

CAPACITAÇÃO SOLIDÁRIA: JOB SKILLS TRAINING OF URBAN YOUTH

(TC-98-07-15-6-BR)

EXECUTIVE SUMMARY

EXECUTING AGENCY: *Associação de Apoio ao Programa Comunidade Solidária (AAPCS)*

BENEFICIARIES: The Program is expected to reach over 6,000 young men and women, primarily in the Northeast of Brazil, who would enhance their employability through job skills and vocational training. At the same time, approximately 200 private training organizations (PTOs) would benefit through greater institutional capacity in terms of designing, implementing, and evaluating training projects, as well as partnership formation with the private sector.

OBJECTIVES: The proposed operation would seek to enhance the employability of young adults through the *Capacitação Solidária* Program which provides vocational as well as basic job skills training for Brazil's urban youth between the ages of 14 and 21.

Specific objectives of the Program are to: i) improve the quality of training and job placement services of private training organizations; and ii) strengthen the institutional capacity of the AAPCS and participating PTOs.

PROJECT COST AND FINANCING: Modality: Grant under the Human Resources Facility (Facility II)

AAPCS:	US\$ 6,179,000
MIF:	<u>US\$ 5,150,000</u>
Total:	US\$11,329,000

EXCEPTION TO POLICIES: There are no exceptions to Bank policies and procedures foreseen in the execution of this operation (see paragraph 8.1).

SPECIAL CONTRACTUAL CONDITIONS: Presentation of the Operating Regulations (see paragraph 9.1).

I. COUNTRY AND PROGRAM ELIGIBILITY

- 1.1 Brazil was declared eligible for all modalities of financing by the Multilateral Investment Fund (MIF) on February 9, 1995. The proposed operation meets the financing criteria of the Human Resources Facility, particularly the provisions of Article III, sections 3(b) and 3(e), in that it would develop basic human capital necessary to meet the needs of an expanding private sector.

II. BACKGROUND

- 2.1 In the advent of growing youth unemployment in Brazil, and the need to fill certain niches in the training services market stemming from shifting labor conditions, the *Capacitação Solidária* Program, under the auspices of *Comunidade Solidária* ^{1/}, was created in 1996. It is designed to benefit youth of both sexes, ranging from 14 to 21 years old that live in greater metropolitan areas.
- 2.2 Unlike other training courses, such as those offered by the *Serviço Nacional de Aprendizagem Industrial* (SENAI), the *Capacitação Solidária* Program reaches a young clientele who resides in marginalized urban areas. Furthermore, there is no minimum schooling requirement in *Capacitação Solidária's* courses in order to meet the diverse training needs of their beneficiaries.
- 2.3 Not only does the *Capacitação Solidária* Program differ from other training initiatives in terms of its clientele, but also in terms of program objectives and content. In addition to job placement, the *Capacitação Solidária* Program explicitly encourages its beneficiaries to either return or remain in school to complete formal education requirements. Also, *Capacitação Solidária* students must take part in a mandatory apprenticeship equivalent to one-third of the total course hours, with the remaining two-thirds being dedicated to the instruction of technical as well as basic job skills, such as self-esteem, leadership and team work, work ethics, problem solving and communications. To compensate for their time in the Program, these students are awarded monthly stipends the equivalent of half of the minimum salary (R\$50/month).

^{1/} Created in 1995, the *Comunidade Solidária* seeks to better coordinate a set of priority social programs targeted towards the poorest regions of the country by forming partnerships among federal, state and municipal governments and most importantly, with the private sector and civil society. Several of these priority programs include a literacy program for young adults, and volunteer programs, in particular with university students, aimed at providing community services in marginalized regions. With resources from ATN/SF-5413-BR, the Bank is supporting *Comunidade Solidária's* efforts to create an enabling environment for civil society organizations in the delivery of social services.

- 2.4 Individual training projects supported by *Capacitação Solidária* are executed by private training organizations (PTOs), mostly non-governmental organizations (NGOs), unions, neighborhood or community associations, and micro or small businesses who compete openly for Program resources. Organizations that are located in the metropolitan areas which have proven experience in implementing projects with the target population are eligible to compete. Furthermore, they must have established offices as well as demonstrate a capability to i) identify youth needs and labor market demands; and ii) promote partnerships with the private sector to ensure project financing and sustainability.
- 2.5 Comprised of various social and labor specialists, a Technical Evaluation Committee analyzes all projects submitted for consideration and then selects those to be funded based on the following criteria: i) the purpose and innovative content of the proposal; ii) the likelihood of the graduates' being employed or becoming a productive member of society; iii) institutional, financial and technical feasibility; and iv) adequacy of course content in addressing the target population's educational background and career interests. During its evaluation, the Committee also carefully reviews issues related to gender and ethnicity and when necessary, makes recommendations to ensure equal access to all types of training opportunities.
- 2.6 Since the first call for proposals in 1996, 2,121 projects were presented, of which 26% or 566 were selected ^{2/}. So far, over 8,000 young adults (52% of which are women) from Rio de Janeiro, São Paulo, Porto Alegre, Fortaleza and Belém have benefitted from over 100 types of professional courses. In addition to job skills, these young adults have gained technical skills in innovative areas ranging from gardening to surfboard manufacturing, video production and graphic arts, ecology and health-related services. Consistent with recent trends in the labor market, over three-quarters of the courses are in the service sector.
- 2.7 In spite of its early successes, preliminary evaluations of the Program revealed several weaknesses. For example, PTOs have reported difficulties in formulating the job skills and apprenticeship modules of the courses as well as forming local partnerships. Also, project management and evaluation skills within many of the PTOs were found lacking. Furthermore, as tracer studies are not conducted on course graduates, the Program's impact on employability and income generating potential is unknown. Given the nature of the clientele, the types of courses offered, and the local labor market, it is to be expected that many graduates will wish to start their own small business. Yet the Program does not currently offer any training on self-employment strategies, nor does it refer graduates to existing services for small business creation. Finally, there is relatively little being done in terms of Program dissemination and therefore, the potential for Program replicability within and among regions remains unfulfilled.

^{2/} Note that the low percentage of projects selected is a function not of their quality, but rather of financial restrictions.

III. PROGRAM OBJECTIVES AND BASIC COMPONENTS

A. Objectives

- 3.1 The proposed operation would seek to enhance the employability of urban youth, through the *Capacitação Solidária* Program which provides vocational and basic job skills training for young men and women between the ages of 14 and 21.
- 3.2 Specific objectives of the project are to: i) improve the quality of training and job placement services of private training organizations; and ii) strengthen the institutional capacity of its executor, the *Associação de Apoio ao Programa Comunidade Solidária* (AAPCS) and participating PTOs.

B. Program Description

1. Quality Improvement of Training and Job Placement Services (US\$9,757,900)

- 3.3 This component seeks to improve the quality of the training as well as job placement services offered by PTOs (US\$4,792,000 or 49% would be financed by the MIF).
- 3.4 **Orientation Seminars.** The Program would finance five two-day seminars aimed at orienting PTOs in all aspects of Program implementation and monitoring procedures, as well as in training course content, emphasizing the job skills and apprenticeship modules. In addition, the Program would finance an evaluation of how well the issues of graduate employability, fundraising, and local partnership formation, are being addressed in the seminars 3/.
- 3.5 **Vocational Training for Urban Youth:** The Program would finance roughly 200 training courses for 6,000 young adults, half of which are women, living in urban areas in Recife (4,000) and Sao Paulo (2,000). Eligible expenses would include instructors' fees and support personnel, pedagogical materials, student meals and transportation; and monthly R\$50 stipends to the students (to be financed with local counterpart resources only).
- 3.6 **Course Monitoring.** One of the keys to success of the *Capacitação Solidária* Program is its close monitoring of each of the courses offered both in terms of technical content and financial and administrative procedures. While helping to ensure the fulfillment of course objectives, course monitors provide valuable technical assistance which in turn strengthens the institutional capacity of the individual PTOs. Under this component, approximately 20 course monitors, as well as several regional meetings to be held periodically during course implementation in order for the monitors to exchange experiences, would be financed.

3/ All terms of reference for consultants to be financed with resources from the Bank are found in Annex III-1, which can be found in the Division's Technical Files.

- 3.7 **Technical Resource Center.** Aimed at enhancing the quality of the training being offered, this Center would provide technical assistance to the participating PTOs. Serving as an information center and materials clearinghouse, it would develop and house innovative instructional materials (curriculum development unit) particularly in support of the basic job skills module. Also, it would develop and maintain a registry of PTOs, course monitors and course instructors (including performance benchmarks). In addition to providing general information to the public, the Center would organize a National Dissemination Workshop in order to showcase and promote the replicability of outstanding projects. Program resources would be used to establish this Center (personnel), as well as the aforementioned materials, registries, publications and Workshop.
- 3.8 **Self-Employment Strategies.** Finally, given the nature of the courses and the local labor market conditions, self-employment is also a viable option for course graduates. Therefore, the Program would finance several seminars on forming business cooperatives as well as the development of an informational brochure which would refer course graduates to existing services for self-employment [such as *Serviço Brasileiro de Apoio à Pequena e Média Empresa* (SEBRAE), Junior Achievement, etc]. These brochures would be distributed to all course graduates.
- 3.9 **Tracer Studies.** The Program would develop a cost-effective methodology for conducting tracer studies of course graduates to measure course applicability and relevance as well as job placement (the latter to be conducted six months upon course completion). This methodology would be applied on a pilot basis in Recife, as well as in courses already underway in Belém and Fortaleza. The results of these studies would be incorporated into the overall ex-post evaluation. It is expected that tracer studies would then become a requirement for all future PTOs preparing training proposals.

2. Institutional Strengthening of AAPCS and PTOs (US\$429,100)

- 3.10 This component would strengthen the institutional capacity of both the AAPCS and private training organizations (US\$86,000 or 20% would be financed by the MIF).
- 3.11 **Courses for "Gestores Sociais" and Training of Trainers.** The Program would finance specialized courses for social project managers in PTOs as well as representatives from the national training services (such as SENAI) and related national and local governmental agencies. Topics to be covered include: professional training, social project development, management, and evaluation. These seminars would provide an opportunity for coordination and networking among these other agencies and could result in additional partnerships. Given the demand for these courses, the relative shortage of trainers, and in an effort to formalize this course, the Program would finance the identification and training of ten additional trainers.

- 3.12 **Fundraising Strategies.** Program resources would be used to design a strategy for the AAPCS for the systematization of fundraising activities, which would include the possibility of selling related services and products to private and public agencies.

IV. PROGRAM EXECUTION, DIRECT BENEFICIARIES AND SUSTAINABILITY

A. Program Execution

- 4.1 Program execution would be the responsibility of a Program Management Unit (PMU) to be created within the *Associação de Apoio ao Programa Comunidade Solidária*, a non-profit organization created in 1995 to aid in the implementation of programs supported by *Comunidade Solidária*.
- 4.2 The execution period would be 18 months with a disbursement period of 24 months. The PMU would be responsible for the preparation of semi-annual progress reports in which activities undertaken during the previous six months would be documented and a workplan for the following period prepared. These reports would be submitted to the IDB within 30 days after completion of each six-month period. A final report would be submitted within 60 days upon completion of the execution period. A revolving fund of 15% of MIF grant resources would be established once the condition prior to first disbursement has been met. Overall Program supervision would be the responsibility of the Bank's Representation in Brazil.
- 4.3 **Project Readiness.** This operation would support an on-going program and as such, execution should begin immediately after approval by the Donors Committee. As part of the project preparation, the Team conducted an institutional analysis and determined that AAPCS' staffing, systems, and budget were fully adequate to manage the activities of the proposed operation (see Annex IV-1 in the Division's Technical Files). Furthermore, a draft of the Operating Regulations has already been reviewed by the Project Team (see Annex IV-2 in the Division's Technical Files).

B. Beneficiaries

- 4.4 The Program is expected to reach over 6,000 young men and women, primarily in the Northeast of Brazil, who would enhance their employability through job skills and vocational training. Moreover, their transition to the world of work would be made easier by having gained real work experience. At the same time, approximately 200 PTOs would benefit through greater institutional capacity in terms of designing, implementing, and evaluating training projects, as well as partnership formation with the private sector.

C. Sustainability

- 4.5 The *Capacitação Solidária* Program is currently reaching only one-third of the demand for new courses. As the Program becomes more widely known, this demand is expected to increase even

further. AAPCS's capacity to respond to this increased demand will depend on its ability to identify new funds from the private sector -- an activity already proposed under this operation through the systematization of its fundraising efforts. Program sustainability will also be enhanced by fundraising and local partnership formation at the level of the individual training organizations. Finally, the Brazilian authorities have expressed their willingness to consider the massive expansion of the Program throughout Brazil, an expansion that would be financed with resources from the *Fundo de Amparo do Trabalhador* (FAT). It is this Program which would help to lay the groundwork for such an expansion.

V. COST AND FINANCING DURING EXECUTION AND OPERATION PHASES

- 5.1 The total cost of the Program is estimated to be US\$11.329 million, of which US\$5.15 million would be provided by the MIF's Window II and US\$6.179 million would be provided by the AAPCS (see Annex V-1 in the Division's Technical Files). These counterpart resources have already been raised during AAPCS's fundraising efforts with the private sector. Therefore, MIF financing would not substitute public monies for this operation. The Project Team requests that up to US\$750,000 of the total Program cost be recognized as eligible counterpart for expenses incurred as of September 1, 1998, related to the youth training courses.

BUDGET SUMMARY BY COMPONENT (US\$ 000)				
Budget Category	IDB/MIF	LOCAL COUNTER-PART	TOTAL	%
I. Program Management Unit	---	870.0	870.0	7.8
Consultants (technical and support staff)		700.0	700.0	
Administration (general support)		170.0	170.0	
II. Quality Improvement of Training & Job Placement Services	<u>4,792.0</u>	<u>4,965.9</u>	<u>9,757.9</u>	87.0
Consultants	132.0	127.0	259.0	
Travel & Per Diem	---	60.1	60.1	
Workshops/Events	120.0	155.0	275.0	
Publications/Materials	40.0	123.8	163.8	
Youth Training Courses ^{a/}	4,500.0	4,500.0	9,000.0	
III. Institutional Strengthening of AAPCS and PTOs	<u>86.0</u>	<u>343.1</u>	<u>429.1</u>	3.8
Consultants	50.0	94.1	144.1	
Travel & Per Diem	19.0	86.0	105.0	
Workshops/Events	---	95.0	95.0	
Publications/Materials	17.0	68.0	85.0	
IV. Ex-Post Evaluation	150.0	---	150.0	1.4
V. Contingencies	122.0	---	122.0	
TOTAL	5,150	6,179	11,329	100%
^{a/} Note that the monthly stipends are not eligible for MIF financing.				

VI. PROJECT JUSTIFICATION AND RISKS

A. Benefits

- 6.1 In addition to the private benefits associated with greater income-generating potential accruing to the 6,000 young adults trained under this Program, there are several other elements which justify this operation. First, the Program would give rise to overall productivity gains stemming from a better-trained workforce. Secondly, through the institutional strengthening activities, both the AAPCS and the hundreds of PTOs involved in the Program would acquire new knowledge and gain hands-on experience, both of which increase their relevance as well as competitiveness in the training services market. Moreover, *Capacitação Solidária*, through its promotion of partnerships, helps to maximize the use of Bank funds by capturing additional resources from the private sector. Finally, through numerous publications and the National Dissemination Workshop as well as the link with a nationwide network - *Revista Eletrônica do Terceiro Setor*, other training organizations, public and private agencies, and financial institutions would benefit from the experience gained under this operation.

B. Risks

- 6.2 As in any training program, there exists the risk of a mismatch between the skills taught and those required in a competitive labor market. In other words, training must respond to the local demand for human capital. This risk has been minimized by placing greater emphasis on employability and job placement not only in the Orientation Seminars, and with the introduction of self-employment strategies, but also in measuring income earned by course graduates via tracer studies. Training organizations would then know that their performance would be measured on how well their graduates apply, directly or indirectly, their newly acquired skills. Finally, through the identification and dissemination of best practices, the Program "rewards" those PTOs whose graduates are successfully engaged in income generating activities. This recognition acts as an incentive for PTOs to emphasize employability, particularly as they compete more aggressively for scarce resources.

VII. PROJECT PERFORMANCE CRITERIA/BENCHMARKS AND EVALUATION OF RESULTS

- 7.1 As mentioned, one of the most salient features of the *Capacitação Solidária* Program is its monitoring system. A permanent and systematic evaluation of each of the courses is carried out by monitoring teams comprised of independent consultants contracted by the AAPCS. Through workshops and technical visits, the teams ensure adequate and effective implementation of the courses, allow information dissemination and guarantee transparency between the parties involved.

- 7.2 Program benchmarks and performance indicators will be monitored by these teams and the AAPCS during Program execution [see Annex VII-1 (Logical Framework) and VII-2 (Program Timetable in the Division's Technical Files). These data ^{4/} would then lay the groundwork for an ex-post evaluation to be carried-out six months after Program completion. To this end, consulting services would be contracted to design and implement the evaluation, including the development and application on a pilot basis of the tracer study methodology mentioned in paragraph 3.8. The ex-post evaluation would measure such impact indicators as the: i) percentage of Program graduates which are engaged in income-generating activities and/or completing their formal education requirements; ii) frequency of problems reported by monitors during course implementation; iii) quality of project proposals being submitted to the Technical Evaluation Committee; iv) number of graduates who form cooperatives and microenterprises upon course completion, and v) number of new partnerships formed by the AAPCS and the PTOs.

Program Performance Indicators

- 6,000 young men and women trained
- 50% of course graduates engaged in income-generating activities and/or completing educational requirements
- National registry with information on private training organizations, course instructors and monitors
- Improved quality of training proposals
- Fundraising activities underway
- Technical Resource Unit, with innovative instructional material, fully operational

VIII. EXCEPTION TO POLICIES AND PROCEDURES

- 8.1 There are no exceptions to Bank policies and procedures foreseen in the execution of this operation.

IX. SPECIAL CONTRACTUAL CONDITIONS

- 9.1 The only special contractual condition would require the AAPCS to present, prior to the first disbursement, the final version of the Program Operating Regulations.

X. ENVIRONMENTAL AND SOCIAL IMPACT

- 10.1 The Project Abstract and Eligibility Memorandum for this operation was sent to the Committee on Environment and Social Impact (CESI) for information on September 11, 1998.

^{4/} All data collected during Program monitoring and evaluation will be disaggregated by gender and ethnicity.

LOGICAL FRAMEWORK

ALL PROGRAM OBJECTIVES	VERIFIABLE INDICATORS BY PROGRAM COMPLETION	MEANS OF VERIFICATION	ASSUMPTIONS
the employability of urban youth	50% of Program graduates are engaged in income-generating activities and/or completing formal education requirements ^{1/}	Tracer studies; ex-post evaluation	Overall socioeconomic conditions
IMPROVEMENT OF TRAINING AND JOB PLACEMENT SERVICES			
ity of training as well as job placement services ivate training organizations (PTOs)	% of graduates involved in income-generating activities increases by Program completion Positive student satisfaction of course	Tracer studies; ex-post evaluation Student course evaluations	
<p><i>Seminars:</i> Orient PTOs in Program ation and monitoring procedures, fundraising rship formation, as well as training course particular, student apprenticeship, job skills, yability.</p> <p><i>Courses:</i> Train young men and women in Recife aulo in basic job and vocational skills.</p> <p><i>Monitoring:</i> Ensure fulfillment of training</p> <p><i>Resource Unit:</i> Gather and disseminate general as well as innovative instructional material to s as well as other public and private agencies.</p> <p>st practices in: i) job skills training (Basic nd ii) innovative vocational training for ion nationwide.</p>	<p><u>Products:</u></p> <p>5 Seminars carried out by 5/99</p> <p>6000 young men and women trained by 11/99</p> <p>12 Workshops and monthly visits to PTOs carried out by 11/99</p> <p>Technical Resource Unit operational by 6/99.</p> <p># of consultations and amount of material distributed.</p> <p>Two publication with best practices available by 9/99</p> <p>National Dissemination Workshop carried out by 2/00</p>	<p>Seminar evaluations by participants Progress Reports by Program Management Unit (PMU)</p> <p>Progress Reports by PMU</p> <p>Monitoring Reports</p> <p>Progress Reports by PMU</p> <p>Progress Reports by PMU</p> <p>Progress Reports by PMU</p>	

be disaggregated by gender and ethnic background.

LOGICAL FRAMEWORK

ALL PROGRAM OBJECTIVES	VERIFIABLE INDICATORS BY PROGRAM COMPLETION	MEANS OF VERIFICATION	ASSUMPTIONS
<p><i>es for Self-Employment:</i> Provide information to on self-employment opportunites and available</p> <p><i>ies:</i> Design and implement on a pilot basis a re methodology for carring out tracer studies graduates.</p>	<p>4 seminars carried out on forming cooperatives by 10/99</p> <p>6000 informational brochures distributed to course graduates by 11/99</p> <p># of cooperatives and/or microenterprises formed by 10/00</p> <p>Tracer study methodology developed and applied in 15 PTOs in Recife, Belem, and Fortaleza by 03/00</p>	<p>Progress Reports by PMU</p> <p>Tracer studies; ex-post evaluation</p> <p>Tracer studies; ex-post evaluation</p>	
ADDITIONAL STRENGTHENING OF AAPCS AND PTOS			
<p>institutional capacity of both the <i>Associação de Comunidade Solidária</i> (AAPCS) and private organizations</p>	<p>Quality of project proposals improves (scoring of 50% of proposals is greater than 7)</p> <p>Demand for Program resources increases by 20%</p>	<p>Technical Evaluation Committee ranking</p> <p>Technical Evaluation Committee (# of project proposals recieved)</p>	
<p><i>Program Managers "Gestores Sociais":</i> enhance networking and management capacity of g PTOs as well as train additional course</p> <p><i>y Strategy:</i> Design a strategy for the AAPCS for atization of fundraising activities, which would possibilty of selling related services and public and private organizations.</p>	<p># of new partnerships formed by AAPCS and PTOs</p> <p>Demand for AAPCS services and products as measured by the Resource Unit</p> <p>5 courses implemented and evaluated by participants by 10/99</p> <p>10 course instructors trained by 11/99</p> <p>1 strategy prepared by 5/99 and fundraising activities underway</p> <p>Amount of private sector resources raised</p>	<p>Progress Reports by PMU</p> <p>Progress Reports by PMU</p> <p>Course evaluations by participants</p> <p>Progress Reports by PMU</p> <p>Progress Reports by PMU; ex-post evaluation</p> <p>Progress Reports by PMU; ex-post evaluation</p>	

PROPOSED RESOLUTION

**BRAZIL. NON REIMBURSABLE TECHNICAL COOPERATION
PROGRAM OF CAPACITAÇÃO SOLIDÁRIA: JOB SKILLS TRAINING
OF URBAN YOUTH**

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Associação de Apoio ao Programa Comunidade Solidária (AAPCS) and to adopt such other measures as may be pertinent for the execution of the plan of operations referred to in Document MIF/AT-_____ with respect to a technical cooperation for a Programa of Job Skills Training of Urban Youth.
2. That up to the amount of US\$5,150,000 is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.
3. That the above mentioned sum is to be provided on a non-reimbursable basis.