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REPORT NO.: RES35646

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

PUNJAB SKILLS DEVELOPMENT

APPROVED ON APRIL 30, 2015

TO

ISLAMIC REPUBLIC OF PAKISTAN

EDUCATION

SOUTH ASIA

Regional Vice President:	Hartwig Schafer
Country Director:	Patchamuthu Illangovan
Senior Global Practice Director:	Jaime Saavedra Chanduvi
Practice Manager/Manager:	Mario Cristian Aedo Inostroza
Task Team Leader:	Shinsaku Nomura

ABBREVIATIONS AND ACRONYMS

CBTA	Competency Based Testing and Assessment
CPEC	China-Pakistan Economic Corridor
DLI	Disbursement Linked Indicator
GoP	Government of Pakistan
GoPb	Government of Punjab
IO	Intermediate Outcome
M&E	Monitoring and Evaluation
PBTE	Punjab Board of Technical Education
PDO	Project Development Objective
PIU	Project Implementation Unit
POM	Project Operations Manual
PSA	Punjab Skills Agency
PSDA	Punjab Skills Development Authority
PSDP	Punjab Skills Development Project
PSTA	Punjab Skills Testing Agency
P-TEVTA	Punjab Technical Education and Vocational Training Authority
PVTC	Punjab Vocational Training Council
SDR	Special Drawing Rights
TA	Technical Assistance
TTB	Trade Testing Board

BASIC DATA

Product Information

Project ID P130193	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 30-Apr-2015	Current Closing Date 30-Jun-2020

Organizations

Borrower Islamic Republic of Pakistan	Responsible Agency Industries, Commerce & Investment Dep., Govt. of Punjab

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to to improve the quality, labor market relevance of, and access to skills training programs in priority sectors in the Punjab.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-56300	30-Apr-2015	04-Jun-2015	03-Jul-2015	30-Jun-2020	50.00	32.38	18.27

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

This Restructuring Paper seeks the approval of the Country Director for Level II restructuring of the Punjab Skills Development Project (PSDP), which involves (i) revision of the results framework, (ii) revision of Disbursement Linked Indicators (DLIs) 1 and 2; and (iii) scale up of DLIs 4, and 5 for higher targets.

The original Credit of US$50 million equivalent (IDA-5630; XDR 36.30 million) was approved on April 30, 2015, and became effective on July 3, 2015. The current closing date is June 30, 2020.

Since the commencement of the Project, there has been a lot of changes to the skills development landscape and the economic context in Punjab. Government of Punjab (GoPb) has situated skills development as one of the top priorities for the province, and recently embarked on new initiatives including establishment of a new administrative regime for the skills sector by introducing the Punjab Skills Development Authority (PSDA) as an apex body for the skills sector and the plan to create two million skilled workers under the Punjab Growth Strategy.

However, despite the persistent efforts by the Government of Pakistan (GoP) and GoPb, the overall progress of the PSDP is behind the originally designed progress trajectory due to some implementation delays.

The progress towards the Project Development Objectives (PDO) is partially on track with the achievement of PDO 3 indicator targets till Year 4 (cumulative number of pass outs from market relevant courses reached 30,664 till Year 4 against the original target of 28,800). On the other hand, due to the delayed implementation of tracer study, there is no evidence regarding the achievement of targets for PDO 1 indicator (Percentage of graduates employed 6 months after completing training in market-relevant courses). PDO2 (Established and functioning PSA) is not yet due, but the implementation of sub-component contributing this PDO (sub-component 1.1.) is delayed and hence considered to be not on-track. Based on the lack of evidence on PDO indicator 1 and 2 outcomes, the overall project performance rating is currently rated as “Moderately Unsatisfactory” for a precautionary purpose.

Implementation Progress of the Project is overall on track except for the *Strategic Area 1: Strengthening the Skills Training System*. Both sub-components under this Strategic Area, namely *1.1: Support to effective registration and certification of the skills training sector,* and *1.2: Strengthening the P-TEVTA as a skills training provider* achieved 1st year targets of the corresponding Disbursement Linked Indicators (DLIs). Implementation Progress of *Strategic Area 2: Improving the quality and relevance of training programs* and *Strategic Area 3: Increasing access to market-relevant trades* are on track. The summary of implementation progress is shown in Table 1.

Table 1: Structure of Project Components, Strategic Areas, Sub-components, and DLIs

Component	**Strategic Area**	**Sub-components**	**DLIs**	**Status of DLI achievement**				
				Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Component 1: Improving and Expanding Market-Relevant Skills Training (US$46 million equivalent, 92% of total Project cost)	1: Strengthening the Skills Training System.	1.1: Support to effective registration and certification of the skills training sector.	1: A new Punjab Skills Agency (PSA) is operational	**Achieved**	Not achieved	Not achieved	*Not on track*	-
		1.2: Strengthening the P-TEVTA as a skills training provider	2: Improving training provision by the public sector	**Achieved**	Not achieved	Not achieved	*Not on track*	*Not yet due*
	2: Improving the quality and relevance of training programs.	1.3: Competency-based skills training and assessment.	3: Rolling out of Competency Based Training and Assessment (CBTA) package	**Achieved**	**Achieved**	**Achieved**	*On Track*	*Not yet due*
		1.4: Industry Partnership Agreements.	4: Strengthening collaboration between training providers and employers to improve quality and relevance of training delivery	**Achieved**	**Achieved**	**Achieved**	*On Track*	-
	3: Increasing access to market-relevant trades	1.5: Increasing the supply of skilled workers in market relevant trades.	5: Increasing access in market relevant trades offered by public and private sector training providers	**Achieved**	**Achieved**	**Achieved**	*On Track*	*Not yet due*
Component 2: Project Management, Monitoring and Evaluation, and Technical Assistance (US$4 million equivalent, 8% of total Project cost)			N/A	-	-	-	-	-

II. DESCRIPTION OF PROPOSED CHANGES

Result Framework

The proposed restructuring will entail revision of PDO indicators and Intermediate Outcome (IO) indicators to better monitor the achievement of the PDO. Proposed main changes are summarized in Table 1. Annex 1 table provides the new result framework and latest progress on the indicators.

Table 1: Summary of Changes to the Result Framework

Original indicator	Revised Indicators/ Targets
PDO Indicators	
1. Percentage of graduates employed 6 months after completing training in market-relevant courses	Populating the female baseline and setting targets. Updating the baseline and targets for male by reflecting the final findings from the baseline survey of 2012. The original baseline was from a draft report. No changes to the percentage points to be increased from the baseline to the end of project target.
2. Established and functioning PSA	Revising the indicator as "Established and functioning testing quality standard", by reflecting the revision of the end-target as envisaged by DLI 1 due to the changing sector context.
3. Number of students passed out from market-relevant courses	There is no change in end of project target. Modification of the format of annual targets, from annual to cumulative numbers for clarity. The baseline is updated as zero since this indicator monitors cumulative numbers of students passed out during the project.
Intermediate Outcome Indicators	
1. Plan developed based on functional review of TTB and PBTE implemented according to plan	Dropped due to the revised PDO Indicator 2, which is sufficient for monitoring this activity under DLI 1.
2. P-TEVTA Institutional Development Plan Targets approved	Name of the indicator and the target revised. "Year 5: P-TEVTA Institutional Development Plan approved," by reflecting the revision of the end-target as envisaged by DLI 2.
3. Number of CBTA curricula introduced	No change
4. Number of institutions offering CBTA courses	No change
5. Number of students passed-out from CBTA courses	Revising the targets. The original indicator assumed 120 students per class, but it is being adjusted based on a realistic number of 50 students per class. Modification of the format of annual targets, from annual to cumulative numbers for clarity.
6. Number of Industry Partnership Agreements signed	Modification of the format of annual targets, from annual to cumulative numbers for clarity, and the end of project target scaled up.
7. Number of students benefited from industry partnership agreement	Modification of the format of annual targets, from annual to cumulative numbers for clarity, and the end of project target scaled up.
8. Employment rate of students benefited from industry partnership agreement (after 6 months)	Gender disaggregation is dropped and only aggregated total is used because industry partnership requiring gender were sometimes perceived as constraints for industries. This change is to foster more flexible industry partnership.
9. Employer satisfaction with graduates from programs which benefited from CBTA packages and Partnership Agreements	Changed to Yes/No process indicator based on implementation experience. It is not easy to track the progress of employer satisfaction as composition of employers and economic situation are different every year.
10. Number of students enrolled in market-relevant courses	The final target is increased by 1,000 to reflect the additional DLI activity. Modification of the format of annual targets, from annual to cumulative numbers for clarity, and the end of project target scaled up.

Component 1: Results-based Component

Restructuring in Component 1 will be made in three areas:

1. ***Modification of Strategic Area 1:*** This entails revision of DLI 1 and 2. On DLI 1, Years 2, 3, 4 targets of DLI 1 are canceled and a new target is introduced for Year 5. On DLI 2, Year 2 target is deferred to Year 5; Year 3 and 4 targets are canceled; and a new Year 5 target is introduced.
2. ***Scale up of Strategic Area 2:*** DLI 4 activity will be scaled up by introducing a new target for Year 5. DLI 3 will remain the same.
3. ***Scale up of Strategic Area 3:*** DLI 5 activity will be scaled up by introducing a pilot activity of the industry-led cost sharing training model.

Strategic Area 1: Strengthening the Skills Training System.

The importance of the Strategic Area 1 remains the same and the objectives of the sub-components will also remain the same.

Sub-component 1.1: The objective of the Subcomponent 1.1 is to strengthen assessments of skills training in Punjab and to issue qualifications that are nationally recognized. While the Project still aims to establish a single independent testing agency, the Punjab Skills Agency (PSA) by merging the Punjab Board of Technical Education (PBTE) and the Trade Testing Board (TTB), the Functional Review produced for DLI Year 1 suggested the importance of considering the role of newly established Punjab Skills Development Authority (PSDA) [1], which was not part of the original scope of the Project, for designing the new architecture of the testing functions in the province. The Functional Review (year 1 target) also proposed different options for the testing regime based on international experience and emphasized that the gist of the reform is ensuring the quality standard of testing and the credibility of certification. In this regard, the PSDP will focus on the establishment of the testing quality standard. The GoPb is also aiming to establish the new Punjab Skills Testing Agency (PSTA), but the institutional setup and arrangement may require more technical and policy-level background work.

The proposed restructuring will focus on strengthening assessments of skill training by unifying the quality standards of all testing agencies. It will include PBTE and TTB as per the original design and also expand the scope by adding the Punjab Vocational Training Council (PVTC) for a more holistic improvement of the assessment function.[2] It aims to support the quality standards in the new testing regime when PSDA and PSTA are fully functional. DLI 1 will be modified with cancellation of targets in Years 2, 3, and 4 and an introduction of a new target for Year 5.

Sub-component 1.2: The objective of this sub-component is to strengthen P-TEVTA to be a more demand-driven, efficient and effective skills training provider. As per the original project design, and the Functional Review produced for DLI Year 1, decentralization of P-TEVTA is important for delivering quality and market-relevant training effectively and efficiently. The DLI activities will be more focused on the service delivery and pursue 2 sets of outcomes in Year 5. First, the original Year 2 target, development of Institutional Development Plan for P-TEVTA, will be deferred to Year 5. Second, a new job placement mechanism will be introduced. P-TEVTA will establish job placement and industry liaison units in three existing zonal PTEVTA

[1] PSDA Act was passed by the Provincial Assembly of the Punjab on February 27, 2019.
[2] PVTC's administrative Department changed from the Zakat Department to Industries, Commerce, Investment & Skills Development Department (ICI&SDD) in 2019.

Offices, located in Lahore, Multan and Rawalpindi for better employment outcomes of graduates. This sub-component will be coordinated with Sub-components 1.3 and 1.4 for forging overall system improvement synergies across different initiatives.

Strategic Area 2: Improving the quality and relevance of training programs.

The importance of the Strategic Area 2 remains the same and the objectives of the sub-components will also remain the same while activities will be scaled up.

Sub-component 1.3: This sub-component is on track. P-TEVTA has rolled out 16 CBTA packages, including two levels of Building Electricity, Plumbing cum Solar water heating technology, Fashion designing, Auto-mechanic, Industrial Electricity, Computer Operator and CAD/CAM operator, at 39 public institutes with 2,247 students enrolled. No changes will be introduced to the DLI. However, based on the lessons learned discussed during the Mid-Term Review, some operational improvement will be expected through the revision of the Project Operations Manual (POM), including: (i) implementation of multiple levels of CBTA packages at the same institute for facilitating students to take higher level courses on the same trade, and (ii) awareness raising of CBTA certificates among the industries.

Sub-component 1.4: The sub-component 1.4. has been successful in introducing the culture of industry partnership to the Province and delivering industry-based training for 1,197 students (as against the target of 588) in 12 industry partners. Taking lessons from the implementation and in order for this program to be more sustainable, the restructuring will open up the types of industry partnership activities and devolve the responsibilities to the regional office and institute level. In sync with sub-component 1.2, zonal offices will provide support to institutes and institutes will be an active agent for searching and industry partnerships. DLI Year 5 target will be newly introduced to foster a larger number of industry partnerships at public P-TEVTA institutes.

Strategic Area 3: Increasing access to market-relevant trades

The importance of the Strategic Area 3 remains the same and the objectives of the sub-component will also remain the same while activities will be scaled up.

Sub-component 1.5: This sub-component is implemented by PSDF and has been on track. By the end of third year of Implementation, cumulative 30,664 (21,374 males and 9,290 females) students passed out in market relevant trades, with an exceeding achievement of female passed out target. Taking the lessons learned, POM will introduce some simplifications of implementation arrangements and flexibility of industry choices to changing demands. To make the training model more relevant for industries and for better sustainability, a new pilot program of cost sharing industry training model will be introduced as a new and additional Year 5 DLI target.

DLI Matrix for the Extension Period

The summary of restructured DLI matrix is shown in Table 2. In the original Project design, there were 23 DLI targets with SDR 1.45 million each (US$2 million each at the exchange rate of project negotiation), for a total amount of SDR 33.35 million (US$46 million using the same exchange rate). The revised DLI matrix will also have 23 DLI targets (of which 11 have been achieved and 3 are to be achieved in Year 4; 9 are to be achieved during Year 5).

Table 2: Restructured DLIs under Component 1

DLIs	Year 1	Year 2	Year 3	Year 4	Year 5
1	**Achieved**	*Canceled*	*Canceled*	*Canceled*	**[New]** Unified testing quality standards will be established and implemented. ***[SDR 1.45 million]***
2	**Achieved**	*Deferred to Year 5 (2a)*	*Canceled*	*Canceled*	**2a [Deferred from Year 2 with minor modification]:** P-TEVTA Board of Management has approved its institutional development plan (IDP). ***[SDR 1.45 million]*** **2b [New]:** A new job placement mechanism is approved and piloted in Project supported P-TEVTA institutes. ***[SDR 1.45 million]***
3	**Achieved**	**Achieved**	**Achieved**	No change	**[No change]** 30 different CBTA curricula have been delivered in at least 80 public institutions, selected under the Project in accordance with CBTA's roll-out plan and implementation schedule. ***[SDR 1.45 million]***
4	**Achieved**	**Achieved**	**Achieved**	No change	**[New]** 40 P-TEVTA institutes have signed Partnership Agreements with industries additional to those signed by Year 4. ***[SDR 2.9 million, scalable]***
5	**Achieved**	**Achieved**	**Achieved**	No change	**5a [no change]:** At least 14,000 additional students (50,000 cumulative) enrolled, and at least additional 11,200 students passed out (40,000 cumulative) in market relevant trades. ***[SDR 1.45 million]*** **5b [New]:** At least 1,000 additional trainees are be enrolled in PSDF's new pilot cost-sharing training model with industry ***[SDR 1.45 million].*** **5c [New]:** At least 55% of the graduated trainees in PSDF's new pilot cost-sharing training model are employed within three months. ***[SDR 1.45 million]***

Note: The Unit of currency is Special Drawing Rights (SDR).

Component 2: Technical Assistance (TA) Component

This component continues to support project management, monitoring and evaluation (M&E), and technical assistance (TA) to enable the achievement of the DLIs and ensure efficient and effective management of project implementation. M&E activities will be further strengthened by supporting sector studies and monitoring activities, for supporting the development of policy actions and strategies in areas where technical support could better inform policy makers and Development Partners, specifically, in the areas of increasing women's participation, industry skills demand, and studies and support for self-employment. In addition, this would continue to finance advisory, technical assistance and capacity building support to achieve DLIs 1-5. It would continue to finance project operating costs, inter alia, personnel costs associated with seconding staff to and hiring technical assistance for the Project Implementation Unit (PIU), equipment, supervision costs (transportation and per diems), communication activities, and incremental operating costs at associated with the work of staff or TA working on project implementation. The definition of the Incremental Operating Cost has been updated to clarify the definitions of salaries of contractual staff, per diem, and vehicles.

DLI Verification Protocol

DLIs	Year 5 Targets	Definition, Description of Achievement	Evaluation Protocol
1	**[New]** Unified testing quality standards will be established and implemented. ***[SDR 1.45 million]***	• Testing quality standards developed, including: the Standard Operating Procedures (SOPs) for ○ Registration of students ○ Examination calendar ○ Paper setting & marking ○ Organization and conduct of examinations (theory and practical) ○ Secrecy and security of exam process ○ Checking papers, compiling and announcement of results ○ The registration and training of assessors ○ Certification ○ Security of assessments and certification records ○ Communication strategy of organization • Testing quality standards approved and adopted by the Boards of three existing testing agencies (PBTE, TTB, PVTC) or newly established PSTA Board if PSTA Board is fully functional.	**Evidence:** • The quality standards document • Minutes of the three Board meetings from PBTE, TTB, PVTC, or PSTA Board meeting.
2	**2a [Deferred from Year 2 with minor modification]:** P-TEVTA Board of Management has approved its institutional development plan (IDP). ***[SDR 1.45 million]*** **2b [New]:** A new job placement mechanism is approved and piloted in Project supported P-TEVTA institutes. ***[SDR 1.45 million]***	2a: • TEVTA's IDP approved by P-TEVTA Board 2b: • Approval of the new job placement mechanism by P-TEVTA Board • Notification of posting of job placement officers and industry linkage officers at regional offices • All P-TEVTA supported under DLI-3&4 will be supported by the new job placement mechanism and industry linkage support.	2a: **Evidence:** • IDP document. • Minutes of the P-TEVTA board meeting on approving the IDP. 2b: **Evidence:** • Minutes of the P-TEVTA board meeting on approving the new job placement mechanism. • Notification of posting of job placement officers and industry linkage officers. **Verification:** Third party validation will be conducted to assess if P-TEVTA institutes directly supported by the DLI 3 and 4 activities of this Project received the job placement and industry linkage support.
3	**[No change]** 30 different CBTA curricula have been delivered in at	No Change	No change

	least 80 public institutions, selected under the Project in accordance with CBTA's roll-out plan and implementation schedule. ***[SDR 1.45 million]***		
4	**[New]** 40 P-TEVTA institutes have signed Partnership Agreements with industries additional to those signed by Year 4. ***[SDR 2.9 million, scalable]***	The new DLI 4 Year 5 uses a scalable target. SDR 2.9 million is linked with an achievement of 40 institutes (cumulative 52 by including the 12 PAs by Year 4), and the disbursement is linked with the actual number of institutes signing the PAs (SDR 72,500 per institute) up to 40 institutes • P-TEVTA Board approves the revised Partnership Framework reflecting the operational lessons learned. • 40 Signed partnership agreements • Evaluation report of 8 partnership agreements (supported in Year 3 and 4)	**Evidence:** • Minutes of the P-TEVTA board meeting on approving the revised Partnership Framework • Signed contract between the parties of the partnership, in line with the Partnership Framework • Evaluation of implementation of Partnership Agreement: (1) Report by third party documenting the type of activities and (2) the Minutes of the P-TEVTA board discussion of evaluation report
5	**5a [no change]:** At least 14,000 additional students (50,000 cumulative) enrolled, and at least additional 11,200 students passed out (40,000 cumulative) in market relevant trades. ***[SDR 1.45 million]*** **5b [New]:** At least 1,000 additional trainees are be enrolled in PSDF's new pilot cost-sharing training model with industry ***[SDR 1.45 million].*** **5c [New]:** At least 55% of the graduated trainees in PSDF's new pilot cost-sharing training model are employed within three months. ***[SDR 1.45 million]***	5a: No change For 5b and 5c targets, PSDF's cost sharing mechanism will be applied for the procurement of services from industries to train at least 1,000 trainees. The duration of the training is mostly less than 6 months. 5b: At least 1,000 additional trainees are enrolled in the cost-sharing training programs. 5c: at least 55% of graduated trainees from 5b will be employed within three months of graduation.	5a: No change 5b: Enrollment record is reported by the PSDF's monitoring system. A report containing the names of industry partners, trades and technologies, number of enrollment by gender will be submitted. 5c: Employment outcomes reported by the PSDF's monitoring system. A report containing the names of industry partners, trades and technologies, number of employed graduates by gender will be submitted.

I. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US$M)	Action	Proposed Component Name	Proposed Cost (US$M)
Component One: Improving and Expanding Market-Relevant Skills Training	46.00	No Change	Component One: Improving and Expanding Market-Relevant Skills Training	46.00
Component Two: Project Management, M&E, and Technical Assistance	4.00	No Change	Component Two: Project Management, M&E, and Technical Assistance	4.00
TOTAL	**50.00**			**50.00**

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Year	Current	Proposed
2015	0.00	0.00
2016	10,500,000.00	11,976,412.15
2017	10,833,000.00	6,007,915.00
2018	10,833,000.00	6,007,915.00
2019	10,834,000.00	8,005,277.00
2020	7,000,000.00	18,002,480.00

Results framework

COUNTRY: Pakistan
Punjab Skills Development

Project Development Objectives(s)

The Project Development Objective (PDO) is to to improve the quality, labor market relevance of, and access to skills training programs in priority sectors in the Punjab.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improve the quality of skills training							
Established and functioning PSA (Text)	DLI 1	PSA does not exist at the moment	N/A	N/A	N/A	N/A	Testing quality standards established
Action: This indicator has been Revised	***Rationale:*** ***Revising the indicator as "Established and functioning testing quality standard", by reflecting the revision of the end-target as envisaged by DLI 1 due to the changing sector context.***						
Improve labor market relevance of skills training							
Percentage of graduates employed 6 months after completing training in market-relevant courses (Text)		Male: 42 Female: 28					Male: 46 Female: 32
Action: This indicator has been Revised	***Rationale:*** ***Populating the female baseline and setting targets. Updating the baseline and targets for male by reflecting the final findings from the baseline survey of 2012. The original baseline was from a draft report. No changes to the percentage points to be increased from the baseline to the end of project target.***						
Improve access to skills training							

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Number of students passed out from market-relevant courses (Number)	DLI 5	0.00	4,000.00	10,400.00	18,400.00	28,800.00	40,000.00
Action: This indicator has been Revised	***Rationale:*** ***There is no change in end of project target. Modification of the format of annual targets, from annual to cumulative numbers for clarity. The baseline is updated as zero since this indicator monitors cumulative numbers of students passed out during the project.***						
Male (Number)		0.00	3,280.00	8,528.00	15,088.00	23,616.00	32,800.00
Action: This indicator has been Revised	***Rationale:*** ***Baseline is set to zero.***						
Female (Number)		0.00	720.00	1,872.00	3,312.00	5,184.00	7,200.00
Action: This indicator has been Revised	***Rationale:*** ***Baseline is set to zero.***						

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component One: Improving and Expanding Market-Relevant Skills Training							
Plan developed based on functional review of TTB and PBTE implemented according to plan (Text)		Plan does not exist					Yes

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Marked for Deletion	***Rationale:*** ***Dropped due to the revised PDO Indicator 2, which is sufficient for monitoring this activity under DLI 1.***						
P-TEVTA Institutional Development Plan Targets approved (Text)		Plan does not exist					P-TEVTA Institutional Development Plan approved
Action: This indicator has been Revised	***Rationale:*** ***Name of the indicator and the target revised. "Year 5: P-TEVTA Institutional Development Plan approved," by reflecting the revision of the end-target as envisaged by DLI 2.***						
Number of CBTA curricula introduced (Text)		0.00					30.00
Number of institutions offering CBTA courses (Number)	DLI 3	0.00					80.00
Number of students passed-out from CBTA courses (Number)		0.00	600.00	1,800.00	2,800.00		6,800.00
Action: This indicator has been Revised	***Rationale:*** ***Revising the targets. The original indicator assumed 120 students per class, but it is being adjusted based on a realistic number of 50 students per class.*** ***Modification of the format of annual targets, from annual to cumulative numbers for clarity.***						
Male (Number)		0.00					6,300.00
Action: This indicator has been Revised							
Female (Number)		0.00					500.00

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Revised							
Number of industry Partnership Agreements signed (Number)	DLI 4	0.00	1.00	4.00	8.00		52.00
Action: This indicator has been Revised	***Rationale:*** ***Modification of the format of annual targets, from annual to cumulative numbers for clarity, and the end of project target scaled up.***						
Number of students benefited from industry partnership agreement (Number)		0.00					2,000.00
Action: This indicator has been Revised	***Rationale:*** ***Modification of the format of annual targets, from annual to cumulative numbers for clarity, and the end of project target scaled up.***						
Employment rate of students benefited from industry partnership agreement (after 6 months) (Percentage)		0.00	52.00	53.00	54.00		55.00
Action: This indicator has been Revised	***Rationale:*** ***Gender disaggregation is dropped and only aggregated total is used because industry partnership requiring gender were sometimes perceived as constraints for industries. This change is to foster more flexible industry partnership.***						
Employer satisfaction with graduates from programs which benefitted from CBTA packages and Partnership Agreements (Yes/No)		No					Yes

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Action: This indicator has been Revised	***Rationale:*** ***Changed to Yes/No process indicator based on implementation experience. It is not easy to track the progress of employer satisfaction as composition of employers and economic situation are different every year.***						
Number of students enrolled in market-relevant courses (Number)		0.00	5,000.00	13,000.00	23,000.00	36,000.00	51,000.00
Action: This indicator has been Revised	***Rationale:*** ***The final target is increased by 1,000 to reflect the additional DLI activity.*** ***Modification of the format of annual targets, from annual to cumulative numbers for clarity, and the end of project target scaled up.***						

Disbursement Linked Indicators Matrix

DLI 1	A new Punjab Skills Agency (PSA) is operational.			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Text	4.00	50.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	There is no single provincial testing authority			
June 30, 2016	The DoICI has completed a functional review of TTB and PBTE.		2.00	
June 30, 2017			0.00	

June 30, 2018		0.00	
June 30, 2019		0.00	
June 30, 2020	Unified testing quality standards will be established and implemented.	2.00	
Action: This DLI is New	***Rationale:*** ***This DLI is newly entered into the system as this is a new system requirement. The DLI amount in USD is indicative, by using the exchange rate at the time of appraisal (US$ 2.0 million = SDR 1.45 million). The Financing Agreement uses the SDR. See Annex 2 for SDR allocation.***		

DLI 2	Improving training provision by the public sector			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Output	No	Text	6.00	33.33
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	N/A			
June 30, 2016	P-TEVTA Board of Management has approved its institutional development plan (IDP).		2.00	
June 30, 2017	N/A		0.00	
June 30, 2018	N/A		0.00	
June 30, 2019	N/A		0.00	
June 30, 2020	2a. P-TEVTA Board of Management has approved its institutional development plan (IDP). 2b. A		4.00	

	new job placement mechanism is approved and piloted in Project supported P-TEVTA institutes.			
Action: This DLI is New	***Rationale:*** ***This DLI is newly entered into the system as this is a new system requirement. The DLI amount in USD is indicative, by using the exchange rate at the time of appraisal (US$ 2.0 million = SDR 1.45 million). The Financing Agreement uses the SDR. See Annex 2 for SDR allocation.***			
DLI 3	Rolling out of Competency Based Training and Assessment (CBTA) package			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	No	Text	10.00	60.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	The roll-out plan of CBTA is in the process of being approved			
June 30, 2016	P-TEVTA's Chairman has approved CBTA's roll-out plan and implementation schedule; and CBTA has started implementation of said plan on a pilot basis.		2.00	
June 30, 2017	3 different CBTA curricula have been delivered in at least 5 public institutions selected under the Project, in accordance with CBTA's roll-out plan and implementation schedule		2.00	
June 30, 2018	8 different CBTA curricula have been delivered in at least 15 public institutions selected under the project, in accordance with CBTA's roll-out plan and implementation schedule.		2.00	
June 30, 2019	16 different CBTA curricula have been delivered in at least 35 public institutions, selected under the		2.00	

	Project in accordance with CBTA's roll-out plan and implementation schedule		
June 30, 2020	30 different CBTA curricula have been delivered in at least 80 public institutions, selected under the Project in accordance with CBTA's roll-out plan and implementation schedule	2.00	
Action: This DLI is New	***Rationale:*** ***This DLI is newly entered into the system as this is a new system requirement. The DLI amount in USD is indicative, by using the exchange rate at the time of appraisal (US$ 2.0 million = SDR 1.45 million). The Financing Agreement uses the SDR. See Annex 2 for SDR allocation.***		

DLI 4	Strengthening collaboration between training providers and employers to improve quality and relevance of training delivery			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Intermediate Outcome	Yes	Text	12.00	50.00
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	Limited collaboration between training providers and firms results in weak relevance and quality of training provision.			
June 30, 2016	P-TEVTA's Board of Management has approved a Partnership Framework and related implementation plan; and at least one Partnership Agreement has been signed.		2.00	
June 30, 2017	Three additional Partnership Agreements have been signed.		2.00	
June 30, 2018	Evaluation of the 4 Partnership Agreements under implementation against the approved		2.00	

	implementation plan and result has been completed; and 4 additional Partnership Agreement have been signed.		
June 30, 2019	4 additional Partnership Agreement have been signed based on the evaluation results from Year 3.	2.00	
June 30, 2020	40 P-TEVTA institutes have signed Partnership Agreements with industries additional to those signed by Year 4.	4.00	
Action: This DLI is New	***Rationale:*** ***This DLI is newly entered into the system as this is a new system requirement. The DLI amount in USD is indicative, by using the exchange rate at the time of appraisal (US$ 2.0 million = SDR 1.45 million). The Financing Agreement uses the SDR. See Annex 2 for SDR allocation.***		

DLI 5	Increasing access in market relevant trades offered by public and private sector training providers			
Type of DLI	**Scalability**	**Unit of Measure**	**Total Allocated Amount (USD)**	**As % of Total Financing Amount**
Outcome	No	Text	14.00	42.86
Period	**Value**		**Allocated Amount (USD)**	**Formula**
Baseline	N/A			
June 30, 2016	At least 5,000 additional students (5,000 cumulative) have enrolled, and at least 4,000 additional students (cumulative) have completed training (passed out) in market relevant trades.		2.00	
June 30, 2017	At least 8,000 additional students (13,000 cumulative) have enrolled, and at least 6,400 additional students (10,400 cumulative) have		2.00	

	completed training (passed out) in market relevant trades.		
June 30, 2018	At least 10,000 additional students (23,000 cumulative) have enrolled, and at least 8,000 additional students (18,400 cumulative) have completed training (passed out) in market relevant trades.	2.00	
June 30, 2019	At least 13,000 additional students (36,000 cumulative) have enrolled, and at least 10,400 additional students (28,800 cumulative) have completed training (passed out) in market relevant trades.	2.00	
June 30, 2020	5a. At least 14,000 additional students (50,000 cumulative) have enrolled, and at least 11,200 additional students (40,000 cumulative) have completed training (passed out) in market relevant trades.5b. At least 1,000 additional trainees are be enrolled in PSDF's new pilot cost-sharing training model with industry. 5c. At least 55% of the graduated trainees in PSDF's new pilot cost-sharing training model are employed within three months.	6.00	
Action: This DLI is New	***Rationale:*** ***This DLI is newly entered into the system as this is a new system requirement. The DLI amount in USD is indicative, by using the exchange rate at the time of appraisal (US$ 2.0 million = SDR 1.45 million). The Financing Agreement uses the SDR. See Annex 2 for SDR allocation.***		

Verification Protocol Table: Disbursement Linked Indicators	
DLI 1	A new Punjab Skills Agency (PSA) is operational.

Description	• Testing quality standards developed, including: the Standard Operating Procedures (SOPs) for
	  ○ Registration of students
	  ○ Examination calendar
	  ○ Paper setting & marking
	  ○ Organization and conduct of examinations (theory and practical)
	  ○ Secrecy and security of exam process
	  ○ Checking papers, compiling and announcement of results
	  ○ The registration and training of assessors
	  ○ Certification
	  ○ Security of assessments and certification records
	  ○ Communication strategy of organization
	Testing quality standards approved and adopted by the Boards of three existing testing agencies (PBTE, TTB, PVTC) or newly established PSTA Board if PSTA Board is fully functional.

Data source/ Agency	DoICI
Verification Entity	N/A
Procedure	Required evidences will include: (a) the quality standards document, and (b) minutes of the three Board meetings from PBTE, TTB, PVTC, or PSTA Board meeting.
DLI 2	Improving training provision by the public sector
Description	TEVTA's Institutional Development Plan (IDP) approved by P-TEVTA Board.
Data source/ Agency	P-TEVTA
Verification Entity	N/A

Procedure	Required evidences will include: (a) IDP document, and (b) Minutes of the P-TEVTA board meeting on approving the IDP.
DLI 3	Rolling out of Competency Based Training and Assessment (CBTA) package
Description	A CBTA curriculum is one that has been formally approved by NAVTTC as being competency-based. An indicative list of CBTA courses to be rolled out per year can be found in the POM. The approval will be evidenced by the availability from NAVTTC of the full CBTA package, including the curriculum, performance standards and assessment instruction, and teaching-learning materials (TLMs). An institution may deliver one or more courses, as long as in any given year there is at least the number of such instituti ons as specified in the target value. The delivery of a course will be evidenced by the issue of nationally recognized CBT certificates to the graduates of the course. The values in the targets for curricula and institutions are cumulative and minimum targets. For example, the 16 curricula targeted in year 4 include the 8 curricula in year 3.
Data source/ Agency	P-TEVTA
Verification Entity	TPV
Procedure	The values provided in evidence will be subject to Third Party Validation which will be conducted according to the TORs acceptable to the Association.
DLI 4	Strengthening collaboration between training providers and employers to improve quality and relevance of training delivery
Description	The new DLI 4 Year 5 uses a scalable target. SDR 2.9 million is linked with an achievement of 40 institutes (cumulative 52 by including the 12 PAs by Year 4), and the disbursement is linked with the actual number of institutes signing the PAs (SDR 72,500 per institute) up to 40 institutes. • P-TEVTA Board approves the revised Partnership Framework reflecting the operational lessons learned. • 40 Signed partnership agreements • Evaluation report of 8 partnership agreements (supported in Year 3 and 4)
Data source/ Agency	P-TEVTA
Verification Entity	N/A

Procedure	Required evidence will include: (a) Minutes of the P-TEVTA board meeting on approving the revised Partnership Framework, (b) Signed contract between the parties of the partnership, in line with the Partnership Framework, and (c) Evaluation of implementation of Partnership Agreement: (1) Report by third party documenting the type of activities and (2) the Minutes of the P-TEVTA board discussion of evaluation report
DLI 5	Increasing access in market relevant trades offered by public and private sector training providers
Description	Private and public training providers will compete under this scheme under two separate windows (one for public sector training providers, and one for private sector training providers). Eligibility and competitive selection criteria for both windows incl uding targets for the poor and women (for specific priority sectors) would be described in detail in the Project Operations Manual. Enrollment defined as total number of students enrolled in market relevant trades provided by private and public which are competitively selected by the PSDF under this scheme. Pass-outs are defined as those who received certificate after completion of training. Market relevant trades are defined as ones which are relevant for the priority sectors identified in the Punjab Gro wth Strategy and include those trades identified by PSDF as being relevant to the priority trades based on analytical work acceptable to the Association.
Data source/ Agency	PSDF: 5b: Enrollment record is reported by the PSDF's monitoring system. A report containing the names of industry partners, trades and technologies, number of enrollment by gender will be submitted. 5c: Employment outcomes reported by the PSDF's monitoring system. A report containing the names of industry partners, trades and technologies, number of employed graduates by gender will be submitted.
Verification Entity	TPV
Procedure	Evidence includes data provided by PSDF from its MIS and signed by CEO (including annual Ernst &Young validation reports)

Annex 1: Revised Key Performance Indicators

	Unit of Measure	Baseline	Target Values						Responsibility
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Cumulative	
PDO Indicators									
1. Percentage of graduates employed 6 months after completing training in market-relevant courses	%	M: 42.0 F: 28.3			M: 44.0 F: 30.0		M: 46.0 F: 32.0	M: 46.0 F: 32.0	PSDF
Achievement					Tracer study under implementation				
2. Established and functioning testing quality standard	Text	Do not exist	-	-	-	-	Testing quality standards established	Testing quality standards established	P-TEVTA, PBTE, TTB PVTC
Achievement									
3. Number of students passed out from market-relevant courses	Number	All: 0 M: 0 F: 0	All: 4,000 M: 3,280 F: 720	All: 10,400 M: 8,528 F: 1,872	All: 18,400 M: 15,088 F: 3,312	All: 28,800 M: 23,616 F: 5,184	All: 40,000 M: 32,800 F: 7,200	All: 40,000 M: 32,800 F: 7,200	PSDF
Achievement			All: 4,251 M: 4,097 F: 154	All: 11,212 M: 8,641 F: 2,571	All: 20,214 M: 14,790 F: 5,424	All: 30,664 M: 21,374 F: 9,290			
Intermediate Results Indicators									
1. P-TEVTA Institutional Development Plan Targets met	Text	Does not exist					P-TEVTA IDP approved.	P-TEVTA IDP approved.	P-TEVTA
Achievement				-	-				
2. Number of CBTA curricula introduced	Number	0		3	8	16	30	30	P-TEVTA, NAVTTC
Achievement				3	8	16			
3. Number of institutions offering CBTA courses	Number	0		5	15	35	80	80	P-TEVTA, NAVTTC
Achievement				5	15	39			
4. Number of students passed-out from CBTA courses	Number	All: 0 M: 0 F: 0		All: 600	All 1,800 M: 1,620 F: 180	All 2,800 M: 2,700 F: 100	All 6,800 M: 6,300 F: 500	All 6,800 M: 6,300 F: 500	P-TEVTA, NAVTTC

	Unit of Measure	Baseline	Target Values						Responsibility
Achievement			88	384	All 666 M: 666 F: 0				
5. Number of Industry Partnership Agreements signed	Number			1	4	8	52	52	P-TEVTA
Achievement				4	9				
6. Number of students benefited from industry partnership agreement	Number			25	125	588	2,000	2,000	P-TEVTA
Achievement				743	942	1,197			
7. Employment rate of students benefited from industry partnership agreement (after 6 months)	%			All: 52	All: 53	All: 54	All: 55	All: 55	P-TEVTA
Achievement				All: 79	50.3% (296 out of 588)				
8. Employer satisfaction with graduates from programs which benefited from CBTA packages and Partnership Agreements	Yes/No			-	-	Yes	Yes		P-TEVTA and PIU
Achievement				Not yet carried out	Not yet carried out				
9. Number of students enrolled in market-relevant courses	Number	All: 23,152 M: 19,095 F: 4,058	All: 5,000 M: 4,100 F: 900	All: 13,000 M: 10,660 F: 2,340	All: 23,000 M: 18,860 F: 4,140	All: 36,000 M: 29,520 F: 6,480	All: 51,000 M: 41,800 F: 9,200	All: 51,000 M: 41,800 F: 9,200	PSDF
Achievement			All: 5,003 M: 4,824 F:179	All: 13,260 M: 10,308 F:2,952	All: 24,668 M: 18,448 F: 6,220	All: 38,183 M27,112: F:11,071			