Technical Assistance Report

Project Number: 43028
Policy and Advisory Technical Assistance (PATA)
December 2009

People's Republic of China: Strengthening Equitable Provision of Public Employment Services in Sichuan Province

Asian Development Bank
CURRENCY EQUIVALENTS  
(as of 1 December 2009)

<table>
<thead>
<tr>
<th>Currency Unit</th>
<th>yuan (CNY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNY1.00</td>
<td>$0.1465</td>
</tr>
<tr>
<td>$1.00</td>
<td>CNY6.827</td>
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</tbody>
</table>

ABBREVIATIONS

ADB – Asian Development Bank  
ICT – information and communication technology  
PES – public employment service  
PPP – public–private partnership  
PRC – People’s Republic of China  
SESAB – Sichuan Employment Service and Administration Bureau  
TA – technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

<table>
<thead>
<tr>
<th>Type</th>
<th>Policy and advisory technical assistance (PATA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeting classification</td>
<td>General intervention</td>
</tr>
<tr>
<td>Sector (subsectors)</td>
<td>Public sector management (economic and public affairs management)</td>
</tr>
<tr>
<td>Themes (subthemes)</td>
<td>Economic growth (widening access to markets and economic opportunities), gender equity (human capabilities), capacity development (institutional development)</td>
</tr>
<tr>
<td>Location impact</td>
<td>Rural (high impact), urban (medium impact), national (low impact), regional (medium impact)</td>
</tr>
</tbody>
</table>

NOTE

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

Vice-President  
C. Lawrence Greenwood, Jr., Operations 2

Director General  
K. Gerhaeusser, East Asia Department (EARD)

Director  
A. Leung, Urban and Social Sectors Division, EARD

Team leader  
J. Asanova, Education Specialist, EARD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
I. INTRODUCTION

1. At the request of the Government of the People’s Republic of China (PRC) during the PRC country programming mission in December 2008, technical assistance (TA) for Strengthening Equitable Provision of Public Employment Services in Sichuan Province was included in the 2009 nonlending program of the Asian Development Bank (ADB). ADB undertook a TA fact-finding mission in November 2009. Agreement was reached with the government, including the Ministry of Finance and Sichuan provincial bureaus, on the TA’s impact, outcome, outputs, costs and financing, implementation arrangements, and outline terms of reference for consulting services. The design and monitoring framework is in Appendix 1.

II. ISSUES

2. As a result of rapid socioeconomic development in the PRC, the profile of the country’s labor market and employment has become more complex. Major challenges include integration of the current urban–rural dual system, increased numbers of migrant workers, surplus labor in rural areas, strong demand for skilled labor, and provision of increased employment in the private sector. In the 11th Five-Year Plan 2006–2010, the government stresses the need to further strengthen the management of social programs and the functions of various public services including the public employment service (PES) in order to achieve related plan targets set for 2010.

3. Over the past two decades, an estimated 120 million workers in the PRC have migrated from rural to urban areas in search of better employment and income opportunities, and ADB has provided TA 4858 for Employment Services for Migrant Workers. However, rural–urban migration is continuing at a fast pace, and an estimated 10 million workers are expected to migrate from the countryside each year during the 11th five-year program period in search of employment in urban areas. While they have made a significant contribution to economic growth in key urban areas, this massive influx of migrant workers, most with limited employable skills and education, or even basic urban survival skills, has raised a large number of employment-related and social issues. The PES system, which has expanded nationwide, provides fundamental and comprehensive services to promote labor security. More specifically, it (i) provides legal advice to laborers about their rights and benefits, (ii) brokers jobs, (iii) provides labor market information and analysis, (iv) administers unemployment benefits, (v) provides vocational and skills training, and (vi) offers special support to disadvantaged populations.

4. Since the late 1990s, the government has made significant efforts to develop a modernized PES system supported by a number of policy instruments. In response to strong socioeconomic demand, as well as changing labor and employment environments in the PRC, the efficiency and effectiveness of the PES need to be improved. A better PES system is expected to facilitate a more orderly and effective rural–urban migration, which in turn will contribute to balanced development by bridging the gap between rural and urban areas and between more affluent coastal and less-developed central and western regions. Challenges include strengthening institutional arrangements, and increasing capacity and resources at various levels.

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1 The TA first appeared in the business opportunities section of ADB’s website on 18 November 2009.
2 The PRC has been, for a long time, a dual society with an overt socioeconomic line drawn between the urban and rural sectors. This division was introduced under the planned economy to facilitate overall public administration, including areas such as policy setting, provision of social services, and access to employment opportunities.
3 These include (i) new jobs created for urban residents reaching 45 million in 5 years, and (ii) the number of rural laborers transferred to non-agriculture sectors reaching 45 million in 5 years.
5. Located in the southwest of the PRC, Sichuan is the third most populated province with a population of 88 million (as of the end of 2007), of which around 4.2 million are ethnic minorities. It is a large agricultural province, with around 34 million rural employed laborers and almost 13 million urban employed laborers (73% and 27% respectively). Sichuan was one of the most heavily affected provinces by the Wenchuan earthquake that took place on 12 May 2008. The earthquake had a devastating impact on the delivery of all social services in Sichuan, where it is reported that PES establishments sustained significant damage. The urgent and most significant need is not only to rehabilitate the PES infrastructure, but also to strengthen the soft aspects (i.e., policies, institutional capacity) of employment service delivery and to promote an equitable development of these services in rural and urban areas. The current global economic recession also emphasizes the need to develop a responsive and equitable PES system that supports national policies of shifting to a more sustainable growth model.

6. Sichuan's rural migrant workers tend to engage in cyclic migration with an average employment time of 8 months and an average monthly salary of CNY790. Further, findings of the ADB-funded TA revealed that around 80% of migrant labor in Sichuan found their jobs through informal networks (friends, family, and people from the same place). While much attention has been given to public employment services, the role of informal employment networks and local civil society organizations needs to be further understood and taken into consideration. The socioeconomic profile of Sichuan's rural migrant workers is changing, revealing generational differences in migrant labor. While previously farmers left for unskilled work, recent migrants have new aspirations given increased educational opportunities. According to the 2006 survey data, the average age of Sichuan's rural migrant workers was 31.5 years, and about 80% were under 35. Among this group, about 10% had senior high school education, 37.3% had junior high school education, and the rest had primary education. Individuals with a basic educational level are becoming the mainstream of the rural labor force. They are open to new ideas and are eager to improve their lives through migrant work.

7. Employment services and training for rural migrant workers. The PES system has well established arrangements in urban areas, but employment services are not necessarily available or appropriate for the needs of rural migrant workers. PES coverage is unbalanced, work systems are not yet complete, service information channels are not efficient, service methods and procedures are rather inflexible, and service quality and results do not satisfactorily meet the needs of rural migrant workers. The Sichuan provincial government has therefore accorded high priority to addressing the issue of surplus rural labor through strengthening the PES and increasing service efficiency to meet the employment needs of rural migrant workers seeking work in urban areas.

8. The goals of strengthening the PES include (i) encouraging and helping rural migrant workers secure urban employment more rapidly, (ii) reducing the cost of this transfer, and (iii) safeguarding their legal rights and interests. To achieve this, the Sichuan provincial government intends to expand the PES to ensure that job seekers from rural areas (at the township and village levels) have adequate and relevant information about employment opportunities and market demand. For instance, an expanded PES would organize job fairs at the village level, thereby providing rural migrants with access to information that would enable them to obtain employment and seek appropriate skills training. A training system for occupational skills and self employment needs to be established to encourage rural migrants to take part in the vocational skills appraisal program. The global economic recession has resulted in a sharp drop in employers’ demand for migrant workers in various export-oriented factories in urban areas. Making the skills training system more responsive to labor market needs, and strengthening links between skills training and the private sector would mitigate structural skill mismatches in the labor market. In particular, an effective skills training system and a strengthened PES would produce better suited labor market entrants, and facilitate training/retraining.

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of those switching or in between jobs. This would improve the overall effectiveness of the labor market and help lower unemployment. There is also a need to eliminate discriminatory regulations and unreasonable restrictions for rural migrants seeking work in urban areas so that they can enter the labor market on equal terms with others.

9. **Equitable service provision, gender, and disadvantaged groups.** In addition to extending public employment services from urban to rural areas, Sichuan’s provincial government pays considerable attention to related issues, including equitable service provision to women, long-term unemployed, job seekers from areas severely affected by the earthquake, the disabled, and university graduates from low-income families. Women, while accounting for less than 50% of all migrant workers nationwide, tend to concentrate in a narrow range of jobs and industries. For example, young women workers from other provinces dominate large manufacturing and processing plants in coastal urban areas. Issues specific to young women migrant workers in Sichuan must be systematically reviewed, and the PES must be tailored to their special needs. Further, monitoring of employment and service provision data by gender needs to be strengthened.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

10. The impact of the TA is strengthened capacity and effectiveness of the PES, particularly for rural–urban migrants in Sichuan Province. The outcome of the TA will be a comprehensive analysis of choices for improving the effectiveness of the PES for all job seekers, particularly rural–urban migrants in Sichuan Province.

B. Methodology and Key Activities

11. The TA outputs will be (i) key policy recommendations on measures and mechanisms for improving the PES for all job seekers, and particularly for migrant workers in Sichuan, and (ii) widely disseminated publications on key TA findings and recommendations. Specifically, TA outputs will include: (i) the main TA report, (ii) a supporting technical report on labor market analysis and information systems and networks, as well as effective means of information dissemination to migrant workers; (iii) a supporting technical report on institutional and staff capacity-building needs in key areas, including information management, coordination, and networking, to improve vocational guidance for migrant workers, (iv) a policy note for decision makers, (v) a conference report, and (vi) an executive summary of the main TA report. The policy recommendations will be drawn from the analysis and assessment in the main TA report of key issues, including (i) policy environment; (ii) capacity constraints and efficiency issues; (iii) labor market analysis, particularly on the demand side; (iv) labor market information systems; (v) capacity building for employment service staff; (vi) strengthening of public–private partnerships; (vii) ways in which the existing PES is currently used, including a survey of the informal networking behaviors of target clients (job seekers); (viii) employers' knowledge of and satisfaction with the PES system, and how they can contribute to improving the system; and (ix) gender issues, taking into account the implications of the global economic recession for job creation, employment, and social safety nets in Sichuan. These policy measures and effective mechanisms for implementation should be identified, prioritized, and costed. Policy recommendations and key TA findings will be disseminated among the stakeholders and general public through a variety of media including the government's websites, printed materials, and presentations during conferences. The policy note for decision makers, which presents key findings and major policy recommendations of the TA, will be shared with decision makers at the national and local levels.

12. The TA will be implemented in three phases over an 11-month period. Phase 1, lasting 4 months, will comprise (i) a review of the policies and strategies of the PES system at five levels (province, prefecture, county, township, and village) in Sichuan, with a particular emphasis on
Chengdu and Guang Yuan; (ii) a study that identifies challenges and opportunities to improve the PES, especially for the rural population, including a labor supply and demand analysis, economic growth projections, policy analysis, and capacity of PES staff; (iii) a survey of migrant workers’ needs for PES; (iv) an overseas study tour to review effective PES models; and (v) an inception report with draft outlines of the two technical reports. The main report will build on the findings of the ADB-funded TA for Employment Services for Migrant Workers (footnote 3), in which Sichuan was one of the case studies; the ADB-funded TA for Improvement of Public Employment Service System in the Western Region;7 and other relevant initiatives concerning the PES in the PRC. A study visit will be held early in TA implementation. Participants, who will be officials from provincial and local governments that make and implement policies relating to the PES for migrant workers, will be able to (i) observe good practices in a country with rich experience in migrant worker issues, and (ii) exchange experiences and lessons learned with officials from other countries.

13. In phase 2, lasting 5 months, the TA will (i) undertake further analysis of the PES in Sichuan; (ii) review best practices, including policies and strategies of the PES system in selected provinces and municipalities (e.g., Anhui, Beijing, Chongqing, Guangdong, and Shanghai); (iii) prepare recommendations for improving labor market analysis and information systems; and (iv) prepare and conduct training for relevant officials. The TA will review the feasibility of adapting a “toolkit” of materials developed by ADB’s TA for Employment Services for Migrant Workers aimed at providing assistance to rural migrant workers. Best practices in PES and recommendations will be reflected in the midterm review report, which will be prepared at the end of phase 2. Phase 3, lasting 2 months, will (i) organize a series of stakeholder consultations in Sichuan to share preliminary findings and develop two technical reports and a policy note with recommendations; (ii) finalize the main report that makes recommendations for an effective, demand-based, user-friendly, and operational PES system, which will serve the people of Sichuan, including the disadvantaged population, such as ethnic minorities, women, the unemployed, and those living in rural and remote areas; (iii) develop a strategic plan for developing an effective PES for 2009–2020; (iv) finalize the two technical reports and policy note to be widely disseminated; and (v) organize a final review workshop and a final conference to present key TA findings.

14. Three workshops and one conference will be held. The workshops will serve as a platform for (i) sharing TA findings at various stages, (ii) building consensus among TA stakeholders, and (iii) getting feedback for improving the TA work and findings. The workshops will be issue-oriented and are tentatively scheduled at the start of the TA, halfway through the TA, and before the conference. The conference will be held towards the end of the TA to (i) disseminate the main findings of the TA, (ii) exchange experiences and information about public employment services for migrant workers within the country and those going abroad, and (iii) provide inputs for improving and finalizing the main report.

C. Cost and Financing

15. The total cost of the TA is estimated to be $480,000 equivalent, of which $400,000 equivalent will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF—others). The government will provide $80,000 equivalent to cover TA office equipment costs, communications, and remuneration and per diem for counterpart staff. Tentative cost estimates and the financing plan are in Appendix 2.

D. Implementation Arrangements

16. The TA will be implemented over an 11-month period from April 2010 to March 2011. The Sichuan Employment Service and Administration Bureau (SESAB) will be the executing agency and

implementing agency for the TA. SESAB will be responsible for coordination and providing information and other conditions necessary for the consultants to complete their tasks successfully. The deputy director of SESAB will be the provincial government’s focal point for communication and coordination of TA implementation. This will be the first time for SESAB to be the executing agency and implementing agency for ADB-financed TA. A detailed institutional assessment will be conducted during TA implementation. SESAB will provide a suitably furnished office, utilities, and telecommunication access (broadband internet connection), transport in Chengdu for consultants, relevant materials, maps, data, and documents as required under the TA, and will cover the cost of office utilities for the consultants. SESAB will organize an expert review group of invited national experts, who will review inception, interim, and final reports prepared by the consultants. The TA consultants will incorporate the suggestions of the expert review group into the final reports. The Sichuan Provincial Finance Bureau will provide oversight, and will facilitate and support SESAB's work during TA implementation.

17. TA equipment will be procured by the consultants after consultations with SESAB in accordance with ADB’s Procurement Guidelines (2007, as amended from time to time), and will be retained by SESAB upon TA completion. The proceeds of the TA will be disbursed in line with ADB's Technical Assistance Disbursement Handbook. TA disbursement will be handled by ADB. The TA project will finance expenditures incurred for consulting services, equipment, surveys, and miscellaneous administration and support costs. Payments to consultants will be made directly upon submission of claim forms. An advance payment facility will be established under the TA to facilitate project implementation. SESAB will provide relevant forms for liquidation of advances. A total of 25 person-months of consulting services (one international for 5 person-months and four national consultants for a total of 20 person-months) will be required. The TA consultants will be engaged through a firm in accordance with ADB’s Guidelines on the Use of Consultants (2007, as amended from time to time) and based on the quality of the proposal (90%) and the cost (10%) of the services to be provided (under the quality- and cost-based selection method), using a simplified technical proposal. The 90:10 weighting is considered appropriate because it is expected that the TA will have a strong impact on the development of future PES policies in Sichuan Province, and therefore requires high-quality technical inputs. The outline terms of reference for consultants are in Appendix 3.

18. All reports by the consultants will be prepared in English and translated into Chinese. Translation costs for project reports will be budgeted and allocated to the consultants. The consultants will maintain close working relations with ADB and SESAB, and will regularly discuss project progress and findings. Meetings involving the ADB task manager, consultants, and SESAB officials will be held to provide guidance to the consultants and to review their reports. Consultants will prepare training seminars, in coordination with SESAB officials and ADB, to be delivered to directors and/or vice-directors in the labor employment system in Sichuan, officials of selected cities (prefectures), counties (cities, districts), officials of related departments such as the Development and Reform, Finance, and Human Resource departments, as well as selected members of research and academic organizations. Dissemination of results will be crucial for the success of the project. A policy note will become a knowledge product of this TA. The final workshop will present the TA’s key recommendations to officials from Sichuan Province and ministries at the central level. The outputs of the TA will be disseminated through the media.

IV. THE PRESIDENT’S DECISION

19. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of $400,000 on a grant basis to the Government of the People’s Republic of China for Strengthening Equitable Provision of Public Employment Services in Sichuan Province, and hereby reports this action to the Board.

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## DESIGN AND MONITORING FRAMEWORK

<table>
<thead>
<tr>
<th>Design Summary</th>
<th>Performance Targets and/or Indicators</th>
<th>Data Sources and/or Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Strengthened capacity and effectiveness of PES, particularly for rural-urban migrants in Sichuan Province</td>
<td>Percentage of migrant workers using PES increases from the present 20% in 2008 to 60% within the 12th 5-year plan period 2011–2016</td>
<td>National and regional social, economic, employment, labor, and poverty indicators (with disaggregated data by ethnic minority and sex)</td>
</tr>
<tr>
<td></td>
<td>Registered unemployment rate will be controlled at the 2008 level of 4.57% within the 12th 5-year plan period 2011–2016</td>
<td></td>
<td>The project will be implemented as designed under the TA</td>
</tr>
<tr>
<td></td>
<td><strong>Outcome</strong></td>
<td>Main policy recommendations submitted to SESAB and higher authorities for consideration by end of February 2011</td>
<td>TA performance report</td>
</tr>
<tr>
<td></td>
<td>Choices for improving the effectiveness of PES for all job seekers, particularly rural-urban migration in Sichuan Province, are analyzed comprehensively</td>
<td>Capacity building efforts for institutions providing PES for migrant workers proposed by February 2011</td>
<td>TA main report</td>
</tr>
<tr>
<td></td>
<td><strong>Outputs</strong></td>
<td>Recommendations on reforms needed in the PES system proposed by February 2011</td>
<td>TA completion report</td>
</tr>
<tr>
<td></td>
<td>Recommendations for improving the PES system in Sichuan are developed</td>
<td>Workshop reviews by ADB of draft TA reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consistency with ADB’s Policy on Indigenous</td>
<td>The provincial government maintains political will and commitment to develop and institutionalize the PES</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SESAB has strong project implementation capability and sufficient counterpart funds to ensure smooth implementation of the project</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>SESAB supports key TA recommendations</td>
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<td></td>
<td></td>
<td></td>
<td>Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Subprovincial agencies lack the capacity to provide inputs to the PES</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Assumptions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Timely fielding of consultants with good understanding of the local situation</td>
</tr>
<tr>
<td>Design Summary</td>
<td>Performance Targets and/or Indicators</td>
<td>Data Sources and/or Reporting Mechanisms</td>
<td>Assumptions and Risks</td>
</tr>
<tr>
<td>---------------</td>
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<tr>
<td>These include (i) building institutional capacity including staff capacity of PES; (ii) improving the labor market analysis and information system, including sex-disaggregated data; (iii) strengthening public–private partnerships; (iv) improving public employment services for women job seekers and migrant workers; (v) developing a model for provision of PES in rural and urban areas; and (vi) enhancing system efficiency</td>
<td>Peoples (1998)</td>
<td>Necessary data and information available</td>
<td></td>
</tr>
<tr>
<td>Study tour undertaken by August 2010</td>
<td>Consistency with ADB’s Policy on Gender and Development (2003)</td>
<td>Effective coordination of each report and component to integrate a consistent and logical conclusion for policy recommendation and the development of a pilot model</td>
<td></td>
</tr>
<tr>
<td>Training of relevant employment service officials and staff undertaken by January 2011</td>
<td>Main TA report</td>
<td>Draft final report is of good quality and locally suitable to serve as the basis for review by the government</td>
<td></td>
</tr>
<tr>
<td>Completion by February 2011 of technical reports on (i) labor market analysis and management systems, and (ii) PES institutional and staff capacity building</td>
<td>Two technical reports</td>
<td>Risks</td>
<td></td>
</tr>
<tr>
<td>A conference held and conference report submitted end of March 2011</td>
<td></td>
<td>Ineffective coordination among SESAB, consultants, and researchers</td>
<td></td>
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</tbody>
</table>

**Activities with Milestones**

<table>
<thead>
<tr>
<th>Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1 (April–July 2010)</strong></td>
</tr>
<tr>
<td>1.1. Conduct desk review of existing policies, strategies, and PES system at five levels (province, prefecture, county, township, and village) in Sichuan Province.</td>
</tr>
<tr>
<td>ADB provides $400,000 grant including consultancy inputs: 5 person-months</td>
</tr>
</tbody>
</table>
### Activities with Milestones

<table>
<thead>
<tr>
<th>Inputs</th>
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</thead>
<tbody>
<tr>
<td>international and 20 person-months national.</td>
</tr>
<tr>
<td>The government provides $80,000 equivalent including office, equipment, remuneration and per diem of counterpart staff, and administrative costs.</td>
</tr>
</tbody>
</table>

#### 1.2. Identify challenges and opportunities to improve PES especially for the rural population.

#### 1.3. Conduct a review of existing policies, strategies, and PES system nationally (e.g., Shanghai, Guangdong, Beijing, Chongqing, and Anhui).

#### 1.4. Undertake a study tour in a selected developed country to review effective PES models.

#### 1.5. Develop an inception report with draft outlines of the two technical reports and a policy note.

#### 1.6. Conduct a user survey and/or focus group discussions among target clients (rural migrants seeking work).

#### 1.7. Conduct the inception workshop to present an inception report.

### Phase 2 (August–December 2010)

#### 2.1. Review policies, strategies, and conditions for an effective PES.

#### 2.2. Further undertake labor supply and demand analysis, prepare forecasting models for labor supply and demand, and analyze public financial policies in Sichuan.

#### 2.3. Prepare and conduct training of relevant officials.

#### 2.4. Undertake a study visit to selected demonstration sites in the People's Republic of China.

#### 2.5. Prepare a midterm report.

#### 2.6. Undertake an institutional assessment of the executing agency/implementing agency.

### Phase 3 (January 2011–March 2011)

#### 3.1 Consult with stakeholders in Sichuan Province.

#### 3.2 Finalize two technical reports and one policy note.

#### 3.3 Conduct a final review workshop.

#### 3.4 Conduct a conference to present key findings and prepare a conference report.

#### 3.5. Finalize the main TA report.

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<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>Submission of an inception report</td>
</tr>
<tr>
<td>2</td>
<td>Submission of a design for the survey</td>
</tr>
<tr>
<td>3</td>
<td>Submission of an international study visit report</td>
</tr>
<tr>
<td>4</td>
<td>Submission of a midterm review report</td>
</tr>
<tr>
<td>5</td>
<td>Submission of a conference report</td>
</tr>
<tr>
<td>6</td>
<td>Submission of final reports including main TA report, two technical reports, and a policy note</td>
</tr>
<tr>
<td>7</td>
<td>TA closing</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank, PES = public employment service, SESAB = Sichuan Employment Service and Administration Bureau, TA = technical assistance.
## COST ESTIMATES AND FINANCING PLAN
($'000)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Asian Development Bank Financing</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>1. Consultants</td>
<td></td>
</tr>
<tr>
<td>a. Remuneration and Per Diem</td>
<td></td>
</tr>
<tr>
<td>i. International Consultants (5 person-months)</td>
<td>130.00</td>
</tr>
<tr>
<td>ii. National Consultants (20 person-months)</td>
<td>125.00</td>
</tr>
<tr>
<td>b. Travel</td>
<td>20.00</td>
</tr>
<tr>
<td>c. Reports, Translation, and Communications&lt;sup&gt;b&lt;/sup&gt;</td>
<td>10.00</td>
</tr>
<tr>
<td>d. Miscellaneous Administration and Support Costs and Transport Cost (between Chengdu and Guan Yuan)</td>
<td>3.50</td>
</tr>
<tr>
<td>2. Training, Seminars, and Conferences</td>
<td></td>
</tr>
<tr>
<td>a. Training and Workshops&lt;sup&gt;c&lt;/sup&gt;</td>
<td>25.50</td>
</tr>
<tr>
<td>b. International Study Visit</td>
<td>40.00</td>
</tr>
<tr>
<td>c. National Study Visit&lt;sup&gt;d&lt;/sup&gt; and Survey</td>
<td>13.00</td>
</tr>
<tr>
<td>3. Equipment&lt;sup&gt;e&lt;/sup&gt;</td>
<td>7.00</td>
</tr>
<tr>
<td>4. Contingencies</td>
<td>26.00</td>
</tr>
<tr>
<td><strong>Subtotal (A)</strong></td>
<td><strong>400.00</strong></td>
</tr>
<tr>
<td><strong>B. Government Financing</strong></td>
<td></td>
</tr>
<tr>
<td>1. Office Accommodation, Equipment,&lt;sup&gt;f&lt;/sup&gt; and Transport</td>
<td>30.00</td>
</tr>
<tr>
<td>2. Remuneration and Per Diem of Counterpart Staff</td>
<td>20.00</td>
</tr>
<tr>
<td>3. Travel&lt;sup&gt;g&lt;/sup&gt;</td>
<td>20.00</td>
</tr>
<tr>
<td>4. Miscellaneous Administration and Support Costs</td>
<td>10.00</td>
</tr>
<tr>
<td><strong>Subtotal (B)</strong></td>
<td><strong>80.00</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>480.00</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup> Financed by the Asian Development Bank’s Technical Assistance Special Fund (TASF–others).

<sup>b</sup> Includes all translation activities, necessary policy documents for desk review, production of two technical reports, the main technical assistance report, conference report, an executive summary of technical assistance findings and a policy note, and interpretation for the workshops.

<sup>c</sup> Includes four workshops: (i) inception, (ii) midterm review, (iii) final review, and (iv) conference.

<sup>d</sup> Travel cost for studying demonstration sites in the People’s Republic of China for selected consultants and counterpart staff.

<sup>e</sup> Includes laptop computers, printers, and scanners.

<sup>f</sup> Includes office equipment such as telephone, fax, internet connection, and office utilities.

<sup>g</sup> Includes travel and monitoring costs for the executing agency staff to demonstration sites in the People’s Republic of China.

Source: Asian Development Bank estimates.
1. The technical assistance (TA) will require the services of five consultants for a total of 25 person-months, consisting of one international consultant and four national consultants, over a period of 11 months during TA implementation. The consultants will perform their tasks in close consultation with the Sichuan Employment Service Administration Bureau (SESAB) of Sichuan Province as the executing agency and implementing agency, and other responsible provincial and local government departments and agencies to ensure full acceptance of the outcome of the TA. The consultants shall produce the following in both English and Chinese: (i) the main TA report, (ii) technical reports on (a) labor market analysis and information systems, and (b) employment services staff capacity building, (iii) a policy note for decision makers, (iv) a conference report, and (v) an executive summary of the main TA report. All consultants shall be familiar with Sichuan, including its socioeconomic context.

2. The consultant team will arrange all the necessary translation and interpretation needed for the TA activities. The documents for translation into English include policy documents in Chinese needed for the desk review and design of the field survey. Interpretation services shall be arranged on demand, including for an international consultant, the review mission of the Asian Development Bank (ADB), and workshops.

3. Consulting services consisting of one international consultant for 5 person-months and four national consultants for a total of 20 person-months will be required. Consultants will have expertise in (i) migrant workers’ employment policies and implementation, (ii) public employment service (PES) improvement (capacity and efficiency), (iii) vocational guidance and development, and (iv) labor market analysis and information systems for employment services. The international consultant will be the team leader while the national consultant on PES will be the deputy team leader. The consultants will be responsible for producing the TA’s outputs and deliverables effectively and on time, and for organizing and carrying out all TA activities.

A. Team Leader and Expert on Public Employment Services Systems and Public–Private Partnerships in Employment Systems (international, 5 person-months)

4. The team leader will

(i) Coordinate with the deputy leader in submitting to SESAB and ADB an inception report within 1 month after the start of the TA. The report will contain (a) a work plan detailing each team member’s inputs (to be updated periodically as needed), (b) an outline of the main TA report and schedule, and (c) the design and plans for conducting the survey on migrant workers.

(ii) Work with the deputy leader to ensure a clear delineation of responsibilities among team members and national and local governments in the preparation, implementation, and follow-up work for the TA survey, reports, workshops, seminars, and other TA activities including the study visit.

(iii) Work with the deputy leader to ensure (a) the implementation of the TA according to the terms of reference and any subsequent instructions or guidance that may be provided by SESAB or ADB; and (b) the timeliness and quality of the consulting team’s outputs and deliverables.

(iv) Be responsible for a comprehensive assessment of the PES based on an in-depth analysis of the broad policy environment and an employment service policy framework; institutional (financial, administrative, etc.) capacity at five levels (province, prefecture, county, township, and village), as well as specific areas of employment service capacity; labor market analysis and information system development and use; capacity building; and the status and possibilities of public–private partnerships (PPPs) in employment services for migrant workers, with a particular emphasis on Chengdu and
Guang Yuan. The analysis should focus on public employment services for migrant workers in Sichuan and consider the implications of the global economic recession for job creation, employment, and social safety nets in Sichuan. Analysis will also focus on the provision of skills as well as training in general for the work related to the economic stimulus in rural areas, at least in the interim period when employers’ demand for migrant workers in various export-oriented factories in urban areas has fallen sharply.

(v) On the basis of (iv) above, be responsible for (a) identifying constraints and opportunities to make administrative, financial, and institutional improvements in the employment services system in Sichuan, and (b) recommending effective mechanisms and measures to improve this system for all job seekers, including specific and effective measures to strengthen PPPs in employment services, particularly for migrant workers. The recommendations should be clear and specific, costed, and given a prioritized implementation schedule.

(vi) Together with the team members, identify, through a sample survey, employers’ knowledge and satisfaction levels on the PES services, and how they can contribute to improving the system.

(vii) Be responsible for systematically introducing advanced international experience on PES with a focus on migrant workers from countries rich in such experience as well as from international organizations with expertise in this area; materials thus collected should be compiled as an appendix to the final main report. The outline of this appendix should be presented and provided at TA inception.

(viii) Be responsible for ensuring the quality of the survey on migrant workers to be conducted at an early stage of TA implementation, especially with regard to the methodology used in survey design and implementation, and the systematic review and analysis of the survey results.

(ix) Prepare and conduct training of relevant officials in Sichuan.

(x) Ensure close consultation with the provincial development and reform commission on various TA reports.

(xi) Be responsible for ensuring the quality of the final main and technical reports of the TA.

(xii) Be responsible for preparing, on the basis of the main TA report and technical reports, (a) a concise executive summary focusing on key findings and policy recommendations, (b) a policy note for decision makers, and (c) a conference report.

(xiii) Be responsible for appointing a focal point for communications with SESAB, particularly when consultants are traveling.

(xiv) Be responsible for preparing and finalizing publications based on the TA outputs and TA reports.

B. Deputy Team Leader and Specialist on Employment Service Policies and Systems
(national, 6 person-months)

5. The deputy team leader will

(i) Coordinate with the team leader in submitting to SESAB and ADB an inception report within 1 month of the start of the TA. The report will contain (a) a work plan detailing each team member’s inputs (to be updated periodically as needed), (b) an outline of the main TA report and schedule, and (c) the design and plans for conducting the survey on migrant workers.

(ii) Work with the team leader to ensure a clear delineation of responsibilities among team members and national and local governments in the preparation, implementation, and follow-up work for the TA survey, reports, workshops, seminars, and other TA activities including the study visit.

(iii) Work with the team leader to ensure (a) implementation of the TA according to the terms of reference, and any subsequent instructions or guidance that may be provided
by SESAB or ADB; and (b) the timeliness and quality of the consulting team’s outputs and deliverables.

(iv) Work with the team leader to prepare a comprehensive analysis and assessment of the policy, institutional, and financial aspects of the employment services at five levels (province, prefecture, county, township, and village) and its specific role and impact on migrant workers, including women, with a particular emphasis on Chengdu and Guang Yuan; identify constraints and opportunities; and provide specific and clear recommendations on mechanisms and measures for improving PES for migrant workers. The analysis will consider the implications of the global economic recession for job creation, employment, and social safety nets in Sichuan. The recommendations should be costed and the implementation schedules should be prioritized.

(v) Prepare a report assessing the capacity of the PES system in Sichuan to meet the employment challenges for migrant workers in the next 5–10 years; identify constraints and opportunities and make recommendations to meet these challenges, with costed options and a prioritized implementation schedule.

(vi) Work with other team members to design, conduct, and analyze the survey of migrant workers; and provide expert opinion on the recommendations thus made to improve PES for migrant workers.

(vii) Work with the labor market analysis specialist on the assessment and recommendations on labor market analysis and the information and communication technology (ICT) network and information system for PES.

(viii) Work with the vocational guidance and development specialist on the assessment of capacity building for employment services, especially staff needs and training needs; make appropriate recommendations on a capacity-building plan focused on improving the staff’s effectiveness in providing employment services for migrant workers including women, with an implementation schedule and resource needs.

(ix) Together with the team members, identify, through a sample survey, employers’ knowledge and satisfaction levels on the PES system services, and how they can contribute to improving the system.

(x) Work with the international consultant and the national consultant on migrant worker employment policies and implementation, focusing on PPPs and gender issues, particularly improving public employment services for women job seekers and migrant workers, and ensure that such analyses and relevant recommendations are suitably incorporated in the main report and technical reports.

(xi) Work with the team leader to prepare and conduct training of relevant officials in Sichuan, based on the TA findings.

(xii) Work with the team members to develop and conduct a survey and/or focus group discussions with target clients (rural migrants seeking jobs) in Sichuan to analyze how the current PES system is being used and to what extent as well as how rural migrants engage in informal networking while seeking employment.

(xiii) Undertake an institutional assessment of SESAB as both the executing and implementing agency, focusing on SESAB’s capacity to implement ADB-funded TA.

(xiv) Be responsible for coordinating with relevant provincial government and officials, to ensure the effective and timely implementation of all TA activities.

(xv) Be responsible for the coordination, finalization, and timely submission of all reports to SESAB and ADB; including the draft final report and other reports, all key research reports, and TA implementation reports.

(xvi) Assist the team leader in preparing and finalizing the executive summary and knowledge products.

(xvii) Be responsible for the timely and effective facilitation of seminars, workshops, and the conference.

(xviii) Act as team leader when the team leader is not in the field.
C. Specialist on Migrant Worker Employment Policies (national, 4 person-months)

6. This specialist will

(i) Prepare a comprehensive assessment of migrant workers with regard to PES in Sichuan, as background input to the main report. The assessment will provide systematic information about migrant workers in Sichuan to set the context for the report.

(ii) Ensure close consultation with the provincial development and reform commission on inception, midterm, and final TA reports.

(iii) Work with the team leader and deputy to design and conduct the survey on migrant workers, and undertake the subsequent systematic analysis of survey results. The survey should identify and assess the main steps in the migration process, migrant workers’ potential need for PES at each step, specific shortcomings of the present employment services system for migrant workers, and the role of the private sector in providing employment services to migrant workers. It should also provide information about poverty among migrant workers and how employment services may reduce poverty through better jobs and higher income. The implications of the global economic recession on job creation, employment, and social safety nets in Sichuan should be taken into consideration.

(iv) Be responsible for identifying information needs of migrant workers in the migration process and effective means of information dissemination appropriate to migrant workers, as well as the complementary role of the private sector in providing employment services to migrant workers, with prioritized and costed recommendations for implementation (including phasing and pilot-testing). Provide an assessment on the appropriateness and suitability of all analyses and recommendations on measures and mechanisms for improving the PES for migrant workers.

(v) Review the feasibility of adapting and using a "toolkit" of materials developed by the ADB-funded TA for Employment Services for Migrant Workers\(^1\) aimed at providing assistance to rural migrant workers.

(vi) Provide gender analysis in all the tasks above and incorporate the analysis and recommendations in all reports and in the survey. The survey on migrant workers will be designed and conducted to collect sex-disaggregated and gender-based data, and the subsequent gender analysis of this data will be incorporated in the overall analysis of the survey results.

(vii) Assist the team leader in preparing the main report and other reports, and in preparing and participating in the workshops, conference, and other TA activities; and undertake other relevant responsibilities assigned by the team leader.

D. Vocational Guidance Specialist (national, 5 person-months)

7. This specialist will

(i) Prepare a comprehensive assessment of the status of vocational guidance and skills training within the PES in Sichuan, with particular focus on gender issues, migrant workers, and Chengdu and Guang Yuan; identify constraints and opportunities for improving public employment services for migrant workers and women with respect to vocational guidance and skills training; make clear and specific recommendations on measures and mechanisms for improvements, with costed options and a prioritized implementation schedule

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\(^1\) ADB. 2006. *Technical Assistance to the People's Republic of China for Employment Services for Migrant Workers*. Manila (TA 4858–PRC, for $300,000, approved on 27 October).
Appendix 3

(ii) Work with other team members to design and conduct a survey of migrant workers in Sichuan; and consider the implications of the global economic recession for job creation, employment, and social safety nets in Sichuan.

(iii) Be responsible for assessing the capacity-building needs of the PES in terms of vocational guidance and skills training, including needs arising from the survey results and other TA activities; and propose capacity-building plans to mitigate the constraints. The plans should be phased and should explore training-the-trainers and other tested capacity-building approaches, including small-scale pilot-testing focused on migrant workers.

(iv) Work with the labor market specialist on improvements in the analysis of the labor market demand and the ICT network and the information system to increase the coverage and effectiveness of vocational guidance and skills training for migrant workers. The recommendations and plans thus proposed should be clear and specific, with costed options and a prioritized implementation schedule.

(v) Assist the team leader in preparing and finalizing the main report and other reports, and in preparing and participating in the workshops and conference; and undertake other relevant responsibilities assigned by the team leader.

E. Specialist on Labor Market Analysis for Employment Services (national, 5 person-months)

8. This specialist will

(i) Assess the formal and nonformal labor market in Sichuan, and the socioeconomic framework conditions.

(ii) Analyze labor market information in Sichuan to determine skills gaps and emerging labor requirements.

(iii) Assess the future demand for employment services, including youths and adults, based on demographic trends, economic developments, and migration trends.

(iv) Identify any shortcomings in the existing labor market information systems and propose solutions to improve the accuracy and reliability of regular forecasts on skills gaps and labor market needs at the provincial level.

(v) Recommend strategies, including alternative financing mechanisms, to provide employment training and retraining opportunities for adults.

(vi) Provide labor market projections, analysis, and other inputs to the team leader for developing TA reports. Work with other consultants, and in close consultation with SESAB, to set quantitative and qualitative targets for employment training by skills level, gender, and occupation (among other criteria).

(vii) Prepare a report containing a comprehensive analysis and assessment of the effectiveness of the PES’s existing information system. The analysis should incorporate the government’s long-term development plan for the PES; identify constraints and opportunities in the labor market analysis used currently, as well as in both hardware (ICT network), and software (effective use of the network and staff effectiveness and related capacity building) in meeting the challenges that the PES in Sichuan is expected to face in the next 5–10 years; and make recommendations to meet the challenges identified, considering the implications of the global economic recession for job creation, employment and social safety nets in Sichuan. The recommendations should be clear and specific, with costed options and a prioritized implementation schedule.

(viii) Be responsible for the preparation of a technical report on labor market analysis and information systems.

(ix) Assist the team leader in preparing the main report and other reports, in preparing and participating in workshops and the conference, and in performing other relevant responsibilities assigned by the team leader.