Concept Paper

Project Number: 51011-001
November 2018

Proposed Grant
Tajikistan: Skills and Competitiveness Sector Development Program

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Asian Development Bank

CURRENCY EQUIVALENTS
(as of 3 November 2018)

Currency unit	–	somoni (TJS)
TJS1.00	=	$0.1103594407
$1.00	=	TJS9.424100

ABBREVIATIONS

ADB	–	Asian Development Bank
CWRD	–	Central and West Asia Department
EU	–	European Union
GDP	–	gross domestic product
MOES	–	Ministry of Education and Science
MOLME	–	Ministry of Labor, Migration and Employment
PAG	–	program administration group
TASF	–	Technical Assistance Special Fund
TRTA	–	transaction technical assistance
TVET	–	technical and vocational education training

NOTE

In this report, "$" refers to United States dollars.

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CONTENTS

		Page
PROJECT AT A GLANCE		
PROBLEM TREE		
I.	THE PROJECT	1
	A. Rationale	1
	B. Proposed Solutions	3
	C. Proposed Financing Plans and Modality	4
	D. Implementation Arrangements	4
II.	PROJECT PREPARATION AND READINESS	5
III.	DELIBERATIVE AND DECISION-MAKING ITEMS	5
	A. Risk Categorization	5
	B. Project Procurement Classification	5
	C. Scope of Due Diligence	5
	D. Processing Schedule and Sector Group's Participation	6
	E. Key Processing Issues and Mitigation Measures	6
APPENDIXES		
1.	Preliminary Design and Monitoring Framework	7
2.	Project Procurement Classification	10
3.	Technical Assistance for Program Preparation	11
4.	Initial Poverty and Social Analysis	16

PROGRAM AT A GLANCE

1. Basic Data — **Project Number:** 51011-003

Project Name	Skills and Competitiveness Sector Development Program	**Department/Division**	CWRD/CWSS
Country	Tajikistan	**Executing Agency**	Ministry of Labour, Migration and Employment of Population (formerly Ministry of Labor and Social Protection)
Borrower	Ministry of Finance		

2. Sector

	Sector	Subsector(s)	ADB Financing ($ million)
✓	**Education**	Technical and vocational education and training	20.00
		Total	**20.00**

3. Strategic Agenda

Strategic Agenda	Subcomponents
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive Pillar 3: Extreme deprivation prevented and effects of shocks reduced (Social Protection)

Climate Change Information

Climate Change impact on the Project	Low

4. Drivers of Change

Drivers of Change	Components
Governance and capacity development (GCD)	Institutional development
Knowledge solutions (KNS)	Pilot-testing innovation and learning
Partnerships (PAR)	Bilateral institutions (not client government) Implementation
Private sector development (PSD)	Promotion of private sector investment

Gender Equity and Mainstreaming

Gender equity (GEN)	✓

5. Poverty and SDG Targeting

Geographic Targeting	Yes
Household Targeting	No
SDG Targeting	Yes
SDG Goals	SDG8

Location Impact

Rural	Medium
Urban	Medium

6. Risk Categorization: Low

7. Safeguard Categorization **Environment:** B **Involuntary Resettlement:** B **Indigenous Peoples:** C

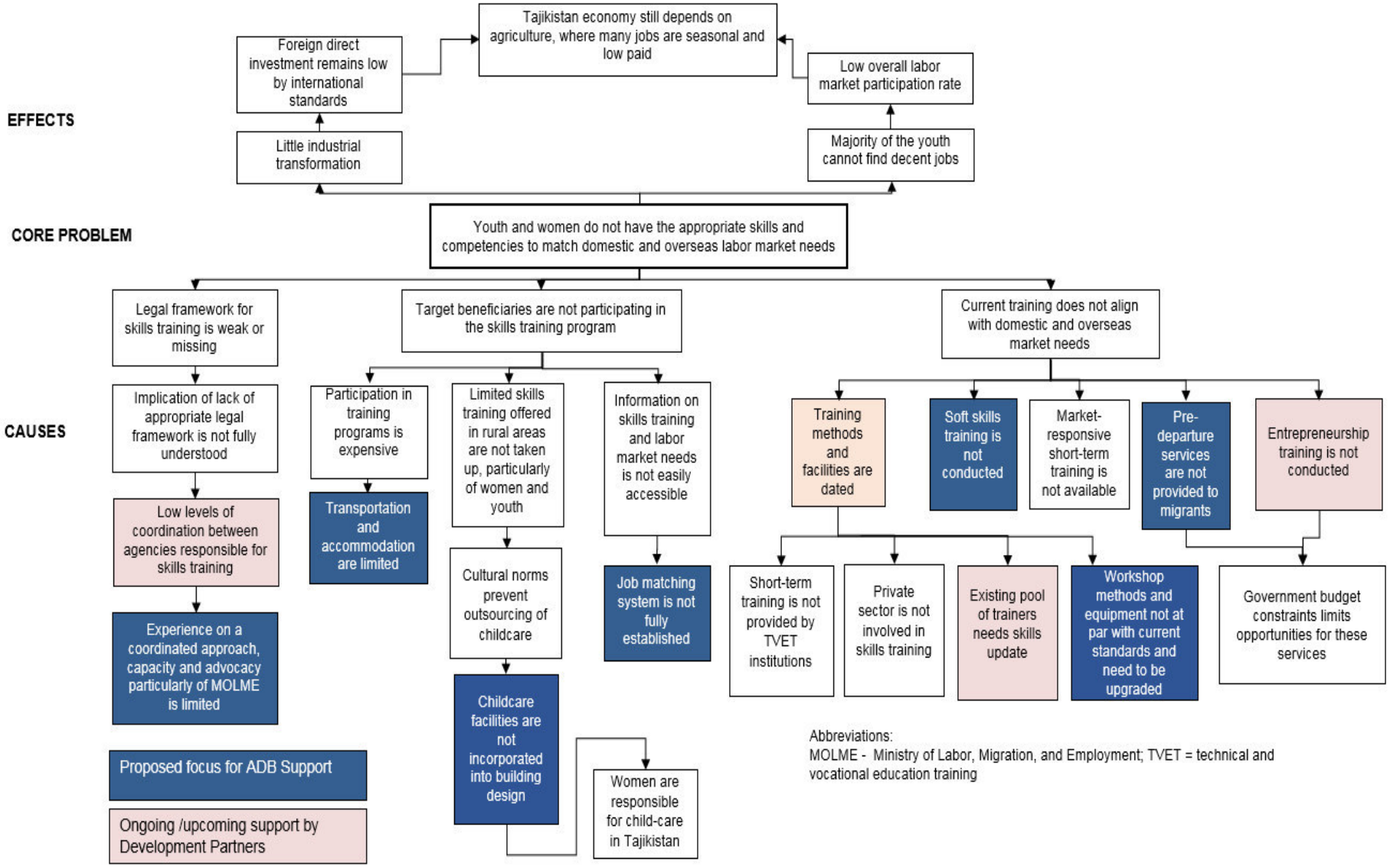
8. Financing

Modality and Sources	Amount ($ million)
ADB	**20.00**
Sovereign SDP - Program grant: Asian Development Fund	5.00
Sovereign SDP - Project grant: Asian Development Fund	15.00
Cofinancing	**0.00**
None	0.00
Counterpart	**2.00**
Government	2.00
Total	**22.00**

Currency of ADB Financing: USD

Source: Asian Development Bank

PROBLEM TREE



Abbreviations:
MOLME - Ministry of Labor, Migration, and Employment; TVET = technical and vocational education training

I. THE PROJECT

A. Rationale

1. The proposed Skills and Competitiveness Sector Development Program will enhance the employability of youth and women in Tajikistan. Improved skills and labor competitiveness is a key driver for the country's inclusive growth. The program will comprehensively support the skills sector by (i) strengthening the sector policy framework and service delivery capacity; (ii) improving access of vulnerable groups to skills training; (iii) providing more relevant and better quality training; and (iv) developing and establishing a new type of job center, a one-stop platform providing all job-related services in regions where labor migration and youth unemployment rates are high.

2. **Socioeconomic profile**. After the civil war ended in 1997, Tajikistan has enjoyed solid economic growth. The gross domestic product (GDP) grew by 6.9% in 2016, and 7.1% in 2017.[1] Tajikistan has also shown substantial progress in poverty reduction. The poverty rate declined from 81% in 1999 to 46.7% in 2009 and 29.5% in 2017.[2] Despite sustained economic growth, Tajikistan has faced a persistent development challenge—the lack of a sustainable development driver. Tajikistan is one of the most remittance dependent countries: in 2017, remittances accounted for about 40% of GDP. Currently about 1 million workers have migrated, mostly to the Russian Federation, to find employment.[3] While Tajikistan has abundant young human resources, its youth labor lacks skills and competitiveness in both domestic and foreign labor markets. The government has included the increase of productive employment as one of the four pillars of its National Development Strategy. However, the skills training sector has faced numerous challenges.

3. **Labor market constraints**. Key features of the labor market in Tajikistan are: (i) low overall labor market participation rate; (ii) a consistently large share of workers in agriculture; (iii) a high proportion of vulnerable jobs; and (iv) ineffective job matching and placement services in rural areas and for youth. Less than half the working-age population is employed (45.2% in 2016). From 1997 to 2017, there has been little industrial transformation; traditional agriculture remains a major industry. Although its share in GDP was only about 20% in 2016, over 40% of employment (44.7% in 2016) is in agriculture, where most jobs are informal, unpaid, seasonal, or temporary. Labor productivity and average earnings remain low in agriculture compared to industry and services. Workers spend an average of about 7.5 months in their job search. Young and rural-based job seekers tend to search longer.

4. **Weak skills sector governance and management.** Without an overarching policy and clear delineation of responsibilities, constraints on the skills sector remain unaddressed. The Ministry of Labor, Migration and Employment (MOLME) is responsible for planning and providing skills training, while the Ministry of Education and Science (MOES) is responsible for delivering technical and vocational education training (TVET). Both the concept of skills training and the demarcation of responsibility for planning and administering skills training are poorly defined, resulting in MOLME's weak accountability and limited role in providing more comprehensive and inclusive skills training. In 2017, MOLME developed a draft Initial Vocational Training Law, which includes MOLME's responsibility for planning and administration of skills training, but it remains

[1] Statistical Agency under the President of the Republic of Tajikistan.
[2] Asian Development Bank. 2016. *Country Partnership Strategy: Tajikistan 2016–2020*. Mania.
[3] Ministry of Labor, Migration and Employment of Government of Tajikistan. 2017. *Labor Force Survey 2016–2017*. Dushanbe.

unapproved due to lack of coordination among the line ministries that provide vocational training. Currently, no comprehensive regulatory framework for skills training or long-term sector action plan exists.

5. **Inequitable access to the training**. Youth and women are particularly disadvantaged in the Tajikistan labor market. The World Bank's recent job study indicates that in 2013 about 30% of youth and 75% of women were unemployed.[4] Youth in poor regions, women, and migrant returnees mainly comprise those not in education, employment, or training. While the secondary education enrollment rate is high, few students progress to skills training because of low family income and lack of awareness of opportunities. Many vocational schools in rural areas do not provide student hostels for short-term training participants. Youth from poor families cannot afford vocational school tuition, transport and accommodation. Parents often do not realize that youth, in particular girls, can improve their domestic and overseas employability through even short-term training; instead, they encourage youth to migrate immediately upon graduation from secondary school. The typical profile of a labor migrant is 15–29 years old, a graduate of a rural secondary school, unemployed prior to migration, and without any skills training or registration in Tajikistan's social protection system. Gender disparity in access to training is nationwide. Cultural norms prevent the outsourcing of childcare and vocational schools do not provide childcare services. Therefore, women with children have even more restricted access to the skills training.

6. **Poor relevance and quality of training and job-related services.** The Asian Development Bank (ADB) conducted a training needs assessment for disadvantaged groups in Tajikistan that shows that available training programs are often poorly matched to the actual needs of local labor markets.[5] The lack of an effective labor market information system, job counseling, and job matching services results in a major mismatch in the labor market. Training equipment and teaching methods are outdated due to limited budgets. Vocational instructors teach certified long-term programs, but often cannot provide market-responsive short-term training courses because they have limited opportunity to participate in refresher programs for TVET trainers. TVET programs do not teach enough soft skills. Some returnees receive post-migrant services, but the study indicates that pre-departure services and training—including information technology skills and basic foreign language proficiency—are essential to help migrants to find better and more secure jobs in the destination countries as well as in Tajikistan upon their return.

7. **ADB experiences and lessons**. Since 2015, when ADB provided the first TVET project in Tajikistan, ADB has been a leading development partner in the skills sector in Tajikistan. An ongoing ADB-financed project addresses broad sector needs, including renovating facilities, providing equipment at vocational colleges, and developing a new competency-based training framework.[6] The proposed program design reflects two lessons from the ongoing project: (i) the program should include a policy-based component to address the sector's structural weakness; and (ii) for better job outcomes and effective resource allocation, the program should prioritize training for growing industries in the neediest regions.

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[4] World Bank. 2018. *Jobs Diagnostic Tajikistan*. Washington, D.C.

[5] ADB. Grant 0452/Grant 0453/Loan 3309-Strengthening Technical and Vocational Education and Training Project. 2018. *Report on A Market Responsive and Inclusive Training Program Survey*. Dushanbe.

[6] ADB. 2015. *Report and Recommendation to the President to the Board of Directors: Proposed Loan and Administration of Grants to the Republic of Tajikistan for the Strengthening Technical and Vocational Education and Training Project*. Manila.

B. Proposed Solutions

8. **Output 1: Policy, system and capacity of the skills sector strengthened**. The program will support ongoing skills sector reforms—including approval of the Initial Vocational Training Law and development of new policies and regulations based on the law—through the policy-based grant. The policy reforms will include: (i) official endorsement of initial vocational training law; (ii) development of the National Qualification Framework; (iii) development of a strategy for skill training for disadvantaged groups; and (iv) the development and approval of regulations on adult education centers. The program will provide capacity development programs for sector planning, management and administration to MOLME and provincial governments.

9. **Output 2: New, model job centers established in western Tajikistan.** The program will develop new, model job centers in western Tajikistan, which exports a high volume of labor migrants. Civil works sites will be determined through a migrant survey during the transaction technical assistance (TRTA); Dushanbe, East Khatlon, and East Karotegin have been identified preliminarily as project regions. The job centers will offer facilities currently unavailable in vocational colleges and schools and provide further support to job seekers. New services and facilities will include accommodation for short-term training participants; workshops where local private firms will demonstrate actual required skills and technologies; transportation that provides access to centers from rural areas, particularly for women; childcare centers; and job counseling rooms. The program will also provide training equipment for the workshops.

10. **Output 3: Inclusive training and migration support for youth and women established.** The TRTA will conduct a quick economic study on labor migration in Tajikistan. Based on the survey results, the ensuing program will develop both pre-departure and post-migration services for migrant youth. These programs will offer (i) short-term skills training for industries with large-scale employment, including tourism, ICT, agriculture and energy; (ii) soft skills training; (iii) foreign language training; (iv) guidance in access to social safety nets in Tajikistan; (v) knowledge of labor contracts and labor safety in destination countries; and (vi) support to the families of migrants. The new job centers will provide pilot childcare services. After the pilot testing is appraised, the training program will be scaled up and implemented nationwide. The program will also support developing pilot short-term training for women in rural areas, who have mostly worked for traditional agriculture. The program will further strengthen the labor market information system being developed under the ongoing ADB-financed project, which will help provide more efficient and timely job-search assistant and job matching system.

11. **Outcome and impact**. These outputs will result in the following outcome: skills and employability of youth and women in the key industries improved in selected provinces.[7] The program will be aligned with the following impacts: (i) productive employment expanded (National Development Strategy 2030);[8] and (ii) full and productive employment, and decent work for all promoted (Sustainable Development Goal 8).

12. **Development partners and ADB value addition**. The European Union (EU) has helped coordinate vocational education and training provided by MOLME and the MOES through policy-based support.[9] The EU also supports vocational teacher in-service training. The Japan International Cooperation Agency (JICA) supports pilot entrepreneurship training in eastern

[7] The preliminary design and monitoring framework is in Appendix 1.
[8] Government of Tajikistan. 2016. *The National Development Strategy 2030*. Dushanbe.
[9] European Union. 2018. *Concept Document Summary: Governance of Initial Vocational Education and Training in Tajikistan*. Dushanbe.

Tajikistan.[10] The proposed program will add value by (i) jointly addressing sector weakness with the EU's policy-based support; and (ii) complementing geographical coverage with JICA, which operates its youth training project in eastern Tajikistan.

13. **Link to country and sector strategies**. The proposed program covers ADB's priority operation areas for Tajikistan and is included in the country partnership strategy, 2016–2020.[11] The program's support to the skills subsector is also in line with ADB's Education Sector Strategy, which prioritizes post-secondary education, TVET/skills, higher education, and human capital development that directly contributes to job creation.[12]

C. Proposed Financing Plans and Modality

14. **Financing plan**. The proposed program cost is estimated at $22 million, of which ADB will finance $20 million from its Asian Development Fund (grant). The $20 million ADF grant will comprise (i) a $5 million policy-based grant (single tranche) and (ii) a $15 million project grant. The government is expected to provide counterpart support equivalent to $2 million in staff remuneration and per diem, office accommodation, office supplies, secretarial assistance, logistics, and other in-kind contributions. The tentative financing plan is shown in Table 1.

Table 1: Indicative Financing Plan

Source	Amount ($ million)	Share of Total (%)
Asian Development Bank		
Special Funds resources (ADF grant)	20.0	90.9
Policy-based grant	5.0	
Project grant	15.0	
Government[a]	2.0	9.1
Total	**22.0**	**100.0**

ADF = Asian Development Fund.

[a] The government contribution is in-kind.

Source: Asian Development Bank estimates.

15. **Financing modality**. Lessons from the ongoing ADB-financed project show that the sector needs more strategic policy planning and budget allocation, and investment support alone will not be sufficient to address the key sector constraints. Therefore, a sector development program is proposed for the program.

D. Implementation Arrangements

16. ADB will release the policy-based grant upon grant effectiveness subject to completion of all policy actions. The project grant will be implemented over 5 years. The executing agency of the program will be MOLME. The implementing agency will be the program administration group (PAG) that will be established under MOLME. An assessment of MOLME's procurement capacity is in Appendix 2.

[10] JICA. Program for Rural Development and Industry Promotion. (accessed on 7 July 2018).

[11] ADB. 2016. *Country Partnership Strategy: Tajikistan 2016–2020*. Manila.

[12] ADB. 2010. *Education by 2020: A Sector Operations Plan*. Manila.

Table 2: Indicative Implementation Arrangements

Aspects	Arrangements
Indicative implementation period	• April 2020 (Policy-based grant, single tranche upon effectiveness) • April 2020–March 2025 (project grant)
Indicative completion date	31 March 2025
Management	
(i) Executing agency	Ministry of Labor, Migration and Employment (MOLME)
(ii) Key implementing agencies	Program administration group under MOLME

Source: Asian Development Bank.

II. PROJECT PREPARATION AND READINESS

17. ADB's Technical Assistance Special Fund (TASF-6) will finance a TRTA of $800,000 to prepare the program's design and due diligence. A total of 20.5 person-month international and 28 person-months national consulting services will be supported by the TRTA. The consultants will be recruited in accordance with ADB Procurement Policy (2017, as amended time to time) and its associated project administration instruction and/or staff instructions. For the ensuing program, advance contracting will be applied to the following packages: (i) recruitment of PAG staff, (ii) provision of PAG office equipment and furniture, (iii) recruitment of program implementation consultants; and (iv) recruitment of detailed design and construction supervision firm. Retroactive financing will be explored for the PAG staff recruitment and equipment and furniture of PAG office. The details of the TRTA are in Appendix 3.

III. DELIBERATIVE AND DECISION-MAKING ITEMS

A. Risk Categorization

18. The proposed program is assessed *low risk* because (i) the program is a sector development program and the policy-based grant is less than $50 million; (ii) the grant amount does not exceed $200 million; (iii) none of the safeguards is category A; and (iv) the government and executing agency have substantial experience with ADB-financed programs.

19. The proposed program's gender classification is gender equity. The program is tentatively categorized B for environment and involuntary resettlement and C for indigenous peoples. The Initial Poverty and Social Analysis is in Appendix 4.

B. Project Procurement Classification

20. In accordance with the Guide on Assessing Procurement Risks and Determining Project Procurement Classification, the project's procurement classification is B. Most of procurement packages will be low value and straightforward open competitive bidding. MOLME, the executing agency for the program, has been implementing an ADB-financed project and already familiar with ADB procurement policies. PAG, the implementing agency to be established, will be under the supervision of MOLME

C. Scope of Due Diligence

21. Scope of the due diligence of the proposed program is shown in Table 3.

Table 3: Scope of Due Diligence

Due Diligence Outputs	To be undertaken by
Development coordination	Staff
Economic analysis	Staff, TA grant
Financial management assessment, financial evaluation, and financial analysis	Staff, TA grant
Gender analysis, collection of baseline data and gender action plan	Staff, TA grant
Safeguard screening and categorization results	TA grant
Initial poverty and social analysis	Staff
Project administration manual	Staff, TA grant
Risk assessment and management plan	Staff, TA grant
Safeguard documents on environment, involuntary resettlement, and/or indigenous peoples	Staff, TA grant
Sector assessment	Staff
Summary poverty reduction and social strategy	Staff, TA grant

TA = technical assistance.
Source: Asian Development Bank.

D. Processing Schedule and Sector Group's Participation

22. The program's processing milestones are shown in Table 4. The Education Sector Group will participate in the concept meeting and the staff review meeting.

Table 4: Processing Schedule by Milestone

Milestones	Expected Completion Date
1. Concept clearance	November 2018
2. TRTA consultant mobilization	January 2019
3. TRTA inception mission	February 2019
4. TRTA mid-term review mission	June 2019
5. TRTA final review/grant fact-finding mission	October 2019
6. Staff review meeting	November 2019
7. Grant negotiations	December 2019
8. Grant approval	February 2020
9. Grant signing	March 2020

TRTA = transaction technical assistance.
Source: Asian Development Bank.

E. Key Processing Issues and Mitigation Measures

Table 5: Issues, Approaches, and Mitigation Measures

Key Processing Issues	Proposed Approaches and/or Mitigation Measures
1. Unclear division of responsibility for providing skills training between MOLME and MOES	The new Initial Vocational Training Law will clarify the terms of reference for MOLME and MOES. The EU's new program will also support better coordination between the two ministries.
2. Limited capacity of MOLME	The ongoing ADB-financed project will continue to strengthen MOLME's capacity. The TRTA will also provide both individual consultants and a firm to review sector policies and capacity developments.

EU = European Union, MOES = Ministry of Education and Science, MOLME = Ministry of Labor, Migration and Employment, TA = technical assistance, TRTA = transaction technical assistance.

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Impact the Program is Aligned with: 1. Productive employment expanded (The National Development Strategy 2030)[a] 2. Full and productive employment and decent work for all promoted (Sustainable Development Goal 8)[b]			
Results Chain	**Performance Indicators with Targets and Baselines**	**Data Sources and Reporting Mechanisms**	**Risks**
Outcome Skills and employability of youth and women in the key industries improved in selected provinces	By 2026 a. Employment rate of youth and women in selected industries of project provinces improved by 5% for youth and 10% for women (2018 baseline: XX% for youth and XX% for women) b. At least XX% of youth and XX% of women graduates from project skills training programs find initial employment in one of 4 key industries within 6 months of graduation (2018 baseline: XX% women participants employed, XX% youth participants employed) c. At least XX% of migrant youth labor from project regions secure semi-skilled and skilled jobs (2018 Baseline: XX)	a. and c. Labor force survey by the Ministry of Labor, Migration and Employment b. Annual Migration Survey of the Migration Agency, MOLME	Economic slowdown could push more youth to migrate before they have received necessary skills training and pre-migration services.
Outputs 1. Policy, system and capacity of the skills sector strengthened	Policy-based grant By 2020 1a. The Law of Initial Vocational Training submitted to Parliament for approval (2018 baseline: not applicable) By 2025 1b. Draft law of Secondary Vocational Training and draft action plan with gender inclusive actions and measures[c] endorsed by MOLME (2018 baseline: not applicable) 1c. At least 50% of management staff of vocational training institutes	1a. Official Government Gazette 1b. Joint meeting with MOLME and ADB 1c. Survey of training participants	Abrupt changes in leadership (i) limits coordination between MOLME and other ministries that provide skills training and (ii) delays preparation of the draft law.

	under MOLME, of which 90% are women, report increased knowledge and skills on [specific area] (2018 baseline: 0)		
2. New, model job centers established in western Tajikistan	By 2025 2a. Job centers with gender inclusive designs[d] developed in 3 project regions (2018 baseline: 0)	2a. Ministry approval document of the final report of project contractor	
	2b. Equipment for 3 key sectors provided (2018 baseline: 0)	2b. MOLME asset equipment registry	
3. Inclusive training and migration support for youth and women established	By 2025 3a. New pre-departure service program for migrant youth developed (2018 baseline: 0)	3a. Baseline, mid-line and end-line surveys of the projects	
	3b. New childcare services for female training participants provided (2018 baseline: 0)	3b. Ministry approval document of the final report of project contractor	
	3c. At least 1 short-term skills training program among 4 key industries developed with collaboration with private sector (2018 baseline: 0)	3c. Minutes with private firm/industrial association	

Key Activities with Milestones

Output 1. Policy, system and capacity of the skills sector strengthened

Not applicable.

Output 2. New, model job centers established in western Tajikistan

2.1 Develop the concept for new, model job centers by Q2 2019
2.2 Draft the basic design of new, model job centers with gender inclusive design by Q4 2019
2.3 Develop a list of equipment and specifications by Q4 2019
2.4 Issue the request for proposals for civil works and consultancy by Q1 2020
2.5 Award contracts for civil works, consultancy, and first batch of equipment by Q4 2020
2.6 Complete construction by Q3 2023
2.7 Provide equipment and furniture by Q1 2024

Output 3. Inclusive training and migration support for youth and women established

3.1 Issue request for proposal for the training consultants by Q1 2020
3.2 Award contract for training and study consultants by Q3 2020
3.3 Conduct study on migrant youth by Q4 2020
3.4 Complete survey on labor market needs for 3 industries by Q4 2020
3.5 Develop pilot pre-departure services by Q1 2021
3.6 Develop pilot soft skills training program by Q1 2021
3.7 Develop pilot ICT training program by Q1 2021
3.8 Start training for job center trainers (of which x% women) by Q2 2021

Project Management Activities
Establish program administration group by Q1 2020 Advertise program implementation consulting firm by Q1 2020 Complete baseline survey for DMF indicators by Q2 2020 Implement environmental management plan by Q4 2023
Inputs
ADB: $20 million (ADF grant) including (i) a policy-based grant of $5 million and (ii) a project grant of $15 million ADB TRTA: $800,000 (TASF-6) Government of Tajikistan: TRTA - $80,000 (in-kind); The ensuing program: $2 million (in-kind) Cofinancier(s): TBD
Assumptions for Partner Financing: TBD

ADB = Asian Development Bank, ADF = Asian Development Fund, DMF = design and monitoring framework, ICT = information and communication technology, MOLME = Ministry of Labor, Migration and Employment, PAG = program administration group, TRTA = transaction technical assistance, TASF = Technical Assistance Special Fund, TBD = to be determined.

[a] Government of Tajikistan. 2016. *The National Development Strategy 2030*. Dushanbe.

[b] United Nations. 2015. *Sustainable Development Goals*. New York.

[c] The contents of the plan will include ways to ensure that women participate in vocational training through the necessary government support.

[d] Job centers will have separate toilets, sanitary facilities, and childcare facilities.

Source: Asian Development Bank.

PROJECT PROCUREMENT CLASSIFICATION

Characteristic	Assessor's Rating:
Is the procurement environment risk for this project assessed to be *high* based on the country and sector and/or agency risk assessments?	☐Yes ☒No
Are multiple (typically more than three) and/or diverse executing agencies and/or implementing agencies envisaged during project implementation? Do they lack prior experience in implementation under an ADB-financed project?	☐Yes ☒No ☐Unknown
Are multiple contract packages and/or complex and high-value contracts (compared with recent externally financed projects in the developing member country [DMC]) expected?	☒Yes ☐No ☐Unknown The project will include several civil works and equipment packages, but all will be low value, straightforward contracts.
Does the project plan to use innovative contracts (public–private partnership, performance-based, design and build, operation and maintenance, etc.)?	☐Yes ☒No ☒Unknown
Are contracts distributed in more than three geographical locations?	☐Yes ☐No ☒Unknown Civil work sites will likely be up to 3 but equipment might be provided to more than 3 vocational schools.
Are there significant ongoing contractual and/or procurement issues under ADB (or other externally) financed projects? Has misprocurement been declared in the DMC?	☐Yes ☒No ☐Unknown Procurement of the ongoing project is slow but has not encountered any serious procurement issues.
Does the DMC have prolonged procurement lead times, experience implementation delays, or otherwise consistently fail to meet procurement time frames?	☐Yes ☒No ☐Unknown Procurement in Tajikistan is generally satisfactory.
Do executing and/or implementing agencies lack capacity to manage new and ongoing procurement? Have executing and/or implementing agencies requested ADB for procurement support under previous projects?	☐Yes ☒No ☐Unknown EA/IA of the ongoing project had limited procurement capacity at beginning of implementation. However, it was strengthened by recruitment of additional procurement staff and procurement training provided by ADB.
Regional department's overall recommendation (Eiko Izawa)	
Overall project categorization recommended:	☐ Category A ☒ Category B
Procurement, Portfolio, and Financial Management Department's recommendation (Thomas Robinson)	
PPFD confirms the classification during interdepartmental circulation of the project concept paper.	

EA = executing agency, IA = implementing agency, PPFD = Procurement, Portfolio and Financial Management Department.
Source: Asian Development Bank.

TECHNICAL ASSISTANCE FOR PROGRAM PREPARATION

A. Justification

1. The proposed SCSDP is a sector development program. The technical assistance (TA) will help the government to (i) design the reform program for the policy-based grant and (ii) prepare the design of investment activities for the project grant.[1] The TA will review the policies, system, performance, and constraints of the skills sector of Tajikistan and identify the areas where ADB will add value.

B. Outputs and Activities

2. **Output 1: Feasibility study on ensuing program prepared.** The TA will review and analyze the policies, performance and issues of the skills sector of Tajikistan to prepare the sector assessment report. The TA will assess the progress of ongoing policy reforms and develop a policy reform matrix for the policy grant. The TA will develop management training for central and local governments and conduct a quick labor market survey in four key industries—agriculture, energy, tourism and information and communication technology—in order to propose more sustainable and relevant skills training. The TA will support a comprehensive social survey to identify the civil works sites for the new job centers and carry out a quick survey on labor migration.

3. **Output 2: Project preparation and due diligence of ensuing program prepared.** The TA will develop (i) the basic design of the new job centers; (ii) the lists and specification of equipment, furniture and vehicles; (iii) the draft bidding documents and draft terms of references for project implementation consultants, skills training consultants, management training consultants, and other consultants, as required; (iv) due diligence reports on financial management, procurement, and safeguards; (v) gender, poverty and social assessments and action plans; (vi) a communication strategy; (vii) a risk assessment and risk mitigation plan; and (viii) the economic and financial analysis on the proposed program activities.

4. **Output 3: Project management capacity of the executing agency improved**. The TA will provide project start-up and financial management consultants who will help improve the project management capacity of the Ministry of Labor, Migration, and Education (MOLME) and the program administration group, which is the implementing agency that will be established under MOLME.

C. Cost and Financing

5. The TA is estimated to cost the equivalent of $880,000, of which the equivalent of $800,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-6). The detailed cost estimate is presented in Appendix 1.

6. The government will provide the equivalent of $80,000 counterpart support in the form of counterpart staff, office accommodation, office supplies, and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

[1] The TA first appeared in the business opportunities section of ADB's website on 15 October 2018.

D. Implementation Arrangements

7. ADB will administer the TA. The Social Sector Division of the Central and West Asia Department will select, supervise, and evaluate consultants, and procure goods through the TA consultants. The executing agency of the TA is ADB. MOLME is the TA implementing agency.

8. The implementation arrangements are summarized in Table A3.1.

Table A3.1: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	November 2018–May 2020		
Executing agency	Asian Development Bank		
Implementing agency	Ministry of Labor, Migration, and Employment		
Consultants	To be selected and engaged by ADB		
	Individual consultant selection	ADB consultants (international: 1.5 person-months, national: 3 person-months)	$55,200
	Fixed Budget Selection	43 person-months (international: 19 person-months,	$669,000
		national: 24 person-months)	
Procurement	To be procured by ADB through TA consultants		
	Shopping	1 contract	$8,000
Disbursement	The TA resources will be disbursed following ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Assets procured under the TA, if any, will be turned over to the program administration group upon completion		

ADB = Asian Development Bank, TA = technical assistance.
Source: Asian Development Bank estimates.

9. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.[2] The TA will require (i) 4.5 person-months of consultant inputs through two individual consultants (1.5 person-months for an international consultant and 3 person-months for a national consultant); and (ii) 43 person-months of consultant inputs through a firm (19 person-months for international consultants and 24 person-months for national consultants). The fixed budget selection method will be followed. A simplified technical proposal will be required. The TA consultants may procure equipment according to ADB's Procurement Policy (2017, as amended time to time) and its associated project administration instructions and/or staff instructions. The equipment procured will be transferred to the program administration group upon completion of the TA.

[2] Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

E. Governance

10. The TA will help conduct the due diligence for the ensuing program including the project procurement risk assessment, financial management assessment, financial evaluation, financial analysis, risk assessment, and risk management plan. The TA will undertake safeguard screening and categorization results and prepare safeguard documents on environment and involuntary resettlement. The due diligence will be conducted in accordance with the respective ADB guidelines and requirements.

Table A3.2: Cost Estimates and Financing Plan
($'000)

Item	Amount
A. Asian Development Bank[a]	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	529.90
ii. National consultants	55.39
b. Out-of-pocket expenditures	
i. International and local travel	85.20
ii. Goods (rental and/or purchase)	6.00
iii. Surveys	4.00
iv. Training, seminars, and conferences	4.00
v. Reports and communications	3.24
vi. Printed external publications	2.00
vii. Miscellaneous administration and support costs	5.27
2. Printed external publications	4.00
3. Reports and communications	5.00
4. Surveys	3.00
5. Goods (rental or purchase)	8.00
6. Training, seminars, and conferences	5.00
7. Contingencies	80.00
Subtotal (A)	**800.00**
B. Government[b]	80.00
Subtotal (B)	**80.00**
TOTAL	**880.00**

[a] Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-6).
[b] In-kind contribution.
Source: Asian Development Bank estimates

LIST OF LINKED DOCUMENTS

http://www.adb.org/Documents/LinkedDocs/?id=51011-001-TAReport

1. Terms of Reference for Consultants
2. Indicative Design and Monitoring Framework

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Tajikistan	Project Title:	Skills and Competitiveness Sector Development Program
Lending/Financing Modality:	Sector Development Program (SDP)	Department/ Division:	Central and West Asia Department/ Social Sector Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Tajikistan has shown substantial progress in poverty reduction. The poverty rate declined from 81.0% in 1999 to 46.7% in 2009[a] and 29.5% in 2017.[b] However, Tajikistan is still one of the poorest countries in Central Asia. Disadvantaged groups comprise youth in poor regions, women and girls, and returning labor migrants with limited access to social services. In 2018, the United Nations Human Development Report ranked Tajikistan 128th out of 189 countries.[c] A key binding constraint is that the domestic economy cannot provide enough jobs and a large number of youth migrate to other countries, where they can find only low paid employment in poor working conditions. To help vulnerable people access decent jobs, the Government of Tajikistan has defined the "increase of productive employment" as one of 4 key pillars of its National Development Strategy 2030. The Asian Development Bank (ADB) has also identified the skills sector as one of its core operation areas in the country partnership strategy, 2016–2020.

B. Poverty Targeting:

☐General intervention ☐Individual or household (TI-H) ☒Geographic (TI-G) ☐Non-income MDGs (TI-M1, M2, etc.)

The proposed Skills and Competitiveness Sector Development Program will develop new, model job centers in western Tajikistan, from which many youth have migrated to neighboring countries. The transaction technical assistance (TRTA) poverty and labor survey will finalize project sites; the 3 regions of Dushanbe, East Khatron, and East Karotegin are tentatively identified as target project sites. The Japan International Cooperation Agency has implemented a business center project providing youth entrepreneurship and soft skills training in eastern Tajikistan. The proposed program will geographically complement the business center project.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries**. The potential beneficiaries will be youth in rural areas, females, and youth who will migrate and return. They will receive vocational and soft skills training and pre-departure and post-migration services in the new job centers.

2. **Impact channels and expected systemic changes**. The project aims to help the government to (i) expand productive employment under the National Development Strategy for Tajikistan 2030 and (ii) promote full and productive employment and decent work for all under Sustainable Development Goals 8. The policy-based grant under the sector development program will support the skill sector policy framework and delivery system through approval of the initial vocational training law.

3. **Focus of (and resources allocated in) the transaction technical assistance or due diligence**. The TRTA will review and assess the performance of labor market and skills sector in Tajikistan. The ensuing program will help develop more relevant and inclusive skills training programs for disadvantaged groups including women, youth in rural areas, and migrant returnees. TRTA will conduct the due diligence and develop the due diligence reports as indicated in the concept paper. The TA gender team will do the gender analysis, collect baseline data and develop the gender action plan.

4. **Specific analysis for policy-based lending**. The proposed project is a sector development program. A policy-based grant will support the government and the Ministry of Labor, Migration and Employment to achieve more inclusive growth through skills sector policy reforms and budget support.

II. GENDER AND DEVELOPMENT

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

In Tajikistan, women have limited access to jobs and skills training. Only 25% of women were economically active in 2013 and more than half of working-age women are not in education, employment or training. Cultural norms do not encourage outsourcing childcare, and women with children often cannot ask others to look after children while they receive training. Poor families often cannot afford tuitions of vocational schools for girls as girls have limited opportunities to find cash- and well-paid jobs after graduation from professional schools. In addition, many migrant

male workers who left wives and children in Tajikistan have other families in the destination countries. The families in Tajikistan rely on remittances from the husbands, but if the husbands start new families abroad, they often terminate their remittances. It is difficult for single mothers without proper education or skills training to find decent jobs in Tajikistan. They often need to care for children and there is no external childcare service available to allow them to attend training. The proposed project will provide pilot childcare services in the new job centers and help women to participate in short-term training.

2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? ☒ Yes ☐ No

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

4. Indicate the intended gender mainstreaming category:
☒ GEN (gender equity) ☐ EGM (effective gender mainstreaming)
☐ SGE (some gender elements) ☐ NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people?[i] Identify how they will participate in the project design.

The direct beneficiaries of the proposed project will be disadvantaged groups in Tajikistan's labor market, including youth and women in rural areas, job seekers who plan to migrate to other countries, and returnees from overseas migration. They will receive better quality and more relevant skills training as well as new job-related services in their region.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?

The proposed project focuses strongly on economic empowerment of youth and women in the rural areas of Tajikistan, where decent jobs are very limited. The project will first conduct a training needs assessment of these marginalized groups, then develop tailored skills training. The project will also establish 3 job centers with student accommodation, microbus transportation, childcare centers, and job counseling centers to provide more inclusive training to disadvantaged groups who cannot afford transportation and accommodation for training.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?
☒ (H) Information generation and sharing ☒ (M) Consultation ☒ (M) Collaboration ☐ Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? ☐ Yes ☒ No

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category ☐ A ☒ B ☐ C ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☐ Yes ☒ No

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?
☒ Resettlement plan ☐ Resettlement framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☐ None

B. Indigenous Peoples Category ☐ A ☐ B ☒ C ☐ FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? ☐ Yes ☒ No
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

3. Will the project require broad community support of affected indigenous communities? ☐ Yes ☒ No

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?
☐ Indigenous peoples plan ☐ Indigenous peoples planning framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☒ None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design? None.
☐ Creating decent jobs and employment ☐ Adhering to core labor standards ☐ Labor retrenchment
☐ Spread of communicable diseases, including HIV/AIDS ☐ Increase in human trafficking ☐ Affordability
☐ Increase in unplanned migration ☐ Increase in vulnerability to natural disasters ☐ Creating political instability
☐ Creating internal social conflicts ☐ Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design? None.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified?
☒ Yes ☐ No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence?

International and national consultants on labor economy, gender and social issues, and environment will be in charge of undertaking poverty, social and gender analysis. The terms of reference for gender and social consultants include consultation workshops with local stakeholders. These activities are also included in the TA budget.

[a] Asian Development Bank. 2016. *Country Partnership Strategy: Tajikistan 2016–2020*. Manila.
[b] World Bank. *Country Economic Update Spring 2018*. Dushanbe.
[c] United National Development Programme. *The Human Development Report 2018 Statistical Update*. New York.