ADB ASIAN DEVELOPMENT BANK

# Myanmar: Skills Development for Inclusive Growth

| | |
|---|---|
| Project Name | Skills Development for Inclusive Growth |
| Project Number | 47227-001 |
| Country | Myanmar |
| Project Status | Approved |
| Project Type / Modality of Assistance | Technical Assistance |
| Source of Funding / Amount | **TA 8634-MYA: Skills Development for Inclusive Growth**<br>Japan Fund for Poverty Reduction — US$ 2.00 million |
| Strategic Agendas | Inclusive economic growth |
| Drivers of Change | Governance and capacity development<br>Partnerships |
| Sector / Subsector | **Education** - Technical and vocational education and training |
| Gender Equity and Mainstreaming | Gender equity |
| Description | The government of Myanmar recognizes that skills development will be critical in promoting inclusive growth and poverty reduction, assisting Myanmar to meet rapidly evolving labor market needs, rebalancing and equipping the labor force and the economy to modernize and climb the technological ladder into higher value-added sectors, and enhancing equity of opportunity to new opportunities. Under the Comprehensive Education Sector Review (CESR) launched by the government in late 2012, with harmonized support from development partner organizations (DPOs) the Asian Development Bank (ADB) has been a lead DPO supporting analysis and policy dialogue on technical and vocational education and training (TVET) and other post-primary education subsectors in Myanmar. Building directly on dialogue under the CESR, the government has requested (including during the 2013 Country Programming Mission) ADB to provide technical assistance (TA) to pilot test new skills development models and provide related capacity development and policy and planning support.<br>The TA will involve cooperation with the Ministry of Science and Technology (MOST) and Ministry of Industry (MOI), in dialogue with other agencies. A key focal thrust will be supporting MOST and MOI to develop and pilot test competency-based modular short-courses (CBMSCs) in selected skill areas. New to Myanmar, CBMSCs would provide a mechanism to quickly expand the supply of foundational skills urgent needed to modernize Myanmar's urban and rural economies while also advancing equity and inclusive growth, by extending skills development opportunities to disadvantaged youth and workers who are unable to access higher education and existing forms of TVET. Complementing policy-level support under the Comprehensive Education Sector Review (CESR), the proposed TA will assist the government in operationalizing this thrust by developing and pilot testing CBMSCs in several urgently demanded skill areas and building related institutional capacities. Pending further review, it is foreseen that 7 pilot CBMSCs will focus on skills in (i) road construction and concrete technologies; (ii) cement shuttering; (iii) bar-bending (for concrete reinforcement); (iv) brick-laying; (v) MIG-MAG welding; (vi) arc welding; and (vii) maintenance and repair of farm equipment, motorcycles, and other common rural-use machinery.<br>In turn, support under the TA is expected to feedback into the CESR, by providing proven models that can be integrated into the 2016-2020 sub-plan of the Costed Education Sector Plan (CESP) to be developed during Phase 3 of the CESR--and replicated to a broader array of skill areas and institutions under MOST, MOI, and other agencies.<br>The TA will be administered by ADB and financed by the Japan Fund for Poverty Reduction, generously funded by the Government of Japan. |

| | |
|---|---|
| Project Rationale and Linkage to Country/Regional Strategy | Myanmar's dramatic socioeconomic transformations present both opportunities and challenges. Recognizing that an educated population and skilled workforce will be a prerequisite for successful navigation of these transformations and for sustained economic growth and poverty reduction, Myanmar's government has recently stepped up efforts to bolster the education sector, including the TVET subsector. Myanmar's ongoing CESR is playing a critical role in pinpointing critical gaps and identifying quick wins that can be pilot tested for potential scale-up under the forthcoming Costed Education Sector Plan (CESP): to be developed in the final phase of the CESR in 2014, the CESP will provide a unified framework for evidence-based, prioritized, and sequenced sector investments by the government and DPOs.<br>Among key gaps requiring urgent solutions, despite its large current and potential workforce of youth and young adults, Myanmar faces significant skill shortages and misalignment. In particular, ADB-supported analysis under the CESR's Rapid Assessment (Phase 1) demonstrates the existence of an inverted skill pyramid: amidst overall gaps in skilled labor, there is a particularly urgent need to generate young workers possessing basic skills to strengthen the foundations of the skill pyramid. For example, household survey data suggests that only roughly 1.7% of 16-19 year-olds are enrolled in various forms of skill training, with access to training concentrated in urban areas and fields like computers and languages: e.g., a total of only roughly 0.3% and 0.1% of rural males and females reported enrolment in any form of industrial, mechanical, or primary sector-related training, with an estimate of 0.0% among poor respondents. Women (especially in rural or peri-urban areas) are particularly underrepresented in the latter types of training. The absence of workers with foundational skills directly undermines the ability of more highly-skilled workers to efficiently function and obstructs balanced modernization in both the urban and rural sectors. CESR analysis also demonstrates that a key issue underlying this dearth in basic skills training has been the lack of capacities and systems for providing applied short-courses and other forms of training accessible to disadvantaged youth and workers. On one hand, public sector TVET provision in Myanmar in recent years has largely focused on advanced, multi-year degree or diploma programs with admission based on the same matriculation exam used for entrance into universities. Meanwhile, private training is expanding but remains limited and heavily targeted at more affluent urban niche markets (e.g., computer and language training). Looking beyond access alone, the TVET subsector also faces issues related to quality and management, which will need to be addressed to allow TVET to effectively support Myanmar's accelerating socioeconomic transformation. These include the need for the TVET subsector to shift from a largely supply-side and academic orientation towards more fully demand-driven and competency-based programs, while addressing gaps in (i) the quality and relevance of curricula and materials, methodology, and overall program design in the face of shifting demands; (ii) links to labor market needs, especially in expanding sectors and skill areas; (iii) instructional and managerial staff capacity and professional support systems, in addition to physical facilities; and (iv) related institutional capacities. At the same time, the TVET subsector has received very limited international support, as DPO support to the education sector remains concentrated in primary, preprimary, and nonformal education.<br>To help address these challenges, CESR Phase 1 recommended (i) continued analysis and policy support under CESR Phase 2 (in-depth analysis) in areas such as development of an updated policy framework for TVET; and (ii) more focused by quick win interventions. The latter include formulation and pilot testing of competency-based modular short-courses (CBMSCs). The TA will directly assist the government in the latter. It is also consistent with ADB's Interim Country Partnership Strategy for Myanmar. The ICPS' first pillar covers human resources and institutional capacities, and identifies the post-primary education subsectors (including TVET) as a core focus for ADB support. |
| Impact | Enhanced skills foundation for balanced and inclusive growth |

| **Project Outcome** | |
|---|---|
| Description of Outcome | Models for equipping disadvantaged young adults with job-ready, highly demanded skills demonstrated to be successful and adopted |
| Progress Toward Outcome | The project is in its early stage of implementation, but is expected to achieve the outcome. |
| **Implementation Progress** | |
| Description of Project Outputs | Institutional structures and capacities strengthened<br>CBMSC program content developed and delivered<br>Evidence disseminated and replication models prepared |

| | |
|---|---|
| Status of Implementation Progress (Outputs, Activities, and Issues) | Following delays encountered in recruitment of some of the other positions, the TA is continues to gain momentum, as outlined by output below.<br>Output 1: Institutional structures and capacities strengthened. The TA supports activities to build the institutional capacity of DTVE, DSITC, other key agencies, and participating training institutions to support pilot testing of CBMSCs, ensure that the pilot test feeds back into broader policy dialogue and reform processes, and provide a stronger base for expansion and replication of models demonstrated to be successful. Progress to date includes the TA's support to formulation of a conceptual framework for competency-based TVET, which has been adopted for inclusion in the draft NESP chapter for TVET. Related support to DTVE, DSITC, and NSSA on development of new TVET quality assurance approaches has also included development and approval of a new Myanmar national skill standard template that will be used for all new and revised skill standards.[[FOOTNOTE: TA support has been closely linked with German and Swiss support. Skill standards identify competencies needed for a trainee or worker to be certified at a specific level. A key challenge in Myanmar has been the lack of skill standards in most skills, while existing standards use inconsistent methodology, structure, and content.]] This represents a key milestone and foundation for TVET in Myanmar, since skill standards form the basis for competency-based curriculum, assessment and certification of trainees and workers, etc. Other examples include the TA's support to DTVE, DSITC, and participating TVET institutions (see output 2) to engage with local industry (particularly in industrial zones near Mandalay), including in the pinpointing skill needs.<br>Output 2: CBMSC program content developed and delivered. The TA is supporting the preparation and pilot testing of CBMSCs via two parallel pilot tests implemented by DTVE and DSITC: (i) the DTVE pilot test covers 3 government technical high schools (in Mandalay, Naypyitaw, and Yangon) and focuses on 4 CBMSCs covering skills related to building and construction; [[FOOTNOTE: The 4 DTVE CBMSCs will focus on (i) basic road construction; (ii) concrete forms; (iii) bar-bending (for concrete reinforcement); and (iv) bricklaying.]] and (ii) the DSITC pilot test covers 2 industrial training centers (in Mandalay and Pakokku) and focuses on 4 (originally 3) CBMSCs spanning skills related to welding and small rural-use machinery repair and maintenance.[[FOOTNOTE: The 4 DSITC CBMSCs will focus on (i) MIG-MAG welding; (ii) arc welding (TIG); (iii) maintenance and repair of farm machinery; and (iv) motorcycle repair.]] In later stages, the TA will also provide capacity building to support development of a broader array of CBMSCs for rollout after TA completion. In terms of progress to date, building on support under output 1 and based on the new Myanmar national skill standard template, output 2 has supported DTVE and DSITC in developing draft skill standards linked to all 8 CBMSCs to be piloted under the TA [[FOOTNOTE: Draft skill standards linked to 6 of the 8 CBMSCs have been completed thus far.]]. These skill standards have or will be submitted to NSSA for review and potential approval as the new national skill standards for level 1 skills in these skill areas (e.g., MIG-MAG Welder Level 1 ). Based on these skill standards, the TA is supporting DTVE, and DSITC, and TVET institution faculty in developing curriculum for the 8 CBMSCs, aimed at graduates achieving level 1 or 2 skill certification. A series of preparatory TVET teacher training courses have been completed, including first aid, fire safety, competency-based training approaches, and curriculum and materials development. Teachers participating in the DTVE pilot also recently completed an industrial attachment, representing a grassroots innovation , since many TVET teachers in Myanmar lack any industry experience. Preparations are underway to procure equipment kits for the first batch of CBMSCs, which are expected to be launched in November.<br>Output 3: Evidence disseminated and replication models prepared. Support under output 3 includes (i) monitoring and evaluation (M&E) of both pilot tests; [[FOOTNOTE: This will include limited baseline and endline studies focused on local skill gaps faced by employers, and a small tracer study to assess trainees' ability to find employment.]]; (ii) development of knowledge products and support for multi-stakeholder dialogue and dissemination of findings and policy recommendations; and (iii) analytical and capacity development support to promote post-TA replication of CBMSC models. Output 3 TA has completed design and conduct of the M&E baseline survey, with other activities slated for late in the TA, to support replication. [[FOOTNOTE: This will provide the basis for the final impact evaluation of the pilot, using a difference-in-difference methodology.]] |
| Geographical Location | |

| **Summary of Environmental and Social Aspects** | |
|---|---|
| Environmental Aspects | |
| Involuntary Resettlement | |
| Indigenous Peoples | |
| **Stakeholder Communication, Participation, and Consultation** | |
| During Project Design | As noted above, TA conceptualization emanated directly from the dialogue with MOST, MOI, the Ministry of Education (MOE) and other agencies and development partners under the CESR process. MOST and MOI have identified development and pilot testing of CBMSCs to be a high priority, and have in turn sought ADB support to develop CBMSCs, more broadly strengthen their capacities in areas like responsiveness to employer demands. TA reconnaissance and fact-finding discussions (during 1-3 July and 16-20 September 2013) reached agreement on the TA design, including the impact, outcome, outputs, implementation arrangements, cost estimates and financing arrangements, and consultant terms of reference.<br>In addition to MOST, MOI, and MOE, TA conceptualization also benefited from dialogue with various agencies, development partners (including the Embassy of Japan and JICA), employer associations, and other organizations under the CESR process, including via a series of TVET roundtable meetings . |

| | |
|---|---|
| During Project Implementation | To support implementation and replication, a TA advisory committee is in the process of being established, chaired by MOST and including representation from MOI, NSSA, other relevant agencies, and industry representatives.<br>The TA design also foresees close dialogue with employers and communities in areas surrounding the 5 training centers, ranging from engagement of employers (including through technical sector committees) in identifying core skill needs to social mobilization to encourage young women and men (particularly from disadvantaged backgrounds) to enroll in fee-free CBMSCs. Consultations and outreach are in progress, with the most significant engagement to date in Mandalay. Other recent examples include engagement on human capital (including TVET and other dimensions) with CSOs and labor unions via a September 2015 forum organized by the Solidarity Center in Yangon. In addition, close dialogue will also ensure complementarity with TVET-related support provided by other development partners. |

| **Business Opportunities** | |
|---|---|
| Consulting Services | It is indicatively estimated that the TA will support 43 person-months of international consultants (4 positions) and 22 person-months of national consultants (1 position) with expertise in relevant types of TVET. International consultants will indicatively be comprised of: (i) Expert on Skills Development; (ii) Expert on Short-Course Training on Building and Construction; (iii) Expert on Short-Course Training on Welding; and (iv) Expert on Short-Course Training on Small Machinery Repair. A national consultant is expected to be recruited to serve as a Skills Development Specialist.<br>ADB will engage the consultants as individuals in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). The TA will also mobilize short-term resource persons to provide specific expertise, as needed for activities such as training-of-trainers and events. |
| Procurement | Subject to more detailed planning during TA implementation, the TA is expected to procure a modest amount of equipment required for use in carrying out competency-based modular short-courses (CBMSCs). In all cases, ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time), Procurement Guidelines (2013, as amended from time to time), and other ADB guidelines will be applied. |

| | |
|---|---|
| Responsible ADB Officer | Christopher A. Spohr |
| Responsible ADB Department | Southeast Asia Department |
| Responsible ADB Division | Myanmar Resident Mission |
| Executing Agencies | *Ministry of Education*<br>*Building No.(13) Ministry of Education*<br>*Nay Pyi Taw Myanmar* |

| **Timetable** | |
|---|---|
| Concept Clearance | 02 Sep 2013 |
| Fact Finding | 16 Sep 2013 to 27 Sep 2013 |
| MRM | - |
| Approval | 02 Apr 2014 |
| Last Review Mission | - |
| Last PDS Update | 25 Sep 2015 |

**TA 8634-MYA**

| Milestones | | | | | |
|---|---|---|---|---|---|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 02 Apr 2014 | 24 Apr 2014 | 24 Apr 2014 | 30 Apr 2016 | - | - |

| Financing Plan/TA Utilization | | | | | | | Cumulative Disbursements | |
|---|---|---|---|---|---|---|---|---|
| ADB | Cofinancing | Counterpart | | | | Total | Date | Amount |
| | | Gov | Beneficiaries | Project Sponsor | Others | | | |
| 0.00 | 2,000,000.00 | 500,000.00 | 0.00 | 0.00 | 0.00 | 2,500,000.00 | 02 Apr 2014 | 573,401.62 |

| | |
|---|---|
| Project Page | http://www.adb.org/projects/47227-001/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=47227-001 |

| | |
|---|---|
| Date Generated | 11 October 2015 |

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.