Bangladesh: Skills for Employment
I. THE PROJECT

A. Rationale

1. The proposed Skills for Employment Project (SEP) will contribute to increased employability and income of Technical and Vocational Education and Training (TVET) graduates by supporting the implementation of two major policy reforms the Government of Bangladesh has recently approved, the National Education Policy (NEP, 2010), and the National Skills Development Policy (NSDP, 2011). These policies articulate strategies to reform the skills development system. The NEP aims to reform the education sector, including TVET provision, and calls for a major expansion of TVET including extending the apprenticeship system, increasing access to TVET, and providing vertical mobility from one TVET level to another. The NEP encourages private management of public TVET institutions to improve quality and access. The NSDP envisions flexible, demand oriented skills development and emphasizes partnerships between government, industry, workers and civil society. The NSDP stipulates quality improvement through the imposition of standards and alignment of training programs within a qualifications framework. The policy adopts a competency-based training model rooted in workplace skills requirements.

2. Reform and implementation. The SEP will build on the reforms that have already been started by the ongoing projects. Key priorities will include (i) strengthening the implementation strategy of the NSDP; (ii) strengthening the implementation of the National Technical and Vocational Qualification Framework (NTVQF); (iii) the development and implementation of competency-based curricula to address the skills needs of selected industries, instructor training, responsive training products to meet employer and student needs; and (iv) the strengthening and expansion of the Industry Sector Councils (ISC) in key economic sectors. ISCs provide the platform for each sector to set human resource priorities, define the required standards, and guide training providers on meeting the required skills. Based on lessons learned, this demand–oriented skills development approach needs to be strengthened in core sectors, like agro-business and ready-made garment, and replicated in other selected economic sectors including energy, maritime technology, and heavy engineering.

3. Economy and labor market performance. Bangladesh has continued to make economic gains with an annual GDP growth rate of around 6% over the last five years. This growth has generated new jobs in the service and manufacturing sectors. Remittances contribute about 10% of GDP. Despite these positive trends, the economy and employment face serious challenges. The economic base depends on garments and remittances. Half of the labor force is working in low skill agricultural activities. While unemployment is reported at 5% in 2009, underemployment is at 29% signifying a mismatch between the supply of skills and demand in the labor market. 80% of the workforce is employed in the informal sector experiencing unproductive, uncertain, and unregulated underemployment. The economy needs to diversify and expand. To benefit from the demographic dividend productivity increase of the labor force needs to be accelerated with emphasis on soft skills and market responsive TVET.

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1. A Project Preparatory Technical Assistance (PPTA) is proposed (Appendix 4).
2. The Skills Development Project funded by the Asian Development Bank (ADB) and the Swiss Development Corporation, the TVET Reform in Bangladesh Project financed by European Union and International Labor Organization, and the Skills and Training Enhancement Project, financed by the World Bank.
3. The ongoing projects supported establishment of ISCs in transport, information technology, leather and leather goods, agro-food processing, ready-made garment sector, light engineering, construction, and the informal sector.
4. Agriculture accounts for 19% of GDP and 50% of the labor force; industry 29% of GDP and 14% of the labor force; and services 53% of GDP and 36% of the labor force. In 2007 underemployment of women was reported at 53% and in agriculture at 20%. World Bank. 2007. Learning for Working Opportunities. Washington. Literacy of the work force is estimated at 52.5%, 28% attained less than grade 8, and 18% reached between grades 9-12. World Bank. 2010. Bangladesh: Skills and Training Enhancement Project. Washington.
4. **Access and equity.** Although near universal primary school intake has been achieved, drop out rates in primary and secondary are very high. Progression to technical and vocational education is 3.3% of secondary school enrollments. TVET is the least funded sub-sector (2.6% of the education budget). TVET is comprised of non-formal short courses (less than 360 hours) and three levels of formal TVET, two secondary certificate levels and post-secondary diploma or degrees courses. Formal TVET runs parallel to the academic programs from grade 8 until 12 and continues in post-secondary education. The rural population has less opportunity to pursue TVET as most training is in urban areas. Most programs correspond to traditionally male-dominated trades. Female enrollment is 17%, mostly in private institutions.

5. **TVET organization and management.** The NSDP stipulates that the tripartite National Skills Development Council (NSDC) is the highest and apex skills development body which will oversee and monitor all activities of public and private training providers related to TVET and skills training. The NSDP is chaired by the Prime Minister and has an Executive Committee and a secretariat. The Bangladesh Technical Education Board (BTEB) is responsible for quality assurance, curriculum, certification, examination and assessment. The Department of Technical Education (DTE), the Bureau for Manpower, Employment and Training (BMET), and the Ministry of Youth are the main public TVET providers. Sixteen other ministries also provide skills training. Private providers make up 95% of total TVET institutions and enroll about 75%. Over 3,000 private providers are accredited by the BTEB, about one third receives government support, covering basic teacher salaries. About 500,000 students are enrolled in formal TVET.

6. **Quality and relevance of TVET system.** The formal TVET system focuses on long-term courses emphasizing theoretical knowledge and limited exposure to the world of work. Graduates of formal TVET have difficulties in securing jobs. The system is broadly recognized as supply driven, underequipped, and under resourced. There is an absence of trained teachers, lack of emphasis on demonstration of skills, and limited linkages with employers and industry. Current administrative rules stifle forming of innovative partnerships with emerging market needs. BMET training centers offer more flexible and responsive short courses. Some high quality NGO provision exists but requires ongoing support to sustain. Industry initiatives in training, especially textile, show results indicating a willingness to contribute to building a quality skills development system. The large majority of employees appear to be trained via on the job training in the workplace in the informal sector. Little information is available about this training.

7. **The SEP will support the government** to achieve its reform priorities as specified in the NEP and NSDP. There is sufficient support available to public institutions and providers through the ongoing projects. SEP design will focus on implementing the policy reforms that strengthen the role of the private sector and develop the necessary linkages required to maintain a high quality and responsive skills development system. Through rigorous consultation with stakeholders the SEP will engage and address employer skills and workforce development needs in key economic sectors. SEP supports ADB’s Country Program Strategy 2011-2015 (CPS) which emphasizes skills development to support economic development. To support transformation of the sector a long-term engagement is required. While SEP will be a project investment, the most suitable modalities, like results-based financing, will be explored.

B. **Impact, Outcome, and Outputs**

8. The impact of the SEP will be increased employment and income of graduates of the skills development system. The outcome of the project will be increased access, quality, inclusiveness and responsiveness of the skills development system. The indicative outputs are summarized below and a design and monitoring framework is presented in Appendix 3.

9. **Output 1: Policy, institutional and operational reforms** The SEP will support prioritized and selective key reforms of the new policy framework. The following areas will be
considered during design: (i) establishment of a Bangladesh Skills Development Fund (BSDF) to finance enterprise based training and private management of public institutions; (ii) support ISCs in selected economic sectors to develop and implement skills strategies like energy, ready-made garments, and maritime technology; (iii) set and package skills standards into gender sensitive training pathways; (iv) develop strategies to improve productivity and opportunities in the informal sector, including increased opportunities for underprivileged and women; and (v) implementation of NTVQF and recognition of prior learning, allowing vertical and horizontal mobility, including linkages with universities and credit transfer.

10. **Output 2: Providing demand driven skills development programs.** The SEP will provide demand driven skills development by increasing the participation of enterprises in quality assured skills development and delivery. Providers that have demonstrated scalable or replicable models will be supported. The design will consider: (i) strengthening ISCs and training institutions in selected sectors, like energy, ready-made garments, and maritime technology; (ii) supporting apprenticeships and other enterprise based training; (iii) training to improve performance of the informal sector; (iv) establishing new training institutions within a public private partnership (PPP) framework and or contracting out private management of public institutions; (v) strengthening exceptional NGO training providers via an endowment fund; and (vi) developing flexible approaches to skills formation through partnerships with industry, including programs targeted at underprivileged and women.

11. **Output 3: Effective planning, program management and coordination.** The project will target support to strengthen governance and management systems to ensure policy objectives can be realized. Programs considered are (i) targeted social marketing programs, (ii) strengthening labor market information and analysis, (iii) strengthened financial management for results-based financing, (iv) program and provider quality assurance and accreditation, (v) rigorous professional development for management, administrators and teacher staff; (vi) monitoring, evaluation, including impact evaluations and tracer studies.

### C. Investment and Financing Plans

12. The tentative financing plan based on the CPS 2011-2015 is provided below. Cofinancing with other development partners will be sought during the project preparation.

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount ($ million)</th>
<th>Share of Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian Development Bank</td>
<td>100.00</td>
<td>80.00</td>
</tr>
<tr>
<td>Cofinanciers to be decided</td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Government</td>
<td>25.00</td>
<td>20.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>TBD</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Asian Development Bank estimates.

### D. Indicative Implementation Arrangements

13. The Ministry of Education (MOE) is currently identified as the executing agency. Given the rapid institutional changes, the implementation arrangements, including the executing agency, will be reviewed during design, and aligned with the NSDP and NEP as appropriate.

### II. TECHNICAL ASSISTANCE

14. A piggyback technical assistance of $500,000 to support TVET policy reforms and effective implementation will also be processed.
III. DUE DILIGENCE REQUIRED

15. Governance due diligence and poverty and social due diligence will be required.

(i) Technical, economic and financial. To be undertaken as part of the feasibility studies and project formulation.

(ii) Governance. Building on the ongoing projects, a governance risk assessment at the TEVT subsector will be conducted. MOE and other involved institutions capacity in financial management, procurement, and anti-corruption will also be assessed to develop a risk management plan. The current experiences with and opportunities for PPP, and governance of TVET providers will be assessed.

(iii) Poverty and social. Poverty, social and gender analysis available for the SDP and other projects will be updated considering current socio-economic scenario in line with the general intervention and gender equity classifications. A Gender Action Plan will be developed.

(iv) Safeguards. The PPTA will assess the potential land acquisition and resettlement impacts of the project as well as its impacts on Indigenous Peoples. Indigenous people are expected to be part of the targeted students from disadvantaged communities. Strengthening existing and establishing new TVET facilities is foreseen.

IV. PROCESSING PLAN

A. Risk Categorization

16. As per ADB guidelines, the Project is categorized as low risk largely because (i) the loan amount is $100 million; (ii) ADB has extensive experience in the education and the TVET sector; (iii) an assessment of the governance risk management capacity of the executing agency is part of the PPTA; and (iv) safeguard categorization is expected to be other than A.

B. Resource Requirements

17. The project processing will require approximately 9 months of staff time including the resident mission staff in addition to the proposed PPTA for 52 person-months of national and international consultant inputs (Appendix 4).

C. Processing Schedule

18. Key milestones up to loan effectiveness are listed below.

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fact-finding mission</td>
<td>December 2012</td>
</tr>
<tr>
<td>Management Review Meeting</td>
<td>February 2013</td>
</tr>
<tr>
<td>Loan negotiations</td>
<td>March 2013</td>
</tr>
<tr>
<td>Board consideration</td>
<td>May 2013</td>
</tr>
</tbody>
</table>

Source: ADB estimates.

V. KEY ISSUES

19. The key issues include (i) the main policies guiding the TVET sector are not fully aligned, and the institutional structure is still developing, especially the NSDC and its secretariat and executive committee; (ii) careful analysis of options for demand driven TVET program is critical; (iii) options for the Executing Agency and Implementing Agencies for the project will be reviewed strategically; and (iv) harmonization with other development partners in the TVET sector with three ongoing projects in a quickly developing sector. The design of the project needs to be flexible to be able to adjust to institutional changes that may come even after the project approval. The processing team will use the lessons from the ongoing projects.
## BASIC PROJECT INFORMATION

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modality</td>
<td>Project Loan; Results-based financing will be explored</td>
</tr>
<tr>
<td>Financing</td>
<td>Asian Development Fund</td>
</tr>
<tr>
<td>COBP</td>
<td>Project and Piggy Back Technical Assistance are included for the 2013 program in the COBP 2012-2014</td>
</tr>
<tr>
<td>Classification</td>
<td>Sector (subsectors): Education, (Technical Education and Vocational Skills Training) Themes (subthemes): Social Development (Human Development); Gender Equity (Gender Equity in Human Capabilities); Capacity Development (Institutional Development; Organizational Development); and Governance (Economic and Financial Governance) Targeting classification: General Intervention Location impact: National (High) Safeguards: Environment – B/C, Involuntary Resettlement – C, Indigenous Peoples – C Risk categorization: Low</td>
</tr>
<tr>
<td>Partnership(s)</td>
<td>During PPTA options for co-financing will be explored. It will be discussed with JICA if volunteers can assist the government in strategic positions. The main development partners are SDC, EU, World Bank and ILO. Partnership opportunities will also be explored with national public and private institutions.</td>
</tr>
<tr>
<td>Use of a PBA</td>
<td>PBA will not be used</td>
</tr>
<tr>
<td>Parallel PIU</td>
<td>Parallel PIU will not be used</td>
</tr>
<tr>
<td>Department and Division</td>
<td>SARD/SAHS</td>
</tr>
</tbody>
</table>
| Mission leader and members | David Ablett, Social Sector Specialist, SAHS/Co-Mission Leader  
Rudi van Dael, Social Sector Specialist, SAHS/Co-Mission Leader  
Brajesh Panth, Lead Education Specialist, SAHS  
Ravi Venkat Peri, Principal Private Sector Development Specialist, SAOD  
Ayako Inagaki, Principal Social Sector Specialist, BRM  
Jamal Mahmood, Head, Social Sector, BRM  
Ferdousi Sultana Begum, Senior Social Development Officer (Gender), BRM  
Md. Golam Mortaza, Economics Officer, BRM  
Md. Shahidul Alam, Project Officer (Resettlement and Social Development), BRM  
Arif Faisal, Project Officer (Environment), BRM  
Shanti Jaganathan (Peer reviewer) RSDD |

Appendix 2

Problem Tree

Longer term effect

- low productivity and subsistence jobs
- Shortage of skilled professionals and workers in priority and emerging labor markets

Medium term effect

- TVET graduates cannot find jobs
- Most new entrants and existing labor force not properly skilled

Core Problem

- The TVET system has insufficient capacity, is poorly governed and is inefficient in providing relevant, sufficient and equitable technical education and vocational training in priority and emerging technical areas

Causes

- Inadequate TVET opportunities, especially for students who did not make it to grade 8
- Gender bias limits opportunities for female TVET enrolment and employment
- Lack of progression from lower skills training
- TVET system not responsive to market needs
- Available trainings lack standardization, certification and quality assurance
- Involvement of private sector and employers too limited
- Quality of most skills training insufficient
- TVET underequipped and lacking trained teachers
## PRELIMINARY DESIGN AND MONITORING FRAMEWORK

<table>
<thead>
<tr>
<th>Design Summary</th>
<th>Performance Targets and Indicators</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Increased employment and income of graduates of the skills development system</td>
<td>Survey of employers</td>
<td>Assumption Continued economic growth</td>
</tr>
<tr>
<td>% of employers that report being able to appoint skilled Bangladeshi into vacancies at all levels (XX% 2012 to YY% 2020)</td>
<td><strong>Increased employment rate of TVET graduates</strong> (disaggregated for sex and socio-economic background) (XX% 2012 to YY% 2020)</td>
<td>Bangladesh Living Standard Survey</td>
<td></td>
</tr>
<tr>
<td>% increase in income levels of TVET graduates (disaggregated for sex and socio-economic background) (XX% 2012 to YY% 2020)</td>
<td>(baseline to be established in 2012 through the PPTA)</td>
<td>Bangladesh Living Standard Survey</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Increased access, quality, inclusiveness and responsiveness of the TVET system</td>
<td>BTEB statistics reported to National Skills Development Council</td>
<td>Assumptions Government institutional strengthening will be successful</td>
</tr>
<tr>
<td>% increase in number of BTEB accredited public, private and NGO institutions and workplaces (XX% 2012 and YY % 2018)</td>
<td>% of graduates of courses conducted during the project gainfully employed or self-employed (targets disaggregated for sex and socio-economic background) (0% 2012 and YY% 2018)</td>
<td>Tracer studies Project reports, based on performance contracting</td>
<td>Government and other stakeholders’ commitment to policy reforms remain high.</td>
</tr>
<tr>
<td>(baseline to be established in 2012 through the PPTA)</td>
<td></td>
<td></td>
<td>Private/ NGO sector will be responsive</td>
</tr>
<tr>
<td><strong>Outputs</strong></td>
<td>1. Policy, institutional and operational reforms</td>
<td>Project progress report</td>
<td>Assumptions Government will make all staffing appointments in a timely manner</td>
</tr>
<tr>
<td>(Specific indicators, targets and baseline data, including sex-disaggregated targets, and targets for the underprivileged, to be determined at PPTA stage)</td>
<td>Establishment of National Skills Development Fund to support EBT and private management of public institutions (2014)</td>
<td>Project progress report</td>
<td>Government will regularly convene the NSDC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Copy of approved strategy</td>
<td>TVET institutions will successfully be upgraded</td>
</tr>
<tr>
<td>Design Summary</td>
<td>Performance Targets and Indicators</td>
<td>Data Sources and Reporting Mechanisms</td>
<td>Assumptions and Risks</td>
</tr>
<tr>
<td>----------------</td>
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</tr>
</tbody>
</table>
|                | ICS in selected sectors strengthened or established (2014)  
Informal sector training strategy developed (2014)  
NTVQF for pre-vocational levels, level 1-3 and 4-6 established for all sectors (2018)  
Vertical movement between TVET system and universities established (2018)  
RPL established (2015)  
Selected institutions implementing key reforms of TVET policy strengthened (including teacher training institutions) (2018) | Project progress report  
Project progress report  
Project progress report  
Project progress report | through the SEP to achieve accreditation  
TVET sector will respond so that the target is achievable |
| 2. Demand driven skills development programs | Increased enrollments in accredited TVET programs (sex disaggregated targets and targets for disadvantaged) (2018)  
Number of male and female participants assessed via RPL (2018)  
Number of newly established or revised existing TVET programs offering accredited courses via different modalities (public institutions managed by private providers, EBT, excellent NGO-providers, ISC supported centres of excellence in selected economic sectors, informal apprenticeships, etc) (2018) | Training information in project progress report  
Training information in project progress report  
BTEB statistics in report to NSDC  
Project progress report | |
| 3. Effective planning, program management and coordination | Improved labour market information and analysis with sex disaggregated data and gender analysis (annually)  
Improved information on results available due to impact and tracer studies conducted (2018) | Annual labor market reports to NSDC  
Study reports | |
### Design Summary

<table>
<thead>
<tr>
<th>Performance Targets and Indicators</th>
<th>Data Sources and Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better information available on skills development due to well resourced social marketing campaign conducted targeting both women and men (annually)</td>
<td>Project progress report</td>
<td></td>
</tr>
<tr>
<td>Strengthened project management and FM system, able to award results-based contracts and monitor achievement of policy objectives (annually)</td>
<td>Project Progress report</td>
<td></td>
</tr>
</tbody>
</table>

### Activities with Milestones

1. **Policy, institutional and operational reforms**
   1.1. Plan how to strengthen selected ISC developed (6 months)
   1.2. Implementation strategy of NTVQF developed, including recognition of prior learning and vertical and horizontal mobility (8 months)
   1.3. Capacity development plan for selected institutions developed (8 months)
   1.4. Plan to set and package skills standards into training pathways developed with relevant ISC (within 12 months)
   1.5. Recommendations for EBT approach developed (within 12 months)
   1.6. Recommendations for private management of public institutions developed (within 12 months)
   1.7. Recommendations to establish a BSDF developed (within 12 months)
   1.8. Regular sector skill council meeting facilitated and documented (within 12 months)
   1.9. Informal training strategy developed (within 18 months)
   1.10. Capacity development plan for selected institutions implemented (2018)

2. **Demand driven skills development programs provided**
   2.1. Contracting of EBT on pilot basis (2014)
   2.2. Selection of excellent NGO training providers (2014)
   2.3. Contracting of private management of public institutions on pilot basis (2014)
   2.4. Contracting and review of skills development in selected sectors (2018)
   2.5. Support to excellent NGO training providers (2018)
   2.6. Contracting and review of EBT through BSDF (2018)
   2.7. Contracting and review of public institutions privately managed privately managed (2018)
   2.8. Implementing and review of informal training (2018)

3. **Effective planning, program management and coordination**
   3.1. Baseline data established and M&E plan developed (within 6 months)
   3.2. Financial management system established and reporting form for performance management developed (within 12 months)
   3.3. Periodical monitoring (every 9 to 6 months) and final evaluation conducted (in 2018)
   3.4. Social marketing strategy developed (within 12 months) and implemented (annually)

### Inputs

- **Investment Project**
  - ADB: $100 million (indicative)
  - Government: TBD
  - Cofinancing: TBD
  - Beneficiaries: All potential TVET students and participants and TVET graduates

- **Private sector**
  - PPP to be developed

- **Technical Assistance**
  - ADB: $500,000 (TBD)

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**ADB** = Asian Development Bank, **BTEB** = Bangladesh Technical Education Board, **BSDF** = Bangladesh Skills Development Fund, **DMF** = design and monitoring framework, **EBT** = enterprise based training, **FM** = financial management, **ISC** = industry skills councils, **NGO** = nongovernment organization, **NSDC** = National Skills Development Council, **NTVQF** = National Technical And Vocational Qualification Framework, **PPP** = public private partnerships, **RPL** = recognition of prior learning, **TBD** = to be decided, **TVET** = technical and vocational education and training.
PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The Skills for Employment (SEP) project aims to support the Bangladeshi industry and its workforce, including the unemployed and other vulnerable groups, to develop their skills to increase possibilities for domestic and international employment. To design the Project, a robust participatory process involving all the relevant stakeholders is necessary to seek consensus on the scope, coverage and priority reforms to be supported by the Project. The participatory process will be informed by an analysis of the consequences of the National Education Policy (NEP), the National Skills Development Policy (NSDP), and the updated implementation strategy for the reform process in the TVET sector. The process will also be informed by an analysis of the labor market, the TVET sector including its position and linkages with the labor market, and the general education system, a labor market analysis, and a stakeholder analysis that identifies needs and priorities. The project preparatory technical assistance (PPTA) will assist the Government and other key stakeholders in analyzing and prioritizing reforms and improvements to make the technical education and vocational training (TVET) system more responsive to labor market needs. The results and progress of the current reforms, including those supported by the ongoing ADB-funded Skills Development Project (SDP), the TVET Reform in Bangladesh Project financed by European Union (EU) and the International Labor Organization (ILO), the Skills and Training Enhancement Project (STEP), financed by the World Bank (WB), have to be integrated and sustained. The reforms and lessons learned from the Post-Literacy and Continuing Education II Project (PLCE II) will also inform the design process.

B. Major Outputs and Activities

2. The PPTA will (i) analyze the consequences of the recent policy reforms and further develop the implementation plans; (ii) operationalize analysis to project perspective and identify the lessons learned and undertake a gap analysis of the current projects, identify economic sectors for continued or new support of Industry Sector Councils (ISC), identify public private partnership (PPP) opportunities via studies of alternative financial means to stimulate Enterprise Based Training (EBT) and strengthening private providers, identify options to support traditional apprenticeships, identify institutional development and capacity development requirements, and analyze governance, fiduciary, and institutional risks in the sector and the executing and implementing agencies, and identify mitigating actions; and (iii) help formulate the Project and prepare key enabling documents.

3. A major output of the first phase of the PPTA will be an updated focused sector analysis which can build on the sector analysis undertaken for the three ongoing skills development projects, use information from the PLCEII, and use the results from other ongoing studies and analytical work, to show progress made in recent years. This sector analysis will be preceded by a stakeholder analysis, identifying all the main actors. The sector analysis will focus broadly on the organization of the TVET subsector, institutional arrangements, basic information and trends on students, teachers, TVET institutions, and performance of the subsector in terms of equitable access for the poor, women, indigenous people and handicapped, quality and relevance, overall responsiveness of TVET system to labor market needs, employability and reforms achieved. A full update on the functioning of the ISCs, the NSDC and the Skills Testing and Certification is included. The PPTA will get a more detailed picture of the involvement of industry and other employers in developing TVET at national, international and regional level, both in the private and the public sector. An analysis of the models that work and which do not work is part of this. The PPTA will also assess the existing extent and practices of traditional apprenticeships. The sector analysis will also include a policy and institutional analysis of the TVET subsector. The sector analysis will also review the NEP, the NSDP and other core policy documents for the
TVET system and providers to meet Government priorities, analyze the role of overseas employment, and analyze the broader policy reforms in the investment climate and social security. The subsector analysis will also draw from the findings of the ongoing regional technical assistance that covers TVET, good practices and lessons learned from national and international experiences (particularly from Sri Lanka, India, Australia, Malaysia, Singapore, South Korea), from the findings from the ongoing three TVET projects and the PLCE II, and from other experiences and studies from within Bangladesh in PPP, market responsiveness and other good practices.

4. Another output of the first phase of the TA is updating the analysis of the labor market to ascertain which skills are in demand, which courses are popular, the background of the TVET students and the nature of underemployment, the overseas employment, and the skills shortage. This also includes an analysis of the social demand for the TVET courses and their image, and the employability of graduates from different types of TVET institutions and courses be it self-employment, informal employment, domestic employment or international employment. The analysis will also provide a wider view on the functioning of the labor market and identify any structural and or cultural barriers to employability or mismatch between supply and demand of skills. The labor market analysis will also look into the employment intensity of sectors in order to allow co-benefits of growth and employment. This part of the PPTA will be implemented in close collaboration with BMET, who is currently responsible for labor market analysis. Based on this analysis the existing capacity to conduct labor market analysis will be assessed, and capacity and reforms for strengthened labor market analysis identified.

5. Based on the TVET sector analysis and labor market analysis, the TA will assist in analyzing the specific consequences of the policy reforms and the proposed implementation strategies for skills development. A NSDC action plan and an implementation strategy for the National Education Policy is being developed. This analysis could lead to updating the implementation strategy.

6. The PPTA will identify lessons learned from the ongoing projects and conduct a ‘gap’ analysis to identify which areas have not been covered by the ongoing projects. Based on the analytical work from phase one and the specific analysis of the ongoing projects the expected results of the SEP will be sharpened in a participatory process involving all relevant stakeholders, including beneficiaries. These results should lead to strengthened and expanded demand oriented skills development and delivery with strong involvement of the private sector as initiated by the ongoing projects and reforms.

7. The PPTA will based on the sharpened results (i) identify economic sectors where the existing ISC or a new ISC will be supported to apply an “all-levels whole-of-sector” approach to make the linkage with basic to academic skills requirements to strengthen the sector, (ii) identify the PPP possibilities for supporting EBT (apprenticeships and direct worker training), supporting private management of public TVET providers, supporting trainings contracted directly by selected ISCs, supporting high quality NGOs, with instruments like the proposed Bangladesh Skills Development Fund or an endowment fund, (iii) identify how informal apprenticeships can be supported via different modalities, and (iv) identify institutional development and capacity development requirements in line with policy reforms and identified interventions in the project, like NTVQF implementation, implementation of Recognition of Prior Learning, informal training strategy, vertical movement, and private providers and industry accreditation and funding. The analysis of the requirements will also focus on the position of the TVET-sector in the education sector and in its linkages with the economic development. Labor market information analysis is one of the core requirements.

8. The TA will analyze governance, fiduciary, and institutional risks in the sector and the
executing and implementing agencies, and identify mitigating actions. The TA will update the economic and financial analysis undertaken for SDP and other projects, with special focus on sustainability, alternatives considered, economic internal rate of return, and poverty analysis. The TA will conduct a social and gender assessment of the sector based on available reports and information. Finally, the TA will help the Government to formulate the Project for review by the Government and ADB. In the design process it will be explored if it is feasible to propose the results-based financing mechanism with using disbursement linked indicators for the project. The TA will also ensure social analysis and safeguards issues. Given the limited knowledge of the impact of current TVET interventions an impact analysis and tracer studies will be part of the Project. It is crucial that the project will be designed in participatory process. A summary of major outputs and activities are summarized in Table A4.1.

### Table A4.1: Summary of Major Outputs and Activities

<table>
<thead>
<tr>
<th>Major Activities</th>
<th>Expected Completion Date</th>
<th>Major Outputs</th>
<th>Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall organization of the PPTA, planning of outputs and consultant deployment</td>
<td>2 weeks</td>
<td>Inception Report</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Analyze the consequences of the recent policy reforms and further develop the implementation plans</td>
<td>18 weeks</td>
<td>Labor Market Analysis TVET Subsector Analysis Update of implementation strategy</td>
<td>16 weeks 18 weeks 18 weeks</td>
</tr>
<tr>
<td>Operationalize analysis to project perspective, drafting the draft design and monitoring framework, identifying core areas of intervention, and conducting economic, governance and social analysis</td>
<td>28 weeks</td>
<td>Lessons learned and gap analysis Problem Tree Analysis, Draft Design and Monitoring Framework Identification of core economic sectors, of PPP opportunities, of informal sector approaches, of institutional and capacity development requirements</td>
<td>20 weeks 22 weeks 26 weeks</td>
</tr>
<tr>
<td>Participatory design process resulting in detailed scope of the Project and costing of investment needs by component, detailed implementation arrangements</td>
<td>36 weeks</td>
<td>Draft Feasibility Study Draft Project Design Draft Final Project Design Final Report</td>
<td>30 weeks 33 weeks 36 Weeks</td>
</tr>
</tbody>
</table>

PPP = public private partnership, PPTA = project preparatory technical assistance, TVET = technical and vocational education and training.

C. **Cost Estimate and Proposed Financing Arrangements**

9. The TA cost is $700,000 to be financed on a grant basis by the Japan Fund for Poverty
Reduction, and administered by ADB. The government will provide in-kind contribution including staff time, office space and other logistical support. The detailed cost estimate is presented in Table A4.2. The Government is advised that approval of the TA does not commit ADB to financing any ensuing project.

### Table A4.2: Cost Estimates and Financing Plan

<table>
<thead>
<tr>
<th>Item</th>
<th>Japan Fund for Poverty Reduction</th>
<th>Total Cost ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A. Consultants</td>
<td></td>
<td>700.0</td>
</tr>
<tr>
<td>a. Remuneration and per diem</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. International consultants (17 person-months)</td>
<td></td>
<td>354.5</td>
</tr>
<tr>
<td>ii. National consultants (35 person-months)</td>
<td></td>
<td>175.0</td>
</tr>
<tr>
<td>b. International and local travel</td>
<td></td>
<td>35.0</td>
</tr>
<tr>
<td>c. Reports and communications</td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>2. Equipment (computer, printer, etc.)</td>
<td></td>
<td>9.5</td>
</tr>
<tr>
<td>3. Workshops, training, seminars, and conferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Facilitators</td>
<td></td>
<td>20.0</td>
</tr>
<tr>
<td>b. Surveys</td>
<td></td>
<td>20.0</td>
</tr>
<tr>
<td>5. Miscellaneous administration and support costs</td>
<td></td>
<td>11.0</td>
</tr>
<tr>
<td>6. Representative for contract negotiations</td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>7. Contingencies</td>
<td></td>
<td>65.0</td>
</tr>
</tbody>
</table>

**Source:** ADB estimates

a Administered by the Asian Development Bank (ADB). The following are ineligible expenditures: study tours, foreign training, purchase of vehicles, salaries for civil servants in recipient countries, scholarships or long internships, detailed engineering, civil works, and other related expenses.

b The equipment will include computers, printers, and possible other equipment for use by the consultants and these will be turned over to the Ministry of Education upon completion of the technical assistance.

c Includes subcontracting of local nongovernment organizations and facilitators.

d This includes a provision for leasing of vehicles for field visits, of maximum $5,000.

### D. Consulting Services

10. The PPTA will be implemented over a period of 9 months from the fielding of consultants, which is anticipated in May 2012. ADB will recruit a team of consultants through a firm using simplified technical proposal for the quality- and cost-based selection method (quality-cost ratio of 80:20) as well as on an individual basis in accordance with its Guidelines on the Use of Consultants (2010, as amended from time to time). The PPTA will provide 17 person-months of international (11 person-months on individual basis) and 35 person-months of national (3 person-months on individual basis) consulting services in TVET policy and planning, management and institutional arrangements, TVET industry relations, value chain and labor market analysis, PPP in social sectors, TVET financing, fiduciary risk assessment, financial management, procurement, environment, gender and social development, etc. The team leader and the pool of consultants will be recruited individually to meet the need to deploy high quality consultants and to be able to respond quickly to changing demands to expedite the process. Once the economic sectors to be supported are identified one or more sector specialists can be recruited to help define the interventions in said sector. The summary of the consulting services requirement is provided in Table A4.3 below. The outline of consultant terms of reference is presented in Appendix 5.
Table A4.3: Summary of Consulting Services Requirement

<table>
<thead>
<tr>
<th>Positions</th>
<th>Person-Months Required</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
<td></td>
</tr>
<tr>
<td>Team Leader/TVET Policy and Planning Specialist</td>
<td>8.0</td>
</tr>
<tr>
<td>TVET PPP specialist</td>
<td>2.0</td>
</tr>
<tr>
<td>TVET Management and Institutional Specialist</td>
<td>2.0</td>
</tr>
<tr>
<td>TVET Qualifications expert</td>
<td>2.0</td>
</tr>
<tr>
<td>Pool of Consultants</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17.0</strong></td>
</tr>
<tr>
<td><strong>National</strong></td>
<td></td>
</tr>
<tr>
<td>Deputy Team Leader/TVET Specialist</td>
<td>9.0</td>
</tr>
<tr>
<td>TVET Management and Institutional Specialist</td>
<td>6.0</td>
</tr>
<tr>
<td>Labor Market Economist</td>
<td>5.0</td>
</tr>
<tr>
<td>Public Financial Management and Costing Specialist</td>
<td>4.0</td>
</tr>
<tr>
<td>Governance Risk Specialist</td>
<td>2.0</td>
</tr>
<tr>
<td>Procurement Specialist</td>
<td>2.0</td>
</tr>
<tr>
<td>Environment Specialist</td>
<td>1.0</td>
</tr>
<tr>
<td>Gender and Social Development Specialist</td>
<td>2.0</td>
</tr>
<tr>
<td>Resettlement and Social Development (IP) Specialist</td>
<td>1.0</td>
</tr>
<tr>
<td>Pool Consultants</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35.0</strong></td>
</tr>
</tbody>
</table>

TVET = technical education and vocational training. PPP= public private partnerships.

E. Implementation Arrangements

11. The Ministry of Education (MoE) will be the executing agency for the PPTA. A PPTA steering committee will be established with the secretary of MoE as the chairperson, and with representatives from relevant Ministries, including the Ministry of Labor and Employment, the Ministry of Expatriates’ Welfare and Overseas Employment, the Ministry of Mass and Primary Education, the Ministry of Finance, the Ministry of Youth, and BTEB, from the NSDC, and representation from the private sector via the Chambers of commerce, to ensure coordination with concerned departments and institutions and to provide overall guidance to the PPTA on policies and reforms. A technical committee with experts from the key stakeholders will be established to guide technical aspects of the design. While the steering committee will meet 2-3 times during the PPTA implementation, the technical committee will meet regularly to guide and monitor progress and ensure effective design of the SEP. The Executive Committee from the National Skills Development Council (NSDC) will be involved in the technical committee, to ensure close alignment with the NSDP implementation. All disbursements under the TA will be made in accordance with ADB’s Technical Assistance Disbursement Handbook (May 2010, as amended from time to time).

12. The proposed TA processing and implementation schedule is listed in Table A4.4.

Table A4.4: Technical Assistance Processing and Implementation Schedule

<table>
<thead>
<tr>
<th>Major Milestones</th>
<th>Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPTA approved</td>
<td>December 2011</td>
</tr>
<tr>
<td>PPTA Commencement</td>
<td>May 2012</td>
</tr>
<tr>
<td>PPTA activities completed</td>
<td>January 2013</td>
</tr>
<tr>
<td>Financial Closure</td>
<td>June 2013</td>
</tr>
</tbody>
</table>

PPTA = project preparatory technical assistance.
Source: ADB estimates.
OUTLINE TERMS OF REFERENCE

1. **TVET Policy and Planning Specialist/Team Leader (international, 8 person-months).** The TEVT Policy and Planning Specialist and Team Leader (TL) shall have at least 15 years of relevant experience in developing, implementing skills development project and policy advisory services in developing countries. The TVET Policy and Planning Specialist and Team Leader (TL) will be responsible for the overall coordination and implementation of the TA. The TL will plan and coordinate the activities of the other international and national consultants to ensure that the analyses and reports meet all the requirements. The TL will also ensure the quality of all the analyses and reports. The TL will work closely with the Government counterpart team and seek guidance from the PPTA Steering Committee and the Technical Committee to meet the priorities and requirements of the Government. The TL will also organize appropriate consultations throughout the process with key stakeholders both within and outside the Government to reflect balanced views pertinent to the development of the TVET subsector in Bangladesh. In addition, the consultant will (i) review the TVET subsector and prepare a subsector assessment by reflecting the latest developments in TVET and lessons learned from the ongoing projects as well as from international experiences (Sri Lanka, India, Australia, Malaysia, Singapore, South Korea) pertinent to Bangladesh particularly in the use of PPPs and innovative practices; (ii) update existing subsector implementation strategy and roadmap, the RETA paper and other relevant analysis, for introducing more demand oriented TVET in selected economic sectors with due recognition of the practical implications and gender based needs; (iii) prepare the lessons learned and gap analysis; (iv) review the inputs from the Public Financial Management and costing specialist for evaluating possible financing modalities, like results based financing using disbursement linked indicators; (v) put together the feasibility study and design, with specific attention for in the format agreed by the Government and ADB. The TL will also be responsible for ensuring sex-disaggregated data and gender analysis in all reports/outputs and ensure timely completion and submission of the following: (a) an inception report; (b) a sector assessment, (c) lessons learned and gap analysis; (d) a participatory developed problem-tree analysis and results framework; (e) preliminary project design; (f) a draft project design document; and (g) a final design document incorporating comments and feedback from Government and ADB.

2. **TVET Specialist and Deputy Team Leader (national, 9 person-months).** The TEVT Specialist and Deputy Team Leader (DTL) shall have at least 10 years of relevant experience in developing, implementing skills development project and policy advisory services. The TVET Specialist and Deputy Team Leader (DTL) will work closely with the TL in coordinating and managing the overall TA team. In close collaboration with the TL, the DTL will (i) collect and systematically analyze relevant data (students, teachers, TVET courses, TVET providers, data pertaining to internal and external efficiency, including status and results of placement, career guidance and counseling mechanisms, apprenticeships in the informal sector) for the TVET subsector to show trends, progress and challenges; (ii) help updating the map of the distribution of TVET providers by skills area and geographic locations; (iii) help the international PPP specialist and national labor market economist in the identification of economic sectors for strengthening demand based TVET, in conducting the labor market analysis, and identifying PPP options; (iv) assist the TVET management and Institutional Specialists in assessing the informal apprenticeships approaches and teacher training arrangements; (v) assist the TL in the review of progress made in recent years in TVET in Bangladesh including implementation of reforms and challenges encountered; and (vi) assist the TL in preparing and finalizing the subsector analysis, gap analysis and project design.

3. **TVET Management and Institutional Specialists (International 2 person-months, national 6 person-months).** The consultants shall have at least 5 years of experience in
demand-oriented skills development training design and implementation with proven record of working TVET. Experience in Bangladesh for the international consultant is an asset. The consultants will (i) assess the overall institutional arrangements and capacity existing in the TVET system in Bangladesh building on existing work by other projects, including the extent and practice of informal apprenticeships; (ii) identify key reforms based on the existing projects that will help to enhance overall management of the TVET system; (iii) identify the options for supporting informal apprenticeships; (iv) identify specific arrangements like the national skills development fund, the endowment fund and cost sharing approaches together with the PPP; (v) assess the governance of TVET institutions and the flexibility at the TVET provider level to ensure institutional response to various critical aspects (labor market needs, partnership with potential employers, ensuring quality of training, etc.); (vi) assess the current teacher training situation; and (vii) assist the TL and DTL in the project design with focus on institutional development and capacity development requirements.

4. **TVET PPP Specialist (international 2 person-months)** The consultant shall have at least 7 years of experience in public private partnerships in social sectors. Experience with Bangladesh and TVET sector is an asset. The consultant will (i) assist in the labor market analysis; (ii) identify economic sectors most suitable for strengthening demand oriented approach; (iii) identify how to improve and strengthen PPP opportunities for Skills Development; and (iv) convert these opportunities into structures that comply with national PPP rules or propose and justify modifications if such rules are inadequate. The consultant will use lessons from ongoing projects as well as use international examples. The consultant will work with the national labor market economist in the labor market analysis, with the TVET management and institution specialist in identifying PPP opportunities, with the procurement specialist in converting opportunities into structures, and with the DTL and TL in identifying economic sectors.

5. **TVET Qualifications Expert (international, 2 person-months)** The consultant shall have at least 7 years of experience in TVET, with a focus on designing and implementing qualification frameworks. The consultant (i) review the existing quality assurance and accreditation and registration mechanism, review the NTVQF, review the current status and of the recognition of prior learning, and review the learning materials development processes and flexible delivery approaches – particularly those relevant to the workplace and employers to identify, how the different enterprises institutions are applying the quality assurance framework to make improvements in their quality and to what extent this mechanism is working; and (ii) identify what needs to be done to make further improvements. The consultant will use lessons from ongoing projects as well as use international examples. The consultant will work with the DTL, the international TVET PPP Specialist and TVET management and institutional specialist.

6. **Labor Market Economist (national, 5 person-months).** The consultant shall have post-graduate degree in economics, labor economics or other related social science and at least 5 years of relevant experience in TVET sector. The consultant will (i) review the existing mechanisms, including the labor market information system from BMET, used by the TVET system to monitor and report labor market trends and demands to see how TVET providers and NSDC are using the information to respond to emerging labor market needs; (ii) review the available tracer studies and their use; (iii) undertake a labor market survey in close consultation with the TVET providers and employers to identify skills most in demand, how TVET providers are preparing and advising their students, how employers perceive the quality of the TVET graduates and what is their role in providing training to meet their requirements, and (iv) prepare an action plan to strengthen the labor market information system (LMIS) so that TVET providers and employers are able to use the information effectively. The consultant will use sex disaggregated data and gender-based analysis for the purpose.
7. **Public Financial Management and Costing Specialist (national, 4 person-months).** The consultants shall have graduate degree in accounting, business administration, public administration, economics or other related disciplines, and at least 5 years of relevant experience in financial management, especially in public environment. Experience in working on economic analysis for investment projects in multilateral financial institutions is required. The consultant will (i) prepare an economic and financial analysis by updating the one undertaken for SDP; (ii) prepare costing for the Project; (iii) review budget trends and identify mechanisms for improved targeting, sustainability and greater flexibility at the TVET provider level to mobilize resources to target improvements; (iv) propose reforms and innovations in improving financing and sustainability of TVET providers in partnership with potential employers, especially for the selected economic sectors; and (v) work with the PPP specialist to develop modalities for making public funds available to private contractors or partners, and assure appropriate reporting and controls are in place.

8. **Governance Risk Management Specialists (national, 2 person-months).** The consultant shall have post-graduate degree in public administration, business administration, accounting, and other relevant social sciences, and at least 5 years of experience in assessing public organizations’ capacity in financial management, procurement and anti-corruption issues. Experience in conducting governance capacity assessment following multilateral financial institutions is required. The consultants will in line with GACAP, (i) review the current funding arrangement for SDP and other projects including government system of budget execution, accounting, and auditing; (ii) review of the government system of budget execution, accounting, and auditing, among the other assessments indicated to be conducted; (iii) analyze governance, fiduciary, and institutional risks in the sector and the executing and implementing agencies; (iv) assess the capacity of concerned government agencies for internal control, staffing requirements and skills, accounting hardware, software and training needs; (v) assess the capacity of external auditors to provide timely report in accepted auditing standards; and (vi) prepare a risk mitigation plan for the Project.

9. **Procurement Specialist (national, 2 person-months).** The consultant shall have a graduate degree in public administration, business administration or other related disciplines and at least 5 years experience in public and private procurement and capacity building in procurement. Experience in working with ADB’s Procurement Guidelines and the Guidelines on the Use of Consultants and the government’s procurement guidelines is required. The consultant will (i) review the requirements for procurement under the Project and group potential procurement packages by key categories (consultancy services, goods, civil works) as appropriate; (ii) assess the capacity of the Government to manage procurement and suggest if there is any need for strengthening this capacity; (iii) conduct procurement capacity assessment for the Project; and (iv) prepare a procurement plan for the Project that will be reviewed each year and firmed up for implementation. During this process the consultant will work with the PPP specialist when examining procurement modalities possible for private participation in this publicly funded project, and ensuring that the proposed modalities comply with national procurement laws and, in case of gaps, propose modifications.

10. **Environment Specialist (national, 1 person-month).** The consultant shall have graduate degree in environmental science, environmental engineering or relevant disciplines and at least 5 years of relevant experience in conducting environmental impact assessment. Experience in working with ADB’s Safeguard Policy Statement is preferred. The consultant will (i) assess any environmental impacts and climate risks of the proposed Project; (ii) prepare an initial environmental assessment for the Project, in accordance with ADB’s policies; (iii) based on the assessment, propose an environmental management plan and mitigation measures, as applicable; and (iv) explore and recommend for possible inclusion of environment and climate
change–related TEVT course/diploma to promote green jobs (e.g. recycling plant operator, solar installer, etc.) for green growth.

11. **Gender and Social Development Specialist (national, 2 person-months).** The consultant shall have post-graduate degree in social science, politics or other relevant disciplines and at least 7 years of relevant experiences in gender gap analysis, capacity development in gender issues, and gender-responsive program or project design. The consultant will (i) identify the beneficiaries and the social benefits of the proposed project; (ii) undertake gender assessment using sex-disaggregated data and identify gender-based needs; (iii) map out the vulnerable groups and their locations, and examine ways in which the Project may promote their access to TVET; (iv) prepare a gender strategy and gender action plan by building on the one available from SDP and PLCE II to promote gender equity in access, retention and completion of training programs; (v) support the value chain analysis from an equal opportunities aspect; (vi) develop the C&P plan for the PPTA; (vii) coordinate with and support other PPTA consultants in raising and addressing gender issues within their outputs. The Gender Action Plan, which will be prepared by the PPTA Consultant should build on ADB's and other good practices and include a number of measures aimed at promoting opportunities for women and women's empowerment.

12. **Resettlement and Social Development (IP) Specialist (national, 1 person-month).** The consultant shall have graduate degree in social science, or other relevant disciplines and at least 5 years of relevant experience assessing involuntary resettlement and project impacts on indigenous people communities. S/he shall also have in-depth understanding of the issues faced by socially excluded group in Bangladesh. Experience in working with ADB's safeguard policies is required. The consultant will (i) assess the project's potential land acquisition and resettlement impacts which might require involuntary resettlement (IR) and assess the project's impacts on the indigenous peoples (IP) communities; and (ii) prepare the required social safeguard documents, IR framework and IP framework, for the project in accordance with ADB's Safeguard Policy Statement (2009). If no civil works are planned, the specialist can assist in the design of the safeguard educational framework commensurate with vocational training.

13. **Pool of Consultants (international, 3 person-months; national, 3 person-months).** There is a provision for a pool of national and international consultants for areas such as PPPs, institutional strengthening, quality assurance, international labor market, and international team leader. A specialist in the selected economic sector can be recruited to assist in developing the interventions for this sector.

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1 Gender analysis includes consideration of (i) male/female patterns of enrollment in different TVET trades in different institutions; (ii) male/female patterns of employment and labor market participation by trade, compared with labor market skills demand analysis; (iii) strategies to promote women's access to TVET opportunities in general, and non-traditional trades in particular; (iv) mechanisms to link TVET graduates to employment, including gender-sensitization of enterprises to encourage their employment of women e.g. internships with female targets; and (v) participation of women employed in TVET institutions at different levels and ways to promote greater gender balance in TVET teaching faculties.
INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Bangladesh  Project Title: Skills for Employment Project

Lending/Financing Modality: Project loan  Department/Division: SARD SAHS

I. POVERTY ISSUES

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

1. In its poverty reduction strategy, the Government of Bangladesh focuses on broad based and inclusive economic growth. A better skilled workforce and a TVET system able to respond and even anticipate to new opportunities are required to ensure this inclusive growth. The current labor force and the new entrants require education and training to become more productive.

The Bangladesh National Education Policy (2010) and the National Skills Development Policy (2011) seek to provide the 15-45 school dropouts and neo-literates with values, professional skills and reading circles involving local communities and universities. The policies seek to rationalize and expand TVET programs to cover this group, including strengthening the informal training system. This project will help the government implement this aspect of the policy which so far has received least attention and resources.

The 6th Five Year Plan of Bangladesh aims at expansion and modernization of TVET to meet market demands by improving link between training and job market. The Plan aims to extend greater benefit to the poor and women by introducing ICT and technical education for all secondary levels. Identification and addressing pockets of disparities using sex-disaggregated data and introduction of technical and vocational courses in Madrassa and general education are also envisaged. The evaluation report of the CPS in 2009 indicated that poverty can be reduced more quickly, with higher and more-inclusive growth. It also argues for reducing inequality by building the skills of the poor, women, and excluded groups and raising their income-earning capability through better-quality and more-relevant education, and greater access to learning opportunities.

The Project aims to improve quality and relevance of technical education and vocational training (TVET), to increase equity in access to TVET considering market demand, and to enhance employability of the TVET graduates.

B. Targeting Classification

1. Select the targeting classification of the project:
   - General Intervention
   - Individual or Household (TI-H)
   - Geographic (TI-G)
   - Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

The Project is a general intervention, as it is part of the Government’s strategy to ensure broad based and inclusive economic growth. The current TVET system does not provide the enough and the right skills, so there is a mismatch in skills between those supplied by the TVET system and those demanded by the labor market. As a result of the investment in general education more educated graduates will enter the labor market, however a large portion of the current labor force has no formal education. By increasing the employability of the TVET graduates, including apprentices in the informal sector, the Project will allow graduates to find more and better paying jobs, thus leading to increased incomes.

The Project will incorporate design features to address gender equity, access for vulnerable groups and regions, and affordability for poor students, among others via strengthening the training in the informal sector. The design will use...
II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

All potential TVET students and participants and TVET graduates are the primary beneficiaries of the Project; including vulnerable groups. The Project aims to include features to ensure gender equity, access to quality TVET for vulnerable groups and regions and affordability for poor students. With the market need assessment and link to labor market, when graduating or finishing a training, their employability is expected to improve, so that their chance to find a job or a better paying job also increases, as does their income.

2. What are the potential needs of beneficiaries in relation to the proposed project?

A large proportion of the Bangladeshi workforce is not skilled enough to support the expected economic growth and work in the priority industrial sectors. New entrants also lack the skills to find suitable employment or self-employment. As a result many are forced to work in the informal sector, accept unskilled work, either abroad or at home.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The Project aims to develop market oriented skills development in selected economic sectors with growth potential to ensure maximum employment generation. Involvement of prospective employers is a necessity.

Governance in the TVET sector can be strengthened. Part of the project is aimed at improving the structures of the TVET-sector, especially during implementation of the new TVET policies. The project will support TVET delivery by private providers and employers, with the government in a facilitating and regulatory role.

The constructive involvement of all stakeholders in the TVET system might be a challenge. To make the system responsive, extensive communication and collaboration with all stakeholders is envisioned within the Project. The Project will strengthen private sector involvement via well structured PPP’s.

To ensure the expected economic growth the illiterate and unskilled workers need to be skilled. This requires that TVET becomes more relevant to the informal sector by allowing students with incomplete education or those who were not able to finish grade eight to enter into short courses that are more affordable and more responsive to their employment needs. Also a training strategy for the informal sector is foreseen, as is strengthening the informal sector training approach, traditional apprenticeships. Offering short competency-based training courses that incorporate communicative English in their programs could significantly increase the output of technical education, reduce unit costs and make the system much more relevant. There are some good examples of such programs in Bangladesh. This needs to be complemented by higher level skills at post secondary level to support emerging technologies (renewable energy, pharmaceuticals, food processing, marine technology, higher end textiles, IT, etc.). Also to prevent a widening gap between the formal and informal sector. Systems will be put in place to improve progress from basic skills training to more advanced training, and focus on employability skills will be part of the training.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

The number of stakeholders is diverse and can also vary across the regions. In general, the following stakeholders can be identified: new and current TVET students and TVET graduates (this can be secondary education students, drop outs or those already in the labor market.), parents, public TVET providers, private and nongovernment organization (NGO) TVET providers, Government agencies responsible for regulating TVET, industry and other employers, unions, employers’ representative bodies, Government agencies responsible for labor market functioning, international employment agencies, international employers, secondary and higher education institutions, concerned Government agencies, and development partners.

2. What type of consultation and participation (C&P) is required during the project preparatory TA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Workshops with key stakeholders, including the private sector to ensure focus on employability, will be conducted. In certain areas strong community involvement is expected to identify employment opportunities and to learn from community based approaches.

3. What level of participation is envisaged for project design?

- Information sharing
- Consultation
- Collaborative decision making
- Empowerment
Appendix 6

4. Will a C&P plan be prepared? ☑ Yes ☐ No  Please explain.

C. Gender and Development

Proposed Gender Mainstreaming Category: Gender Equity Theme

1. What are the key gender issues in the sector and subsector that are likely to be relevant to this project or program?

Participation of women in TVET is limited. TVET is focused at traditional male oriented trades. Gender parity in basic education is reached, however opportunities for girls in TVET are limited. The tradition and socio-cultural factors still play vital role in women and girls’ access to these sectors. The poor girls and women from disadvantaged groups and excluded regions are even more deprived. Given that gender stereotyped subject choices by women in TVET limit their choices in the labor market appropriate measures will be proposed. Amongst the increased number of new entrants in labor market both at home and abroad women feature as a distinct category to address. Often they are at the lowest level of employment and income due to not having required skills. With TVET, benefits can be reaped both for poverty reduction and economic growth.

2. Does the proposed project or program have the potential to promote gender equality and/or women’s empowerment by improving women’s access to and use of opportunities, services, resources, assets, and participation in decision making? ☑ Yes ☐ No  Please explain.

The Project will include features to ensure gender equity in order to help improve the employability of women. In PLCEII good lessons have been learned with the usage of quota to participate in trainings at the basic skills level. The next step would be that these trainings also result in gainful employment. Given that gender stereotyped subject choices by women in TVET limit their choices in the labor market appropriate measures will be proposed. The Project will identify sectors suitable for women employment based on market assessment and attempt to address this by creating opportunities for marketable skills training.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? ☑ Yes ☐ No  Please explain.

The project aims to improve employability, with special attention on sectors suitable for women.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Nature of Social Issue</th>
<th>Significant/Limited/No Impact/Not Known</th>
<th>Plan or Other Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>Strengthening of existing and establishing new TVET institutions is foreseen. The PPTA will confirm the projects IR impacts and safeguard requirements</td>
<td>Not known</td>
<td>☐ Resettlement Plan</td>
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<tr>
<td></td>
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<td>☐ Resettlement Framework</td>
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<td></td>
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<td></td>
<td>☐ Environmental and Social Management System Arrangement</td>
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<td>☐ None</td>
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<td></td>
<td></td>
<td>☑ Uncertain</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>Indigenous people will likely be among the targeted disadvantaged communities. The PPTA will confirm the projects IP impacts and safeguard requirements</td>
<td>Not known.</td>
<td>☐ Indigenous Peoples Plan</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Indigenous Peoples Planning Framework</td>
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<td></td>
<td>☐ Environmental and Social Management System Arrangement</td>
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<td>☐ None</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>☑ Uncertain</td>
</tr>
<tr>
<td>Labor</td>
<td>The Project aims to improve employment opportunities.</td>
<td>No Impact.</td>
<td>☐ Plan</td>
</tr>
<tr>
<td>☑ Employment Opportunities</td>
<td></td>
<td></td>
<td>☐ Other Action</td>
</tr>
<tr>
<td>☐ Labor Retrenchment</td>
<td></td>
<td></td>
<td>☑ No Action</td>
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<tr>
<td>☐ Core Labor Standards</td>
<td></td>
<td></td>
<td>☑ Uncertain</td>
</tr>
<tr>
<td>Affordability</td>
<td>Most training will be for free. In certain cases stipends can be considered. Private sector might contribute to TVET</td>
<td>No Impact.</td>
<td>☐ Action</td>
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<td></td>
<td></td>
<td></td>
<td>☐ No Action</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☑ Uncertain</td>
</tr>
<tr>
<td>Other Risks and/or</td>
<td>Not applicable.</td>
<td>No Impact.</td>
<td>☐ Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐ Other Action</td>
</tr>
</tbody>
</table>

Other Risks and/or Not applicable.
### Vulnerabilities

- [ ] HIV/AIDS
- [ ] Human Trafficking
- [ ] Others (conflict, political instability, etc.), please specify

### IV. PROJECT PREPARATORY TECHNICAL ASSISTANCE/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social, and gender analysis and the relevant specialist(s)?
   - [ ] Yes
   - [x] No
   - [ ] Uncertain
     - If no, please explain why.

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&P during the project preparatory TA or due diligence?
   - [x] Yes
   - [ ] No
     - If no, please explain why.

There is provision for the following: (i) 3 person-months of gender and social development specialist to take stock of the progress under the ongoing project, to develop an updated gender analysis, and to prepare a consultation and participation plan; (ii) one national (4 person-months) public finance specialists that will review the poverty analysis; (iii) and budget for workshops and surveys reserved ($26,000).