SKILLS FOR EMPLOYMENT INVESTMENT PROGRAM

Project Features

The project has the following of objectives:

(i)   Improve the job-focused skills of new and existing workers to enhance productivity and contribute to growth in priority industry sectors.

(ii) Impart skills training linked to gainful employment or self-employment.

(iii) Develop a network of training providers endorsed by industries to provide training aligned with skills requirements of employers.

(iv) Support capacity development of training providers to ensure delivery of quality training according to national quality frameworks.

(v)   Establish a National Human Resource Development Fund to support quality training by public and private sector partners, and the National Skills Development Authority to coordinate national skills development efforts.

The project has four major components:

(i)   **Deliver market-responsive inclusive skills training.** The project supports training for key priority economic sectors identified by the government. Industry associations, along with public training institutes, are leading training programs that are responsive to market needs, in order to increase employability and address skills needed for industry growth.

(ii) **Strengthen quality assurance system.** The project is working to ensure accreditation of skills qualifications and registration of institutions. It supports the training of vocational trainers and assessors to improve their teaching skills

PROJECT AT A GLANCE (TRANCHE 1)

$ Project Cost and Financing

$138.5 million total
Asian Development Bank, $100 million
Swiss Agency for Development and
    Cooperation, $10 million
Government of Bangladesh, $25 million
Industry Associations, $3.5 million

✓ Project Approval

3 June 2014

Project Themes

Inclusive growth, human resource development, productivity improvement, public–private partnership

Project Completion

31 December 2018

▶ Executing Agency

Finance Division, Ministry of Finance, Government of Bangladesh

Implementing Agency

Skills Development Coordination and Monitoring Unit, Ministry of Finance, Government of Bangladesh

50 YEARS
ADB

and deliver quality training in priority sectors. The project also supports improvement of training facilities, and assists industry associations in networking with well-performing public and private institutions.

(iii) **Strengthen institutions for skills development.** The project supports institutional reforms to strengthen planning, management, and monitoring; and public–private partnership in the national skills development system. It is establishing a National Human Resource Development Fund and the National Skills Development Authority to effectively support quality, market-relevant training opportunities for the growing working-age population in Bangladesh to increase their productivity.

(iv) **Ensure effective program management.** Results-based monitoring is being implemented to guide and monitor the performance of training providers in training delivery and job placement. The project is assessing the relevance and effectiveness of skills training for employment through tracer studies and other information management systems. In addition, the project is undertaking fiduciary reviews of training providers to enhance effective management and governance of skills development systems.

Skills for Employment Investment Program, Bangladesh

The Bangladesh economy has been growing at an average annual rate of over 6% in recent years and is poised to benefit from the demographic dividend, as its working-age population expands until 2050. However, economic growth and employment opportunities are constrained by shortages of skilled workers, among other factors. The current skills supply systems are not adequate both in quantity and quality to respond to skills demand in the labor market, despite recent increases in literacy rates and school enrollment among the youth.

The growth of labor productivity through skills development and technological progress, combined with effective policies and markets, can accelerate economic growth and enhance human capital resources. In fact, skill is recognized, along with infrastructure and energy, as one of key impediments to Bangladesh's industrial growth, productivity, export diversification, and moving up the global value chain.

ADB's Bangladesh country partnership strategy, 2016–2020 has identified low competitiveness of firms, particularly low skills and low productivity of the workforce, as the key constraint to growth.

Remittances are also a key driver of the Bangladesh economy. Many unskilled and semiskilled workers overseas earn foreign currency and contribute to the economy. The inflow of remittances could have been much higher if these workers are equipped with higher-level skills required by better-paying jobs abroad.

In this context, the Government of Bangladesh enacted the National Skills Development Policy in 2011 and established the National Skills Development Council headed by the Prime Minister. The aim of these initiatives is to improve and better coordinate skills development and training programs in a holistic way.

ADB is supporting the Government of Bangladesh with a multitranche financing facility program, the Skills for Employment Investment Program (SEIP), which will take a long-term and comprehensive approach to improving skills development in Bangladesh. The program will contribute to the country's economic growth by improving the skills level of a large number of the working population for priority industry sectors. The Swiss Agency for Development and Cooperation is cofinancing the program, which supports skills development from 2014 to 2024.

Tranche 1 is being implemented from 2014 to 2018 at an estimated cost of $138.5 million.

SEIP supports the Government of Bangladesh's reforms in skills development, anchored in the National Skills Development Policy 2011. It also supports large-scale private sector involvement and public–private partnership, which is critical to meet existing and future labor market needs and to reduce the skills gap. This in turn is crucial for Bangladesh to move away from a "low-skill, low-wage equilibrium" to a "higher-skill, higher-wage virtuous cycle" to achieve a higher growth path.

The outcome of SEIP is enhanced, inclusive access to skills training in priority sectors. In Tranche 1, SEIP supports six high growth priority sectors: garments/textiles, information technology, construction, light engineering, leather and footwear, and shipbuilding. In all, 15 priority sectors will be covered during the entire program period.