

Bangladesh Skills for Employment Investment Program: Opportunity to Transform the Skills Sector

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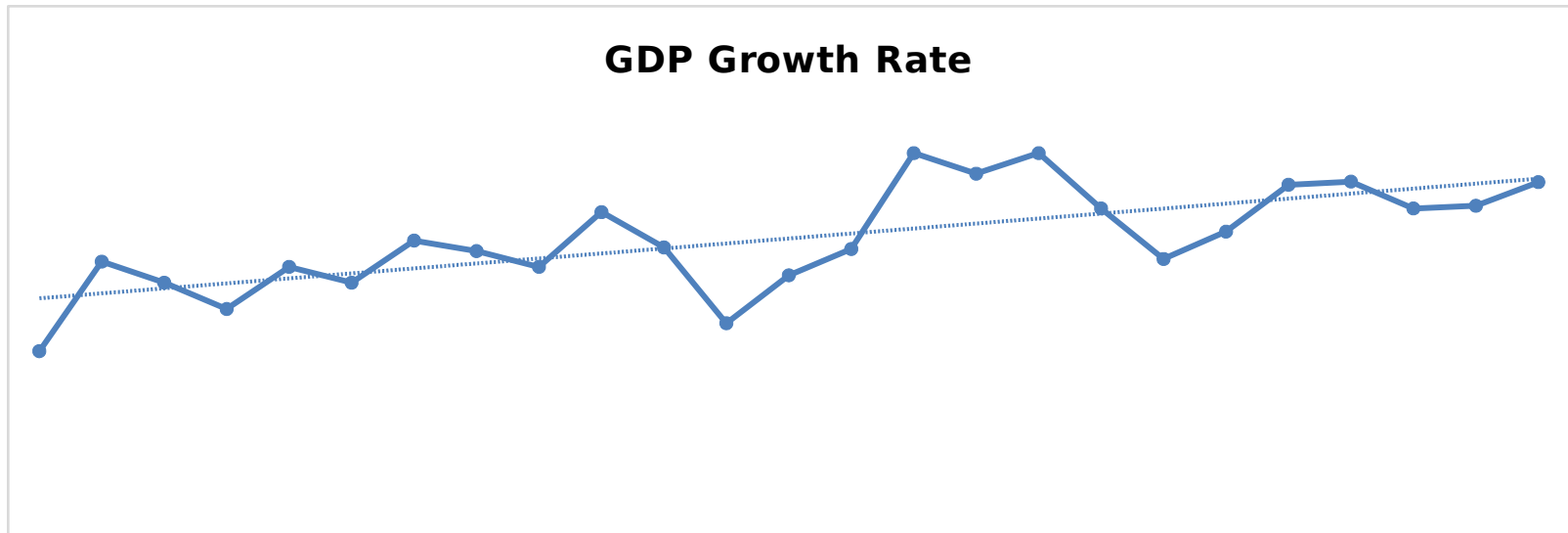
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Current Priorities in
Technical and Vocational Education and Training



State of Bangladesh Economy

- Bangladesh economy is growing steadily benefiting from reforms and increasing openness
- Per capita GNI enhanced to US\$1,314 in FY2015 from US\$543 in FY2005
- Export earnings in FY2005 was US\$ 10.53 Billion which grew by about 3 times to US\$31.20 Billion in FY2015
- In FY2005 remittance inflow stood at US\$4.8 Billion which increased more than 3 times to US\$15.30 Billion in FY2015
- Annual GDP growth accelerated from 4.8% in FY1991-2000 to 6.2% in FY2005-2015

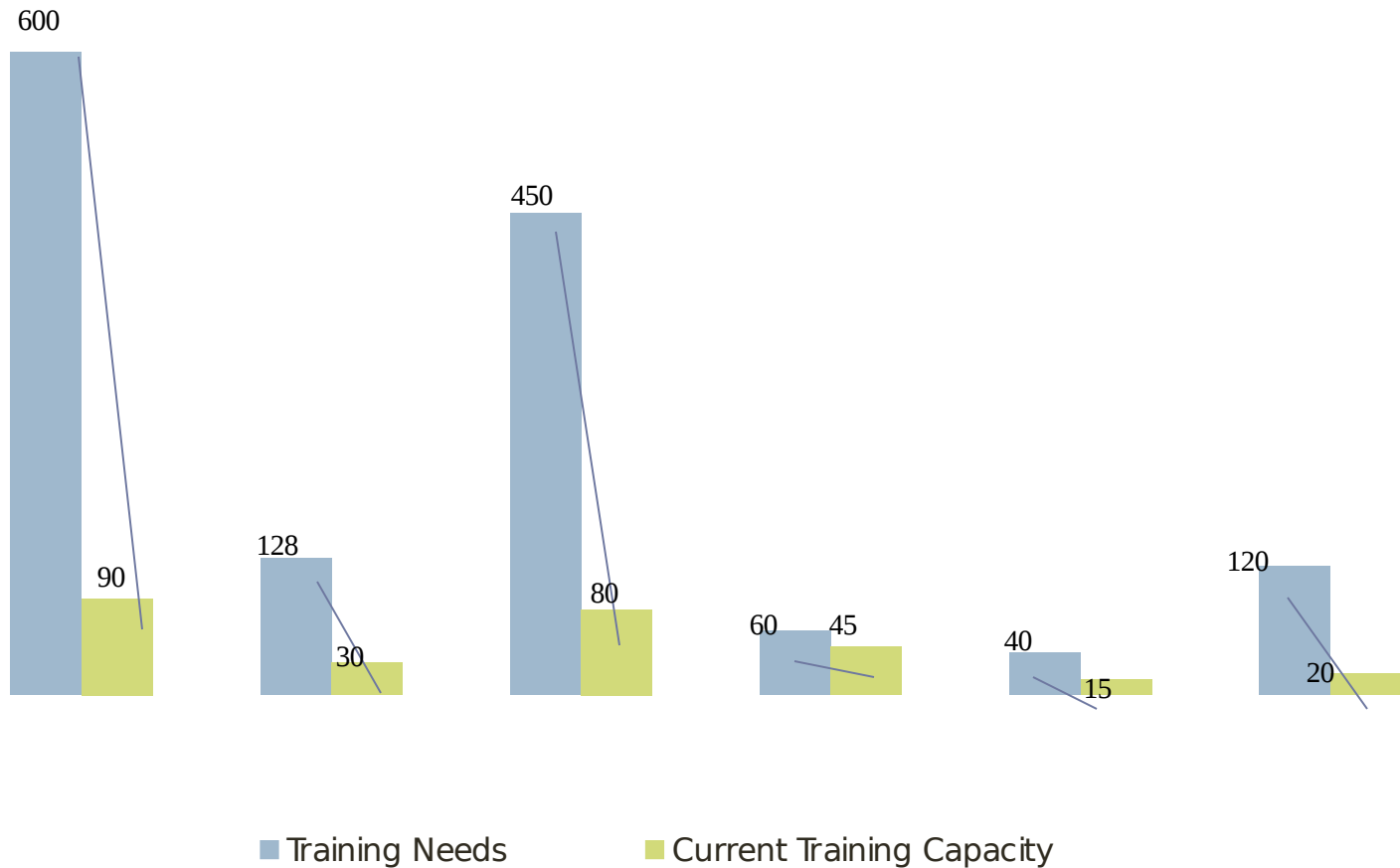


Development Challenges

- Over 7% GDP growth is needed to reduce poverty and become a middle income country by 2021
- However, major binding constraints for higher GDP growth are: (i) Transport Infrastructure; (ii) Energy; (iii) Skills; (iv) Finance etc.
- A large proportion of Bangladeshi overseas workers are with low skills and low earnings (per capita remittance around US\$1,800 per annum)
- More than 200,000 expatriate skilled workers are currently engaged in the textile & RMG sector who remit around US\$4 billion every year
- Over 60% of the workforce with primary or no education and less than 4% with skills training
- Skills supply is only a fraction of the total need
- Low skill - Low productivity - Low income (skill mismatch between demand and supply)



Development problem: large gaps in training capacity

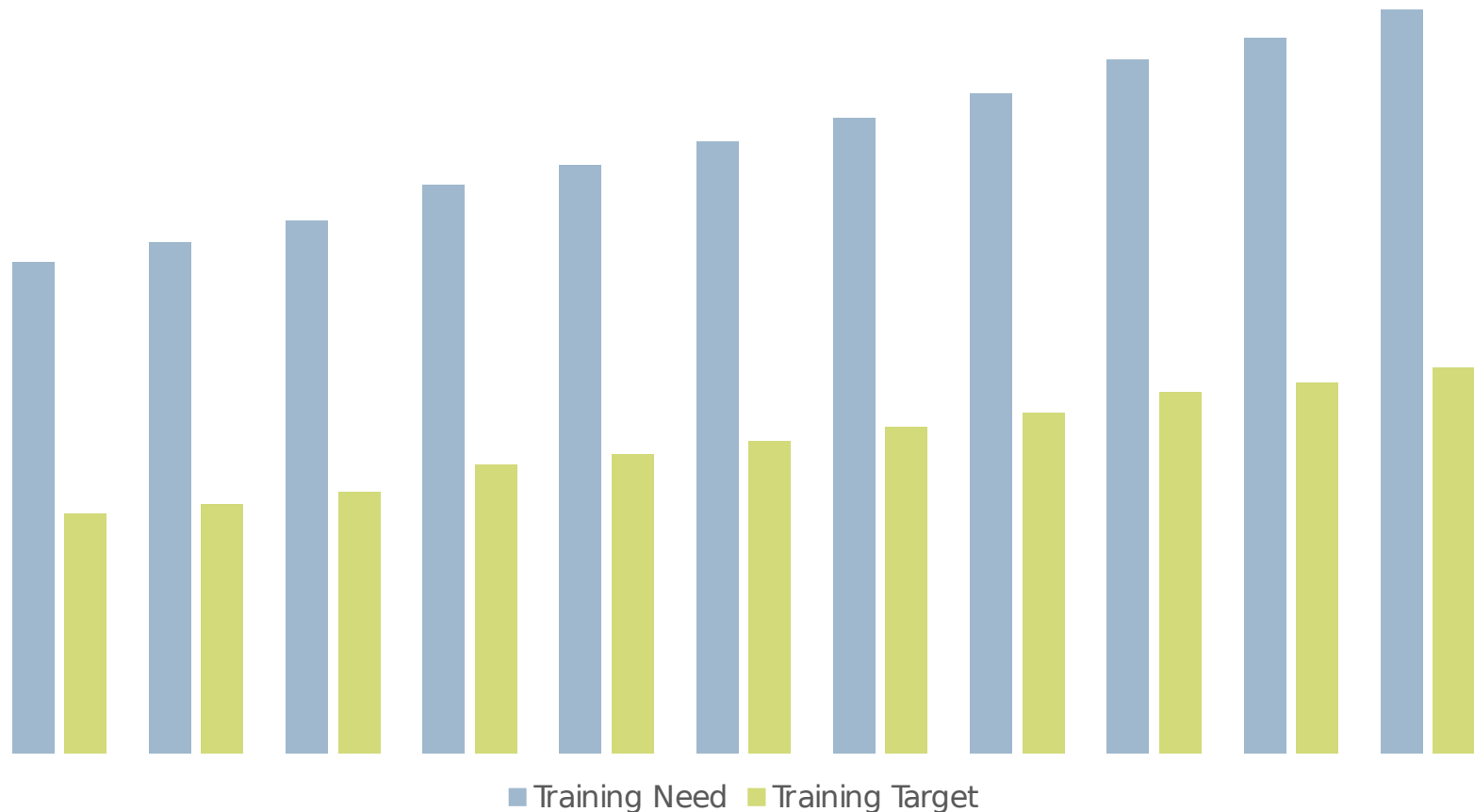


Rationale for Enhancing Skills Development

- Opportunity for demographic dividend (over one third of the people in 15-34 age group) and this opportunity will remain available up to 2050
- Bangladesh adopted NEP 2010 and NSDP 2011, and activated NSDC headed by the Honorable Prime Minister
- Several skills projects running under different ministries without overall coordination
- Skill sets are critical for productivity, industrial growth, export diversification and for producing high value products
- Increase income potential of marginal workers (individual level) and to contribute to overall productivity (economy wide)
- MOF intends to enhance the skills level of workforce with the SEIP to meet the demand of domestic & international market, accelerate economic growth and poverty reduction



Development problem: Demand-Supply Mismatch



SEIP Road Map

Impact: Increased income and productivity of the working age population 15 years and over

- **Incremental GDP growth by 2025 [of the incremental GDP growth, 70% to come from increase in labor productivity (skills)]**
- **GDP per household doubled from \$3,300 in 2010 to \$6,600 by 2025**
- **Exports doubled from \$24 billion in 2012 to \$48 billion by 2025**
- **Remittances increased by 75% from \$14 billion in 2012 to \$24.5 billion by 2025 (number + per capita remittance)**

Outcome: Increased employment in priority sectors and skills for males and females

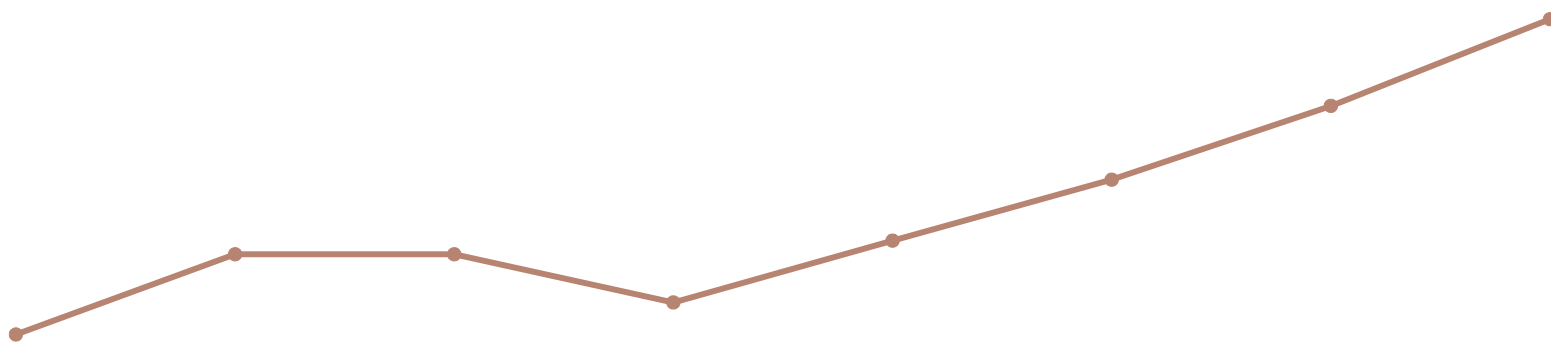
- **Employment increased in formal sector from 12.5% (M: 14.5%; F: 7.7%) in 2010 to 20% by 2021 (M: 22% & F: 16%)**
- **Youth unemployment decreased from 8.7% (M: 7.8%; F: 9.2%) in 2010 to 7.2% by 2021 (M: 7%; F: 7.5%)**



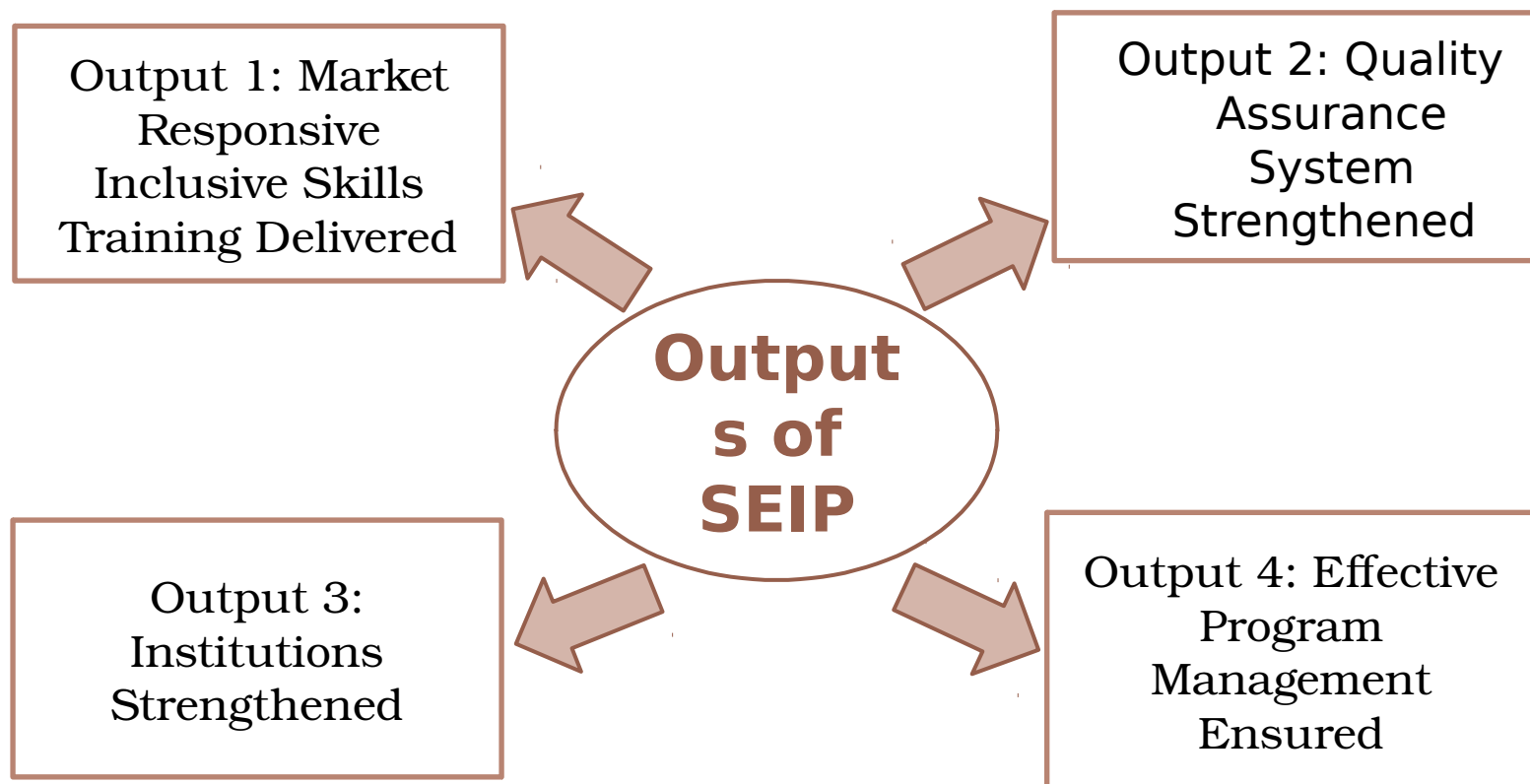
SEIP Outcomes

Indicators	Current	2021
Training Capacity	500,000 per year	1 million per year
Employment	Less than 40% of trainees employed	70% average employment
Labor force with training	4%	12%
Sector coordination	22 ministries and departments	Single institution
Funding	Input based	Performance based

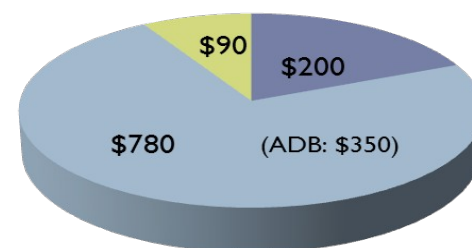
SEIP Training Targets



SEIP outputs



SEIP Financing plan



■ GOB ■ DPs ■ Private Sector

Source of Fund	Tranche I (2014-2017)	Tranche II & III (2017-2021)	Total (2014-2021)	Share (%)
ADB	100.00	250.00	350.00	32.7
SDC	10.00	20.00	30.00	2.8
GOB	25.00	175.00	200.00	18.7
Other Development Partners	- - -	400.00	400.00	37.4
Industry Associations	3.50	86.50	90.00	8.4
Total	138.50	931.50	1,070.00	100.0



Special features of SEIP

- Provide market responsive, quality and inclusive skills training with gainful employment
- Direct involvement of industry associations in priority sectors to ensure large scale PPP
- Real time online trainee tracking system
- Strong project management unit (Skill Development Coordination & Monitoring Unit)
- Performance based payments
- Institutional strengthening
- Move to a SWAp by 2017



Result based Contracts

- SEIP has introduced performance based financing contracts with Industry Associations
- A lump amount is provided as permanent advance to initiate training activity which will be liquidated at the end of the project;
- Payments to be made based on milestone achievements (according to course wise unit cost):
 - ✓ 40% upon enrollments;
 - ✓ 40% after certification; and
 - ✓ 20% after six months of job placement



Dynamics between Public and Private Sector

- Public, private and NGO training providers including international enterprise are on board
- Four Industry Associations (RMG, Knitwear, Textile and IT) are sharing 10% of the total training costs;
- Industry Associations are entering contracts with public and private training providers to impart market responsive skills training;
- Workforce and entrepreneurs are being developed for SME sector by the Central Bank through partners and NGOs;
- Large business enterprise (Chevron) also co-financing SEIP trainings from their CSR fund;



Strong Project Management Unit

- Skill Development Coordination & Monitoring Unit (SDCMU) has been established
 - ✓ Through open competition from government officials;
 - ✓ With market based salaries;
 - ✓ Selected by a joint-advisory committee (GOB, ADB & SDC);
- This has encouraged highly efficient and motivated officials to join the SDCMU and avoided outside interferences in the selection process;



Training in Progress

- SEIP project will impart market responsive skills training (including up-skilling) for 260,000 persons
- Of which 70% will be provided with gainful jobs
- So far 20,280 trainees have been enrolled since April, 2015 in different courses across the country, of which:
 - ✓ 4,730 are female participants (23.3 percent of enrollment)
 - ✓ 6,323 have been certified (31.2 percent of enrollment)
 - ✓ 2,350 have been provided with jobs (11.6 percent of enrollment);
 - ✓ Dropout rate is only 0.8 percent of enrollment



Towards Quality Training

- To improve the quality of skills training, SEIP project has undertaken the following activities:
 - ✓ Review and update existing standards
 - ✓ Development of new standards
 - ✓ Prepare competency based learning materials
 - ✓ Update and develop assessment tools
 - ✓ Introduce OHS and Soft skills in all standards
 - ✓ Impart training of trainers, assessors and managers
 - ✓ Develop master trainers through overseas training
 - ✓ Provide modern training & safety equipment and learning materials



Social Inclusion Ensured

- 15 percent of total trainee targets are reserved for:
 - ✓ People with physical challenges
 - ✓ People from ethnic minority
 - ✓ People from poor and disadvantaged groups
- Trainees from above three groups will be provided with additional stipends to encourage their participation
- To ensure gender parity, 30 percent of total trainee targets has been kept reserved for women
- An Implementation Strategy of Gender Action Plan has been prepared



Governance structure

- Steering committee headed by Secretary, MOF and represented by all key ministries and partner organizations to meet at least once every quarter
- SDCMU with all staff recruited competitively from government and TVET experts with market based salaries
- Skills Development Implementation Committee (SDIC) to discuss implementation challenges and progress made
- Each industry association has established a Project Implementation Cell
- Using standard M&E format SDCMU conducts regular monitoring visits to training institutions through surprise visits and regular visits
- ADB has engaged a firm and an international consultant to conduct quarterly fiduciary review



Implementation arrangements

- Public training providers are using their own facilities, while BB SME and PKSf have outsourced the skills training through private training providers and NGOs
- The training programs are being implemented through 149 training centers in 37 districts across the country
- 154 different trades have been selected for skills development training in six priority sectors
- Training duration of the trades range between 1 to 12 months
- All the trades are designed to fit job roles and follow the principles of CBT (modular courses consistent with NTVQF) with arrangements to



Trainee Tracking System

- An online real time Trainee Tracking System (TTS) has been developed and it is still evolving
- NID authentication is under process, this will address the issue related to duplication of trainees in different courses
- The TTS captures necessary data and information relating to trainee enrollment, assessment, certification and job placement
- It also contains relevant information of the trainers, and assessors



Human Resource Development Fund

- A task force has already developed a draft proposal for the proposed National Human Resource Development Fund (NHRDF)
- Building on the work of NSDC-Secretariat and ILO as well as national and international experience on similar funds, the task force is elaborating the proposal
- A workshop will be organized in early January, 2016 to have wide-range stakeholder consultation
- A comprehensive proposal along with supporting documents to establish the proposed NHRDF will be submitted to Ministry of Finance
- Lessons are being drawn from the experiences of India, Malaysia and Singapore on similar funds



National Skills Development Authority

- Another taskforce is preparing a Concept Paper on the proposed National Skills Development Authority (NSDA)
- Global good practices (such as experience of Philippines, Malaysia, New Zealand etc.) to be drawn
- Administration of skills training to be separated from technical education and to be placed under NSDA
- Proposal for proposed NSDA will be finalized after stakeholders consultation
- A comprehensive proposal along with a draft law will be sent to Ministry of Finance for approval of the Cabinet



ISC and COE

- Two Industrial Skills Councils (ISC) in Construction and Light Engineering sectors are being supported
- ISCs will be responsible primarily for:
 - ✓ Developing competency standard, qualification packages and associated materials
 - ✓ Carrying out quality assurance, assessment and certification
- One Center of Excellence (CoE) to be established in the Information Technology (IT) sector
- CoE IT will be responsible for:
 - ✓ Serving as the quality assurance and demonstration center
 - ✓ Imparting higher end training and TOT programs
 - ✓ Providing support on research and development



Progress status

- 6 Industry Associations and 32 public training institutions are imparting skills training
- PKSF and BB SME to start by December 2015
- Skills trainings for remaining three industry associations (Shipbuilding, Leather, BACCO) are under discussion
- TTS functional
- Two ISCs (Construction & Light Eng.) already been registered and Board of Directors to be re-constituted soon
- Tight quality inspection by SDCMU; QA (e.g. CIIAST, Malaysia) and other experts under recruitment



Key challenges

- Expert recruitment time consuming
- Procurement of training equipment
- Tracking trainees for 6 months after initial employment
- Ensuring close coordination with similar projects of the government to avoid duplication and overlapping
- QA reform challenging (institutional arrangement, credible assessment and certification)
- Going to scale with quality requires coordination and preparation in several areas



Moving forward and lessons learned

- Merging tranche 2 & 3 to move faster
- Fundamental issues for reforms (Quality Assurance, institutional arrangements, uniform M&E)
- Requirement of consensus among key development partners to jointly develop and finalize a SWAp framework
- Handholding and coordination cannot be underestimated
- Operationalize ISCs are challenging but potential is very high
- Developing viable training models is crucial
- It is possible to evolve a system for large scale training by optimizing synergies





SEIP Training Program in the RMG and Textile sectors





SEIP Training Program in the IT sectors





SEIP Training Program in the Construction sectors





SEIP Training Program in the Light Engineering sectors





ADB Vice-President visited SEIP Training Program in November,

Current Priorities in
Technical and Vocational Education and Training



**Thank you
very much!**

