

DOCUMENT OF THE INTER-AMERICAN BANK  
MULTILATERAL INVESTMENT FUND

**JAMAICA**

**UNLEASHING THE POTENTIAL OF JAMAICAN YOUTH THROUGH  
EMPOWERMENT & TRAINING**

**(JA-T1196)**

**DONORS MEMORANDUM**

This document was prepared by the project team comprised of Terry-Ann Segree (CJA/DIS) Team Leader, Elena Heredero (LAB/DIS) Alternate Team Leader, Svante Persson (LAB/DIS), Sudaney Blair (CCB/CJA), Mariel Sabra (DIS/CAR), Stefano Pereira (DSP/DVF), Fernando Pavon (SCL/LMK), and Daisy Ramirez Ruiz (FML/LAB).

This document contains confidential information relating to one or more of the ten exceptions of the Access to Information Policy and will be initially treated as confidential and made available only to Bank employees. The document will be disclosed and made available to the public upon approval.

## CONTENTS

I.	THE PROBLEM .....	2
A.	Problem Description .....	2
II.	THE INNOVATION PROPOSAL .....	5
A.	Project Description.....	5
B.	Project Results, Measurement, Monitoring and Evaluation .....	9
III.	ALIGNMENT WITH IDB GROUP, SCALABILITY, AND RISKS .....	11
A.	Alignment with IDB Group .....	11
B.	Scalability.....	12
C.	Project and Institutional Risks.....	13
IV.	INSTRUMENT AND BUDGET PROPOSAL .....	13
V.	EXECUTING AGENCY (EA) AND IMPLEMENTATION STRUCTURE .....	14
A.	Executing Agency(s) Description .....	14
B.	Implementation Structure and Mechanism .....	15
VI.	COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS .....	15
VII.	INFORMATION DISCLOSURE AND INTELLECTUAL PROPERTY** .....	16

**PROJECT SUMMARY**  
**JAMAICA**  
**UNLEASHING THE POTENTIAL OF JAMAICAN YOUTH THROUGH EMPOWERMENT &**  
**TRAINING**  
**(JA-T1196)**

After decades of macroeconomic instability, Jamaica made excellent progress with economic stabilization and reforms over the period 2013-2019. However, with Jamaica's high reliance on the tourism sector for economic activity and foreign exchange revenue, the devastation of the sector due to COVID-19 pandemic has eroded many of the economic achievements made by the Government of Jamaica over the last decade. Further, the impacts on businesses, coupled with the rapid advancement of technology, traditional and emerging learning deficits in Jamaica, have placed youths at greater socio-economic risk, and exacerbate inequalities and unemployment. Jamaica does not have enough people trained at the tertiary level of education, as the gross enrollment ratio is 27%. Higher education has traditionally been socially biased, favoring those from higher socio-economic groups with the ability to pay for their education and geared towards those students that are better prepared to meet entry requirements of higher education.

While digital technologies are spreading rapidly, there continues to be a mismatch between education and industry which poses an ongoing challenge for the future of work. In many cases, training content and curricula remain static and do not address the needs of the market. Higher education and vocational training programs and systems are not structured to respond in real time to the shifting demands of private sector companies operating in the digital economy. As more SMEs transition their business to virtual models there is no systematic assessment of the skills being demanded by these SMEs or the predictability of the technological changes across sectors, that may result in the need for new skillset, thereby allowing training centers to be agile in the development of curriculum for the market.

The project will utilize a dual approach to address these challenges. Firstly, the project will train low-income unemployed and under-employed youths with in-demand skills and connect them with SMEs that need to digitize and acquire human capital. Secondly, the project seeks to create an AI algorithm for labour demand identification and job placement that are much more efficient and cheaper than traditional intermediation services. In order to achieve the expected outcomes of the project, The Trust for the Americas will partner with Microsoft, NCB ICON Lab, and Citi Foundation Urban Lab. The partnership with Microsoft will assist in the provision of content needed by learners at a cheaper cost and the scaling of the project across the region. Further, this project complements the Bank's project "Skills Development for Global Services Program (JA-L1079)", which aims to move the Global Services Sector towards higher value-added services.

The beneficiaries of this project will be 1,000 low-income and vulnerable youths, ages 17-34 years old, trained in digital and soft skills, with 50% women participation. The project seeks to address the inequality gaps that exist for vulnerable youths by providing equal access to digital skills training as well as opportunities for SMEs to access trained workforce. The project is meant to be a blueprint for training of low-income and vulnerable youths that can be scaled across the Caribbean to benefit a wider number of beneficiaries. The Executing Agency is the Trust for the Americas, and the total project budget is US\$1,700,000, of which US\$800,000 will be provided by IDB Lab through a non-reimbursable technical co-operation.

## **ANNEXES**

ANNEX I	Results Matrix
ANNEX II	Budget Summary
ANNEX III	iDELTA

## **APPENDICES**

Draft Resolution

## **AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM**

ANNEX IV	Diagnosis of Integrity and Institutional Capacity (DICI) [includes Integrity Due Diligence Analysis]
ANNEX V	Reporting Requirements and Compliance with Milestones and Fiduciary Arrangements
ANNEX VI	Procurement and Contracting Plan

## **ACRONYMS AND ABBREVIATIONS**

<b>AI</b>	Artificial Intelligence
<b>BPO</b>	Business Process Outsourcing
<b>CJA</b>	Country Office in Jamaica
<b>CCB</b>	Caribbean Countries Department
<b>CSEC</b>	Caribbean Secondary Education Certificate
<b>DICI</b>	Assessment of Integrity and Institutional Capacity
<b>FDI</b>	Foreign Direct Investment
<b>GDP</b>	Gross Domestic Product
<b>GSS</b>	Global Services Sector
<b>IDB</b>	Inter-American Development Bank
<b>IDB Lab</b>	Innovation laboratory of the IDB Group (formerly Multilateral Investment Fund)
<b>ICT</b>	Information and Communication Technology
<b>IT</b>	Information Technology
<b>ITO</b>	Information Technology Outsourcing
<b>JAMPRO</b>	Jamaica Promotions Cooperation
<b>JCC</b>	Jamaica Chamber of Commerce
<b>KPO</b>	Knowledge Process Outsourcing
<b>OAS</b>	Organization of American States
<b>PSF</b>	Poeta Social Franchise
<b>PSOJ</b>	The Private Sector Organization of Jamaica
<b>PSR</b>	Project Status Report
<b>SDG</b>	Sustainable Development Goal
<b>SCL</b>	Survey of Living Conditions
<b>SMEs</b>	Small and Medium Enterprises

**PROJECT INFORMATION**  
**UNLEASHING THE POTENTIAL OF JAMAICAN YOUTH THROUGH EMPOWERMENT & TRAINING**  
**(JA-T1196)**

<b>Country and Geographic Location:</b>	Jamaica		
<b>Executing Agency:</b>	Trust for the Americas		
<b>Focus Area:</b>	Knowledge Economy, and the subarea of The Future of Work		
<b>Coordination with Other Donors/Bank Operations:</b>	This operation complements the IDB's Skills Development for Global Services Program (JA-L1079) approved in 2019.		
<b>Project Beneficiaries:</b>	The direct project beneficiaries are 1,000 youths ages 17-34 years old who are unemployed or underemployed, trained in digital and soft skills, of which 85% are low-income. Indirect beneficiaries of the project can be estimated as 1,500 family members that may benefit from new or additional income opportunities.		
<b>Financing:</b>	Technical Cooperation:	US\$ 800,000	47%
	Equity:		
	Loan:		
	Other (explain):		
	<b>TOTAL IDB LAB FUNDING:</b>	US\$ 800,000	
	Counterpart:	US\$900,000	53%
	Co-financing (if available; include a separate line for IDB Co-financing if applicable):		00%
	<b>TOTAL PROJECT BUDGET:</b>	US\$ 1,700,000	100%
<b>Execution and Disbursement Period:</b>	36 months of execution and 42 months of disbursement.		
<b>Special Contractual Conditions:</b>	Conditions prior to first disbursement will be, to the Bank's satisfaction: (i) establishment of the Project Steering Committee.		
<b>Environmental and Social Impact Review</b>	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on February 5, 2021. Given the limited moderate impacts and risks, the proposed category for the project is C.		
<b>Unit responsible for disbursements</b>	CCB/CJA		

## I. The Problem

### A. Problem Description

- 1.1. **Jamaica Macroeconomic Context.** After decades of macroeconomic instability, Jamaica made excellent progress with economic stabilization and reforms over the period 2013-2019. During the period, Jamaica successfully reduced its public debt-to-GDP ratio from 146% to 94%; successfully implemented fiscal and monetary policy reforms that helped to reduce market inflation and interest rates to record lows; and achieved a steady downward trend in unemployment rates from a peak of 15% in 2013 to 7.95% in 2019<sup>1</sup>. Jamaica's economic output is heavily skewed towards the services sector, which accounts for about 72% of total GDP. The services sector includes activities such as financial and insurance services, telecommunications, the business process outsourcing sector (BPO), and tourism. Of these, the tourism sector is the most significant, as it accounted for an average of 55% of Jamaica's total exports from 2014 to 2018, as well as an average of 32% of GDP and 29% of total employment over the same period <sup>2</sup>. With Jamaica's high reliance on the tourism sector for economic activity and foreign exchange revenue, the devastation of the tourism sector due to COVID-19 pandemic has eroded many of the economic achievements made by the Government of Jamaica over the last decade.
- 1.2. **Labor Market Assessment.** The impact of COVID-19 on businesses, coupled with the rapid advancement of technology, and the traditional and emerging learning deficits in Jamaica, have placed youths at greater socio-economic risk and exacerbate inequalities and unemployment<sup>3</sup>. Statistics for the first 3-4 months of the pandemic reflects a 5% increase in the unemployment numbers as reported in July 2020<sup>4</sup>, with an unemployment rate of 12.6%. The unemployment rate for youth, aged 14 to 24, was 30%, compared to 20% for the corresponding period in 2019. Male youth unemployment increased from 16% to 28.5% and female youth unemployment increased from 24.5% to 33.1%. Further, Jamaica does not have enough people trained at the tertiary level of education, as the gross enrollment ratio is 27%. The problem is further exacerbated by the high level of brain drain, particularly with women. Almost one-third of all Jamaican women with a college education or higher have migrated to other countries<sup>5</sup> for career opportunities. Therefore, many youths are either unemployed or working in low paying jobs that accepts the basic qualification of 2-3 Caribbean Secondary Education Certificate (CSEC) examinations subjects. In 2020, 79% of the 233,723 students that sat the CSEC exam received a passing grade, with 56% and 89% passing Mathematics and English Language, respectively.
- 1.3. Another aspect of the labor market for consideration is the small, and medium size businesses (SMEs) that operate and employ these youths. The pandemic caught many SMEs by surprise and has shone a spotlight on their weak digital preparedness, inability to smoothly execute an operational pivot to work from home

<sup>1</sup> <https://www.statista.com/statistics/527097/unemployment-rate-in-jamaica/>

<sup>2</sup> <https://publications.iadb.org/publications/english/document/Caribbean-Quarterly-Bulletin-20204.pdf>

<sup>3</sup> [https://www.g20-insights.org/policy\\_briefs/bridging-the-gap-between-digital-skills-and-employability-for-vulnerable-populations/](https://www.g20-insights.org/policy_briefs/bridging-the-gap-between-digital-skills-and-employability-for-vulnerable-populations/)

<sup>4</sup> <https://jis.gov.jm/covid-19-impacts-number-of-employed-persons/>

<sup>5</sup> <https://wenr.wes.org/2019/09/education-in-jamaica>

and, more importantly, the shortcomings in how businesses digitally engage with customers and other stakeholders<sup>6</sup>. As such, many SMEs have commenced their digital transformation journey which include leveraging technology to enhance and improve customer service and engagement, operational optimization and product and service delivery. As more people are requiring services online and businesses are increasingly transitioning to remote work, more digital and traversal skills are being demanded by employers.

**1.4. Demographic and social biases for low-income youths in the Labor Market.**

To meet this demand for digital skills, there is a need for relevant, convenient, cost effective, quality higher education focused on the skills being demanded. Even with the efforts of Jamaica's technical and vocational education system, mainly led by HEART-Trust/NTA, Jamaica's National Training Agency, there remains a deficit of untrained youths. Traditionally, beyond the HEART-Trust NTA, higher education has traditionally been socially biased, favoring those from higher socio-economic groups with the ability to pay for their education and geared towards those students that are better prepared mentally, physically and academically to meet entry requirements of higher education. Instead, there needs to be greater access to higher education for a wider cross-section of the youth to provide prospects for higher paying jobs and career opportunities.

**1.5. Problems to be addressed.** There is mismatch in skills required by employers and the current skills of low-income youth. While digital technologies are spreading rapidly, there continues to be a mismatch between education and industry which poses an ongoing challenge for the future of work. In many cases, training content and curricula remain static and do not address the needs of the market. Higher education and vocational training programs and systems are not structured to respond in real time to the shifting demands of private sector companies operating in the digital economy. There is also a lack of awareness of job opportunities and the skills that are required for available jobs. As more SMEs transition their business to virtual models there is no systematic assessment of the skills being demanded by these SMEs or the predictability of the technological changes across sectors that may result in the need for new skillset thereby allowing training centers to be agile in the development of curriculum for the market.

**1.6. Nearshoring Opportunities.** The government, through the Vision 2030 National Development Plan<sup>7</sup>, vowed to make Jamaica the place of choice for work and has built upon this with the implementation of the logistics hub initiative. This aims to establish Jamaica as the premier logistics zone of The Americas through the upgrading of the air and seaport infrastructures and the creation of an enabling environment that will allow businesses to fully exploit Jamaica's strategic location. Additionally, with impacts of COVID-19, many persons are looking to freelancing as an option for employment. This is evident as 2 million Americans have started freelancing in the last 12 months, an increase of 35%<sup>8</sup>. Many are turning to freelancing out of necessity as there are limited full time job opportunities available as companies rationalize their resource needs. Based on Upwork, a freelancing platform, in 2020, the freelancing economy contributed US\$1.2 trillion to the U.S. economy, a 22% increase over 2019. Jamaica is ideally positioned based on

<sup>6</sup>[http://www.jamaicaobserver.com/digital-life/a-roadmap-to-digital-transformation-part-1-of-4\\_207317?profile=0](http://www.jamaicaobserver.com/digital-life/a-roadmap-to-digital-transformation-part-1-of-4_207317?profile=0)

<sup>7</sup><http://www.vision2030.gov.jm/National-Development-Plan>

<sup>8</sup><https://www.npr.org/2020/09/16/912744566/jobs-in-the-pandemic-more-are-freelance-and-may-stay-that-way-forever>



geography, language and proximity to the U.S. to provide an opportunity for youths to connect to freelancing openings both locally and internationally.

- 1.7. **Government Intervention for Global Services.** Another area of opportunity is in the Global Services Sector. In 2019, the Government of Jamaica embarked upon a US\$15 million program with the IDB for Skills Development for Global Services with an aim to move towards higher value-added services, which requires a pipeline of talent with a more advanced set of skills and enhance Jamaica's institutional capacity to attract Foreign Direct Investment (FDI) and increase exports. The program focuses on three main segments: (i) Business Process Outsourcing (BPO), sub-contracting of specific business processes to a third party, such as billing or purchasing, and customer-related services; (ii) Information Technology Outsourcing (ITO), production and use of software, such as network management, applications development, and IT consulting; and (iii) Knowledge Process Outsourcing (KPO), outsourcing to providers with highly skilled and specialized professionals, including market intelligence, business analytics, and legal services. Pre-COVID, the GSS was expected to provide between 5,000 and 6,000 jobs annually and is now expected to move towards the original projection of 50,000 jobs by March 2022<sup>9</sup>.
- 1.8. **Gender Challenges.** The issue of gender is not as clear cut in Jamaica as in other countries. In Jamaica, girls and women attend educational institutions in equal (or higher) numbers when compared with boys and men. They also generally outperform boys and men in examinations, as is the case in other English-speaking Caribbean countries<sup>10</sup>. For example, in Jamaica, 63,395 males sat the 2020 CSEC<sup>11</sup> examinations and 74% received a passing grade when compared to 133,704 female who sat the exam and 95% received a passing grade. Analysis of data on primary, secondary and university education shows that males drop out in greater numbers throughout the system, so that the higher the school level, the more girls seem to 'out-perform' males by higher levels of participation. Additionally, there continues to be traditional roles and industries that are favored based on gender. There are 3.04 times more men in agriculture than women, approximately 4 times more men in industry, but the services sector has 48% more women than men.
- 1.9. **Private Sector Coordination.** In order to respond to market changes and deliver shorter and direct programs to help reduce the knowledge and skills gaps that persist, the Trust for the Americas will work with different stakeholders to strengthen public private partnerships in the development of digital and soft skills for low-income youths. The Trust for the Americas will partner with Microsoft, NCB ICON Lab, Citi Foundation Urban Lab, HEART Trust NTA, and Mico University College. with international organizations such as Microsoft and other relevant local institutions. It is within this context that the Trust from the Americas is looking to partner with IDB Lab to deliver a digital skills program to support the reskilling and upskilling of the low-income workforce in Jamaica.

<sup>9</sup> <https://jis.gov.jm/3300-workers-regain-jobs-in-bpo-sector/>

<sup>10</sup> [https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-port\\_of\\_spain/documents/publication/wcms\\_651948.pdf](https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-port_of_spain/documents/publication/wcms_651948.pdf)

<sup>11</sup> <https://jis.gov.jm/76-5-per-cent-pass-rate-for-csec/>

- 1.10. **Beneficiaries.** Beneficiaries are generally defined from a quantitative perspective (number of youths trained); however, a qualitative / persona<sup>12</sup> approach will be used to concretize the objective of this project. For example, in Denham Town, a Quartile 4<sup>13</sup> community in Kingston, a young woman age 18, completed her high school diploma with passes in two CSEC subjects. She grew up in the community surrounded by crime and violence, poverty and stigmatization. Unlike other young women from a different socio-economic background, she never considered tertiary education, as there was an urgent need for additional income in the household. Therefore, her only option was to secure a job at a supermarket to assist in the care of her three younger siblings that pays her JMD 9,000 weekly (i.e. equivalent to US\$260 per month). With assistance, she is willing to learn a new skill that could provide her with options for employment and a higher level of wages. As the first one in her family to complete high school, she would like to be able to guide her siblings into the skills required in the labor market as a way of breaking the virtuous cycle of poverty in her family.
- 1.11. Building on this example, the direct project beneficiaries are 1,000 youths ages 17-34 years old who are unemployed or underemployed, trained in digital and soft skills, of which 85% are low-income<sup>14</sup> youths. As previously noted, most of these youths have limited earning potential and/ unemployed, are from families below the annual median income, with an average of 3.1 per household<sup>15</sup>. The indirect beneficiaries of the project can be estimated as 1,550 family members that may benefit from access to new or additional income opportunities. Priority will be given to youth from low-income households with the aptitude to undertake the training program as defined in the criteria for selection of participants. As the service industry is generally more attractive to women, the project will target at least a 50% female participation rate. Given the economic impact of the pandemic on job creation, youths will be offered different career pathways, including entrepreneurship, freelancing through platforms, and entry level jobs at partnered companies. The project is meant to be a blueprint for training of low-income and vulnerable youths that can be scaled across the Caribbean to benefit a wider number of beneficiaries.

## II. The Innovation Proposal

### A. Project Description

- 2.1. The objective of the project is to enhance the digital and soft skills of low-income unemployed and under-employed youths and to connect them with employment and entrepreneurial opportunities.
- 2.2. **The Model.** The project model contributes to catalyzing the growth of the digital economy by focusing on re-skilling and up-skilling youths from vulnerable

<sup>12</sup> Based on the profile of many of the participants currently being supported by the Trust for the Americas in Jamaica

<sup>13</sup> The PIOJ Poverty Map ranks communities into four categories (Quartiles), with Quartile 1 being the least poor and Quartile 4, the poorest. The ranking of a community is based on four indicators: Percentage of households without piped water; Percentage of households without exclusive use of water closet (flushable toilets); Percentage of the labour force within the community that is unemployed; Percentage of community population with primary education only. <https://www.jsif.org/content/how-communitys-poverty-level-determined>

<sup>14</sup> The 2015 Jamaica Survey of Living Conditions (SCL) puts the annual median annual income to JMD 256,016, with the average annual household income of JMD 296,902

<sup>15</sup> <https://statinja.gov.jm/Census/PopCensus/Completed/NumberofHouseholdsbyParish.aspx>

communities and enhancing their digital, entrepreneurial, and life skills. Project beneficiaries will learn to use their skills to seek employment from private sector enterprises or as independent freelancers or entrepreneurs. The model will also identify the knowledge, skills and years of experience being required by businesses for digital jobs in Jamaica. This data will be collected and inserted into an Employment Opportunity Skills Bank. The data will be analyzed and categorized based on skills required (i.e., technical, life, customer service, administrative, financial, or leadership). Once the gaps are identified, the training offer will be tailored to match it with the highest demanded digital skills per sector.

- 2.3. The project will focus on sectors in Jamaica where the challenges and opportunities for innovation are greatest: tourism, manufacturing, and food processing, to name a few. The training will combine theory with actual practice on relevant equipment/hardware and will include training in innovation, and entrepreneurship. Beneficiaries will opt to obtain certifications from technology companies, such as Certiport and Microsoft, to enhance their professional profiles. The project will also develop a skills framework for Jamaica and combine it with other methodologies, such as Microsoft's and LinkedIn Skills Pathways, as well as Ideathon and innovation methodologies to train the beneficiaries, giving them opportunities to become competitive for formal employment or for the entrepreneurial journey.
- 2.4. Integral to the model are placement services in which a job mediator will assist in bridging the project beneficiary to the earlier identified targeted SMEs and businesses in the BPO sector which has the capacity to absorb graduates in large numbers. The project will offer training in four broad categories (i) digital skills based on the needs of the SMEs; (ii) soft skills training; (iii) freelancing; and (iv) entrepreneurship. The project will also connect successful candidates with the Talent Platform that will be developed under the IDB operation, Skills Development for Global Services JA-L1079, a US\$15 million loan to the Government of Jamaica to promote the growth of the Global Services Sector (GSS) in higher value-added segments and provide the sector with better skilled workers. The talent platform is a recruiting tool that allows job seekers and employers to find each other. The project will also connect beneficiaries to local freelancing opportunities and provide support for new entrepreneurial ventures.
- 2.5. **Innovation.** The project will leverage open-source data to create a skills-matching model based on labor market trends in Jamaica. The project will use AI technology to analyze social media databases to identify labor market conditions. Additionally, the AI tool will pull information of job postings and the skills being demanded from social media platforms that Jamaican employers prefer, such as Caribbeanjobs.com, LinkedIn and others, as well as the Gleaner classified, to analyze trends in labor market demands and the complementary skills. This novel use of AI technology in Jamaica has the potential to becoming a powerful tool to respond to real-time labor market needs.
- 2.6. **Experience and lessons learnt.** The lessons learnt from IDB Lab operations in digital skills programs include: (i) young people require information and guidance on occupations and their returns. When choosing what to study from the menu of possible educational offerings, young people and their families lack information on the different offerings, job profiles, and expected pay. Information and guidance on

these key issues helps students make better decisions and minimizes an oversupply in certain occupations; and (ii) employers value life skills, despite being difficult to measure and observe during the hiring process. In addition, research has shown that employers value skills such as motivation, work attitude, responsibility, and commitment, even more than technical skills.

**2.7. Component I: Labor Market Assessment of Demand and Supply of Digital Skills (Total US\$343,500: IDB Lab US\$182,000, Counterpart US\$161,500).**

The objective of this component is to develop digital tools and methodologies to provide real-time assessment of the digital skills sought by SMEs, through coordination and consultation with public and private sector stakeholders, SMEs and training service providers. Firstly, a firm will be contracted to provide natural language analytics to develop an AI software tool for the Jamaican labor market that will signal the sectors and occupational categories within the digital frame of reference that will inform the training offered by the project. The firm will utilize social listening<sup>16</sup> to monitor social media channels for job vacancies, digital and soft skills requirements, and the sectors in which the skills are being demanded. The tool will accumulate a large amount of raw data on the Jamaican employment market from sources such as LinkedIn, Caribbeanjobs.com and Gleaner Classifieds, which its artificial intelligence software will reduce to a manageable set of facts on the market. The Executing Agency in coordination with the Private Sector Organization of Jamaica (PSOJ) and the Jamaica Chamber of Commerce (JCC) will simultaneously meet with SMEs to determine their views of the labor market throughout the life of the project. This will provide both the automated artificial intelligence view and the “ground truth” from feedback of local market participants. The meetings and focus groups with local firms will also provide information about attitudes regarding digitization in their businesses.

2.8. The Executing Agency will engage business stakeholders, starting with those operating in the most directly affected sectors and those with the highest levels of workforce displacement, to assess their digital transformation strategies and the digital skills that are needed from the workforce. This needs assessment will be a key input into the design of the curricula that meet global standards and are locally relevant in at least four aspects: (i) basic digital skills (such as fundamentals of digital technology, MS Office 365, Digital Marketing and Social Media Management, Web Design and Development, Mobile Application Development, Master Data Management, UX design and Project Management), (ii) digital entrepreneurship using Trust for the Americas’ entrepreneurship training (including business management skills for the digital businesses, customer relationship management, design thinking and ideation, management of social media and online transactions and order fulfillment processes), and (iii) industry or sector specific digital training programs.

2.9. Once successfully deployed, the methodology and diagnostic tool used for the digital skills and needs assessment developed under the project, will be shared with local business associations, such as PSOJ and JCC, and will be used by such organizations locally beyond the project implementation timeline to facilitate ongoing monitoring, assessment and training in digital skills needed to support

---

<sup>16</sup> <https://www.business2community.com/social-media/> Social listening is the process of tracking conversations around specific topics, keywords, phrases, brands or industries, and leveraging your insights to discover opportunities or create content for those audiences.

business model transformations and expansion of existing businesses. The methodology will also be shared with the Heart-Trust/NTA and the Ministry of Education for their use to extend the availability of the techniques and skills to the widest possible audience. Further, the executing agency will also work with local civil society, private sector organizations, including PSOJ and JCC and others to identify and recruit participants for the digital skills program.

- 2.10. The program will be promoted in a wide-ranging communications outreach campaign in both news and social media to attract and engage targeted participants. The Executing Agency will also interact with community groups and connect with influencers to assure the program gets the broadest possible exposure. The goal is to engage its target audience and stimulate their attention to the outreach messages. All outreach efforts will be aimed at low-income persons who may or may not be employed, with the goal of creating new skills or enhancing career opportunities of people employed in lower skill jobs to advance in their careers. The Executing Agency will emphasize on engaging both men and women from the SME sector and for trainee recruitment with the goal of ensuring the project attains at least a 50% female participation rate.
- 2.11. The expected outputs of this component are: (i) digital skills and needs assessment methodology and report completed; (ii) six focus groups with key local stakeholders conducted; (iii) a platform deployed based on AI to provide data and reports of current market demand and supply for digital skills; (iv) Targeted outreach campaign running in all major media channels; and (iv) 100 SMEs engaged on the adoption of digital transformation.
- 2.12. **Component II: Develop and Implement Digital and Soft Skills Training Program (Total US\$460,000: IDB Lab US\$180,000, Counterpart US\$280,000).** The objective of this component is to deliver relevant digital skills training to the selected applicants. First, the Executing Agency will create selection criteria for the training program to determine eligibility of participants and categories of participants to be prioritized. The Executing Agency through the project will develop and customize a digital literacy testing and skills assessment tool to assess the beneficiary aptitude to learn, as well as willingness and aptitude to embrace digital skills. The project will prioritize the lower income youths due to their difficulty to get higher paying jobs, women or gender parity, and geographic location to ensure inclusion of some of the more vulnerable communities in Jamaica which traditionally record high levels of poverty and unemployment significantly higher than the national averages. The project is designed to consider the limited internet access in some of these communities by (i) increasing in-person training and giving beneficiaries broadband access in common spaces like The Trust Innovation Hubs (urban settings that gather young Jamaican innovators for training, mentorship and access to state-of-the-arts technology); (ii) exploring offline solutions; (iii) blended models, as conditions permit; and/or (iv) provide equipment such as computers and tablets on a case-by-case basis.
- 2.13. The Executing Agency will begin operation with one center already operational in Kingston to teach digital skills and innovation to low-income youth. A second location in Kingston and two locations outside of Kingston will be identified through a call for proposal to be issued by the executing agency. Applicant proposals will be screened, and the capacity of the potential partners will be assessed assure they have access to qualified staff (although staff training will be provided),

physical facilities and/or the basic digital and internet capability to manage their end of the project. The training will combine project-based learning and simulation of real work assignments and situations as well as entrepreneurial skills and knowledge. The Executing Agency will work with local business groups and government to identify additional local partners for a second site in Kingston and sites outside of Kingston in year 2 and 3.

- 2.14. The trainers will be trained in project-based learning methodology so they can motivate the beneficiaries and assign and assess projects that test beneficiaries' absorption and application of the training content. The course work will be between 20 to 30 hours per week and approximately eight weeks to ten weeks in duration. Virtual classrooms will take advantage of The Trust for the Americas pre-existing virtual classroom (already in use) and other software that may be useful and available on an in-kind basis from Microsoft. Instructors can use The Trust Virtual Classroom to create and manage classes, assignments and grading, post multimedia content and push content to students and interact in a virtual "face to face" setting. Participants can use MS Teams or Zoom to participate in instructor led sessions, download content, utilize workbooks online, track classwork, as well as share screens and resources. The number of trainers and respective areas of expertise will be determined depending on the curricula developed.
- 2.15. Using the skills framework developed, curricula will be tailored with a sectorial approach to the skills being demanded by SMEs. The project will ensure complementarity in the curricula to be developed, giving thought to the existing curricula available for the GSS sector which include: (i) Fundamentals of Digital Technology; (ii) MS 365; (iii) Data analytics; (iv) UX Design; and (v) Master Data Management. This component will be continuously monitored to facilitate "mid-course corrections" that may be required. There will be frequent reference with the aggregation of market data as discovered by the AI tool and discussions with representatives of business groups, trade associations and SMEs to assure the training remains relevant and the training of each new cohort is well focused.
- 2.16. The expected outputs of this component are: (i) digital literacy testing and skills assessment tool for beneficiaries developed; (ii) four Training Centers that have adopted the methodology and tools of the project running as per requirements; (iii) four customized curricula designed, implemented and published; (iv) 1,200 youth accepted and participating regularly in the training program; and (v) 6 semi-annual quality assurance assessments of training programs conducted.
- 2.17. **Component III: Connecting Youth with Employment and Income Opportunities: (Total US\$398,540: IDB Lab US\$207,000, Counterpart US\$191,540).** The objective of this component is to support graduating youths connect with job opportunities and utilize their new skills. Under this component, jobseekers will be provided with intermediation services to provide career guidance and preparation for job interviews as well as for working as a freelancer. The beneficiaries will be provided with a clear path to the soft skill acquisition that is so vital in a professional environment. The project will connect successful candidates with the Talent Platform that will be developed under the GSS program. Annual job fairs will be held to further showcase and promote the program, demonstrate digital skills of graduates and connect them with prospective employers.

- 2.18. Another important aspect of this component is the support to entrepreneurship, as many graduates may opt to create and operate their own business ventures. The support to these businesses include: (i) connecting beneficiaries to local freelancing opportunities and other international freelancing platforms, (ii) providing business service support for entrepreneurship; and providing seed funding to those new ventures that meet pre-determined criteria to be developed by the executing agency. This component will also include the integration of digital entrepreneurship mentors who will work with beneficiaries to support their ability to transfer their new skills into employment opportunities or new enterprises, increase their productive capacities, and help them develop the soft skills and marketing skills needed in a professional environment. The mentors will be organized and supported by a paid project staff member, but the mentors will be volunteers. They will ideally be actively engaged in digital businesses of their own or working at senior levels in the technology field and have both technical and soft skills required for successful mentoring.
- 2.19. To monitor and evaluate the effectiveness, local training partners will periodically report metrics and progress using the Trust Information System (TIS) online platform and PowerBI technology to serve as an early warning system to uncover implementation challenges. Semiannual quality assurance assessments will be conducted to assess instructor and participant performance, which will be complemented by annual tracer studies<sup>17</sup> to track the progress of persons completing the program. The training assessments and tracer studies will form part of the final project Impact Report. In addition, The Trust will use the AI platform to monitor labor market trends during the life of the project to ensure the project continues to meet the evolving needs of the labor market. The Trust will publish articles/reports/booklets on practical lessons acquired during implementation, drawing on The Trust's experience in other similar projects. These will address the issues of recruitment/selection of beneficiaries, the role of AI in developing employment market data to focus training and best practices in training low-income youth to move onto an improved career track.
- 2.20. The expected outputs of this component are: (i) 300 youths trained in interview preparation; (ii) 125 youths coached for freelancing opportunities; (iii) 75 youths with new business ventures supported with mentorship and coaching; (iv) manual on how to set up mentoring and jobs intermediation programs for community groups in Jamaica and the West Indies developed; and (v) 3 annual tracer studies to track instructor and participant performance (at least 75% of participants) conducted.

## **B. Project Results, Measurement, Monitoring and Evaluation**

- 2.21. The project seeks to increase employment of low-income youths ages 17-34 years old by reskilling and upskilling in digital, entrepreneurial, and soft skills and connecting them with jobs (freelancing opportunities and entrepreneurial opportunities). The project will aim to achieve the following results indicators: (i)

---

<sup>17</sup> A tracer study is a survey of graduates of a training program that can be used to track employment/self-employment status, earnings bracket, additional training that the graduate may be pursuing and the relevance of skills to their current work situation.

1,000 youths with increased level of digital and soft skills (50% women participation); (ii) 85% of youths that successfully completed program training (disaggregated by gender) are low-income; (iii) 500 low-income youths employed by participating SMEs, starting a new business venture with seed funding or freelancing; (iv) 20 participating SMEs hiring low-income youths trained by the project.

- 2.22. The Trust for the Americas focuses on connecting people with digital skills training and employment opportunities and in this regard has developed an information system to track trainees' participation, progress, and employment status through each of its programs. In accordance with IDB Lab's requirements, the Trust for the Americas will utilize its existing monitoring system, to collect, track and collate data and produce reports on specific results attained as outlined in the project's results matrix and will report on project results every six months via the IDB Lab's Project Status Report (PSR). The Trust for the Americas will also complete a final PSR on conclusion of the project.
- 2.23. The Trust for the Americas will develop an annual Impact Report using data collected during implementation. The project will also be subject to a final evaluation financed by IDB Lab which will be conducted by an independent consultant, on conclusion of the project execution period. The objectives of this evaluation will be to: (i) assess the efficacy of the training model and curriculum in positioning and transitioning the low-income workforce into knowledge economy-related jobs as well as in supporting new digital entrepreneurship activities (ii) assess number of jobs secured through acquiring digital skills (iii) provide value-added input for Trust for the Americas' strategy and plan to strengthen, sustain and scale the model across Jamaica and in the wider region; (iv) assess the level of satisfaction from a sample of projects participants, both low-income youths and SMEs who have hired graduates. Key questions to be debriefed will include: (i) What are the key digital skills that workers need to build to be resilient in the new economic context? (ii) What are the key elements for creating technological tools/platforms built to respond to rapidly changing market needs? and (iii) What approaches best promote job placement and economic reinsertion of reskilled workers in the digital economy?

### **III. Alignment with IDB Group, Scalability, and Risks**

#### **A. Alignment with IDB Group**

- 3.1. The program aligns with the IDB Group's Country Strategy for Jamaica 2016-2021, (document GN-2868) to increase private sector productivity and growth and reinforce human capital protection and development. The project is also aligned with IDB Institutional Strategy (AB-3190-2), productivity and innovation and economic integration.
- 3.2. The project is aligned with the Knowledge Economy thematic focus of IDB Lab, particularly with the subarea of The Future of Work, which emphasizes the need to accelerate the adoption of transversal skills which are valuable across jobs or industries, such as digital and socio-emotional skills, to respond to the rapid rate of change in the nature of work imparted by the speed of technological adoptions.



The project will take lessons learnt from previous experiences under IDB Lab skills development project portfolio<sup>18</sup>, including, the New Employment Opportunities for Youth in Jamaica (NEO-Jamaica) project (JA-M1036), and the current IT Careers for Youth (PN-T1236 and BR-T1424). There are also complementarities with IDB Lab's regional operation on Digital Services with Inclusion (RG-T3510), which supports a coding bootcamp model that teaches digital and soft skills to low-income young women in.

- 3.3. The project is aligned with IDB's loan operation (JA-L1079) which seeks to foster the development of strategic economic sectors, such as Global Services Sector (GSS), through increasing the pipeline of talent and strengthening the investment ecosystem, specifically, to: (i) improve the capacity of the skills development system to provide quality training; (ii) to improve human capital and generate quality employment opportunities in the GSS; and (iii) to increase exports and FDI in the GSS. The project will also explore synergies with the platform that will be created under the loan that is expected to guide prospective employees and employers. The platform aims to help individuals make well-informed choices in education, training and careers.
- 3.4. The project is also aligned with SDG 5 (Achieve gender equality and empower all women) and SDG 8 (Decent work and economic growth).

## **B. Scalability**

- 3.5. Sustainability will be achieved through the NCB-ICON Lab funded by NCB Foundation and the DIA Urban Lab, funded by the Citi Foundation. Under this program The Trust for the Americas will train the trainers in the curricula for continued service to vulnerable populations as a part of corporate social responsibility practices. It will leave local partners fully capable of continuing to train youth in critical skills after the end of the project. All training of beneficiaries will be done by partners after their respective staffs have received training from the executing agency. The training will be ongoing during the life of the project and will include partners in Kingston the first year and then extend to the North Coast in the second and third year when Kingston operations have been well under way. Trust will identify philanthropic organizations or government agencies that can support innovation labs across the islands such as GraceKennedy Foundation, to promote the adoption of the methodology and the utilization of the AI tool. This include both government's educational institutions such as secondary schools, vocational training institutions, and business promotion agencies that can play a role in promoting use of digital systems and practices and other Caribbean NGO.
- 3.6. The Trust for the Americas will seek to scale the solution and methodology to the jurisdictions in which they are exploring expansion, in collaboration with Microsoft. The Trust is currently establishing an innovation center in Trinidad and Tobago with support by the Citi Foundation and Microsoft and will explore opportunities to transfer the techniques of this project to the new center in Port of Spain. The Trust also has been in discussions with a donor for a similar center in the Dominican Republic which would also be a recipient of lessons learned from this project.

---

<sup>18</sup> [Taking Stock of IDB Lab's Skills of the Future Portfolio](#), IDB Lab 2020.

Finally, The Trust has been working in Belize and is of the view that the solution can be scaled to Belize and customized to the needs relevant to the local context.

## **C Project and Institutional Risks**

- 3.7. The key technical risks and corresponding mitigation strategies identified for the project are as follows:
- 3.8. **Risk Associated with Partnership and Coordination:** The project is heavily dependent on continued partnership with public and private sector for its success. There is a risk that partners of the project may lose interest and commitment to the project. To mitigate this risk, strong alignment will be forged with entities that have the objectives of the project as a part of their mandate, to ensure long-term commitment. Further, under component 1, the project will provide support to public and private sector coordination in the development of the labor market and will make available to partners the methodology and tools generated under the project.
- 3.9. **Uncertainty related to Workforce Retention and/ Increase in the businesses engaged due to the impacts of COVID-19:** The current pandemic has cast significant uncertainty on how and when businesses will be able to return to profitable operations and many companies are rationalizing their human resource needs, which may result in fewer persons being hired than expected. The key mitigation factor is that job placement services will focus on digital skills that are transversal and can be applied in a broad range of industries and may also provide entrepreneurship and freelancing opportunities.
- 3.10. **Risks Associated with Participants Engagement and Attrition:** Generally, there are challenges with training low-income youths which include lack of resources and sustained motivation to continue with the training. To mitigate this risk, the project takes into account the limited internet access and accessibility to devices by beneficiaries, as well as recognizing COVID-19 restrictions and guidelines will: (i) facilitate in-person training to provide beneficiaries with broadband access in common spaces; (ii) explore offline solutions; and / or (iii) integrate blended models, as conditions permit. Further, the project will provide incentives to motivate beneficiaries to minimize the impacts of virtual facilitation model, this includes building support networks for the beneficiaries to tap into.
- 3.11. The Assessment of Integrity and Institutional Capacity (DICI) conducted for this project rated institutional risk as low.

## **IV. Instrument and Budget Proposal**

- 4.1 The total project budget is of US\$ 1,700,000, of which US\$800,000 (47%) will be provided as a non-reimbursable technical cooperation by the IDB Lab, and US\$900,000 (53%) in counterpart financing. The counterpart financing includes in kind resources from the management and staff of the Trust for the Americas in co-ordination, quality assurance and fiduciary support. Additional counterpart cash and in-kind resources will be contributed by the partners of the project.

	IDB Lab	Counterpart Cash & In-kind	Total
<b>Project Components</b>			
Component 1: Labor Market Assessment of Demand and Supply of Digital Skills	182,000	161,500	343,500
Component 2: Develop and Implement Digital & Soft Skills Training Program	180,000	280,000	460,000
Component 3: Connecting youth with employment / Income Opportunities	207,000	191,540	398,540
Project Administration	191,000	266,960	457,960
Final Evaluation	30,000		30,000
Contingencies	10,000		10,000
<b>Grand Total</b>	<b>800,000</b>	<b>900,000</b>	<b>1,700,000</b>
<b>% of Financing</b>	<b>47%</b>	<b>53%</b>	

## V. Executing Agency (EA) and Implementation Structure

### A. Executing Agency Description

- 5.1. The Trust for the Americas will be the Executing Agency for this project.
- 5.2. The Trust for the Americas is a non-profit organization organized in the U.S. and is affiliated with the Organization of American States (OAS). Established in 1997 to promote social and economic inclusion for vulnerable communities in the Americas through partnerships with the public, private and non-profit sector. The Executing Agency has implemented projects in 24 countries and worked with over 1,000 organizations in the region. The initiatives of the Trust for the Americas seek to promote educational and economic opportunities as well as government accountability and transparency. The unique alliance with the OAS allows access to decision makers within the region. This foundational partnership is the basis through which strong networks are created across member states and the private sector. Through the evolution of region, the Executing Agency continues to endure by facing challenges through strategic partnerships that promote cooperation for sustainable results.
- 5.3. The key partners for this project include: (i) Microsoft, who jointly with The Trust for the Americas have touched the lives of 1.8 million people through the regional POETA program, by blending best practices from both DIA Urban Lab and POETA programs to upgrade skill sets and deals with two issues in the Jamaican economy identified by the Bank as impediments to growth. As a global corporation with a Global Skilling initiative Microsoft is interested in the scalability of this project; (ii) Citi Foundation supports the Urban Lab for Youth Innovation managed by the Institute of Law and Economics (ILE) under the DIA Urban Lab program, which is creating a new generation of young disruptive entrepreneurs in Jamaica. The Urban Lab offers young innovators (16-30 years old) training in the use of state-of-technology and encourages innovation, creativity and entrepreneurship. The DIA Lab has also collaborated with the Caribbean School of Data to increase employability and economic opportunities for at-risk youth through digital literacy/data science with the first cohort starting in May 2020; (iii) NCB Foundation is a Jamaican charitable foundation dedicated to causes relevant to the betterment of Jamaica and its people. It has worked successfully in the areas of education,

entrepreneurship, youth leadership and community development. They bring both a Jamaican perspective and experience in funding projects for vulnerable youth; and (iv) Mico University College, the oldest and largest English-speaking teacher training institution in the Caribbean, hosts the NCB-ICON Lab launched in 2020, an innovation lab using the DIA model. The NCB-ICON Lab promotes entrepreneurial and innovation mindsets and Mico is committed to the success of the NCB-ICON Lab.

## **B. Implementation Structure and Mechanism**

- 5.4. The Executing Agency will establish an executing unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. The Executing Agency will also be responsible for providing progress reports on project implementation.
- 5.5. To support implementation, the Executing Agency will contract a local training program coordinator for the project to manage delivery of training and mentorship and a project coordinator to manage implementation of the project. The Unit will be supported by a project financial officer which will be partially financed by the Executing Agency to support monitoring of results, technical reporting, and fiduciary management. The project team, in collaboration with the Executing Agency Team Lead, will be responsible for the organization, roll out and management of key activities as well as local partnership/stakeholder management and program quality assurance.
- 5.6. The Executing Agency will create a project steering committee to govern the project implementation, manage risks and address challenges. The steering committee will comprise executives of key business associations in Jamaica, including but not limited to Citi Foundation, NCB Foundation, Mico University College, PSOJ, HEART Trust, and Jamaica Promotions Cooperation (JAMPRO), that are driving the digital transformation agenda and a technical expert from the Trust for the Americas. IDB Lab may attend meetings upon invitation to provide input and advice on changes that may be necessary to strengthen impact and achievement of project results, as well as to foster connections with IDB Lab's technical partners in the region to support knowledge sharing and regional scaling. The project steering committee will meet at least quarterly in the first year of the project, and at least semiannually in subsequent years, as well as at the end of each training cohort, to evaluate the program and provide strategic advice to improve content, delivery and as well as employment and business opportunities for future cohorts.

## **VI Compliance with Milestones and Special Fiduciary Arrangements**

- 6.1 **Disbursement by Results, Fiduciary Arrangements.** The Executing Agency will adhere to the standard IDB Lab's disbursement by results methodology, IDB procurement policy<sup>19</sup> and financial management<sup>20</sup> arrangements as specified in Annexes V and VI.

---

<sup>19</sup> Link to the Policy: [Procurement of Works and Goods Policy](#)

<sup>20</sup> Link to the document [Operational Guidelines for Management of Milestones and Financial Supervision for MIF and SEP Technical Cooperation Projects](#)

- 6.2 **Results-based disbursement.** The Project will be monitored by the Country Office of Jamaica. Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones) established by IDB Lab. Project disbursements will be contingent upon verification of the achievement of milestones (pre-determined outputs critical to achievement of the development objectives). Achievement of milestones does not exempt the Executing Agency from the responsibility of reaching the results matrix indicators and project's objectives.
- 6.3 **Financial Management and Supervision.** The Trust for the Americas will establish and be responsible for maintaining adequate accounts of its finances, internal controls, and project files according to the financial management policy of IDB Lab. For the procurement of other goods and contracting of consulting services, the Executing Agency will adopt the principles of IDB Policies (GN-2349-9 and GN-2350-9), however, the Executing Agency, which is a private entity, will use their private sector procurement policy for the execution of the project.

## **VII Information Disclosure and Intellectual Property**

- 7.1 **Information Disclosure.** This document contains confidential information related to one or more of the ten exceptions to Access to Information Policy and will be initially treated as confidential and made available only to Bank employees. This document will be disclosed and made available to the public upon approval.
- 7.2 **Intellectual Property.** All work financed by IDB Lab and the results obtained under the Project will be the intellectual property of the IDB. The IDB will grant a nonexclusive and free license to the Executing Agency, including the rights of dissemination, reproduction, and publication in any medium of any product. The dissemination, reproduction and publication must indicate that it has been financed by IDB Lab.