

JAPAN SOCIAL DEVELOPMENT FUND

Emergency Window Grant Proposal

FY10 ROUND 1

Public Disclosure Authorized

A. Basic Information	
A.1 Beneficiary Country	Pakistan
A.2 Grant Recipient.	Government of Sindh, Pakistan.
A.3 Grant Implementing Agency	Sindh Technical and Vocational Education and Training Authority
A.4 JSDF Grant Type	Project
A.5 Is the Implementing Agency a Government entity?	Yes
A.6 Grant Name	ROUND 1: PAKISTAN - EMERGENCY JOB TRAINING FOR VULNERABLE YOUTH
A.7 Grant Amount in USD (includes incremental Bank costs)	2,950,000

B. Grant Development Objectives and Expected Key Performance Indicators	
B.1. Grant Development Objectives	
The proposed grant aims to mitigate the negative impact of the food, fuel, and financial crises on employment and income of vulnerable youth by equipping them with skills that are in-demand and that will facilitate their (re-)entry into the job-market. The grant objective is to provide emergency job training to up to 5,050 crisis-affected vulnerable youth living in urban areas of Sindh through an innovative short-term training program that includes job-placement support to help find employment and earn income.	
B.2 Expected Key Performance Indicators (maximum of five)	
Employment rate of supported poor and vulnerable youth 3 months after training	Target Value: 35%
Increased number of crisis-affected poor and vulnerable youth completing short-term training	Target Value: 5,050
% of females trained	Target Value: 40%

C. Eligible Expenditures			
List all applicable eligible expenditures below in one or more categories as necessary. Eligible expenditures include consultant services (including audits), local training and workshops, small civil works, goods, sub-grants and incremental Bank costs.			
Category	Amount (US. Dollars)	Percentage of Expenditures to be Financed	Percentage of Grant Amount
TRAINING	2,698,690	100%	91%
CONSULTING	40,000	100%	1%
OPERATING COSTS	10,310	100%	0%
GOODS	6,000	100%	0%
Total Grant to Recipient	2,755,000		
Incremental Bank Cost	195,000		7%
Total Grant Amount	2,950,000		

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Grant Supplementary Information

Section 1 - Administrative Information	
Task Team Leader	Mr Andreas Blom
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Section 2 - Details of the JSDF Grant

Section 2.1 - Grant Components and Activities

Component 1	Emergency Training to Vulnerable Youth
Cost (USD)	2,698,690

The development objective is to provide emergency job training to up to 5,050 crisis-affected vulnerable youth through an innovative short-term training program that includes job placement assistance. The program includes specific targeting through a public advertisement campaign; matching of job interests with training and job opportunities; performance based contracts with training providers; and job-placement support to increase the likelihood of finding employment and income. The project will finance the recurrent costs of delivering training and job-placement services to approximately 5,050 trainees over a 18 months period.

The project will finance training specifically targeted at three groups of crisis-affected vulnerable youth: (i) young workers laid-off during 2008-2010 living in urban areas of Sindh, in particular, young women laid off from the dominant textile industry in and around Karachi and young men laid off from construction and manufacturing industries; (ii) rural youth from the poorest households of the interior and rural areas of Sindh who have not succeeded in finding employment during the crises; and (iii) returning migrant workers from the Middle-East who were laid off as consequence of the financial crisis and economic downturn in the oil-rich Gulf-states. Trainees will be selected using a transparent public advertisement process via print and internet media. Prospective trainees fill out a registration form which include information on the course(s) they are interested in, personal details, and family details. The applicants are then invited to sit for an entry test, following which they are evaluated for entry into their desired program.

Type of Training: The grant will finance short-term training (3-6 months) with the objective of assisting trainees to qualify for an entry-level position in a specific trade, profession or industry. Typical examples of positions are construction worker, machine operator, entry-level air conditioning and refrigeration repairman, hotel room attendant, call-center operator etc. The training focuses on imparting both occupational technical skills and some soft skills. Where relevant, the training will include the teaching of academic skills such as English and Mathematics. Also, training providers are required to include a substantial part of practical hands-on training. External certification of skills will be done to the extent that certification exists for the particular program/occupation.

Contracting of training providers: The training will be provide by transparently selected training providers. The project implementing agency will, on a semi-annual basis, issue an Expression of Interest for conducting short term training. There will be 3 semi-annual rounds of training. Training providers submit technical and financial proposals. These providers will be pre-qualified by a Technical Committee based on predefined criteria. Training agreements are negotiated and standardized training Contracts are signed between the selected training providers and the grant administrators.

Performance-based training: Several innovations will be introduced. In particular, the project will require that training providers, as a condition for funding, commit to a minimum level of job placement of trainees. This requirement will be build into the training contract with all training providers. All contracts must contain the minimum performance criteria of an initial 25% job placement and/or continuing education/training, with incentives and disincentives for meeting targets. This requirement seeks to provide a strong incentive for providers to train youth in skills that are in demand, and weed out poor performing providers. The minimum threshold will be revised semi-annually based on performance.

Information on inputs, outputs, and outcomes (i.e. placement in employment) will be analyzed in completion reports submitted by training providers. This reporting would be verified on a sample basis by contracting a call center to contact the graduates and their reported employer.

Stipends: Trainees will receive a monthly living stipend to sustain their livelihood and cover basic needs. The stipend will be a flat rate of Rs.2,500 (US\$31). Further, trainees attending training more than 75 km away from their home are entitled to a dislocation allowance ranging from Rs.2,000-3,000 (US\$25-US\$36). The stipend is conditional upon 85% attendance, which is monitored and enforced. The stipend will enable access to training for marginalized youth who otherwise are unable to pay for training or job placement. The trainee stipend and dislocation allowance will be paid directly into the trainee's bank account. The average cost per trainee, including the stipend, is approximately Rs.35,000 (US\$438).

To complement the training, 15% of the grant will finance private firms and NGOs to provide employment services to assist

youth finding a job. This employment services will include assistance for self-employment.	
Monitorable Deliverables/Outputs 5,050 trained youth	
Component 2	Monitoring and Evaluation and grant implementation
Cost (USD)	56,310
<p>Component 2 of the grant will finance the monitoring of training, trainees, job placement, employment and income gains; as well as the grant implementation.</p> <p>Monitoring and evaluation is central to the grant for three reasons: to ensure a focus on results in grant implementation, to measure and communicate the results, and to learning lessons from the innovative approaches in the grant that will subsequently be scaled-up. Besides the monitoring and evaluation carried out by each training provider, the implementing agency will carry out the following M&E activities: (i) on-site visits to training providers, (ii) review and enforcement of reporting requirements of training providers, (iii) tracer study of trainees to measure job placement, short-term and medium employment outcome, and income obtained by trainees, (iv) undertake an impact evaluation of achievements at the end of the project. Moreover, dissemination will be done nationally and lessons learned shared across projects within the JSDF portfolio of projects.</p> <p>The second part of component 2 includes operating costs related to the management of the training program. Lastly, the agency will as part of Component 2, engage an auditor acceptable to the Bank to conduct annual audits of project expenditures and financing.</p>	
<p>Monitorable Deliverables/Outputs 3 M&E reports and audit report: (i) 3 Semi-annual reports on training providers submitting training and placement outcomes; (ii) Tracer study, (iii) Impact evaluation, and (iv) audit report</p>	
<p>Summary Description for Grant Agreement</p> <p>Component 1 of the grant will finance: a public information campaign informing the targeted youth of the job training opportunities; the selection and enrollment of vulnerable youth in job training programs that match their interests and preferences; and the competitive contracting of training providers to conduct the job training programs; The targeting; matching of job interest and job training; competitive contracting of training providers; the incentive based contracts; and, the monitoring of output and outcome are innovations that will be tried to determine their effectiveness in helping the most vulnerable to become employed and earn a living.</p> <p>The information campaign, based on the successful public advertising campaigns undertaken by the Benazir Bhutto Shaheed Youth Development Program (BBSYDP), will inform three groups of crisis-affected youth who are in need of immediate support about free job training opportunities available to them. The three groups are: (i) young urban workers laid-off as a result of the 2008-2010 economic crises, in particular, young women laid off from the dominant textile industry in and around Karachi; (ii) rural youth from the poorest households who lack the skills, access and information to compete for existing jobs and who face severe difficulties in meeting their basic needs; and (iii) returning migrant workers primarily from the Middle-East who were laid off as consequence of the financial crisis and economic downturn in the oil-rich Gulf-states. In particular young women among the three groups will be targeted for training as they are most vulnerable and often expected to support families back home. Based on the experience with the BBSYDP and stake holder consultations, these three groups comprise the most vulnerable youth who face potential permanent exclusion from the economy and are prone to fall into anti social and criminal behavior.</p> <p>Public, private and non-government training providers will be invited to bid for contracts to conduct job training programs. The contracts will include strict performance criteria requiring the provider to meet a minimum job placement target for each class and incentives for exceeding targets or disincentives for not meeting targets. In addition, the training providers will have to meet requirements for quality and labor market-relevance and will be evaluated and selected in a transparent manner. The competitive contracting of training providers will be a first and the only one of its kind in Pakistan and South Asia. Similar contracting models have proven effective in Eastern Europe and Latin America. The model represents a fundamental shift away from sole funding of public institutions which traditionally have been unsuccessful in responding to urgent needs. The model offers the flexibility necessary to respond rapidly to the emerging needs of vulnerable youth for training and jobs. The job training programs will be monitored through on-site visits by district officers and third-party consultants.</p> <p>Component 1 will also finance limited employment services to youth to further increase their chances of employment and/or self-employment. Also, limited support for recognized certification of their skills will be financed.</p> <p>Component 2 of the grant will finance the monitoring of training, trainees, job placement, employment and income gains; as well as the grant implementation. This will include financial audits of expenditures, tracer studies, on-site visits to training providers, and an evaluation of achievements at the end of the project.</p>	

Section 2.2 Incremental Bank Costs

The costs of normal supervision are expected to be covered through the administrative budget and fee provision. Under exceptional circumstances, if additional resources are needed to facilitate community participation or NGO collaboration under particularly difficult conditions, incremental Bank costs can be requested up to 9 percent of the total grant amount.

Amount requested in USD	195,000
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There are five reasons why incremental Bank costs for supervision are requested: (i) Pakistan security situation calls for Bank hiring of local consultants to assist in the supervision of Bank operations; given the uncertain security situation and the frequent restriction to Bank staff travel within Sindh, local firms will be contracted to oversee the grant implementation; (ii) the innovative nature of the project and overall institutional capacity in Pakistan requires substantial implementation support in the start-up phase. This pertains to the implementation of the technical aspects of the training program, such as the evaluation of training proposals and linkage with private sector, the fiduciary oversight of financial management; (iii) given that the specific target group of the grant are "crisis-affected" youth, the team will have to devoted significant effort to ensure the targeting is effective, (iv) Bank technical assistance to build a strong monitoring and evaluation system is critical for the grant. This will require frequent visits to ensure the reliability of employment reports from training providers, oversee the tracer study and impact evaluation, and data analysis, and (v) the team will develop a feedback mechanism for the trainees and training providers to ensure stakeholders and beneficiaries opinion is regularly surveyed and fed into a continuous self-improvement process.

The expected supervision costs for the grant for the two years exceed the 9% cap due to the above reasons. The financing gap will be met by regular Bank budget.

Section 3 - Coordination

Section 3.1

Donor Coordination: Briefly describe consultations with the Embassy of Japan and JICA (date, location and substance of consultations, and persons contacted).

The Bank team met with Ms. Namiko Yamada of the Embassy of Japan, Islamabad on April 16, 2010 to discuss details of the proposed Project. The Bank team provided in advance a short description of the proposed grant and the associated Bank-supported project that is under preparation. Embassy officials fully supported the grant objectives and approach and asked to be kept informed of progress in preparation. The Bank team also met with Mr. Takahashi of JICA. JICA supports the upgrading of several training institutions in Pakistan to become centers of excellence and the grant will complement JICA's efforts. The Bank team will keep close contact with the Embassy of Japan in Islamabad and with JICA.

Section 3.2

Stakeholder Consultations: Briefly describe the consultations with stakeholders (e.g. NGOs, targeted beneficiaries) which led to the request for emergency funds.

All main stakeholders - the STEVTA, the BBSYDP, and several NGOs working with vulnerable youth - have been consulted. The consultations provided direct input into the grant design. A sample of the vulnerable youth have been consulted through a survey. The survey respondents expressed strong interest in job training. They were particularly interested in training that is relevant to labor market needs and includes job-placement services which will increase the potential of getting employment. Further, the stipend and travel allowance are critical to meet their basic needs for food and shelter and enable vulnerable youth to participate in training away from home. Employers were consulted through the Karachi Chamber of Commerce and Industry and the team visited a number of employers, including employers who provide internal workforce development programs. The employers were supportive of the proposed job training and agreed with the targeting of unemployed and otherwise vulnerable youth. Finally, training providers were also interviewed. The providers supported the innovations proposed in the projet and agreed with the proposed administrative arrangements for the project.

Section 4 - Linkages

Section 4.1

Linkage to Vulnerability Financing Facility: Describe the linkage of the grant objectives and activities to GFRP and RSR program objectives and eligibility criteria, and to those of the JSDF Emergency Window.

The project objective is fully aligned with the objectives and criteria of the Rapid Social Response program in that it aims to provide immediate assistance to the most vulnerable and equip them to improve their livelihood. Vulnerability among youth has increased dramatically as a result of the fact that Pakistan has been severely impacted by the higher food and fuel prices and the financial crisis. After a period of steady growth, the combined effects of the global food, fuel, and financial crises took quite a toll on the economy. The current account and fiscal deficits increased, inflation surged and growth slowed. Pakistan is supported by an IMF fiscal adjustment program to restore fiscal balances to a sustainable level. The current fiscal deficit significantly limits the Government capacity to invest in social programs, including programs of emergency training.

The focus of the project is further aligned with the Rapid Social Response program in that it supports investments in the labor market, income support for the unemployed, training and job creation. Youth training, skill assessments and testing,

and job-counseling are listed as indicative activities supported under the RSR program. The food, fuel and financial crises and the national security turmoil have resulted in a significant souring of the labor market for vulnerable groups. Youth employment declined by 500,000 led by a decline in employment in rural areas. Female employment has decreased by 300,000. The dramatic decline in employment comes at a time where every year as many as 1 million young people leave school and enter the labor market. Although no systematic analysis has been done on the impact of the recent financial crisis, it is clear that the crisis has contributed to the decline in employment, and that the targeted groups are bearing the brunt of the job-destruction. Young people, in particular rural young women are struggling to find employment and over 60% of them work as unpaid family workers. The increased unemployment has made young people vulnerable to a range of anti social and criminal behavior. Vulnerable youth are targeted by illegal sectarian and insurgency organizations which are causing great harm to the country. It is expected that helping these crisis-affected vulnerable groups to enroll in demand-driven training programs will enable them to engage in productive activities and put them on a path towards earning a stable income.

The project targets the most vulnerable, includes innovative ways to reach vulnerable youth through public advertising campaigns, matching their interests and preferences with available jobs, competitively select training providers capable of providing training that meet criteria of quality, relevance and job placement and result in helping vulnerable youth to find productive employment. The flexibility the new model of training provides is essential in responding to the existing emergency needs of vulnerable youth. Also, this model of contracting training allows for much higher degree of accountability for results.

The project complements the Bank's human resources development program in Pakistan. The project will pilot a new and innovative model of flexible and demand-driven training which if effective would be incorporated into the Bank human resources project under preparation. Further, the model could be extended to other provinces in Pakistan; notably to the insurgency-prone areas of Pakistan (NWFP and FATA) where there is an equally great demand for emergency job training. The innovative approaches will be scaled up in the follow-up Bank project which will help sustain the project achievements.

Section 4.2

Linkage to Bank Strategy: Give any additional background information (country, sector) which may support funding this proposal, in particular, if the grant is for a standalone project.

Pakistan's response to its human resource challenge in the current downturn will heavily influence its future economic growth, societal cohesion and socio-economic outcomes. Recognizing the importance of this challenge, support to increase job training and employability and help address skills gaps is included as one of the main objectives of the Country Assistance Strategy (CAS) for Pakistan - investing in human resources and protecting the poor. The project is closely linked to the skill development project under preparation. Both the grant financed project and the proposed project will contribute to several cross-cutting issues of the CAS, notably enhanced competitiveness of the economy with a better skilled labor force, increased government capacity and transparency, improved gender equality, and increased public-private partnerships.

Section 4.3

Linkage to IBRD/IDA, or GFRP/RSR Operation: Describe the Project Development Objectives and Components of the associated operation. If it is a new standalone project, insert - N/A.

The project is linked to a USD 20 Million Sindh Skill Development Project (SSDP) under preparation. That project will support the development of the TVET sector. It will have three components: (i) Strengthen and scaling-up of short term training pioneered by the JSDF emergency job training project; (ii) Establish market-driven institutional training programs, and (iii) Strengthen STEVTA and policymaking in the TVET system. Due to the larger scope and related structural reforms in the overall technical and vocational education system in Sindh, the new project will take a further 6-8 months to finalize preparations. The JSDF emergency grant project will pilot innovative training approaches and target the crisis-affected youth of Sindh. The skills development project will sustain the innovations/improvements introduced by the project such as performance-based contracts.

Section 4.4

Rationale for Grant Funding: Briefly describe why the proposed JSDF activities could not be financed under a Bank-financed operation or by other sources.

The Skills Development project will take time to prepare due to the need to establish implementation capacity and agreement on institutional reforms for the TVET system for component 2 and 3 of the project. These aspects do not affect the ability of STEVTA and the short term training program, BBSYDP, to deliver targeted training to crises affected youth. Therefore the JSDF project will provide a rapid and immediate response to particularly vulnerable groups of unemployed youth, which can then be buttressed by the later project. This sequence equally ensures sustainability of the grant activities since project financing will continue the innovative approaches from the grant. In addition, the monitoring and evaluation activities in the grant will provide important lessons learnt that will be taken into account in the follow-on project.

Section 5 - Implementation of Proposed Grant

Section 5.1

Grant Implementation Arrangements: If the implementing agency is not a government entity, provide rationale for its selection.

The Grant would be managed by the Sindh Technical Education and Training Authority (STVETA), an autonomous body of the Government of Sindh. The Board of the STEVTA is headed by the Minister of Technical Education and Vocational Training, who will be responsible for grant implementation. The Board has members from the private sector. The short-term training programs will be managed and supervised by the Benazir Bhutto Shaheed Youth Development Program. The BBSYDP has a capable and experienced team which will supervise the implementation of the training programs on-the-ground. The BBSYDP Provincial Coordinator will be responsible for coordinating, monitoring, and for contracting with public and private sector training providers. A Technical Committee of the BBSYDP which includes private sector representation will provide guidance on technical aspects and review the proposals for training submitted by training institutions and private sector trainers. The committee will approve the criteria for the selection of training providers and the awarding of contract. The committee will periodically visits training institutions and collect and evaluate periodic monitoring reports submitted by the training providers. The BBSYDP provincial coordination unit will be assisted by district coordination officers and local consultants to develop training program proposals, and oversee and monitor program implementation. BBSYDP and district officers will supervise the enforcement of project guidelines and a contracted independent third-party organization will on a sample basis verify the employment outcomes of the training programs. The project will be implemented by existing organizations and no new organizations need to be created under the project.

Section 5.2

Grant Implementing Agency: Describe its mission, country/sector experience, work program, financing sources, evidence of financial probity and arrangements to assure appropriate use of JSDF.

The STEVTA will manage the implementation of the project. STEVTA is the apex training institution with a mission to promote employment through skills training. The Authority is mandated to lead the technical education and vocational training initiatives in the Sindh Province by performing a multitude of functions which include formulation of policies and plans; mobilization of human, physical and financial resources; and strengthening institutional linkages including public private partnerships (PPP) in collaboration with other stakeholders such as National Vocational and Technical Education Commission (NAVTEC), private service providers, civil society, industry, and other public sector organizations. STEVTA administers the Province 240 public Technical Vocational Education and Training (TVET) institutions with over 2000 teachers. In addition, STEVTA managed a US\$ 3 million budget for investment in TVET in 2009. The Director of Finance heads the finance and accounting unit (F&A) which is charged with the financial management for STEVTA and will manage the grant. The Director holds an MBA and has experience in public sector financial management. The Director is assisted by a Deputy Director, Assistant Director and two assistant accounts.

The day-to-day implementation of the project will be managed by the BBSYDP. The BBSYDP was established to provide workforce development services for semi-literate and matriculate level youth with a focus on women and youth from the interior of Sindh. The BBSYDP trained 40,000 youth in 2009. The BBSYDP has acceptable financial management practices and procedures. It managed a Rs2.5 billion (US\$ 31 million) non-development budget for 2009/10 which is part of the STEVTA budget under the Planning and Development Department (P&DD) of the Government of Sindh. A detailed object-wise account and budget has been prepared for the project at the project coordinating unit (PCU) at BBSYDP. The PCU will set up a separate project account in their on-line financial management information system to manage the project funds. Payments to trainees will be made through bank transfers. There is an umbrella arrangement with a commercial bank which allows trainees without existing bank accounts to establish zero balance accounts. This system works well and trainees are receiving the stipend in a timely manner.

Section 6 - Financing Plan

JSDF: USD 2,950,000
 Government of Sindh: USD 688,750
 Total: USD 3,638,750

Section 7 - Cost Table

See attached Cost Table

Section 8 - Disbursement Schedule

From Date	To Date	Projected Amt	Amt in USD
08/01/2010	08/01/2010	1425700.00	1425700.00
01/01/2011	01/01/2011	870825.00	870825.00
07/01/2011	07/01/2011	458475.00	458475.00
01/01/2012	01/01/2012	0.00	0.00
07/01/2012	07/01/2012	0.00	0.00

Section 9 - Clearances

Team Member	Mr Amit Dar	CHANGED
Team Leader	Mr Andreas Blom	SUBMITTED
Sector Manager	Mr Amit Dar	CLEARED
Country Director	Mr Rachid Benmessaoud	CLEARED
FM Specialist	Ms Amandeep Trana	CLEARED
Procurement Specialist	Ms Uzma Sadaf	CLEARED
Team Leader	Mr Andreas Blom	SUBMITTED
TF Coordinator	Ms Tatyana V. Klimova	
Team Leader	Mr Andreas Blom	
Manager	Mr Amit Dar	
Window Manager	Ms Yolaine E. Joseph	
Program Manager	Mr Roberto Tarallo	
TACT		