



Bangladesh: Skills for Employment Investment Program - Tranche 1

Project Name	Skills for Employment Investment Program - Tranche 1														
Project Number	42466-015														
Country	Bangladesh														
Project Status	Approved														
Project Type / Modality of Assistance	Loan														
Source of Funding / Amount	<table><tr><td colspan="2">Grant 0391-BAN: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>Swiss Grant (Cofinancing)</td><td>US\$ 10.00 million</td></tr><tr><td colspan="2">Loan 3131-BAN: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>Asian Development Fund</td><td>US\$ 100.00 million</td></tr><tr><td colspan="2">Loan: Skills for Employment Investment Program - Tranche 1</td></tr><tr><td>World Bank</td><td>US\$ 79.00 million</td></tr><tr><td>Korea International Cooperation Agency</td><td>US\$ 13.00 million</td></tr></table>	Grant 0391-BAN: Skills for Employment Investment Program - Tranche 1		Swiss Grant (Cofinancing)	US\$ 10.00 million	Loan 3131-BAN: Skills for Employment Investment Program - Tranche 1		Asian Development Fund	US\$ 100.00 million	Loan: Skills for Employment Investment Program - Tranche 1		World Bank	US\$ 79.00 million	Korea International Cooperation Agency	US\$ 13.00 million
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Strategic Agendas	Inclusive economic growth														
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development														
Sector / Subsector	Education - Technical and vocational education and training														
Gender Equity and Mainstreaming	Gender equity														
Description	The investment program will support the Government of Bangladesh's reforms in skills development, anchored in the National Skills Development Policy (NSDP), 2011. It will support 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 the 'low-skill, low-wage equilibrium' to a 'higher skill, higher wage virtuous cycle' to become a middle income country. The program will help the government to scale-up skilling of new entrants and up-skilling of existing workers to contribute to higher growth of priority sectors. The program will strengthen skills development in Bangladesh and support transition to a sector-wide approach (SWAp) by establishing a unified funding system and enhancing overall coordination of the currently fragmented system.														

Project Rationale and Linkage to Country/Regional Strategy	<p>The Bangladesh economy has grown rapidly at about 6% annually since 2003, up from 5% in the 1990s. The poverty headcount index declined sharply from 57% in 1992 to 31% in 2010. Social indicators have improved significantly, particularly for women. However, despite impressive progress, the 2010 labor force survey indicated that more than 60% of the labor force has either no education (40%) or up to primary education (22.8%) and less than 2% have any kind of vocational training; about 2 million young people enter the labor force every year. The average wage per worker has remained low at Tk200 per day for day laborers and Tk3,500 per month for garment workers.</p> <p>With the approval of the National Education Policy and the NSDP, the government embarked on major education and training reforms. The National Education Policy emphasizes the overall importance of education and training, while the NSDP reinforces the importance of skills development and opens up the sector for major policy and institutional reforms. Bangladesh has achieved gender parity in primary and secondary education participation since 2000. Women's labor force participation grew from 26% in 2003 to 36% in 2010. A major opportunity for the country comes from its declining dependency ratio, from a high of 108% in 1974 to 66% in 2010, leading to an increasing share of the working age population in the next three decades. However, this opportunity cannot be capitalized on unless urgent investments are made in much higher quality schooling combined with at least a four-fold increase in skilling and/or up-skilling of the labor force, which is expected to increase from 56.7 million in 2010 to 78 million in 2025. In its Perspective Plan 2021, Bangladesh articulates its vision to achieve middle-income status by 2021, including reducing the poverty rate by half. To accelerate economic growth from the current 6% to 8% and above, the government must address the skills shortage one of the key binding constraints. Skills development requires a two-pronged approach. First, it must be anchored in foundational skills that come from high-quality schooling combined with relevant vocational and technical skills to capitalize on the demographic dividend. Second, it requires scaling up skills training by four to eight times the current annual training capacity to (i) increase labor force productivity to contribute to higher average household income leading to higher gross domestic product, (ii) double exports within 10 years, (iii) double remittances through higher skills leading to higher per capita remittances, and (iv) promote economic diversification including trade facilitation and industrialization.</p>
Impact	increased employment in priority sectors and skills for males and females [NSDP 2 & 3].
Project Outcome	
Description of Outcome	increased inclusive access to skills training in priority sectors.
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Market-responsive inclusive skills training delivered, Quality assurance system strengthened, Institutions strengthened, and Effective program management
Status of Implementation Progress (Outputs, Activities, and Issues)	Recruitment of officers and staff of the Support to Skills Development Coordination and Monitoring Unit (SDCMU) have been completed. Recruitment of individual consultants and consulting firms are ongoing. Contracts with industry associations for skills training are being finalized. Procurement of equipment to be used for training is ongoing.
Geographical Location	
Safeguard Categories	
Environment	C
Involuntary Resettlement	C
Indigenous Peoples	B
Summary of Environmental and Social Aspects	
Environmental Aspects	Under project 1, only existing facilities will receive support for minor adjustment or renovations to cater to training activity needs. No acquisition of land is planned. Accordingly, project 1 is category C for environment safeguard.
Involuntary Resettlement	Since no relocation of people is also planned, project 1 is category C for involuntary resettlement safeguard.
Indigenous Peoples	The investment program will reach and include unskilled residents of remote areas and members of disadvantaged groups, including indigenous peoples. Project 1 is expected to have positive impacts and is classified category B for indigenous peoples safeguards in accordance with ADB's Safeguard Policy Statement (2009). A small ethnic community planning framework was developed to guide the executing and implementing agencies in assessing the presence of indigenous peoples in the project area and conducting separate consultations to elicit their views, identify the need for culturally compatible mechanisms for their participation, and ensure incorporation of adequate measures in project activities. The executing agency through the SDCMU will monitor these activities closely and ensure necessary actions.

Stakeholder Communication, Participation, and Consultation

During Project Design	Representatives of the project stakeholders were consulted during program preparation. The stakeholders consulted were the TVET regulating body, those responsible for labor market functioning, industry and other employers, private and nongovernment organization providers of TVET, and development partners. The program will seek inputs from other stakeholders, such as trade unions, new TVET students, TVET graduates, parents, and international employers, and secondary and higher education institutions to improve the quality of training. Public consultations were also conducted with industry associations, public training institutions, the Bangladesh Bank small and medium enterprise program, and Palli-Karma Sahayak Foundation which has more than 200 partner nongovernment organizations.
During Project Implementation	Regular consultation will be undertaken during program implementation not only to identify any program-related grievances but also to seek feedback from the community on how it sees the program achieving its targets. Adequate participation of civil society organizations in project implementation will also be ensured through constant dialogue, workshops, training programs, and dissemination of findings from monitoring and evaluation.

Business Opportunities

Consulting Services	All consultants will be selected using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Since the investment program is being financed by ADB's Special Funds resources and ADB will also be administering cofinancing to be provided by the Government of Switzerland, ADB's member country eligibility restrictions will not apply to this investment program. Up to nine industry associations and PKSf will be contracted by the executive agency using single-source selection to deliver skills training in agreed sectors and skills areas.
Procurement	The government will procure all goods, works, and consulting services for the investment program. Goods and civil works will be procured in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Goods valued at more than \$1 million and works valued at more than \$2 million will be procured using international competitive bidding and ADB's standard bidding documents, and be subject to prior review. Goods and works valued below the international competitive bidding threshold will be procured using national competitive bidding in accordance with the government's Public Procurement Act (2006) and its Public Procurement Rules (2008), subject to modifications agreed by the government and ADB.

Responsible ADB Officer	Brajesh Panth
Responsible ADB Department	South Asia Department
Responsible ADB Division	Human and Social Development Division, SARD
Executing Agencies	<i>Finance Division, MOF (EA) MONWARA@ERD.GOV.BD Bangladesh Secretariat, Dhaka-1000 Bangladesh</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	04 Feb 2014
Approval	03 Jun 2014
Last Review Mission	-
Last PDS Update	02 Mar 2015

Grant 0391-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Jun 2014	19 Jan 2015	24 Feb 2015	30 Jun 2018	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	38.50	Cumulative Contract Awards			
ADB	0.00	03 Jun 2014	0.00	0.49	5%
Counterpart	28.50	Cumulative Disbursements			

Cofinancing	10.00	03 Jun 2014	0.00	1.21	12%
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Loan

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	92.00	Cumulative Contract Awards			
ADB	0.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	92.00	-	0.00	0.00	%

Loan 3131-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Jun 2014	04 Jun 2014	24 Jul 2014	30 Jun 2018	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	100.00	Cumulative Contract Awards			
ADB	100.00	03 Jun 2014	46.91	0.00	52%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	03 Jun 2014	5.04	0.00	6%

Project Page	http://www.adb.org/projects/42466-015/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=42466-015
Date Generated	22 August 2015

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