

PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: AB7245

Project Name	Afghanistan - Second Skills Development Project (P132742)
Region	SOUTH ASIA
Country	Afghanistan
Sector(s)	Education (100%)
Lending Instrument	ERL
Project ID	P132742
Borrower(s)	Islamic Republic of Afghanistan
Implementing Agency	Deputy Ministry of Technical and Vocational Education and Training/ Ministry of Education
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	01/26/13
Estimated Date of Appraisal Completion	02/01/13
Estimated Date of Board Approval	19-Mar-2013
Decision	
Other Decision	

I. Project Context

Country Context

As a post-conflict country, Afghanistan has experienced volatility in its business environment due primarily to security concerns, which are now exacerbated by the approaching Transition in 2014 when the international forces leave. The average real GDP growth rate is forecasted to be 4-6 percent per annum between 2013-18 compared to a rate of 9 percent between 2003/04 and 2011-12. However, medium term outlook remains cautiously optimistic, and the Government's policy has been to encourage industrial investment through a number of measures and at the same time frame policies that will help (the largely illiterate and unskilled) people find decent work.

The most important policy that has been framed is the ANDS (Afghanistan National Development Strategy 2009-13), which is a multi-pronged approach to promote foreign and domestic investment in the primary, secondary and tertiary sectors, and to encourage local area economic development which will lead to a continuing demand for skilled labor. The TVET system in the country now needs to be geared up to meet this demand for skilled labor through institutional reforms. The objective is to ultimately institutionalize a robust market responsive skills delivery system for the medium to long terms. This is also the approach taken in the National Priority Program¹ approved by the Government.

Development Partners and IDA have already been working with the Government to realize the Government's priorities in these regards.

II. Sectoral and institutional Context

GOA has been emphasizing the importance of Skills Development through a number of Policy Documents - the Afghanistan National Development Strategy (2009-13), the National Education Strategy (NESP 2007-08), NESP II (2010) and the Interim Strategy for Education (2010-11), and very recently, a specific Vocational Education and Training (VET) component in the National Priority Program¹.

The Government's strategies (box above) identified the demand factors and the factors constraining supply of competent skilled personnel and also laid down the principles for addressing them. However they did not clearly spell out in actionable terms how the demand and supply are to be matched, now or in the future. The strategies also did not dwell much upon improvement of the institutional environment and reforms in the institutes that provide skills training, which are the critical link in a matching of demand and supply. This major lacuna has weakened the linkage between what is possible and what needs to be done in the TVET sector.

Institutional system for TVET delivery – The overall system for TVET delivery is fragmented. Short term TVET is the mandate of the MOLSAMD (called 'informal' TVET in Afghanistan) while formal or structured long term academic programs are the province of the DMTVET. There has been a lot of discussion on the need for a clear strategic Plan. However, given that labor market information is scant and unreliable, a clear plan has yet to emerge in the country. Attempts so far made have relied on irregular periodic small surveys, and the task is far from complete. The absence of such a Plan has made the task of planning for reforms and progressive pro-active actions almost impossible. There is no regulatory mechanism that ensures that curricular standards are uniform, that delivery systems adhere to some kind of quality standards, and that there is a regular monitoring and evaluation for all service providers. While DMTVET has a curriculum development department, the texts and guidance notes are theoretical, outdated and not up to the mark, since the curriculum development specialists in DMTVET have practically no industrial experience. MOLSAMD has no experts on curricula. ASDP supports a curriculum development specialist in NSDP, but his inputs are more of a general nature. Quality standards for service providers need to be established. NIMA and ANIM now have some quality standards, but these have to be re-modeled to apply to all service providers under the DMTVET. There is no Board or certifying examination conducted by DMTVET, and therefore competence levels of graduates cannot be benchmarked. Clearly then a system-wide approach needs to be taken to strengthen and improve skills delivery in Afghanistan.

Management and administration of schools and institutes: In general, schools and institutions under the DMTVET have no market linkages to enable them to remain informed about market needs of skills and there are no placement mechanisms in these institutes to enable students to have institutional support when entering the job market. No institution has a Placement Cell that interacts with industry, and there are no Governing Councils with private sector representatives, except in some institutes supported by the ongoing ASDP. Several rounds of discussions with heads of institutes have revealed a complete lack of appreciation for student related issues –whether academic or otherwise. Basically schools and institutes are run as small offices rather than as academic centers. It must also be said that the central Ministry does not encourage pro-activeness and this might have contributed to current administrative and managerial attitudes in these schools and institutes.

Skills Delivery and Teacher Competence: Institutions lack in provision of skills delivery and technical teachers are not adequately skilled themselves – either in pedagogy or in academic content. Delivery

infrastructure, which includes, on the one hand, workshops and, on the other, proper curricula that are tuned to occupational standards as well as market needs, are deficient. As of date, the total number of teachers in DMTVET schools and institutions is 2783, of which 48% are Grade XII or Grade XIV passed. The balance has general education degrees (BA or MA) from various Universities in the country. Only those who have passed Grade XIV (a total of 1206) have some industry experience, though at a very low level.

III. Project Development Objectives

The Project Development Objective is ‘to increase the potential for employment and higher earnings of graduates from Vocational Education and Training schools and institutes through improvements in the skills delivery system’.

IV. Project Description

Component Name

Component 1: Strengthening of the TVET institutional system

Component 2: Improving performance of TVET Schools and Institutes

Component 3: Improving Teacher Competencies

Component 4: Project Management, Monitoring & Evaluation and Public Awareness

V. Financing (in USD Million)

For Loans/Credits/Others	Amount
BORROWER/RECIPIENT	5.00
International Development Association (IDA)	55.00
Total	60.00

VI. Implementation

Institutional Set-Up: An institutional set up is already in place in DMTVET under the MOE, for implementation of current ASDP. This existing arrangement, which implements the ongoing ASDP, is not proposed to be changed for ASDP II. However, the need has been felt for some time now to augment the capacity of ASDP unit and this is proposed to be done through providing TA. The unit has already functioning systems for FM and Procurement which have been periodically assessed and audited, and comments received have been favorable.

Implementation Period: The project will be implemented over a period of five calendar years and five fiscal years (World Bank) from July 1, 2013 to June 30, 2018.

Government’s Capacity for Project Execution: The DTVET has the capacity to take on the responsibility of the implementation and delivery of this project. The Bank team did consider other alternatives, such as, employing a Facilitating or Implementation Partner to manage and help implement the entire project. This idea was discarded in favor of using Government systems, which have already been working well and which will simultaneously help further build capacity within the Government to undertake such tasks in the future. Furthermore, in a post-conflict setting and with Transition approaching, there is a critical need to explicitly demonstrate that the Government is both in control and capable of taking key decisions aimed at improving the lives and welfare of the population. This project therefore aims at

visibly establishing Government presence across the country.

Implementation Arrangements: No new Program Implementation Unit (PIU) will be established for the execution of this project. Given the nature of the project and its strategic importance, the large number of activities to be completed within the time frame of the project, and the still limited capacity of the government to be able to coordinate and monitor program implementation, the following institutional arrangements have been agreed to ensure that funds disburse quickly, multi-sectoral objectives are reached, and transparency of all transactions is maintained. A condition of Effectiveness will be the adoption of the Operations Manual satisfactory to IDA. As far as reporting is concerned, the ASDP unit shall submit a Quarterly Progress Report to IDA within 30 days from the end of the quarter in a format included in the Operations Manual.

All project components are within the domain of the DMTVET, which is a fully established department within the MOE with a total number of staff of about 2460 across the country and about 140 staff members managing the Department headquarters in Kabul. The ASDP unit within the DMTVET will continue to play the main fiduciary roles related to program activities, such as, all procurement, financial management and reporting as well as all project related coordination with other line departments, such as, planning and M&E. The DMTVET also has its own Engineering and Design department which has been looking after the construction works of the Deputy Ministry. This includes overall technical guidance on the rehabilitation and construction of schools and institutes. Institutes in the provinces will continue to be supported directly by the DMTVET as it is currently the case. However, in terms of fund flows and personnel decisions, the roles of the provincial education departments (PEDs) and other officers of the MOE (such as the engineering staff in the Department of Infrastructure (DOI), etc.) will come into play. While it is anticipated that, under the reform package stated in Component 2.1, schools will gain increasing autonomy as the DMTVET moves to a more decentralized management style, the impacts of such developments on implementation arrangements is necessarily vague. The MOF has agreed in principle to allow project supported institutions under the DMTVET to have and access imprest bank accounts to help ensure operational autonomy and flexibility in the implementation of programs. However, this more laissez-faire management style will have to be supported with intensive monitoring of project implementation and outcomes, and evaluation of program success.

The whole project will be overseen by a Steering Committee chaired by the Minister, at the policy level. This committee will be in continual interaction with a Donor Coordination Group which will also be set up. Day to day matters will be overseen by a Standing Committee chaired by the Deputy Minister of TVET.

The terms of reference of these committees, in brief, are as follow. The detailed TORs will be provided in the PIM

a. **Steering Committee:**

(i) To provide Policy Guidance and macro-level coordination facilitation for the project including (a) coordination with other projects in the TVET sector, (b) linkage with emerging government policies that may have a bearing on jobs and skills, (c) coordination with organizations such as AISA, Chamber of Commerce and others with respect to emerging sectors that have need for skills, and (d) government ministries including the Ministry of Finance and the Ministry of Labor, Social Affairs, Martyrs and Disabled, etc.

(ii) To take decisions on issues arising out of project interventions in disturbed and conflict affected districts or provinces.

(iii) To provide guidance for the framing of the TVET policy and strategy in terms of governmental as well as private sector and donor priorities.

- (iv) To approve of recruitment of International Advisers.
- (v) To approve of project's progress reports and send them to IDA.
- (vi) To ensure compliance with legal covenants of the project
- (vii) Such other matters as may be referred to it.

b. Donor Coordination Group

- (i) To discuss the progress of interventions in different donor funded projects with a view to eliminating overlaps and shortcomings
- (ii) To discuss the progress of implementation of ASDP II in particular and to provide recommendations to the Steering Committee as needed.
- (iii) To discuss decisions of the Steering Committee particularly on those that concern policy and frame strategies to further support those policies in terms of each individual project, but particularly ASDP II.
- (iv) To provide inputs to the Steering Committee on various matters.

c. Standing Committee on ASDP II

- (i) To resolve issues arising out of implementation
- (ii) To approve of appointments and termination of national project staff
- (iii) To act upon the decisions of the Technical Evaluation committee and the Grants Committee.
- (iv) To approve of regular periodic financial and other reports to be sent to IDA.
- (v) Other administrative issues as may arise from time to time.

An essential part of project design is the involvement of the private sector in school and institution governance and management. It is proposed that schools and institutes set up Governing Councils (GCL) before the first tranche of sub-grant for school/institute is disbursed. The GCL may have a maximum of seven (7) members, one of who shall be the Chairman. The GCL will have at least three (3) representatives from the private sector, not more than three (3) persons from the school/institute, and not more than one (1) representative from the Ministry. The Chairman of the GCL will be a private sector representative, and the Principal or Administrator of the school or the institute will be the Deputy Chairman. The Governing Council will meet at least once every two months. Any committees constituted under the GCL will mandatorily have a private sector member. Co-options to such committees should be done in such a manner that there is increasing representation of the private sector in managerial decision-making in the school/institute.

Government shall also ensure that the decisions taken by the Governing Councils are implemented. To do this, it is proposed that the Ministry provides clear-cut directions to the schools/institutes so that they may act on all decisions whose impacts are internal. Recruitment and termination will however continue to be done at the central level.

Finally, it is proposed that the autonomy to be granted to the schools/institutes be carried to fiduciary functions also, particularly finance and accounting. It is understood that this cannot be done in one shot, and that the process will be gradual. It is therefore proposed that the granting of financial autonomy begins with allowing them to have imprest cash, followed by permission to open bank accounts and thereafter, earning money through the conduct of short courses and receiving donations etc. The GOA as of date has no flexibility in these regards. However, the whole concept of imprest cash with the recipients of sub-grants has been adopted in many projects, as has the concept of issuing grants in cash. Following these practices, ASDP II will also propose increasing financial flexibility for the beneficiary entities.

VII. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

VIII. Contact point

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