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RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF THE  
JORDAN EMPLOYER DRIVEN SKILLS DEVELOPMENT PROJECT

APPROVED ON JUNE 3, 2008

TO THE  
THE HASHEMITE KINGDOM OF JORDAN

February 5, 2013

Human Development Sector  
Middle East and North Africa Region

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## ABBREVIATIONS AND ACRONYMS

DCU	Development and Coordination Unit
E-TVET Council	Employment, Technical and Vocational Education and Training Council
E-TVET Fund	Employment, Technical and Vocational Education and Training Fund
MOL	Ministry of Labor
PDO	Project Developmental Objective
NCHRD	National Center for Human Resources Development
NES	National Employment Strategy
VTC	Vocational Training Corporation

Regional Vice President:	Inger Andersen
Country Director:	Ferid Belhaj
Sector Manager/Director:	Mourad Ezzine/Steen Lau Jorgensen
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**JORDAN  
EMPLOYER DRIVEN SKILLS DEVELOPMENT PROJECT**

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## DATA SHEET

*Jordan*

*Jordan Employer Driven Skills Development Project (P100534)*

*MIDDLE EAST AND NORTH AFRICA*

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<b>Basic Information</b>									
Project ID:	P100534	Lending Instrument:	Specific Investment Loan						
Regional Vice President:	Inger Andersen	Original EA Category:	Not Required (C)						
Country Director:	Ferid Belhaj	Current EA Category:	Not Required (C)						
Sector Director:	Steen Lau Jorgensen	Original Approval Date:	03-Jun-2008						
Sector Manager:	Mourad Ezzine	Current Closing Date:	30-Sep-2013						
Team Leader:	Juan Manuel Moreno Olmedia	Report No:	RES9540						
<b>Borrower:</b>									
Borrower:									
<b>Responsible Agency:</b>									
Responsible Agency:		Ministry of Labor							
<b>Restructuring Type</b>									
Form Type:	Full Restructuring Paper	Approval Authority: Board Approval							
Restructuring Level:	Level 1								
<b>Financing Information ( as of 29-Nov-2012 )</b>									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P100534	IBRD-75610	Effective	03-Jun-2008	08-Jul-2008	23-Jul-2008	30-Sep-2013	30-Sep-2013		
Disbursements (in Millions)									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P100534	IBRD-75610	Effective	USD	7.50	7.50	0.00	1.88	5,618,935.75	25.08
<b>A. Summary of Proposed Changes</b>									
<p>This restructuring proposes to: (i) revise the Project Development Objective (PDO); (ii) revise Project Components; (iii) cancel Component 3 (related to the E-TVET Fund); (iv) revise the project's results framework; (v) reallocate funds within expenditure categories; and (vi) cancel US\$1.21 million from the</p>									

Loan, which is due to revising activities under Component 1 “E-TVET Council Development with Employer Participation” and cancelling Component 3 related to the E-TVET Fund.		
Change in Implementing Agency	Yes [ ]	No [ X ]
Change in Project's Development Objectives	Yes [ X ]	No [ ]
Change in Results Framework	Yes [ X ]	No [ ]
Change in Safeguard Policies Triggered	Yes [ ]	No [ X ]
Change of EA category	Yes [ ]	No [ X ]
Other Changes to Safeguards	Yes [ ]	No [ X ]
Change in Legal Covenants	Yes [ ]	No [ X ]
Change in Loan Closing Date(s)	Yes [ ]	No [ X ]
Cancellations Proposed	Yes [ X ]	No [ ]
Change to Financing Plan	Yes [ ]	No [ X ]
Change in Disbursement Arrangements	Yes [ ]	No [ X ]
Reallocation between Disbursement Categories	Yes [ X ]	No [ ]
Change in Disbursement Estimates	Yes [ ]	No [ X ]
Change to Components and Cost	Yes [ X ]	No [ ]
Change in Institutional Arrangements	Yes [ ]	No [ X ]
Change in Financial Management	Yes [ ]	No [ X ]
Change in Procurement	Yes [ ]	No [ X ]
Change in Implementation Schedule	Yes [ ]	No [ X ]
Other Change(s)	Yes [ ]	No [ X ]
Appraisal Summary Change in Economic and Financial Analysis	Yes [ ]	No [ X ]
Appraisal Summary Change in Technical Analysis	Yes [ ]	No [ X ]
Appraisal Summary Change in Social Analysis	Yes [ ]	No [ X ]
Appraisal Summary Change in Environmental Analysis	Yes [ ]	No [ X ]
Appraisal Summary Change in Risk Analysis	Yes [ ]	No [ X ]

## **B. Project Status**

The Project was signed on July 8, 2008 and will close on September 30, 2013. The project implementation rating is moderately unsatisfactory (as of June 2012), due to extensive implementation delays in all components, as well as delays in proceeding with the project restructuring, which was first discussed in September 2011. The proposed project restructuring has been agreed with the Government and aims to ensure and enhance the project’s relevance to Jordan’s National Employment Strategy (NES), which was formally launched in June 2012. It would remove activities that are now deemed to be unachievable within the remaining life of the project. The proposed restructuring would allow the Project to focus on activities that are relevant and realistic in the current country and sector context. The disbursement rate is low at 17.2 percent (US\$1.3 million out of the total Loan amount of US\$7.5 million) and the percentage of disbursed and committed funds remains at 55 percent of total project funds, with net commitments at US\$2.15 million. The low disbursement is essentially due to delays in rebidding the contract which supports Component 2 (Restructuring of Vocational Training Corporation (VTC)), as the first contract was terminated in January 2010 and the new consulting firm was contracted only in May 2011. The GOJ has

indicated that project activities after restructuring can be completed by the original closing date, and thus has not included a closing date extension in its formal request.

Implementation progress of both the Component 1 (E-TVET Council Development with Employer Participation), as well as Component 2 (the largest component related to the restructuring of the VTC), is improving and getting back on track. Regarding Component 2, following some implementation delays recorded during the May 2012 mission, the restructuring of the VTC is back on track and the piloting of the models has already started with institutional Business Planning training in three selected vocational training institutes, to be followed by self-assessment and a dynamic process towards responsive and decentralized training modality.

## Development Objectives/Results

### Project Development Objectives

#### Original PDO

Realign policy formulation with Employment, Technical and Vocational Education and Training (E-TVET) operational mechanisms through the development of employer community participation in (i) sector policy formulation, (ii) institutional development and reform, and (iii) skill development program design and delivery.

### Change in Project's Development Objectives

#### Explanation

The proposed project restructuring aims to ensure and enhance the project's relevance to Jordan's National Employment Strategy (NES), which was formally launched in June 2012. It would remove activities that are now deemed to be unachievable within the remaining life of the project. The proposed restructuring would allow the Project to focus on activities that are relevant and realistic in the current country and sector context.

#### Proposed New PDO

Realign the E-TVET sector with the National Employment Strategy by enhancing the enabling conditions for employer participation in: (i) TVET institutional development; and (ii) skills development program design and delivery by the Vocational Training Corporation.

### Change in Results Framework

#### Explanation:

The Results Framework has been revised to reflect the new PDO and the modified project scope in terms of components and activities. This would ensure relevance of the indicators and their close linkage to the PDO.

## Financing

### Cancellations

#### Explanation:

It was agreed to cancel a total of US\$1.21 million, due to the cost savings resulting from the project restructuring, making the revised Loan amount US\$6.29 million.

Loan No.	Status	Currency	Current Amount (in currency)	Cancelled Amount (in currency)	Proposed Amount (in currency)
IBRD-75610	Effective		7,500,000.00	1,210,000.00	6,290,000.00

<b>Reallocations</b>				
Explanation:				
Loan No.	Currency	Current Category of Expenditure	Allocation	
			Current	Proposed
IBRD-75610	USD	DISB - GOODS	1,800,000.00	1,800,000.00
		DISB - CONSULTING AND TRAINING	4,881,000.00	4,471,250.00
		UNALLOCATED	800,250.00	0.00
		FRONT END FEE	800,250.00	18,750.00
		<b>Sub Total:</b>	8,281,500.00	6,290,000.00
		<b>Total:</b>	8,281,500.00	6,290,000.00
<b>Components</b>				
<b>Change to Components and Cost</b>				
Explanation:				
Components 1 and 2 will be revised, and Component 3 will be dropped to adapt the project to the dynamic nature of the TVET sector, by removing those activities that are not realistic or relevant to the current country and sector context, and adding activities to support the implementation of the NES.				
Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
E-TVET System and Council Development	E-TVET System and Council Development with Employer Participation	1.90	0.09	Revised
Restructuring of Vocational Training Corporation	Restructuring of Vocational Training Corporation	6.14		No Change
Strengthening of Training and Employment Fund (TEF) funded by CIDA	Strengthening of Training and Employment Fund (TEF) funded by CIDA	0.06		Marked for Deletion
Project Management	Project Management	0.70	0.55	Revised
	<b>Total:</b>	8.80	0.64	

**JORDAN**

**EMPLOYER DRIVEN SKILLS DEVELOPMENT PROJECT**

**RESTRUCTURING PAPER**

**A. SUMMARY**

1. This Restructuring Paper introduces changes to the Jordan Employer Driven Skills Development Project (IBRD-75610, P100534) and any required amendments to the project's legal documents. The proposed project restructuring has been agreed with the Government of Jordan (GOJ) and aims to ensure and enhance the project's relevance to Jordan's National Employment Strategy (NES), which was formally launched in June 2012. The project restructuring has the following objectives:

- (i) Revise the Project Development Objective (PDO).
- (ii) Revise project components.
- (iii) Cancel Component 3 (related to the E-TVET Fund).
- (iv) Revise the project's results framework.
- (v) Reallocate funds within expenditure categories.
- (vi) Cancel US\$1.21 million from the Loan amount.

**B. PROJECT STATUS**

2. The Project was signed on July 8, 2008 and will close on September 30, 2013. The project implementation rating is moderately unsatisfactory (as of June 2012), a rating that is warranted because of extensive implementation delays in all components, as well as delays in proceeding with the project restructuring that was discussed in September 2011. The disbursement rate is low at 25 percent (of the original Loan amount of US\$7.5 million) and the percentage of disbursed and committed funds remains at 56 percent of total project funds, with net commitments (commitments less disbursements) at US\$2.15 million. This is essentially due to delays in rebidding the largest component in terms of budget (Component 2), as the first contract was terminated in January 2010 and the new consulting firm was contracted only in May 2011.

3. *Project Status.* Implementation progress of both Component 1 (E-TVET Council Development with Employer Participation), as well as Component 2 (the largest component related to the restructuring of the Vocational Training Corporation (VTC)) is improving and getting back on track. For Component 1, while the E-TVET Council has not been effective in fulfilling its mandate of providing employer-driven policy directives to its stakeholders, a number of activities were completed and are considered acceptable project outputs, including: (a) well-defined roles and responsibilities of the E-TVET Council and secretariat vis-à-vis other sector stakeholders, which were endorsed by the Council; (b) operational tools to develop the E-TVET sector action plan, to be regularly updated by the Secretariat; (c) procedural manual to create employer-driven occupational profiles and initial set of six profiles for demonstration purpose, through a participatory approach—engaging employers; (d) the know-how to identify priority sectors and the identification of three economic priority sectors closely correlated with employment opportunities; (e) tools to develop a TVET performance assessment system, including sector performance indicators, tools for data collection and data analysis, and reporting process (technical assistance is still on-going) and the development of the first sector assessment

report that was endorsed by the Council; and (f) a communication strategy driven by market surveys to better understand attitudes and perceptions of the potential TVET sector beneficiaries to conduct well-informed awareness campaigns. It should be noted that these activities provide the building blocks towards a more employer-driven E-TVET sector, regardless of the governance structure that may eventually be in place (either the E-TVET Council or the Higher Council for Human Resource Development envisaged in the NES). In addition, there are a number of ongoing activities, as follows: (a) technical assistance to support the E-TVET sector performance assessment system with involvement of training providers and employers is underway; (b) technical assistance to support the development of a decision support system will be deployed by end-January 2013. This is closely linked to the sector performance assessment system, leading to well-informed sectoral decision making process; (c) TVET Sector Awareness Campaign: technical assistance to be deployed by February 2013, which will focus on clearing the current misperceptions about the E-TVET sector as reflected in the Perceptions Survey; and (d) technical assistance to support the tri-partite working committee to facilitate the policy dialogue among the education, higher education and E-TVET councils/boards to promote awareness of their roles and responsibilities. It was agreed to proceed with the procurement of this activity.

4. Regarding Component 2, following some implementation delays recorded during the May 2012 mission, the restructuring of the VTC is back on track and piloting of the models already launched. Actions agreed in May 2012 were achieved: (a) the consulting firm finalized the February 2012 consultations conference report, incorporating comments while revising the models; (b) the business model, training model and governance model were approved by the VTC in September 2012; (c) deployment of technical assistance resources is consistent with contract agreements; (d) organizational audit, staffing plan and draft organizational structure are expected to be finalized by January 2013; and (e) progress reports are being submitted on time to the director general of the VTC so as to address implementation issues as they arise. The piloting of the models has already started with institutional business planning training in three selected vocational training institutes; and was followed by self-assessment and a dynamic process towards responsive and decentralized training modality.

5. As for Component 3, while a reformed and well-targeted E-TVET Fund can be one of the strategic instruments to achieve predictable and sustainable financing for employer-driven training programs, the mandate and the financial sustainability of the E-TVET Fund have not been clarified. Moreover, the Fund continues to face a financial sustainability issue triggered by the following: (a) annulment of the one percent training tax levy since January 2010; and (b) allocation of 70 percent of the additional work-permit revenues to the National Employment and Training Company. As a result, it is proposed to cancel this component.

## **C. PROPOSED CHANGES**

### **6. Project Development Objectives**

The current PDO is to “assist the Borrower in improving its TVET sector through the harmonization of policies pertaining to the development of said sector and the realignment of such policies with the operational functions of E-TVET, including the development of employer participation in the formulation of said policies and in carrying out institutional development reforms as well as in the design and delivery of a skills development program.”

The PDO would be modified as follows: “Realign the E-TVET sector with the National Employment Strategy by enhancing the enabling conditions for employer participation in: (i)

TVET institutional development; and (ii) skills development program design and delivery by the Vocational Training Corporation.”

## 7. Results indicators

The Results Framework has been revised to reflect the new PDO and the modified project scope in terms of components and activities. This would ensure relevance of the indicators and their close linkage to the PDO. (*See Annex 1 - Revised Results Framework*)

## 8. Components

**Components 1 and 2 will be revised, and Component 3 will be dropped** to adapt the project to the dynamic nature of the TVET sector, by removing those activities that are not realistic or relevant to the current country and sector context, and adding activities to support the implementation of the NES.

### (i) **Component 1: E-TVET Council Development with Employer Participation**

The consistency of the component’s design with both the National Agenda and the NES provides a rationale for retaining the component. It was agreed to:

- a. drop further project support or capacity development activities to the E-TVET Council and the Secretariat, performance based-planning, medium-term expenditure framework (MTEF); and realignment of budget/resource allocations in accordance with the established objectives and targets/results framework.
- b. retain support to develop an E-TVET sector performance assessment system (ongoing), sector awareness activities (ongoing), and MIS/decision support system (underway) as follows:

*Technical assistance to develop a decision support system is underway.* Stakeholders need to be guided by a dynamic performance assessment system that feeds into a decision support system. Accordingly, it has been agreed to retain this activity, including training, on-the-job training, and an MIS/IT system that draws on the TVET sector performance assessment system under sub-component 1.3 to build the relevant decision making body capacity of the E-TVET Council/TVET to develop well-informed decisions at the policy level as well as guide decisions at the operational level.

- c. Add an activity to support the implementation of the NES: to better understand the mandates of three TVET providers (Education, Higher Education, and E-TVET) and the rationalization of VTC vis-à-vis the Ministry of Education (MOE) vocational education, technical assistance to support the decision support system, and implementation of the first phase of the awareness campaign as follows:

*Technical assistance to support the tri-partite working committee to promote a policy dialogues and awareness of the three councils (Education, Higher Education, and E-TVET) roles and responsibilities.* Based on the persistent sector fragmentation and disconnect in the mandates of the three primary education and training providers, there is a clear need to address these gaps to develop an integrated education and training system with pathways to learning and employment at all levels. It would be very useful to adequately rationalize the links between the VTC and the MOE vocational education in terms of resources, infrastructure, teaching capacity, practical training, and outputs relevant to the market needs. Such a comprehensive review would then be conducive to

policy recommendations and legislative changes to the laws and by-laws of the councils/boards, as previously stipulated in the National Agenda and now the NES.

**(ii) Component 2 – Restructuring of Vocational Training Corporation**

Within the proposed restructuring, it is critical to determine the effectiveness of VTC interventions and allow for evidence-based decision making in the sector. Technical assistance would support VTC M&E system to regularly collect and analyze data, and provide the VTC Board and the E-TVET Council with credible and accurate information to guide decision making. This would also strengthen VTC’s position while reaching out to the employers’ community to open new business channels in response to market skills requirements. This is not an entirely new activity, as it was already in the project design. The Bank has already cleared the terms of reference, and the technical assistance firm is expected to be deployed by January 2013. This needs to be coordinated with activities under sub-component 1.3 whereby capacity building of TVET providers to produce performance assessment system oriented reports is already included as well as the ongoing technical assistance related to the restructuring of VTC.

**(iii) Component 3 – Strengthening of the E-TVET Training and Employment Fund**

Component 3 will be dropped from the Project. While a reformed and well-targeted E-TVET Fund can be one of the strategic instruments to achieve predictable and sustainable financing for employer-driven training programs, lack of clarity concerning the immediate future of the Fund, its mandate and sources of financing prevents it from being supported by the project.

**9. Detailed presentation of the Proposed Changes:**

<p><b>Component 1: E-TVET System and Council Development with Employer Participation (original cost US\$1.9 million; revised cost US\$0.9 million)</b></p> <p><b>Sub-component 1.1:</b> E-TVET Council Orientation and Capacity Development. The objective of this sub-component is to: (i) to build a common understanding of employment driven TVET systems, structures, and operational practices amongst the E-TVET Council members and TVET Stakeholders (National Center for Human Resources Development (NCHRD), E-TVET Fund, Private and public TVET training Providers employers, and Federations/ Chambers); and (ii) build the capacity of the Secretariat to provide policy options analysis in the TVET sector, and establish an agenda and action plan for the work of the Council, based on an analysis of its mandate and the surrounding regulatory framework.</p> <p>This sub-component would be modified to: (i) build a common understanding of employment driven TVET systems and operational practices among the key TVET providers and employers; (ii) provide TVET stakeholders with system-driven MIS to develop the E-TVET Council/ TVET relevant decision making body capacity to develop well-informed decisions.</p>	
<p><b>Original Activities (Reference the PAD):</b></p> <ul style="list-style-type: none"> <li>▪ Passage of the Law establishing the E-TVET Council, TEF and Accreditation, Certification and vocational testing.</li> <li>▪ Appointment of the members of the E-TVET Council in accordance with the provisions of the Law.</li> <li>▪ Appointment of the Secretariat Staff</li> <li>▪ Design and deliver orientation activities for Council members, Secretariat staff, and TVET Stakeholders (NCHRD, TEF, private and public TVET training providers, employers, and Federations/ Chambers).</li> <li>▪ Deliver professional development for Secretariat staff, NCHRD, and Advisory and Strategic</li> </ul>	<p><b>Proposed Activities (As agreed during restructuring mission)</b></p> <ul style="list-style-type: none"> <li>▪ <b>RETAIN</b> ONE element of the Sub-Component 1.1 related to MIS/IT systems to support an operational E-TVET system/ Decision Support System; TA to develop a decision support system, including training, on-the-job training, and an MIS/IT system that draws on the TVET sector performance assessment system under sub-component 1.3 to build the Council’s / TVET relevant decision making body capacity to develop well-informed decisions.</li> <li>▪ <b>DROP</b> capacity development activities that have <u>not</u> been provided yet: <ul style="list-style-type: none"> <li>○ TA to provide orientation activities (on the</li> </ul> </li> </ul>

<p>Planning Unit to ensure efficient undertaking of assigned responsibilities.</p> <ul style="list-style-type: none"> <li>▪ Establish roles, responsibilities, protocols, procedures, and communication mechanisms between the Council, Secretariat, and TVET Stakeholders (NCHRD, TEF, private and public TVET training providers, employers, and Federation/Chambers).</li> <li>▪ Review all laws and by-laws currently governing the institutions and agencies in the TVET sector in order to identify gaps and conflicts.</li> <li>▪ Review the E-TVET sector strategy and formulate an action plan for the work of the Council and the Secretariat.</li> <li>▪ Develop institutional capacity assessment tools and conduct a capacity assessment of those responsible for the implementation of the E-TVET Council action plan.</li> <li>▪ Develop MIS/IT systems to support an operational E-TVET system (hardware funded off-project from Ministry of Labor (MoL) budget). (RETAINED)</li> </ul>	<p>job support/on-the-job training) to the Secretariat/Council to develop policy-oriented Council meeting agendas, moderate policy-oriented Council discussion, and develop policy-oriented Council minutes of meetings conducive to sectoral policy implications and policy directions.</p> <ul style="list-style-type: none"> <li>○ TA to deliver orientation activities for Council Members as to their roles and responsibilities in being engaged in sectoral policy dialogue leading to policy directions.</li> </ul> <p>▪ <b>ADD:</b></p> <ul style="list-style-type: none"> <li>○ TA to support the working committee, formed with representatives from the three Board/Councils (MOE, MOHE, and MOL) to review the respective mandates of their councils/boards and rationalize the links between VTC and MOE's technical education.</li> </ul> <p>Note: TEF to be renamed E-TVET Fund.</p>
<p><b>Sub-component 1.2: E-TVET Sector Policy, Planning and Organizational Development with Active Employers Participation</b></p> <p>Guided by national economic priorities and analysis of labor market dynamics in the country, the objective of this sub-component is to support the E-TVET Council and the Secretariat to: (i) formulate national policy directions for the TVET sector; (ii) establish and harmonize explicit policy objectives and accountabilities for the respective public and private TVET providers; (iii) initiate the establishment of common performance based planning and management procedures amongst public sector TVET providers within MTEF framework; (iv) recommend resource allocations for public TVET providers; and (v) progressively build the national qualification, certification and accreditation bodies and procedures.</p> <p>This would be redefined as follows: this sub-component would contribute to the TVET sector enabling conditions pertaining to TVET institutional development through: (i) identification of economic priority sectors with employment potential to enhance matching labor supply and labor demand; and (ii) active participation of employers in developing occupational profiles.</p>	
<p><b>Original Activities (Reference the PAD):</b></p>	<p><b>Proposed Activities (As agreed during restructuring mission)</b></p>
<ul style="list-style-type: none"> <li>▪ Identification of national economic development directions on a sectoral basis, together with a macro assessment of employment and skills implications.</li> <li>▪ Preparation of selected sectoral occupational profile (For example Construction, Financial Sector) to quantify labor market demand and guide investments.</li> <li>▪ Align macro level employment demand projections and occupational profiles to guide training provider planning.</li> <li>▪ Implementation of the guiding principles adopting MTEF as a framework for performance based budgeting, management and accountability measures at the level of Ministry of Labor (MoL), NCHRD, and VTC.</li> <li>▪ Provision of professional development and operational guidance to TVET training providers in performance based planning and budgeting.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>DROP</b> activities that are premature and no longer relevant to the country/sector context, and cannot be carried out in the remaining project lifetime: <ul style="list-style-type: none"> <li>○ Align macro level employment demand projections and occupational profiles to guide training provider planning.</li> <li>○ Implementation of the guiding principles adopting MTEF as a framework for performance based planning and budgeting, management and accountability measures at the level of MoL, NCHRD, and VTC.</li> <li>○ Provision of professional development and operational guidance to TVET training providers in performance based planning and budgeting.</li> <li>○ Formulation of policy objectives and accountability measures for MoL, NCHRD,</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>▪ Formulation of policy objectives and accountability measures for MoL, NCHRD, VTC and other public sector TVET providers.</li> <li>▪ Provision of support for continuing development and implementation of the National Qualifications Framework.</li> </ul>	<p>VTC and other public sector TVET providers.</p> <ul style="list-style-type: none"> <li>○ Provision of support for continuing development and implementation of the National Qualifications Framework.</li> </ul>
<p><b>Sub-component 1.3: E-TVET System Performance Assessment with Involvement of Training Providers and Employers</b></p> <p>The objective of this sub-component is to build the capacity of the Secretariat and NCHRD as the Council’s technical arm to: (i) establish performance indicators for the ETVET system derived from national policy objectives; (ii) design data gathering tools and reporting mechanisms; (iii) undertake performance analysis and recommend remedial action; and (iv) ensure feedback into the policy assessment cycle.</p> <p>This sub-component would be slightly revised to ensure feedback into the policy assessment cycle at the level of the E-TVET Council, Higher Council for Human Resource Development, or any other TVET policy entity that will be established during the NES implementation.</p>	
<p><b>Original Activities (Reference the PAD):</b></p>	<p><b>Proposed Activities (As agreed during restructuring mission)</b></p>
<ul style="list-style-type: none"> <li>▪ Based on Council established policy objectives (Component 1.2), establish targets and timeline/ results framework for the TVET system.</li> <li>▪ Deliver workshops and seminars to TVET Stakeholders (NCHRD, TEF, Private and public TVET training Providers, employers, and Federations/Chambers) on the results framework.</li> <li>▪ Provide technical assistance to TVET Stakeholders (NCHRD, TEF, Private and public TVET training Providers, employers, and Federations/Chambers) to ensure that management information systems and related performance monitoring procedures generate information products in a format that serves the national results framework.</li> <li>▪ Develop data gathering and data analysis tools, to monitor the E-TVET system indicators; and adopt such tools to conduct performance analysis</li> <li>▪ Realign budget/resource allocations in accordance with the established objectives and targets/results framework.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>RETAIN</b> Sub-component (already under implementation), keeping the linkages with the MIS/IT system (decision support system to be developed under sub-component 1.1); the data gathering and data analysis tools, to monitor the E-TVET system indicators, and adopt such tools to conduct performance analysis under this sub-component; and the TA to build the capacity of TVET stakeholders ensure that management information systems and related performance monitoring procedures generate information products in a format that serves the national results framework.</li> <li>▪ <b>DROP</b> an activity that is considered premature and unachievable considering the current state of the Council’s functionality and role in influencing financial resources allocation: <ul style="list-style-type: none"> <li>○ Realign budget/resource allocations in accordance with the established objectives and targets/results framework.</li> </ul> </li> </ul>
<p><b>1.4 E-TVET Sector Promotion and Awareness among TVET Stakeholders.</b></p> <p><b>TO BE RETAINED</b></p> <p>The objective of this sub-component is to engage employers and TVET Stakeholders (NCHRD, TEF, Private and public TVET training Providers, employers, and Federations/Chambers) in enhancing and promoting understanding and awareness of occupational opportunities in the TVET sector.</p>	
<p><b>Original Activities (Reference the PAD):</b></p>	<p><b>Proposed Activities (As agreed during restructuring mission)</b></p>
<ul style="list-style-type: none"> <li>▪ Develop and implement a national program to enhance awareness of employment and career opportunities in the field of TVET sector.</li> <li>▪ Develop employment and career development materials.</li> <li>▪ Pilot active labor market programs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>RETAIN</b> Sub-component 1.4, with initially a more LIMITED scope focused on item (i) “clear the current misperceptions about the E-TVET Sector as reflected in the Perceptions Survey”. While deleting item (ii) provide potential TVET beneficiaries as to the available learning opportunities under the TVET sector and the</li> </ul>

	<p>respective available job. This would result in a reduced cost estimate.</p> <ul style="list-style-type: none"> <li>○ <b>REVISE</b> costing to ensure a realistic level of resources is being allocated (initially US\$300,000).</li> </ul>
<p><b>Component 2: Restructuring of Vocational Training Cooperation (VTC) (original cost US\$6.14 million; revised cost US\$6.14million).</b></p> <p><b>TO BE RETAINED.</b></p> <p>The objective of this component is to establish the new financial and managerial governance structure by which a restructured or new autonomous organization can operate driven by the demands of the market.</p>	
<b>Original Activities (Reference the PAD):</b>	<b>Proposed Activities (As agreed during restructuring mission)</b>
<p>2.1 Establishment of the Mandate, Governance Structure, and Regulatory Framework for the new Skills Development Agency;</p> <p>2.2 Organizational Restructuring and Staff Development;</p> <p>2.3 Reorientation of the Training Delivery Model to Reflect Employer Defined Competencies.</p>	<p><b>ADD</b></p> <ul style="list-style-type: none"> <li>▪ TA activity to develop a rigorous M&amp;E system to track VTC related interventions. This would include an MIS system that builds on the existing systems/databases, surveys, etc. This is not an entirely new activity, as it was included in the M&amp;E framework of the original project design</li> </ul>
<p><b>Component 3: Strengthening the Training and Employment Fund (original cost US\$0.06 million)</b></p> <p><b>TO BE DROPPED.</b></p> <p><b>Training and Employment Fund Development: Institutional Development of the TEF under the E-TVET System Reform.</b> The objective of this component is to support the institutional capacity of the TEF in the fulfillment of its mandate to identify, finance, and facilitate the delivery of skill development initiatives that will enhance the operational efficiency of the productive sector. The E-TVET Council will provide policy guidance for implementation of the component.</p>	
<p><b>Component 4: Project Management (original cost US\$0.69 million; revised cost US\$0.55million)</b></p> <p><b>TO BE RETAINED</b></p> <p>The objective of this component is to support project implementation arrangements. This component will fund key staff to be hired for the implementation of the proposed project. This will, inter alia, include an Executive Director, Procurement Officer, Financial Management Officer, M&amp;E Officer, and IT Specialist. The component will fund activities related to the overall project implementation, including minor goods, materials and operational expenses and services.</p> <p>Note: Current DCU staff financed through the Project: Procurement Officer, Financial Management Officer, M&amp;E Officer, and VTC Component Coordinator; and no longer includes an IT Specialist.</p>	

## 10. Institutional arrangements

Primary responsibility for project implementation continues to reside with the E-TVET Council chaired by the Minister of Labor, with the Development and Coordination Unit (DCU) responsible for all procurement and financial aspects of the project and coordination of all related services as well as project monitoring and evaluation (M&E). Specific activities and components are implemented by the implementing entities (E-TVET Council/Secretariat and VTC). Contrary to the understanding during project appraisal, there is no need for a steering committee to play an executive leadership role for implementation of the overall reform

program, as it has proven redundant to the role already played by the DCU and the secretariat. In effect, the steering committee has not existed since the project launch.

## 11. Financing

- Project Costs

Components	Project Costs (US\$ m)					
	Current			Proposed		
	Loan	Gov.	Total	Loan	Gov	Total
1. E-TVET Council Development with Employer Participation	1.6	0.3	<b>1.90</b>	0.6	0.3	<b>0.90</b>
2. Restructuring of Vocational Training Corporation	5.24	0.9	<b>6.14</b>	5.24	0.9	<b>6.14</b>
3. Strengthening the Training and Employment Fund	0.06	0	<b>0.06</b>	0	0	<b>0</b>
4. Project Management	0.6	0.1	<b>0.70</b>	0.45	0.1	<b>0.55</b>
<b>Total</b>	<b>7.50</b>	<b>1.3</b>	<b>8.8</b>	<b>6.29</b>	<b>1.3</b>	<b>7.59</b>

- Reallocations

Category of Expenditure	Allocation		% of Financing
	Current	Revised	
1. Goods	1,800,000	1,800,000	100% of Foreign Expenditures; 100% of Local Expenditures (ex-factory cost), and 90% of Local Expenditures for other items procured locally.
2. Consultants' services, including audit, and Training	4,881,000	4,471,250	90% for firms within territory of the Borrower; 95% for services of individual consultants within territory of the Borrower; and 100% of foreign expenditures.
3. Unallocated	800,250	0	
Front End Fee	18,750	18,750	
<b>Total</b>	<b>7,500,000</b>	<b>6,290,000</b>	
Cancelled as of October 4, 2012		1,210,000	

- Cancellations

It was agreed to cancel a total of US\$1.21 million, due to the cost savings resulting from the project restructuring, making the revised Loan amount US\$6.29 million.

## 12. Financial management

The project will continue using the same financial management and disbursement arrangements, including staffing, internal controls, accounting and reporting, auditing and budgeting. The audit report with audited financial statements and management letter for the year ended December 31, 2011 were submitted on time to the Bank with an “unqualified-

clean” audit opinion. There are no outstanding audit reports or overdue financial reports under this project.

**13. Procurement**

The Procurement Plan (PP) will be revised in alignment with the proposed changes in Project components/activities. The revised PP shall be submitted to the Bank for no objection no later than one month after approval of the restructuring.

**ANNEX 1:**  
**Results Framework and Monitoring**  
**JORDAN: EMPLOYER DRIVEN SKILLS DEVELOPMENT PROJECT**

<b>Project Development Objective (PDO):</b> Assist the Borrower in improving its TVET sector through the harmonization of policies pertaining to the development of said sector and the realignment of such policies with the operational functions of E-TVET, including the development of employer participation in the formulation of said policies and in carrying out institutional development reforms as well as in the design and delivery of a skills development program												
<b>Revised Project Development Objective (PDO):</b> Realign the E-TVET Sector with the National Employment Strategy by enhancing the enabling conditions for employer participation in (i) TVET institutional development, and (ii) skills development program design and delivery by the Vocational Training Corporation.												
PDO Level Results Indicators	Core	D=Droped C=Continue N= New R=Revised	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
					2009	2010	2011	2012	2013			
<b>Indicator One:</b> Number of employer-driven occupational profiles developed and endorsed by the E-TVET Council		R	Number	0	0	0	6	6	6	Annual	E-TVET Council minutes of meeting	DCU
<b>Indicator Two:</b> Organizational audit, staffing plan and organizational structure introduced in VTC		R	Text	NA	No	No	No	No	Yes	Annual	VTC Records	DCU

<b>Indicator Three:</b> Number of employer-driven skills development programs designed and implemented		<b>N</b>	<b>Number</b>	<b>0</b>	0	0	0	0	0	3	Annual	VTC Records	DCU
<b>Indicator:</b> Functional E-TVET Council		<b>D</b>	<b>Text</b>	Passing of E-TVET Council law									
<b>Indicator:</b> Improved employer satisfaction of E-TVET graduates (VTC and MOE/VE) entering employment		<b>D</b>	<b>1-5 point Likert Scale</b>										
<b>Outcome Indicator</b> Improved VTC's internal efficiency through increased trainee/instructor ratio (6.4 in 2006 to 12 in 2013)		<b>D</b>	<b>Numeric al</b>		6.4	6.8	8	10	12		Annual	VTC MIS system	VTC
<b>Outcome Indicator</b> Increased number of Firms receiving training through TEF		<b>D</b>	<b>Numeric al</b>	Zero	10	5% increase	5% increase	10% increase	15% increase		Annual	TEF MIS	TEF

**INTERMEDIATE RESULTS**

**Intermediate Result (Component One):**

**Revised Intermediate Result (Component One):**

<p><i>Intermediate Result Indicator One:</i> Development and introduction of a TVET Sector Performance Assessment System (PAS)</p>		N	TEXT	None				<p>E-TVET Sector Annual Assessment Report generated</p> <p>E-TVET Sector Annual Assessment Report discussed &amp; endorsed by the E-TVET Council</p>	<p>E-TVET Sector Annual Assessment Report generated</p> <p>E-TVET Sector Annual Assessment Report discussed &amp; endorsed by the E-TVET Council</p> <p>TVET providers are generating PAS-based reports</p>	Annually	<p>Project Files</p> <p>E-TVET Council's minutes of Meeting</p> <p>Quarterly Progress Report</p> <p>PAS-based reports</p>	E-TVET Council & Secretariat
<p><i>Intermediate Result Indicator Two:</i> Increasing public awareness for E-TVET sector</p>		N	TEXT	None	-	3.4	-	-	3.4 – 3.6	Year 5	<p>Project Files</p> <p>1-5 Likert scale based on survey of Knowledge , attitude, and perceptions towards the E-TVET Sector</p>	<p>E-TVET Council &amp; Secretariat</p> <p>Independent Data collection Firm</p>

<i>Intermediate Result Indicator:</i> Enhanced understanding of occupational opportunities	<b>D</b>	TEXT		National program drafted/ phased  Awareness material introduced	National program developed  Awareness Activities implemented  Baseline perception of TVET occupational opportunities (1-5 point scale) established	Awareness Activities implemented  Baseline Perception +0.2 (on a scale of 1-5)	Awareness Activities implemented  Baseline Perception +0.3 (on a scale of 1-5)	Awareness Activities implemented  Perception +0.5 (on a scale of 1-5)	Annually	Market Research/ Tracer study of TVET Stakeholders	Secretariat
<i>Interim Result Indicator:</i> Increased employer-driven Occupational Profiles developed	<b>D</b>	Numerical	<b>Zero</b>	Negligible	5% increase	5% increase	10% increase	10% increase	Annually	Project Files	DCU with support of subject-matter experts
<i>Interim Result Indicator:</i> Increased number of the restructured VTC centers establishing performance indicators	<b>D</b>	Numerical	<b>Zero</b>	Negligible	10% increase	15% increase	15% increase	15% increase	Annually	Tracer Studies of VTC training centers	DCU

<i>Interim Result Indicator:</i> Financial resources increasingly allocated against actual performance indicators of the restructured VTC training centers	<b>D</b>	Numerical	<b>Zero</b>	Negligible	5% increase	5% increase	10% increase	10% increase	Annually	Tracer Studies of VTC training centers And Annual Audit Reports	VTC
<i>Interim Result Indicator:</i> Policy objectives define feedback from TVET stakeholders	<b>D</b>	Text	<b>None</b>	Performance targets and timeline/results framework for the TVET system  Xx workshops and seminars to TVET stakeholders on the results framework	Xx workshops and seminars to TVET stakeholders on the results framework  Data gathering and data analysis tools developed	Xx workshops and seminars to TVET stakeholders on the results framework  Data gathering and data analysis tools implemented	Data gathering and data analysis tools implemented  Increasingly link budget/resource allocation with the established objectives and targets/results framework  Policy objectives revised	Performance targets and timeline/results framework for the TVET system revised  Policy objectives revised	Annually	E-TVET Council's minutes of meeting  Project Files	DCU
<b>Intermediate Result (Component Two):</b>											
<b>Revised Intermediate Result (Component Two):</b>											

<p><i>Intermediate Result Indicator Three:</i></p> <p>Piloting of employer-driven Business, Training and Governance Models in three VTC centers</p>		<b>R</b>	<b>Text</b>	<b>None</b>				<p>New Business Model <b>Approved</b></p> <p>New Training Model <b>Approved</b></p> <p>New Governance Model <b>Approved</b></p> <p>New Organizational Structure <b>approved</b></p>	<p>New Business Model <b>Piloted</b></p> <p>New Training Model <b>Piloted</b></p> <p>New Governance Model <b>Piloted</b></p> <p>New Organizational Structure <b>Piloted</b></p>	Annually	<p>Project Files</p> <p>Quarterly Progress reports</p> <p>Consulting firm progress reports</p>	VTC
<p><i>Intermediate Result Indicator four:</i></p> <p>Increased enrollment rate at VTC</p>		<b>N</b>	TEXT				<p>Baseline value for regular courses is 7603</p> <p>Baseline value for short-term courses is (3230 + 1964<sup>1</sup>) = 5194</p>	<p>2% increase in regular courses</p> <p>5 % increase in short-term courses</p>	<p>2% increase in regular courses</p> <p>5% in short-term courses</p>	Annually	VTC Records	VTC

<sup>1</sup> This number reflects ONLY the numbers of the trainees from OUTSIDE the VTC in the (TDI, OSHI, and Drivers Training Center)

<i>Intermediate Result Indicator Four:</i> Increased female enrollment rate at VTC		<b>N</b>	TEXT				Baseline value for regular courses is 1938  Baseline value for short-term courses is (1866 + 165 <sup>2</sup> ) = 2031	2% increase in regular courses  4 % increase in short-term courses	2% increase in regular courses  4 % increase in short-term courses	Annually	VTC Records	VTC
<i>Intermediate Result Indicator Five:</i> Completion Rate of VTC graduates		<b>R</b>	Percent				Baseline value is 65%	70%	70%	Annually	VTC Records	VTC

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<sup>2</sup> The numbers reflects ONLY the numbers of the Females trainees from OUTSIDE the VTC in the (TDI, OSHI, and Drivers Training Center)

<p><i>Intermediate Result Indicator</i> Functional restructured VTC/ Skills Development Agency established/ new business model (financing, staffing, and management)</p>		D	Text		<p>Drafting of by-laws</p> <p>Business Model developed</p>	<p>Passing of the Law</p> <p>1-3 Model Centers adopt a new business model/outourcing to international consortium</p> <p>Business Model approved/tested</p>	<p>1-3 Model Centers evaluated</p> <p>Lessons learnt used to revise model</p> <p>Business Model implemented</p> <p>Training Centers establish performance Targets</p> <p>VTC centers eligible to retain their income</p> <p>Financial resource allocation is linked to fulfillment of performance Targets in 1-3 Model Centers</p>	<p>Lessons learnt used to revise model</p> <p>Financial resource allocation is linked to fulfillment of performance Targets in 4- 6 Model Centers</p> <p>10% of VTC centers retain their income</p>	<p>Financial resource allocation is linked to fulfillment of performance Targets in 10 Model Centers</p> <p>30% of VTC centers retain their income</p>	Annually	VTC MIS	VTC
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<i>Intermediate Result Indicator:</i> Autonomous Governance model in place		D	Text		Organizational audit conducted  Transition Plan developed  New organizational chart designed  An Attrition and training plan developed	Transition Plan implemented  3 Model Centers in place  An Attrition and training plan being implemented  New Organization Chart developed  Job Descriptions developed  Performance Appraisal System developed  New Salary Structure System developed tied to Performance level	New mode of operation designed  3 Model Centers evaluated  Transition Plan being implemented An Attrition and training plan being implemented  Performance Appraisal System conducted  New Salary Structure System implemented	New mode of operation in place  Performance Appraisal System conducted  New Salary Structure System implemented  An Attrition and training plan being implemented	New mode of operation in place  Performance Appraisal System conducted  New Salary Structure System implemented  An Attrition and training plan being implemented	Annually	VTC Files	VTC
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<i>Intermediate Result Indicator:</i> Satisfaction of employers with the availability, quality and relevance of training being delivered through VTC		D	Numerical		Baseline	Baseline + 0.1	Baseline + 0.1	Baseline + 0.2	Baseline + 0.5	Bi-Annual	Tracer Study VTC MIS Project Files	DCU and contracted independent consultants
<i>Intermediate Result Indicator</i> Increased percentage of non-leavers from 10th grade out of total enrolment (inter alia in-service workers, seasonal workers, and unemployed)		D	Numerical		Zero	1% increase	1% increase	5% increase	5% increase	Annually	VTC MIS	VTC
<b>Intermediate Result (Component Three): COMPONENT DROPPED</b>												
<b>Revised Intermediate Result (Component Three):</b>												

**Note: None of the core indicators were used.**