrangements, identification of beneficiaries, and cost estimates.

2. To analyze the technical and vocational education sector and prepare a skills development project, the team leader will be responsible for the following steps:

- (i) Undertake extensive consultations with stakeholders through meetings, seminars, and workshops.
- (ii) Prepare a profile of technical education and vocational training (TEVT) including an assessment of existing strengths, weaknesses, and current capacity of the subsector; policies pertaining to the subsector; participation of women and other disadvantaged groups; geographic dispersion; role of the private sector and the potential of TEVT to address the needs of the country's youth. This profile will include the TEVT programs of other line ministries including the Ministry of Science and Technology.
- (iii) Review and analyze the management and organization of the national training system, including the decision-making bodies, the cohesion and coordination of the system, cooperation with industry, and potential for decentralization of decision-making powers for the Council for Technical Education and Vocational Training (CTEVT) institutions. This analysis will follow the problem tree approach, taking into account cause and effect and recommendations for a proposed project be linked to this analysis.
- (iv) Review and analyze the planning process within the subsector, including strategic planning, operational planning, planning in institution providing TEVT.
- (v) Review the policy framework for TEVT and recommend a time-bound action plan for developing a cohesive forward-looking policy framework for TEVT.
- (vi) Identify and review key components in TEVT where improvements are considered necessary for its overall development.
- (vii) Review and analyze the management for programs and institutions that will be targeted by the skills development project.
- (viii) Review available employment services and make recommendations for enhancing their effectiveness.

- (ix) Assess the appropriateness of professional structures concerned with vocational qualifications and certification, curriculum and curriculum development, staff development, skills assessment, and career counseling of trainees and potential trainees.
- (x) Review the system for monitoring and evaluation (M&E) in TEVT, assess the M&E requirements, including the information and training needs of key managers, and staff requirements for effective M&E.
- (xi) Prepare recommendations for policy revisions, cost-effective strategies, and an implementation framework with costs.
- (xii) Prepare a skills development project that includes rationale, objectives, detailed project components, policy targets, monitoring indicators, an analysis of benefits, impact and risks, and a project framework.
- (xiii) Support the specialist in equity mainstreaming in undertaking a social and poverty impact analysis followed by recommendations for strategies to improve access for girls and other socially, economically, and geographically disadvantaged girls.
- (xiv) Design efficient management and monitoring systems for implementing the skills development project.
- (xv) Review the achievements of previous development interventions in TEVT to benefit from the lessons learned and incorporate these lessons into the design of the skills development project.
- (xvi) Determine the nature and amount of external assistance currently provided by bilateral and multilateral agencies.
- (xvii) Address any other issues, as required, to do a comprehensive profile of TEVT.

## **2. Specialist in Labor Economy (2 person-months)**

3. In collaboration with other team members, stakeholders, and counterpart staff, the consultant will perform these tasks:

- (i) Contribute to the profile of technical education and vocational training by reviewing existing labor market studies.
- (ii) Conduct skills demand surveys in areas identified for potential support.
- (iii) Examine the external efficiency of TEVT in terms of employment and earning, labor market policies, and self-employment, including for girls/women.
- (iv) Assess the economic and benefit analysis of the project.
- (v) Examine possible schemes for financial and supervisory support from the community to government training institutions and mechanisms for the effective use of such support.

## **3. Specialist in Financial Analysis (2 person-months)**

4. In collaboration with other team members, stakeholders, and counterpart staff, the consultant will (i) prepare reports dealing with issues and strategies, including projected resource requirements to develop a targeted national training system that will enhance efficiency in resource allocation and use and increase the effectiveness of the public-community-private relationship; and (ii) carry out a project analysis according to ADB's *Guidelines for the Economic Analysis of Projects and Criteria for Subsidies*, using COSTAB. The consultant will perform these tasks:

- (i) Establish past and current government appropriations to TEVT.
- (ii) Establish financing and budgets of institutions that will be targeted by the skills development project.
- (iii) Establish unit and cycle costs of students at a range of public-private-community institutions.
- (iv) Clarify current fee levels for courses and recommend appropriate fee levels.
- (v) Explore opportunities and mechanisms for introducing voucher systems and expanding scholarships for disadvantaged trainees.

**4. Specialist in MIS and ICT (2 person-months)**

5. The consultant will perform these tasks:

- (i) Review the information and communication technology (ICT) component report of the Secondary Education Support Project (SESP) PPTA (2001) to assess relevance and overlap with the national training system.
- (ii) Study private and government institutions where computer education is part of the training program.
- (iii) Study pilot programs such as the CTEVT's Annexe Schools Programs and Ministry of Science and Technology's Rural Communication Centre's Programme that may have innovative modalities for ICT education delivery.
- (iv) Examine ways in which computers might aid the instructional process and skills development in targeted programs and institutions.
- (v) Determine the hardware and software requirements and recurrent costs for targeted programs and institutions.
- (vi) Recommend ways of using ICT to build institutional capacity.
- (vii) Review the management information systems (MIS) in use in the national training system with particular emphasis on CTEVT and its associated institutions and make recommendations to enhance the systems' usefulness.
- (viii) In collaboration with other team members, counterpart staff, and key stakeholders, prepare a fully costed project component involving (a) targeted institutions and programs, and (b) institutional capacity building.

**B. Domestic Consultants (13 person-months)**

**1. Technical Education and Vocational Education Specialist/Deputy Team Leader (4 person-months)**

6. The consultant will provide academic support to the team leader and assist in administering and implementing the TA through liaison with the Government, CTEVT, ADB, the TA team, and other stakeholders. In particular, the national technical and vocational education specialist will work closely with the team leader in the following tasks:

- (i) Preparing a profile of TEVT, including an assessment of the existing strengths, weaknesses and current capacity of the subsector; policies pertaining to the subsector; participation of women and other disadvantaged groups; geographic dispersion; role of the private sector; and the potential of TEVT to address the needs of the country's youth. The profile will include the technical and vocational training programs of other line ministries including the Ministry of Science and Technology.

- (ii) Reviewing the policy framework for TEVT and preparing a time bound recommendation for a strengthened policy framework under the proposed project.
- (iii) Reviewing and analyzing the management and organization of the national training system that includes the decision-making bodies, the cohesion and the coordination of the system, cooperation with industry, and potential for decentralizing decision-making powers for the CTEVT institutions.
- (iv) Assessing the appropriateness of professional structures concerned with vocational qualifications and certification, curriculum and curriculum development, staff development, skills assessment, and career counseling of trainees and potential trainees.
- (v) Reviewing the system for M&E in TEVT, assessing the M&E requirements, including the information and training needs of key managers, and staff requirements for effective M&E.
- (vi) Assessing the role of the private sector in TEVT by collecting all analyzed comparative unit and cycle cost data, and reviewing supervisory and regulatory mechanisms for assuring the quality of both government and nongovernment training institutions. Propose a plan for strengthened quality and regulatory mechanisms.
- (vii) In collaboration with other team members, counterpart staff, and key stakeholders, the consultant will prepare a detailed project component to help build institutional capacity at CTEVT and associated institutions, including professional development, administrative streamlining, improved communication and data systems, and stronger institutional linkages.

## **2. Specialist in Labor Economy and Finance (3 person-months)**

7. The consultant will help other members of the TA team in performing these tasks:

- (i) Prepare reports dealing with issues and strategies, including projected resource requirements to develop a targeted national training system that will enhance efficiency in resource allocation and use and increase the effectiveness of the public-community-private relationship.
- (ii) Examine critically the operation of existing policies governing private TEVT and supervision of such training institutions.
- (iii) Assist each member of the TA team, as required, to cost proposed project components and produce a detailed breakdown of costs including detailed procurement packages.
- (iv) Design the nature and function of project financing, proposed arrangements for overall project implementation and management, and the financial oversight and guidance of the steering committee.
- (v) Support the international consultant in conducting an economic and benefits analysis of the project.

## **3. Specialist in Information and Communication Technology Training (2 person-months)**

8. The consultant will work with the international ICT training specialist to perform the following tasks:

- (i) Review the ICT component report of the SESP PPTA (2001) to assess relevance and overlap with the national training system.

- (ii) Study private and government institutions where computer education is part of the training program.
- (iii) Study pilot programs such as the CTEVT's Annexe Schools Programs and Ministry of Science and Technology's Rural Communication Centre's Programme that may have innovative modalities for ICT education delivery.
- (iv) Examine ways in which computers can aid the instructional process and skills development in targeted programs and institutions.
- (v) Determine the hardware and software requirements for targeted programs and institutions.
- (vi) Recommend ways of using ICT to build institutional capacity.
- (vii) Review the MIS in use in the national training system, with particular emphasis on CTEVT and its associated institutions and make recommendations to enhance the systems' usefulness.
- (viii) In collaboration with other team members, counterpart staff, and key stakeholders, prepare a fully costed project component involving (a) targeted institutions and programs, and (b) institutional capacity building.

**4. Specialist in Management Information Systems Development (2 person-months)**

9. The consultant will work with the international specialist on the following tasks:

- (i) Recommend ways of using ICT to build institutional capacity.
- (ii) Review the MIS in use in the national training system, with emphasis on CTEVT and its associated institutions and make recommendations to enhance the systems' usefulness.
- (iii) In collaboration with other team members, counterpart staff, and key stakeholders, prepare a fully costed project component for promotion of ICT education involving (a) targeted institutions and programs, and (b) institutional capacity building.

**5. Specialist in Equity Mainstreaming (2 person-months)**

10. The consultant will work with the team leader and other specialists on the following tasks:

- (i) Prepare a poverty and social analysis.
- (ii) Analyze current beneficiaries of the training system to identify accessibility as well as the relevance of the current skills development programs for disadvantaged groups and women.
- (iii) Explore opportunities and mechanisms for introducing voucher systems, expanding scholarships, and other targeted interventions for disadvantaged trainees.
- (iv) Provide for disabled trainees in institutions (inclusive and exclusive).