



1. Project Data:		Date Posted : 07/15/2003	
PROJ ID: P052297		Appraisal	Actual
Project Name: Training & Empl.	Project Costs (US\$M)	6.00	2.26
Country: Jordan	Loan/Credit (US\$M)	5.00	1.86
Sector(s): Board: SP - Vocational training (62%), General industry and trade sector (21%), Central government administration (17%)	Cofinancing (US\$M)	0.30	0.08
L/C Number: L4323			
	Board Approval (FY)		98
Partners involved : UNDP	Closing Date	02/28/2002	09/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
Lenor Armstrong	George T. K. Pitman	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The TESP supported the Government's Social Productivity Program. Specifically it pilot tested the demand for, and the effectiveness and efficiency of employer-based training.			
b. Components			
The three major components were: (a) Pilot Training Fund (PTF) for in-service training, and related support services US\$5.0 m , (83% of project costs) (b) Monitoring, Studies and Evaluation (MSE) intended to fund surveys and studies to evaluate wage and employment impact, US\$0.3 m, (5% of project costs); and (c) Project Implementation Unit to supplement the capacity of the Ministry of Labor, US\$0.7m (12% of project costs).			
c. Comments on Project Cost, Financing and Dates			
<ul style="list-style-type: none"> • The project was estimated to cost US\$6.0m, of which US\$5.0 (83%) would be financed by World Bank US\$0.70 (11.6%) by the government, and US\$0.3m , (5%) by UNDP. Actual costs were US\$2.26m, (38% of estimated costs), of which US\$1.86m (82%) was financed by World Bank. The lower costs can be attributed to the higher appraisal estimates of JD 500 per trainee for training, whereas actual costs per trainee ranged from JD50 to JD200. • The project was closed 17 months before the revised closing data by mutual agreement. This was because the government's proposed changes to the project were inconsistent with the Loan Agreement. 			
3. Achievement of Relevant Objectives:			
<ul style="list-style-type: none"> • The major objective of testing the employer-based approach and measuring the effectiveness and efficiency was substantially achieved. Training for 8516 trainees was approved, and a total of 6143 completed training and retained jobs. The number trained represents 92% of the estimated target of 6700. Training was predominantly on the job (82%) and involved 810 employers, the majority of whom were small scale entrepreneurs. Training costs were considerably lower than traditional programs. • Measuring impact proved initially problematic, and was partially achieved. Two tracer studies had to be undertaken: the first one being deemed unsatisfactory because of inadequate TORs. • The PIU managed project implementation in an effective manner, thus contributing to a satisfactory outcome. 			

4. Significant Outcomes/Impacts:

- The project provided important lessons regarding employer-based training as an approach for developing vocational skills, and the challenges involved in creating employment opportunities .
- Over 6,000 low-income individuals and their families have benefitted, thus contributing to the goal of unemployment and poverty reduction. The majority of trainees (99.5%), prior to training, were unemployed, and of these, 64% were female. Findings from the second tracer study indicated that 84.7% of trainees were in employment 1-3 years after completing their training, and 75% of employers were satisfied with the training provided . The project also served to enhance the private sector's role and capacity to facilitate training and employment creation .
- The comprehensive national database on short term public and private sector skills training programs and an evaluation system are now available to the Ministry of Labor . The PIU monitoring data base which served to inform the tracer study, is being considered for adaptation by the Vocational Training Corporation.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Government ownership wavered during implementation and eventually the project became hostage to conflicting training paradigms developed by the Ministry of Labor - and this caused early closing .
- Although acknowledging the numbers trained, the retention rates, and the costs, the Ministry of Labor has disregarded the results of the tracer study and impact assessment, and questioned the targetting of the companies, citing the fact that more than 50% of the jobs were created in the textile industry which, along with other industries in the qualified industrial zones, is obligated to employ Jordanians without subsidy .
- Targetting of trainees was problematic . Only 14% of trainees came from the poorest regions, the south and east . The largest percentage (56%) came from the north, in which a major industrial city is located .
- There were inadequacies in the provision of support to employers for assessment of training needs and the design and delivery of training programs . Over 20% of small businesses reported difficulties coping with the demands of the project .
- The number of trainees trained in small companies (57% of which had fewer than 10 employees) exceeded the number of persons already employed, and calls into question the capacity of small companies to retain trainees on completion of their training .
- Inadequate TORs contributed to the deficiencies in the first tracer study . The nationwide comparative study was not undertaken, although the TOR were partially addressed in the second tracer study .
- Local committees which were intended to promote awareness and establish eligibility of applications did not function effectively largely due to the absence of funds to reimburse out of pocket expenses .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	As a pilot, the project was successful
Institutional Dev .:	Negligible	Modest	The studies indicate a viable option to current Ministry of Labor policies on training, and ways to improve support . Also databases on training have been enhanced .
Sustainability :	Unlikely	Unlikely	The Govt. decided not to pursue the pilot approach
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- Employer-based, demand-driven training can provide an effective and efficient alternative mode to the traditional supply driven, institution based approaches . It requires that employers have the capacity to design and implement training, and where such capacity is weak, especially in small businesses, adequate support should be provided .

- In order to utilize an employer-based training approach as a poverty reduction mechanism, there needs to be a sufficiently large number of businesses in poor regions with the capacity to design and deliver training, and with the absorptive capacity to provide employment opportunities . Furthermore, where local committees are expected to perform promotional and implementation roles, there is need to provide funds to cover the cost of participation .
- Tracer studies, particularly for pilot projects, need to be comprehensive and include comparative data .

8. Assessment Recommended? Yes No

Why? Training for skills development, employment creation and poverty reduction is an area which requires further study, in order to improve on project design and implementation .

9. Comments on Quality of ICR:

The ICR provides satisfactory coverage. However, it could have been enhanced by addressing the dissenting observations of the Ministry of Labor regarding the limited impact on the poorer regions, the targeting of companies which were not eligible to receive subsidies, and small businesses which lacked the capacity to retain trainees following training .