

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

## **HAITI**

### **VOCATIONAL TRAINING**

**(HA-0017)**

### **LOAN PROPOSAL**

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## ANNEX

### I. Logical framework

Electronic Links and References	
Basic Socioeconomic Data	<a href="http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata">www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata</a>
Status of Loans in Execution	<a href="http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=493710">http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=493710</a>
Information available in the files of RE2/SO2	<a href="http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=465879">http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=465879</a>
Annex II - Procurement Plan	<a href="http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=465894">http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=465894</a>

## ACRONYMS

AC	Acquisitions Committee
ADIH	Association of Haitian Industries
CIDA	Canadian International Development Agency
CLED	Center for Free Enterprise and Democracy
CM	Skills Training Center
EEP	Vocational Education Schools
EET	Technical Education Institutes
EU	European Union
GDP	Gross Domestic Product
ICF	Interim Cooperation Framework
IMF	International Monetary Fund
INFP	National Professional Training Institute
MENJS	Ministry of Education, Youth and Sports
MIF	Multilateral Investment Fund
MO	Manual of Operations
NGO	Non Governmental Organization
PCU	Program Coordination Unit
PLANFOR	National Plan for Professional Education in Brazil
PAG	Program Advisory Group
SMP	Staff Monitored Program

**PROJECT SUMMARY**  
**HAITI**  
**VOCATIONAL TRAINING**  
**(HA-0017)**

<b>Financial Terms and Conditions</b>				
Borrower: Republic of Haiti Executing Agency: Ministry of Education, Youth and Sports (MENJS), through its National Professional Training Institute (INFP)			Amortization Period:	40 years
			Grace Period:	10 years
			Disbursement Period:	54 months
			Interest Rate:	1% during the grace period and 2% thereafter
Source	Amount	%	Supervision and Inspection Fee:	1% of the loan amount
IDB (FSO)	22.0	99.0%	Credit Fee:	0.5% annually on undisbursed balance
Local	0.2	1.0%		
Total	22.2	100%	Currency:	US\$
<b>Project at a Glance</b>				
<p><b>Project Objective:</b> The overall objective of this Program is to improve the employability of young people, thereby enhancing their possibilities of achieving sustained improvements in their wellbeing.</p> <p><b>Special contractual clauses:</b> See paragraph(s): §3.7; §3.9; §3.36; and 3.37. The Loan Contract will include standard provisions related to audit, monitoring, evaluation and reporting.</p> <p><b>Conditions Prior to the First Disbursement:</b> (i) The establishment of the Program Coordination Unit (PCU) and selection and hiring of its personnel; and (ii) the entry into effect of the Program's Manual of Operations (i.e. approval by the Minister of Education), previously agreed upon with the Bank.</p> <p><b>Special Disbursement for the Beginning of Program Implementation:</b> Notwithstanding the conditions prior to the first disbursement above, once the Borrower has complied with the prior conditions set forth in Article 4.01 (a), (b), (c), and (e) of the General Conditions, and the creation of the PCU the Bank may disburse up to US\$300,000 to contract the personnel of the PCU and rehabilitate its office space.</p> <p><b>Retroactive Financing of Expenses and Special Disbursement:</b> Up to US\$200,000 can be retroactively reimbursed for expenses related to the creation of the PCU incurred between 21 February and the approval of this operation by the Board of Directors. The expenses incurred after this date will be covered with the resources from the above mentioned special disbursement.</p>				
<p><b>Exceptions to Bank policies:</b> None</p> <p><b>Project consistent with Country Strategy:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p><b>Project qualifies for:</b> SEQ<input checked="" type="checkbox"/> PTI <input checked="" type="checkbox"/> Sector <input checked="" type="checkbox"/> [EDU] Geographic <input type="checkbox"/> Headcount <input checked="" type="checkbox"/></p> <p><b>Procurement:</b> See paragraph(s): §3.31</p> <p>Procurement of goods, services and rehabilitation of infrastructure will be done following Bank procedures for Haiti. International competitive bidding will be used for rehabilitation works for amounts equal to or more than US\$1.0 million, goods equal to or more than US\$250,000, and consulting services equal to or more than US\$200,000. Below these limits, the rules established in the Annex Ad Hoc for Haiti will apply.</p>				

## **I. FRAME OF REFERENCE**

### **A. Socioeconomic Framework**

- 1.1 The economic impact of the political turmoil and natural catastrophes in 2004 has been significant. The conflict resulted in property damage in both the public and private sectors that is now estimated at 5.5% of the Gross Domestic Product (GDP). The budget deficit widened to 2.3% of GDP (excluding grants) during the period October 2003 – March 2004 and net international reserves fell to a historic low of US\$17 million. In early 2004 monthly inflation picked up, reflecting widespread supply constraints (closure of ports and looting of warehouses) and increases in international commodity prices.
- 1.2 While the political events in 2004 interrupted the progress that was being made under Haiti's 2003 Staff Monitored Program (SMP) with the International Monetary Fund (IMF), the Government, in consultation with the IMF, formulated a new six-month SMP in 2004 aiming to stabilize the economy and provide a track record of sound macroeconomic policy implementation. The Transition Government curbed nonessential expenditures while developing an emergency plan to prioritize expenditures to rehabilitate key Government facilities and infrastructure, to safeguard the provision of basic public services, and to strengthen governance in the public sector.
- 1.3 These efforts have resulted in an improved monetary and fiscal performance. In spite of the increase in the inflation during the political unrest in the beginning of the year, the estimated inflation rate for 2004 is 28.3% compared to 32.5% in 2003. The IMF projects that it will continue to decrease to 17.5% in 2005. The national currency, the Gourde, has strengthened since the end of the armed conflict in March 2004 reflecting the effects of a recovery in remittances and a collapse in imports, as well as expectations of foreign aid inflows. The budget deficit is below expectations and revenues are above target as collection of arrears strengthened and tax revenues rebounded. Activity also appears to be picking up in some sectors, and the IMF estimates that growth could be achievable in 2005, depending on improvement in security, and the actual implementation of growth inducing activities financed by the international donors within a US\$2 billion Interim Cooperation Framework (ICF), initiative that finances priority investments in all sectors.
- 1.4 While reliable data are unavailable, the 2004 crisis may have worsened the overall poverty situation in Haiti. Low-income households suffered from disruptions in the supply of basic commodities, and the delivery of basic services (education, health, food assistance, security) was severely disrupted in the whole country. Data from 2003 indicate that the poverty incidence is 76% (i.e. percentage of population living below US\$2/day) and that the incidence of extreme poverty (US\$1/day) is 56%. The country has the worst health indicators in the region, with a life expectancy of 53 years, an under 5 mortality rate of 123 per 1,000 live births, a maternal mortality of 523 per 100,000 live births, and an incidence of

HIV/AIDS of more than 5% (highest outside Sub Saharan Africa). The illiteracy rate is nearly 50%, and gross enrollment in primary education is just above 50% at the national level and 30% in rural areas.

## **B. Labor Market Conditions and the Vocational Training System**

- 1.5 Haiti's population has doubled in the past three decades – from 4.2 million in 1971 to 8 million in 2004. The high birth rate combined with excess mortality due to AIDS and high levels of infant and maternal mortality has led to a skewed distribution of population by age: about half the population consists of children younger than 15 years of age and the median age is 18 years. One outcome is that the work force is becoming younger, with a third below the age of 24. Combined with low levels of education, this has resulted in a surge of inexperienced and unskilled job seekers.
- 1.6 The working-age population grew 3.5% per year between 1995 and 2000, and as indicated in Table I-1, the labor force now consists of 4.5 million mostly unskilled workers. In 2001, over 46% had received no education at all, 32% of the male labor force and 28% of the female labor force had some primary education, and below 3% of the labor force had received any formal post secondary training or university education. While the employment rate is generally low, it is particularly low for women – 37.3% compared to 52.3% for men.

**Table I-1**  
**Profile of Labor Force, by Education Level and Sex**

CATEGORY	MALE	FEMALE	TOTAL
Total labor force, 15 years and above (million)	2.2	2.4	4.5
Employment rate (percent)	52.3	37.3	44.8
Education levels (percent)	100.0	100.0	100.0
None	40.4	53.5	46.2
Primary	32.0	28.2	30.3
Secondary	24.1	16.6	20.8
Postsecondary	3.5	1.7	2.7

*Source: Elaborated on the basis of the 2001 Living Condition Survey database.*

- 1.7 When broken down by level of education, the unemployment rate<sup>1</sup> of people with vocational training is below the rates of people with primary, secondary or university education.

**Table I-2**  
**Unemployment Rate by Level of Education Attained**

LEVEL OF EDUCATION	UNEMPLOYMENT
Primary	23%
Secondary	22%
Vocational	19%
University	27%

*Source: Elaborated on the basis of the 2001 Living Condition Survey database.*

<sup>1</sup> Calculated as those actively seeking employment during the past seven days.

- 1.8 The labor market also pays higher returns to those with higher levels of education. As is indicated in Table I-3, limited data from the 2001 Survey of Living Conditions indicate that vocational training in Haiti has a positive effect on wages. As part of the Program preparation, the data from the household survey has been complemented with data from a restricted reversed tracer study, confirming that the private rate of return to vocational training is positive in Haiti<sup>2</sup>.

**Table I-3**  
**Monthly Income from Labor (Gourdes)**

LEVEL OF EDUCATION ATTAINED	MONTHLY INCOME
Less than Primary	1,035
Primary	6,363
Third Cycle	7,482
Secondary	8,358
Vocational Training	22,691
Higher Education	47,682

*Source: Elaborated on the basis of the 2001 Living Condition Survey database.*

## **1. Demand for Skilled Labor**

- 1.9 While the labor-market is characterized by an abundance of unskilled labor, both the formal and the informal sectors suffer from a shortage of skilled labor.
- 1.10 **Formal Sectors.** The most important sectors of the Haitian economy are agriculture (27% of GDP), services (57% of GDP), and manufacturing, which includes the construction and assembly industries (16% of GDP). The sub-sector that is likely to prove most dynamic in the short and medium run in terms of employment creation is construction associated with the rehabilitation of infrastructure – including roads, schools and health clinics – that have been destroyed or looted during the events in 2004. Fueled by the US\$2 billion investment within the ICF framework, conservative estimates suggest 90,000 new jobs will be created in this sector. Of these jobs, approximately 40,000 will require training at the skilled and semi-skilled level. The need for training in plumbing and hydraulics, ironwork and welding, construction, and machine operation and repair is particularly acute. The depth of this shortage is exemplified by the comparatively high market premiums to these professions. For example, a recent Bank financed survey finds that civil and industrial technicians earn 62% more than managers; similarly ironworkers and welders earn about double that of service workers<sup>3</sup>.
- 1.11 Another sub-sector that is likely to be important in terms of employment creation in the short run is the assembly industry. This sub-sector, heavily dependent on US markets, employed 80,000 workers in the mid-1980s, but during the embargo

<sup>2</sup> ESD-International Consulting, *Vocational Training and its Links to the Labor Market*, ATN/CT-8790-HA, January 2005.

<sup>3</sup> ESD International Consulting, *Vocational Training Tracer Study Database*, ATN/CT-8790-HA, December 2004.

employment fell to 17,000. Many qualified workers emigrated, as companies were forced to close down. They left behind a vacuum that has not been properly filled during the decade that has elapsed since the end of the sanctions. However, private domestic and foreign investment is now returning to Haiti. The Association of Haitian Industries (ADIH) reports that investment in the assembly industry went up by 36% during 2003. Today, some 50 US manufacturing firms, as well as some Asian and Latin American firms, are operating in Haiti.

- 1.12 There are indications that the strengthening of the assembly industry is likely to continue. In 2003, Parliament amended the Haitian Investment Code to allow free zones to be run by private enterprises, not only the Government. As a result, private free zones are now under construction in Port-au-Prince and Ouanaminthe. Moreover, the Hope for Haiti Bill that is under consideration in the United States Congress would make certain textile articles imported directly into the United States duty-free thereby expanding employment opportunities in the assembly industry. If passed, the Hope Bill would create 25,000 direct jobs and as many indirect jobs in supporting activities.
- 1.13 A recent Bank-financed study highlights that the lack of skilled labor constitutes a serious constraint to the Haitian assembly industry. Foreign middle management and technical personnel – e.g. Dominican and Philippine – are being imported to fill the gap, but these workers are temporary. The study concludes that there is an unmet demand for “trained Haitian technicians, supervisors, managers, etc.”<sup>4</sup>. This lack of skilled labor has also been confirmed in two Bank-financed surveys that identified unmet needs for skilled labor in 25 different specializations – including plumbing, electronics, refrigeration and cooling systems, agro-industry, fishery, and construction. Over the next few years, the needs for skills upgrading in these specializations are expected to result mainly from the ICF investments in different parts of the country. It is important to note that only a limited tendency was observed in recent years for vocational training graduates to migrate<sup>5</sup>.
- 1.14 **Informal Sector.** Given limited employment opportunities in the formal sector, the informal sector is growing. In 2004, some 300,000 informal micro-enterprises were estimated to employ on average three to four workers. There is a heavy concentration in trade, employing over half a million informal workers, and services, which is likely to employ close to 300,000 workers. Due to its overwhelming low levels of skilled labor, the informal sector has not managed to adapt to the changing needs of the market, thus making it unable to improve its methods or efficiency in recent years. The sector relies mostly on a system of on-the-job training, the impact of which largely is limited by the low quality of training of the supervisors responsible for imparting skills. A Bank financed study indicates that skills upgrading is particularly urgent in the following

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<sup>4</sup> Ibid.

<sup>5</sup> PADECO, ATN/JC-6489-HA, 2001 and ESD Internacional Consulting, ATN/CT-8790-HA, 2004.



specializations: (i) carpentry and woodwork; (ii) construction; (iii) plumbing; and (iv) electricity<sup>6</sup>.

## 2. The Vocational Training System

- 1.15 The vocational training system consists of a very heterogeneous network of institutions training workers aged 15 years and above<sup>7</sup>. Over 350 centers are registered, but hundreds of others operate outside the Government's sphere of influence. Training centers fall into three basic categories. The most sophisticated are Technical Education Institutes (EET), which require successful completion of at least 12 years of formal education and offer both theoretical and practical instruction. The second most advanced category of institutions consists of the Vocational Education Schools (EEP), that require at least six years of basic education and focus mainly on practical training. Far below these in sophistication, but dwarfing them in number and enrollment are the Skills Training Centers (CM), which often do not require any prior level of schooling and produce semi-skilled workers. The CMs account for approximately three quarters of all centers and 90% of these are non-public. The higher end of the market is equally divided between the EETs and EEPs. Some 25% of all EEPs and 10% of the EETs are publicly financed. During the academic year 2002/2003 slightly over 3,000 students graduated from the public centers. No data are available on the number of students in the non-public centers.

**Table I-4**  
**Types of Training Centers**

TRAINING CENTERS	NUMBER OF CENTERS	PUBLICLY FINANCED
Technical Education Institutes	45	10%
Vocational Education Schools	43	25%
Skills Training Centers	264	10%
<b>Total</b>	<b>352</b>	<b>12%</b>

*Source: PADECO, ATN/CT-8790-HA*

- 1.16 The non-public providers encompass everything from rudimentary courses offered in private homes to internationally supported technical training colleges that adhere to strict entry requirements and self imposed quality standards. Within the public sector, the National Professional Training Institute (INFP), which is a specialized service within the Ministry of Education, Youth and Sports (MENJS), operates the large majority of EETs and EEPs (over 70%). The remaining public centers are operated by four different ministries: the Ministry of Social Affairs, the Ministry of Agriculture, the Tourism Secretariat of the Ministry of Commerce, and the Ministry of Public Works.
- 1.17 Between 1973 and 1982 the vocational training system was financed through a payroll levy. The legislation regulating the payroll levy is still in force, collecting an estimated US\$20 million annually. However, the resources are no longer directly allocated to the vocational training system, and given the overall shortage of

<sup>6</sup> ESD Internacional Consulting, ATN/CT-8790-HA, 2004.

<sup>7</sup> Vocational education within the formal education system is theoretically an option in the third cycle (7<sup>th</sup> to 9<sup>th</sup> grade), but this track does not exist in practice.

resources in the national budget, it is unlikely that the proceeds from the payroll levy will be redirected to the training system. Since 1997, the INFP has made no investments in equipment, infrastructure, didactic materials, or training of trainers or staff. In 2003/2004, the Government allocated US\$3.9 million to the INFP and the centers it operates, 86% of which is dedicated to salaries. Financial shortages have forced some public providers to rely on donations and sale of goods and services to keep centers open.

- 1.18 Two decades ago, the INFP was considered to be on the forefront among national training institutes in the Caribbean<sup>8</sup>. However, due to the chronic under-financing the INFP has been severely weakened, which has had far-reaching consequences for the entire training system. The wide spectrum of problems of the system fall into three categories related to overall access to and quality of the training provided, and governance of the sector.
- 1.19 **Access to Training.** The vocational training system is characterized by two principal problems of access. First, access to EETs, EEPs and some CMs remains restricted to those who have graduated from the formal education system, thus excluding the vast numbers of Haitians with little or no work-experience and/or incomplete schooling from the higher quality training and thus perpetuating inequities. In addition, the courses offered are largely long-term pre-employment training, which creates an additional barrier for the working poor who cannot afford to take time off for training. Therefore, the vast majority of Haitians – an estimated 80% of workers – do not qualify for any type of training program. Only six of every 1,000 workers in the labor market have received some type of technical or professional training.
- 1.20 Second, the vocational training system is characterized by women’s lack of access to training. Between 2001 and 2004, merely 9.7% of students admitted to the centers operated by the INFP were women. Moreover, women’s access to training is restricted in higher paying, traditionally male occupations. A 2001 Bank-financed diagnostic identified a tendency for women to seek training largely in traditional “female” occupations in sewing, cosmetology, and pastry making. The proportion of women studying for careers in traditionally higher paying “male” occupations was merely 0.31%<sup>9</sup>. This tendency was confirmed in a more recent tracer study of employees with vocational training. As indicated in Table I-5, women are heavily concentrated in the secretarial specialization, and virtually absent from manufacturing, carpentry, woodworking, plumbing, hydraulics and sanitation.

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<sup>8</sup> PADECO, ATN/JC-6489-HA, 2001 and ESD Internacional Consulting, ATN/CT-8790-HA, 2004.

<sup>9</sup> PADECO, ATN/JC-6489-HA, 2001.

TABLE I-5  
Employees with Vocational Training by Discipline and Sex (per cent)

SCHOOL TYPE AND SPECIALIZATION	MALE	FEMALE
Manufacturing	97	3
Electricity	100	0
Food Service	100	0
Engineering and Chemistry	82	18
Management and Administration	85	15
Plumbing, Hydraulics and Sanitation	100	0
Secretarial	0	100
Tailor	100	0
Telecommunications	91	9
Air-conditioning	100	0
Carpentry and Woodworking	100	0

Source: Elaborated on the basis of the ESD International Consulting December 2004 Tracer Study Database.

- 1.21 **Quality.** In addition to problems in coverage and governance, the quality of both public and private providers of vocational training is low. The training offered is largely theoretical and out of touch with the production sector's needs. Although there are a few notable exceptions<sup>10</sup>, most training providers lack basic inputs, such as infrastructure, didactic materials and equipment, and qualified teaching staff. A recent Bank-financed survey found that merely 11.4% of employers are satisfied with the performance of the graduates from the vocational training centers<sup>11</sup>.
- 1.22 Haiti has no national training institute for vocational trainers, but relies on a network of providers for the training of trainers, including universities, NGOs and for-profit institutions. While this training mechanism has several advantages in terms of efficiency, the programs sometimes suffer from problems in terms of relevance and quality. The trainers that are trained are frequently out of touch with the production sector's needs. Some high-end training institutions depend largely on the recruitment of trained and expert professionals from the productive sectors for trainers, which has generally proven to be successful.
- 1.23 **Governance.** The INFP is officially the only institution authorized to coordinate and regulate the vocational training system<sup>12</sup>—controlling the quality not only of the centers it operates, but also of all non-public providers of training. However, the institution is not adequately fulfilling this role. The vocational training system remains uncoordinated and unregulated, and the quality of the service it provides leaves much to be desired.
- 1.24 Although the INFP retains a legal mandate to accredit training providers as means of quality control, in practice its role has remained limited to the licensing of a small number of institutions. Rather than ensuring that the inputs necessary to deliver quality training are at the disposal of a given center, the licensing procedure currently used merely registers basic characteristics of the centers regardless of

<sup>10</sup> For example, Haiti Tec and CANADO.

<sup>11</sup> ESD International Consulting, vocational training tracer study database, ATN/CT-8790-HA, December 2004.

<sup>12</sup> *Decret-Loi de mars 1985: Organisation de la formation professionnelle en Haïti*, August 2003.

their condition. The INFP also lacks other means of quality control, including the resources to conduct regular inspection visits to the centers it operates. Between 1995 and 2004 the public centers under its charge received on average two inspection visits, total.

### **C. Strategy of Haiti for the Sector**

- 1.25 One of the goals of the MENJS is to improve the quality and coverage of the country's vocational training, thereby boosting the skills and employability of the Haitian workforce. Specifically, goals of the National Plan for Education and Training 1997-2007 include: (i) increase access to vocational education, particularly of poorer groups; (ii) align vocational education with the demands of the productive sector; (iii) secure availability of qualified teachers; and (iv) secure a minimum quality of public and private providers. Within the context of these goals, the INFP in 2004 adopted a strategic framework prioritizing the following actions: (i) creation of an information and management system; (ii) technical assistance and training to strengthen the supervisory and regulatory capacities of the INFP; (iii) skills upgrading of staff at all levels of the INFP, including teaching staff; and (iv) rehabilitation of equipment and infrastructure of training providers<sup>13</sup>.

### **D. The Bank's Sector Strategy**

- 1.26 According to the Bank's Transition Strategy II (2004-2006), Haiti's most important short term challenge is to manage the political process, restart economic growth and set the basis for social, economic and governance policies that will reduce poverty. One of the most immediate necessities is strengthening of institutional capacities, the creation of governance mechanisms and of the human skills required to implement a focused public investment program. Within the education sector, cost-efficient vocational training for private sector employment is highlighted as a priority area for investment. This is not least important to provide the human resources necessary for the successful implementation of the ICF. The proposed Program is consistent with these priorities in that it will strengthen the governance of an important education sub-sector and promote the development of semi-skilled and skilled workers. The Program is also in line with the Eight Replenishment Mandate, which emphasizes investments in "vocational training, both to improve equity and to raise the productivity of human resources" (AB-1704).
- 1.27 The preparation and design of this Program has benefited from the lessons learned since 1992 from several Bank-financed demand-driven training programs targeted at disadvantaged youth in Latin America<sup>14</sup>. The results of these projects are promising, including a considerably higher rate of employment of program

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<sup>13</sup> INFP, *Cadre d'actions stratégiques concernant la formation technique et professionnelle*, October 2004.

<sup>14</sup> For example, *Chile Joven*, *Proyecto Joven* in Argentina, and the National Plan for Professional Education in Brazil (PLANFOR).

beneficiaries than that of control groups. However, an important lesson learned from these programs was that absent adequate investment in quality and quality controls, the overall return of projects is diminished<sup>15</sup>. Building from this lesson, the Bank's Strategy on Vocational and Technical Training (GN-2051-1) highlights the following priorities for funding: (i) reform of training institutions, strengthening their coordinating and monitoring role; (ii) organizational patterns that lower the costs, expand access and improve quality, such as the selective use of Non Governmental Organizations (NGOs) and for-profit organizations for the provision of training, and the recruitment of professionals from the productive sectors to teach courses; (iii) self-learning at large and apprenticeships; and (iv) competency-based training, accreditation of training institutions, modularization of training, and introduction of basic skills in conventional training.

- 1.28 The preparation of the Program has also drawn on the lessons learned from a MIF-financed initiative in Haiti that sought to expand the market for in-service training by providing matching grants to formal sector enterprises and to NGOs that train informal entrepreneurs<sup>16</sup>. The initiative, which is in its final execution stage has benefited close to 10,000 individuals providing them with short-term vocational training courses. The initial results from its evaluation indicate that the operation has successfully stimulated a demand for training among enterprises. However, the initiative paid insufficient attention to the preparation of quality training materials and teacher training. In addition, although the initiative successfully incorporated women (50%), they were largely concentrated in traditional occupations with low returns.
- 1.29 A number of Bank projects in execution or preparation in Haiti are related directly or indirectly to the target population of this Program. The Basic Education Project (1016/SF-HA), the Local Development Program (1491-SF/HA), and the Program for Organization and Rationalization of the Health Sector (1009-SF/HA) all target the poorest and most vulnerable segments of the population. Although several of these projects include short-term training activities for public employees and beneficiaries in specific issue areas – such as planning and community participation – they do not contemplate the delivery of vocational training to the target group. The proposed Program will complement these other loans by enhancing the employability of the target group.

## **E. Conceptualization of the Program**

- 1.30 Given the magnitude of problems of the vocational training system, the strategy of the Program is to respond to a number of critical issues that are expected to have high returns, and are feasible to implement given the institutional limitations of the INFP. Most importantly, the Program sets out to address the vocational

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<sup>15</sup> Claudio de Moura Castro and Aimee Verdisco, *Training Unemployed in Latin America: Same Old Story?*, International Institute for Education, UNESCO, April, 1999.

<sup>16</sup> ATN/MH-6696-HA

training system's general failure to modernize and respond to the production sector's demands by creating a demand-driven training system that trains for specializations for which there is a direct and demonstrated demand in either the formal or informal sector of the economy.

- 1.31 In response to the generally low quality of vocational training in Haiti, the Program will include measures to enhance the quality of the training provided, as well as the regulation and quality control of the sector. The investments in teacher training, equipment and didactic materials will target skills deemed critical by the labor market and emerging occupational requirements within the context of the ICF investment and projected international exports. The strengthening of the coordination, regulation and monitoring capacities of the INFP will reinforce the capacity of the system to anticipate training needs and ensure quality. It is expected that these improvements in quality and pertinence will create an increased demand for the services of the INFP and for vocational training. This enhanced credibility of the system and increased demand for training is predicted to lead to higher national budget allocations as well as higher proceeds.
- 1.32 The proposed Program is benefiting from the momentum created by the ICF, which highlights the reform of the national training system and the strengthening of the INFP as priorities both for the Government and the donor community. Also the principal institutions representing the private sector – Center for Free Enterprise and Democracy (CLED) and the Association of Haitian Industries (ADIH), among others – have in public statements promoted the strengthening of the INFP's regulatory and normative capacities, as well as the reorientation of the training system towards market demand.

#### **F. Coordination with other Donors**

- 1.33 The proposed Program forms an integral part of the multi-donor ICF and is thus by definition agreed upon with all donors present in Haiti. Particularly close coordination has been had with the European Union (EU) and the Canadian International Development Agency (CIDA). As a parallel investment to the proposed Program, the EU has indicated its willingness to finance the rehabilitation of subsidized and non-public centers in areas where the public supply is absent. In addition, CIDA is in the process of examining the feasibility of instituting vocational tracks in the third cycle of the formal education cycle as laid out in the National Plan for Education.

## II. THE PROGRAM

### A. Objectives and Description

- 2.1 **Objective.** The overall objective of this Program is to improve the employability of young people, thereby enhancing their possibilities of achieving sustained improvements in their wellbeing. Specifically, the proposed Program will strengthen the quality of Haiti's human resources base by targeting young people between 15 and 24 facing problems of labor marginality.
- 2.2 For the purpose of this Program, labor marginality will be defined as: (i) open unemployment, underemployment or illness (e.g. HIV/AIDS) with a desire to work; (ii) poverty; (iii) limited or no work-experience; (iv) lack of skills for an occupation demanded by the market; and (v) falling outside the regular education system or having incomplete basic schooling. The population eligible to participate in the Program has tentatively been estimated at 2 million (22% of the country's population).
- 2.3 Table II-1 below identifies the principal indicators against which the Program will be measured.

**Table II-1**  
**Selected Indicators for Program Evaluation**

<b>OUTCOMES AND INTERMEDIATE OUTCOMES</b>
<ul style="list-style-type: none"><li>• Young individuals facing labor marginality have been trained in skills, which are in demand.</li><li>• Increased proportion of centers with access to cutting edge technologies and equipment.</li><li>• Increased proportion of courses using didactic materials based on a modular approach.</li><li>• Increased proportion of trainers with private sector experience.</li><li>• Increased proportion of centers accredited by the INFP.</li><li>• Increased frequency of INFP inspection visits to centers.</li><li>• Increased proportion of women trained in non-traditional occupations.</li></ul>
<b>IMPACT</b>
<ul style="list-style-type: none"><li>• Increased employment rate of vocational training students.</li><li>• Increased return to vocational training.</li></ul>

- 2.4 **Structure.** To accomplish the stated objective, the Program will finance activities in the following three components: (i) demand-driven training (US\$9.4 million); (ii) quality enhancement (US\$8.4 million); and (iii) governance (US\$1.7 million). Table II-2 below highlights the principal problems of the vocational training system and how they will be addressed within the structure of this Program.

**Table II-2**  
**Link between Principal Problems and Structure of the Program**

<b>PRINCIPAL PROBLEMS</b>	<b>SOLUTION STRATEGIES</b>	<b>STRUCTURE OF THE PROGRAM</b>
Training centers do not respond to market demand.	Enhancement of the relevance and the quality of the training programs offered.	Components I and II
80% of workers, many of whom are women, excluded from vocational training programs.	Effective targeting and social marketing, combined with incentives for students.	Components I
Lack of regulation of the vocational training system.	Strengthening of the normative and quality control roles of the INFP.	Component III

## **1. Component I. Demand-driven Training (US\$9.4 million)**

- 2.5 This Component aims to provide vocational training for Program beneficiaries in training centers, public, subsidized and non-public<sup>17</sup> The Component will finance: (i) training for employment in any area of specialization for which there is a direct and demonstrated demand; (ii) stipends and accident insurance; and (iii) technical assistance and social marketing. While being labor oriented, the training contemplated will be based on the provision of durable basic skills<sup>18</sup> that foster the ability to think through various systems and processes and adapt to changes in technology and production as they arise. While all types of training providers may participate (EETs, EEPs and CMs), the providers must have initiated the process of accreditation (described under Component III below).
- 2.6 The training will be delivered through a modular approach and its duration will vary depending on the specific content. It will be offered in two stages: (i) a minimum of 300 hours of theoretical and practical training delivered in a time-period not to exceed two years; and (ii) a workplace-based internship linked to the subject for which beneficiaries were trained for a period of one to six months. The training providers will be directly responsible for all aspects related to classroom instruction, and identifying and placing Program beneficiaries in internships.
- 2.7 In the case of non-public and subsidized providers, the training services will be outsourced on a competitive basis covering the entire cost of the training. In the case of public providers, eight public centers have already been selected to become Reference Centers (see Component II below). These will receive guaranteed financing of prioritized courses, but continue to carry out their legal mission. Other public providers will compete on equal terms with non-public and subsidized providers. While any area of vocational specialization is eligible, bids submitted by training providers interested in participating in the Program must include copies of letters of intent from informal or formal sector companies committing themselves to receive interns for at least 80% of intended beneficiaries. These companies will provide hands-on experience and on-the-job training in the chosen vocational field of the beneficiaries.
- 2.8 The Program beneficiaries will be young men and women between the ages of 15 and 24 facing problems of labor marginality. Special Consideration will be given to proposals from training providers explicitly targeting women in non-traditional occupations<sup>19</sup> Priority will also be given to courses taught by trainers with relevant experience from the productive sector, and with curricula that address occupational safety and HIV/AIDS as crosscutting issues. To make the process of

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<sup>17</sup> Non-public centers are in Haiti defined as for profit institutions and non-governmental organizations; subsidized centers are private training providers with publicly financed staff.

<sup>18</sup> Basic skills are defined as those skills which are used in a multiplicity of situations, such as reading, writing, using numbers, analytical thinking, problem solving and team work.

<sup>19</sup> Non-traditional occupations are defined as occupations with a feminization rate of less than 35% in the 2001 Living Condition Survey. The Manual of Operations contains the complete list of prioritized occupations for women.



self-selection of beneficiaries more effective, the Component will finance a social marketing campaign to inform potential beneficiaries of the Program.

- 2.9 A significant percentage of the fee to the training providers will not be paid until the internships are completed. For public, subsidized and non-public providers, the resources of the Component will cover costs associated with beneficiary stipends for transportation and meals, and accident insurance during both the classroom portion and the internship. Childcare during training hours for young children of beneficiaries will constitute an eligible cost of courses.
- 2.10 Given the weak programming capacities of many training providers in Haiti, the Component will provide technical assistance to the INFP to support the elaboration of training proposals to be funded under the Program, including the tailoring of the centers' services to the target population. In the selection of centers, priority will be given to the public centers receiving the quality investments outlined in Component II, as well as to non-public providers that have completed their accreditation procedure on a first-come first-serve basis.

## **2. Component II. Quality Enhancement (US\$8.4 million)**

- 2.11 The purpose of this Component is to improve the quality of the vocational training. It will finance the following key quality inputs: (i) training of trainers; (ii) didactic materials; (iii) cutting-edge equipment and technologies; and (iv) rehabilitation of the infrastructure of public centers.
- 2.12 The Component will finance in-service training of teachers from public and non-public centers that are providing training of beneficiaries through Component I. Two types of interventions are envisioned: (i) skill upgrading of teachers from public centers; and (ii) pedagogical training for trainers from public, subsidized and non-public providers. The agreements for the provision of training services under Component I will contain conditions regarding this training of trainers.
- 2.13 Ten vocational specializations with an unsatisfied current and future demand for skilled labor have been identified as priority areas during the preparation of the proposed Program: (i) electronics; (ii) general mechanics; (iii) metal construction; (iv) auto-mechanics; (v) construction; (vi) refrigeration and air-condition; (vii) electricity; (viii) clothing industry; (ix) carpentry; and (x) plumbing and sanitary installations<sup>20</sup>. For these specializations, financing will be provided for the development of didactic materials. The materials will be distributed to participating centers that offer courses in the respective vocational areas. These materials will be modular in their approach, thus allowing students to enter and exit training programs as their labor or personal conditions permit. The development of the materials will build on existing curricula and texts internationally recognized for their quality and relevance, and adapt them to the peculiarities of the Haitian context without violating copyrights. These materials

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<sup>20</sup> These vocational specializations were identified by PADECO in 2001 (ATN/JC-6489-HA) and reconfirmed by ESD International Consulting in 2004 (ATN/SF-8790-HA).

will be in line with the system for certification of competencies for select occupations, currently in development in collaboration with the business sector.

- 2.14 In addition to the didactic materials and the training, eight public centers will be transformed into Reference Centers that respond to the needs of the regional labor market and support other centers in the region. The eight Reference Centers – including both EETs and EEPs – will receive investments in infrastructure and equipment under this Component. These centers have been identified during Program preparation based on the criteria described in Table II-3.

**Table II-3**  
**Criteria for Identification of Reference Centers**

<b>GEOGRAPHIC LOCATION</b>
Geographical distribution throughout the country in both rural and metropolitan areas.
<b>STUDENT BASE</b>
Training providers that are unable to accommodate existing student demand due to limitations in infrastructure, equipment, teaching materials and qualified teaching staff, thus turning down 25% or more of qualified applicants.
<b>LINK LOCAL ECONOMY</b>
Ability to respond to the identified needs of the regional labor market and to serve as a Reference Center, supporting and complementing other centers in the department.

- 2.15 Also as part of Program preparation, the infrastructure, equipment and training needs of these centers have been identified. In order to sustain the investment made, the Reference Centers will be required to give access to other providers to the equipment, including technicians, for a nominal fee necessary to cover the maintenance of the equipment.

### **3. Component III. Governance (US\$1.7 million)**

- 2.16 The Component aims to strengthen the INFP's role as a regulatory and normative agency and to rationalize the organization of the sector in order to create an efficient structure. Building on a series of technical co-operations that have been or are currently being undertaken to strengthen the Governance of the sector<sup>21</sup>, the Component will finance five types of activities: (i) training of INFP staff; (ii) training programs for Directors and administrative personnel of the vocational training centers; (iii) creation and implementation of an accreditation and certification system<sup>22</sup>; (iv) creation and implementation of a management information system within the INFP; and (v) rehabilitation of office space to house the PCU.
- 2.17 The training of INFP staff at the central and regional levels will focus on the strengthening of the planning capacity and the design and development of programs. This activity entails among others, training in the continuous evaluation of the labor market, and thereby in the identification of sector needs, and in transforming these needs into operational plans with budgets and outputs attached to them. The members of a Program Advisory Group (PAG) will also participate

<sup>21</sup> ATN/JC-6489-HA; ATN/SF-8790-HA and ATN/FT-8943-HA.

<sup>22</sup> The professional areas under the responsibility of the Ministry of Health are excluded from this accreditation and certification system of the INFP.

in this training when appropriate. The Component will equally finance the standardization and systematization of the administrative and financial processes, as well as those related to the management of human and material resources.

- 2.18 In addition, the Component will finance more general training programs for directors and administrative personnel of the Reference Centers, in particular in the following areas: (i) mechanisms for better aligning courses with local market demand; (ii) training center administration, including planning, financial and organizational management, and the production of statistical data; and (iii) the evaluation of overall academic performance.
- 2.19 To strengthen the quality control capacity of the INFP, a National System for the Certification of Competencies is being designed and will be tested with technical cooperation resources<sup>23</sup>. This system will include a national skills qualification framework based on the occupational standards for given industries, and serve as a reference point for the certification of the competencies. This Component will build on this experience, and finance the application of the certification process for the beneficiary population.
- 2.20 Similarly, a system for the self-evaluation and accreditation of training providers is being developed with technical cooperation resources and is expected to be in place by the time of the launching of the Program<sup>24</sup>. Accreditation criteria include, but are not limited to: (i) qualifications of instructors; (ii) availability of appropriate physical infrastructure; (iii) availability of appropriate didactic materials; (iv) mainstreaming of issues related to occupational health and safety, vulnerable groups, and to the promotion of women's participation in higher paying, traditionally male occupations; (v) method and pedagogy for delivering training; and (vi) post-training employment rates of graduates. These activities are producing the manuals and procedures necessary for the INFP to fulfill its mandate to accredit providers of training and assume the role to certify the competencies included in specific courses. This Component will finance technical assistance to the INFP to strengthen its capacity to prepare centers to undergo processes of self-evaluation and accreditation. It aims to accredit 100 training providers by the end of the execution period.
- 2.21 The Program will reinforce the INFP's capacity to monitor results by supporting the implementation of an outcomes-oriented Monitoring System. A database software is currently being developed for use by the INFP to monitor basic information on: (i) public and non-public providers, including infrastructure, equipment and teachers; (ii) students, including dropout, repetition, completion, and post-training employment rates; (iii) the INFP's work in the area of supervision and control, including the frequency and results of inspection visits; and (iv) administration and financial information. The design of the Monitoring System is currently being designed and will be completed by 30 June 2005, and

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<sup>23</sup> ATN/SF-8979-HA

<sup>24</sup> Ibid.

the Component will finance the installation of the database within the INFP, including basic computer equipment and training for key personnel.

- 2.22 The Component will also finance the rehabilitation of office space within the INFP and the Regional Inspectorates to house the Program Coordination Unit (PCU) and allow for its functioning. Included here will also be financing for basic office equipment and vehicles required for the technical supervision and follow-up of Component I and the institutional strengthening of the INFP.

## B. Cost and Financing

- 2.23 As indicated in Table II-4, and in accordance with the Country Financial Parameters for Haiti, the cost of the Program will be US\$22.2 million of which the Bank will finance 99%. The Government of Haiti will finance a credit fee of US\$0.2 million.

**Table II-4**  
**Project Cost (million US\$)**

COMPONENTS	IDB/OC	LOCAL	TOTAL	%
<b>1. Demand-Driven Training</b>	<b>9.4</b>	-	<b>9.4</b>	43
1.1 Social Marketing and Technical Assistance	0.7	-	0.7	
1.2 Vocational Training	8.7	-	8.7	
<b>2. Quality Enhancement</b>	<b>8.4</b>	-	<b>8.4</b>	38
2.1 Training of Trainers and Didactic Materials	2.7	-	2.7	
2.2 Reference Centers	5.7	-	5.7	
<b>3. Governance</b>	<b>1.7</b>	-	<b>1.7</b>	8
3.1 Training and Technical Assistance	0.7	-	0.7	
3.2 Administrative Space and Equipment	0.6	-	0.6	
3.3 Intermediate and Final Evaluations	0.4	-	0.4	
<b>4. Administration</b>	<b>1.3</b>	-	<b>1.3</b>	6
4.1 Consultancy Fees	1.1	-	1.1	
4.2 Recurrent Administrative Costs and Transport	0.2	-	0.2	
<b>5. Audit</b>	<b>0.2</b>	-	<b>0.2</b>	1
<b>6. Contingencies</b>	<b>0.4</b>	-	<b>0.4</b>	1
<b>7. Financial Costs</b>	<b>0.8</b>	-	<b>0.8</b>	3
7.1 Interest	0.4	-	0.4	
7.2 Inspection and Supervision	0.2	-	0.2	
7.3 Credit Fee	-	0.2	0.2	
<b>Total</b>	<b>22.0</b>	<b>0.2</b>	<b>22.2</b>	<b>100</b>

- 2.24 Component I has been dimensioned based on the implementation capacity of training providers identified during the execution of the MIF-financed Private Training Market Initiative<sup>25</sup>. The size of Component II is justified on the grounds of the relatively high cost of rehabilitation and equipping the Reference Centers with cutting-edge equipment.

<sup>25</sup> ATN/MH-6696-HA

### III. PROGRAM EXECUTION

#### A. The Borrower and Executing Agency

- 3.1 The borrower will be the Republic of Haiti and the executing agency will be the Ministry of Education, Youth and Sports (MENJS). Within the MENJS, the INFP will have the technical responsibility for the execution of the Program.

#### B. Project Execution and Administration

- 3.2 Three bodies will participate in the Program execution: (i) a Program Advisory Group (PAG); (ii) a Program Coordination Unit (PCU); and (iii) an Acquisitions Committee (AC).

- 3.3 **Program Advisory Group.** The PAG will be the body in charge of ensuring the inter-institutional coordination and the social auditing of the Program. Its functions will include the following: (i) oversee the Program and promote its objectives and goals; (ii) promote efforts to align the Program's vocational training more closely with the demands of the productive sectors; and (iii) disseminate information to promote the participation of firm's in the on-the-job phase of the Program's training activities.

- 3.4 A recently created national task force for vocational training will assume the role of the PAG, counting with the participation of the following actors: (i) the General Director of the INFP, who will act as the secretary; (ii) two representatives of the Ministry of Education; (iii) the Coordinator of the PCU, who will act as the secretary in the absence of the General Director of the INFP; (iv) four representatives of the principal institutions representing the private sector, including the CLED and the ADIH, one of whom will chair it; (v) three representatives of the training centers, from public, subsidized and non-public; and (vi) one representative from each of the other ministries operating vocational training centers (i.e., the Ministry of Agriculture, the Ministry of Social Affairs, the Tourism Secretariat of the Ministry of Commerce, and the Ministry of Public Works).

- 3.5 **Program Coordination Unit.** The PCU will be responsible for: (i) directing the Program's technical and administrative functions; (ii) ensuring that necessary external resources and national counterpart funds are available; (iii) planning, directing, monitoring, and evaluating program activities; (iv) preparing agreements, arrangements, and contracts with public and non-public providers of training for signature by the INFP; (v) preparing regular progress reports and evaluations; (vi) preparing and submitting through the INFP disbursement requests to the Bank and the corresponding justification of expenses; (vii) preparing and submitting through the INFP to the Bank the annual audited financial statements regarding the Program's expenses; and (viii) maintaining an adequate disbursement supporting documentation filing system.

- 3.6 The PCU will be established under the General Director's office in the INFP. The PCU will report directly to the General Director and be comprised of a National Coordinator and four execution teams, whose counterparts will be the four Departmental Directors of the INFP: (i) a Technical Operations Team, in charge of the programming, monitoring and follow-up of the training provided through Component I; (ii) a Quality Control Team, responsible for the programming, monitoring, and follow-up of the activities in Component II; (iii) a Governance Team, responsible for the strengthening of INFP's normative and regulatory functions through Component III; and (iv) an Administrative and Financial Team in charge of the administration, accounting and acquisitions. The latter Team will consist of a Team Leader, a Procurement Specialist, an Accountant, and a Financial and Administrative Assistant. The other teams will each consist of a Team Leader and an Assistant.
- 3.7 The PCU will have regional inspectors to assist with the implementation of Program activities at the departmental levels. These technicians will serve as coordinators and be located in the two regional inspectorates of the INFP – in Cap Haitien and Les Cayes – and will be responsible for supervision, monitoring, and evaluation of the activities planned and implemented in each department. The establishment of the PCU and selection and hiring of the Coordinator, the four Team Leaders, the Administrative and Financial Assistant, and the Procurement Specialist will be conditions prior to the first disbursement of the loan.
- 3.8 **Acquisitions Committee.** The AC will oversee the procurement processes to ensure that the contracting of services and works and the procurement of goods are in conformity with the procedures of the Bank and the standards and administrative procedures of the Program. In particular, it will form work teams, according to specific procurement needs, that assist in the preparation of Terms of Reference, and invitations to tender, as well as the evaluation of the offers. The AC will be headed by the INFP's General Director, who will chair the committee; the National Coordinator of the PCU, who will chair the Committee in the absence of the General Director; the Administrative and Financial Team Leader of the PCU; the relevant Technical Team Leader within the PCU; the Director of the relevant technical division in the INFP; and the Procurement Specialist of the PCU.
- 3.9 **Manual of Operations.** The operating regulations for the Program are laid out in the Manual of Operations (MO), which will govern the Program's execution. It contains the necessary terms and conditions for executing each component, the stages of the project cycle, and the functions and obligations of the entities involved. It also includes the following technical information: (i) the criteria for project eligibility and appraisal; (ii) criteria for the selection of centers; (iii) criteria for the selection of service providers; (iv) project appraisal tools, including environmental assessment and occupational health, HIV/AIDS, disability, and gender mainstreaming criteria; (v) model contracts; and (vi) the profiles of the essential professionals required for the execution of the Program. A condition prior to first disbursement of loan resources shall be the entry into

effect of the Program's MO (i.e. approval by the Minister of Education), previously agreed upon with the Bank.

- 3.10 **Sequencing of Activities.** While the Program is nation-wide in its scope, the implementation of the demand-driven training projects financed under Component I will be sequenced by geographic area. The implementation will start in four departments – West, North, Southeast, and Grand Anse – and subsequently be extended to throughout the country. In each group of departments, the execution will start with the implementation of the social marketing campaign, the provision of technical assistance for the design of course proposals, and the accreditation of centers. The following step will be the provision of training for teachers and beneficiaries through Components I and II. All other activities of Components II and III – including the rehabilitation and equipping of the public centers pre-selected during the preparation of the Program, the development and publication of didactic materials, and the training of INFP staff – will be initiated immediately upon Program eligibility.

#### **1. Execution of Component I. Demand-driven Training**

- 3.11 The Program will entail six cycles to be held over the four-year execution period with some 5,000 youths being served in each cycle. Each cycle will be based on a competitive scheme for the awarding of contracts to training providers (EETs, EEPs and CMs). Each cycle will be divided into two phases: (i) pre-investment; and (ii) execution. The main responsibility during the pre-investment phase will lie with the Technical Operations Team, which will work in close collaboration and with active participation from the INFP counterparts in the Planning Division and Operational Division.
- 3.12 During the pre-investment phase, the Technical Operations Team will be responsible for: (i) arranging for the implementation of the social marketing campaigns, targeting public, subsidized and non-public training providers, the potential employers, as well as potential student groups; (ii) creating and updating a roster of pre-identified training providers; (iii) arranging for the provision of technical assistance in the elaboration of course proposals; (iv) organizing the call for proposals; and (v) evaluating and selecting courses.
- 3.13 The pre-identification of training providers will be carried out for each cycle by means of a call for expression of interest published in a nationwide newspaper. New providers will be added to the roster on a cycle-by-cycle basis, thereby ensuring the participation of the greatest possible number of providers. The criteria to be used for assessing the eligibility of training providers are laid out in Table III-1.

**Table III-1**  
**Pre-identification Criteria for Training Providers**

<b>CAPACITY</b>
Minimum financial solvency and basic installed capacity in at least one training area, as evidenced through the accreditation procedure.
<b>INSTITUTIONAL STATUS</b>
Legal capacity to perform the Program's activities, and initiation of accreditation procedure.

- 3.14 Technical assistance facilitating the elaboration of training courses will prioritize the Reference Centers. Other pre-identified providers will be served on a first-come-first-served basis.
- 3.15 Once the pre-identification process has been completed, the Technical Operation Team will extend a call for proposals to all pre-identified providers. The Team will appraise each proposal based on the criteria described in Table III-2. Salaries of civil servants will not be financed with Program resources. The training providers are responsible for evaluating the proposed sites for the practical training phases, establishing that the employers have proven and adequate experience in the professional field that the beneficiary is studying for during the academic phase. The letters of intent from the employers must entail a description of the tasks that the apprentice will perform during the on-the-job training. Projects that do not meet the eligibility or selection criteria will be rejected or a reformulation requested for subsequent project cycles.

**Table III-2**  
**Course Appraisal Criteria**

<b>TARGET GROUP</b>
Maximum: 30 per course, with demonstrated experience with the beneficiary population.
<b>TECHNICAL VIABILITY</b>
Each course must have: integrated cross-cutting considerations; appropriate technical approach and pedagogical methodology, as well as a sequential presentation of theoretical/academic concepts and practical applications.
<b>LINKS TO LABOR MARKET</b>
Each course proposal must include letters of intent from formal or informal sector employers willing to provide on-the-job training for at least 80% of intended beneficiaries. <sup>26</sup>
<b>LOGISTICS</b>
Each course proposal must demonstrate access to classrooms, workshops, laboratories, equipment, and all necessary tools, materials and/or other learning materials.
<b>FINANCIAL CRITERIA</b>
Maximum cost per beneficiary: US\$600 for a full-time six-month course, which includes stipends for transportation and meals, and accident insurance. The maximum cost increases proportionately for longer courses.

<sup>26</sup> Companies with fewer than 30 employees, that have received three interns that have not been contracted at the end of the internship, will not be allowed to receive further interns. The same rule applies to the different departments of larger companies.



- 3.16 It will be the responsibility of the training providers to select Program beneficiaries in accordance with the selection criteria laid out in Table III-3.

**Table III-3**  
**Beneficiary Selection Criteria**

<b>POVERTY LEVEL</b>
Household survives on less than two minimum wages (US\$96/month).
<b>AGE</b>
15 to 24 year old.
<b>LEVEL OF EDUCATION</b>
Falling outside the regular education system or having incomplete basic schooling.
<b>OCCUPATIONAL SITUATION</b>
Suffering from open unemployment or underemployment with a desire to work. Has limited or no work-experience and/or lack of skills for an occupation demanded by the market.

- 3.17 The Administrative and Financial Team will be responsible for contracting the services of selected providers. Upon signature of the contract, the training provider will receive 30% of the total fee. Upon the completion of the academic and practical training phases, 40% and 30%, respectively, will be paid. The size of the last two payments will be proportional to the beneficiary retention rate. The payment of stipends for transportation and meals and subsidies to beneficiaries will be the responsibility of the training providers based on beneficiary attendance and disbursed on a monthly basis upon the verification of the class roster form. The stipend to be paid will amount to US\$20 per month.
- 3.18 Once the contracting has taken place, the projects enter the Execution Phase under the responsibility of the Technical Operations Team in close collaboration with the Operations Division of the INFP. The Team will request and review the progress reports of the contracted training providers, offering follow-up and technical guidance when needed.

## **2. Execution of Component II. Quality Enhancement**

- 3.19 The administration of the execution of Component II will be the shared responsibility of the Quality Control and Administrative and Financial teams. The latter will be in charge of all procurement processes and the former will be responsible for the technical supervision of the provision of teacher training and didactic materials, and the rehabilitation and equipping of centers.
- 3.20 **Infrastructure and Equipment.** The eight public centers (3 EETs and 5 EEPs) that will be transformed into Reference Centers have been identified during project preparation and are listed in the MO, as are their specific infrastructural and equipment needs. All investment in infrastructure and equipment will be limited to these eight centers.
- 3.21 The maintenance of equipment will be delivered by the providers of the equipment and be included as a condition of the purchase agreement for at least the duration of the loan. The provider of the equipment will also be required to train key staff of the centers in basic maintenance. In addition, all centers

receiving investments in infrastructure will be required to comply with the maintenance procedures and policies established by the INFP. As a condition for these investments, each center will be required to permit access to the equipment to other providers in the department on a contractual basis. The user fees and terms of access required for the different types of equipment have been established during project preparation as laid out in the MO and will be used to cover basic maintenance expenses of the centers. In the eventuality of more substantial maintenance needs, centers can solicit support from a central maintenance fund administered by the INFP.

- 3.22 **Didactic Materials.** The main benchmarks for the development of teacher training and didactic materials will be the National Skills Qualification Framework, which is currently being developed through a technical cooperation. Once elaborated, the Quality Control Team will be responsible for coordinating the production and distribution of the materials. The materials will be made available electronically on the Internet, in addition to their printed form. The printed materials will be distributed to all public centers as well as to all non-public and subsidized providers selected to participate in the delivery of training within Component I.
- 3.23 **Teacher Training.** The Quality Control Team will coordinate and supervise the delivery of teacher training both in pedagogy, occupational health and HIV/AIDS, and in content. More specifically, the Team will be responsible for defining the scope of the contracts for the specialized agencies that will deliver this training. The specialized agencies must have a proven track record of the provision of training in the area of specialization for which it will train, and demonstrate access to necessary equipment, e.g. through an agreement with a Reference Center. The pedagogical training will be given to all teaching staff in the eight Reference Centers, as well as to the teachers of the providers selected to participate in the delivery of training within Component I. Training in content will be limited to the disciplines identified as strategic priorities for the Program, and will be provided to the teaching staff of public centers, and in the case of surplus course space also to trainers from other participating providers. The training in the use of new equipment will be delivered by the providers of the equipment and be included as a condition of the purchase agreement.
- 3.24 The training of the teachers from the eight Reference Centers will commence once project resources become available and continue through project execution. An initial training session of two weeks in duration will be given during the summer break; this will be followed-up by bi-annual refresher courses of 20 hours each in the case of pedagogy training and 40 hours each in the case of content training. The pedagogical training of teachers from other providers selected to participate in the delivery of training within Component I will be limited to 20 hours per teacher and commence upon reward of their contract.

### 3. Execution of Component III. Governance

- 3.25 The Governance Team will oversee the core areas of Component III, including the training of INFP staff, the certification of competencies, the accreditation of centers and the monitoring and evaluation of the Program.
- 3.26 **Training of INFP Staff.** A consulting firm or independent consultants will be engaged to provide: (i) training and technical assistance to strengthen the planning and capacity among key INFP staff; and (ii) training of administrative staff of the Reference Centers in the management of vocational training centers. Training will vary in length between 15 and 45 hours. Training to strengthen the planning capacity of the INFP will be largely delivered during the first year of Program execution and organized in way to support other Program-related activities under the responsibility of the INFP. Training of administrative staff in the Reference Centers will be delivered on a semester-basis and during scheduled breaks (e.g., summer) and structured in a way to allow for other Program-related activities to be carried out.
- 3.27 **Certification of Competencies.** A manual of internal INFP procedures for the administration of the System for Certification of Competencies is being developed and piloted with the support of a technical cooperation.<sup>27</sup> It will be the responsibility of the Governance Team in collaboration with the Regional Inspectorates to coordinate with the centers the schedule for the application of exams certifying relevant competencies, and the contracting of an external agency to apply these exams. Tentatively, it is expected that the exams will be administered on a semester basis.
- 3.28 **Accreditation of Centers.** Similarly, a manual of internal INFP Procedures for the Accreditation of Centers is being elaborated and piloted in 20 centers with the support of the same technical cooperation.<sup>28</sup> It will be the responsibility of the Governance Team to coordinate the support to the centers in conducting their self-evaluation, and preparing themselves for formal accreditation, which will be conducted by the INFP. Key INFP staff are being trained within the technical cooperation to apply the formal accreditation procedures.
- 3.29 **Monitoring and Evaluation.** The Governance Team will be responsible for compiling all the necessary information for the midterm review, final evaluation, program monitoring and follow-up. The Governance Team will arrange for the collection of data relevant to the evaluation of the Program's outputs, outcomes and impacts, as well as organize the midterm and final evaluations of the Program that will be conducted externally. The development of a database to track student intake, progression through the training programs offered, and absorption into the labor market, is being developed through a technical cooperation. The technical cooperation is also financing its application during the 2005/2006 academic-year in the eight Reference Centers. The continuous updating of the database during Program execution will be the responsibility of the Governance Team.

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<sup>27</sup> ATN/SF-8979-HA

<sup>28</sup> Ibid.

- 3.30 The Governance Team will also arrange for the evaluation of basic skills in order to establish a baseline. This will be based on a sample group of beneficiaries selected from the first round of proposals. The methodology used for this evaluation will be replicated in both the intermediate and final evaluations. In addition, for the evaluation of Program impact, the Governance Team will oversee the implementation of a quasi-experimental evaluation scheme (see Section E below).

### **C. Procurement of Goods and Services**

- 3.31 Procurement of goods, services and rehabilitation of infrastructure will be done following general Bank policies and procedures for Haiti.<sup>29</sup> International competitive bidding will be used for rehabilitation works for amounts equal to or more than US\$1.0 million, goods equal to or more than US\$250,000, and consulting services equal to or more than US\$200,000.
- 3.32 **Accounting and Internal Control.** For the management of the Program's financing resources, MENJS/INFP will open separate and specific bank accounts for managing the Bank loan and local counterpart funds. The executing agency will maintain adequate financial and accounting records of the Program funds and internal control systems to allow for verification of transactions, identification of the sources and uses of Program funds, provide documentation to verify transactions and to facilitate timely preparation of financial statements and reports.
- 3.33 Program financial and accounting records will be arranged so that: (i) the amounts received from the various sources can be easily identified; (ii) Program expenses are reported in accordance with the chart of accounts approved by the Bank, with distinction made between the Bank loan and funds from other sources; and (iii) the necessary details are included to identify goods acquired and services contracted, as well as their use.
- 3.34 **Audit.** The executing agency will prepare and submit to the Bank, within 120 days after the closing date of each fiscal year and within 120 days after the date of the last disbursement of the financing, the financial statements of the Program, audited by a firm of independent auditors acceptable to the Bank, based on the terms of reference previously approved by the Bank (Document AF-400). The private audit firm will be selected and contracted in accordance with the Bank's bidding procedures for audit firms (Document AF-200), and will be paid with the Bank's financing.

### **D. Execution Period and Disbursements**

- 3.35 The proposed Program will have execution and disbursement periods of 48 and 54 months respectively, counted from the entry into force of the loan contract. The preliminary disbursement schedule, which is in keeping with the Program's estimated execution capacity, is as follows:

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<sup>29</sup> *Annexe ad Hoc – Procédures de Passation de Marchés de Travaux de Biens et Services Connexes et de Services de Consultants*, 10 July 2004.

**Table III-1**  
**Provisional timeline of disbursements (in million US\$)**

SOURCES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
IDB	4.1	5.2	6.9	5.8	22.0
<b>TOTAL</b>	<b><u>4.1</u></b>	<b><u>5.2</u></b>	<b><u>6.9</u></b>	<b><u>5.8</u></b>	<b><u>22.0</u></b>

3.36 Notwithstanding the conditions prior to the first disbursement (see paragraphs 3.7 and 3.9), once the Borrower has complied with the prior conditions set forth in Article 4.01 (a), (b), (c), and (e) of the General Conditions, and the creation of the PCU, the Bank may disburse up to US\$300,000 to contract the personnel of the PCU and rehabilitate its office space.

3.37 Up to US\$200,000 can be retroactively reimbursed for expenses related to the creation of the PCU, including the recruitment and contracting of its staff and the rehabilitation of office space, incurred between 21 February and the approval of this operation by the Board of Directors.

#### **E. Monitoring and Evaluation**

3.38 **Monitoring.** Throughout the execution of the proposed Program, the PCU will produce semiannual monitoring reports as a basis for annual reviews. The reports will examine the Program's status, looking at such variables as: (i) semiannual targets towards meeting the goals laid out in the logical framework; (ii) number of proposals submitted and awarded, and the basic information associated with each; (iii) the quality of the training offered; (iv) progress made in the institutional strengthening of the INFP; and (v) progress in the accreditation and certification processes.

3.39 **Evaluation.** Once 50% of the resources have been committed a mid-term review will be conducted to assess the achievement of benchmarks and the operational scheme of the different components. A final external evaluation of the Program will be conducted – once 90% of the resources have been disbursed – to evaluate the effects of the training provided. If the Bank wishes to conduct an ex-post evaluation, the Government will provide the required information.

3.40 A quasi-experimental evaluation scheme is in the process of being established and piloted, consisting in a mechanism to track student intake, progression through the training programs offered, and absorption into the labor market. Taking advantage of lag-time between this piloting and the launching of the Program, as well as of the sequencing of the execution of the operation in different geographical regions, the first cohorts to be tracked will be considered the “control group,” since they will not have benefited from the program. This same mechanism will be used to track cohorts entering these same but “enhanced” centers; these will be considered the “experimental” groups. Program effects will be measured by estimating the changes between the two groups. To evaluate the extent to which the Program meets the demands for skilled labor, a survey of employer satisfaction that has been conducted during Program preparation will be repeated in relation to the intermediate and final evaluations.

## **IV. VIABILITY AND RISKS**

### **A. Institutional Viability**

- 4.1 Ensuring an adequate level of implementation capacity on the part of the INFP has been given a high priority during Program preparation. Program implementation mechanisms have been elaborated jointly with the MENJS, the INFP, the EU and representatives of the productive sector, and the information provided in this document reflects their institutional proposal. The INFP's capacity at the central level is currently being strengthened with a technical cooperation that develops and pilots a system for the accreditation of vocational training centers and courses, the certification of competencies, and the management of information<sup>30</sup>. Thus, at the launching of the proposed Program, the INFP will already be familiar with the use of the new mechanisms and tools for the accreditation of centers and certification of competencies, as well as with the new management information system. In addition, the INFP's capacity to coordinate the sector has been strengthened during Program preparation through a technical cooperation that supported the establishment of the new National Vocational Training Task Force, which will serve as the Program's Advisory Group<sup>31</sup>. Within the Program, the INFP's capacity at central and regional levels will continue to be supported by technical assistance and training.

### **B. Socioeconomic Viability**

- 4.2 The socioeconomic viability of the proposed Program is closely linked to its benefits for students, businesses, the economy and society in general. For students, the proposed Program would provide individual gains, as workers with a good mix of practical skills and conceptual understanding of technology can adjust more easily to technological changes and grow in their careers. It is hard to predict the exact portion of beneficiaries that will find employment. Yet, insofar as the Program's MO specify that each training and employment course proposal must be accompanied by a letter of intent pledging an internship for at least 80% of its anticipated enrollment, and assuming that only half of these letters result in an offer for permanent employment (i.e., that only 40% of beneficiaries were to receive job offers), private rates of return of the Program would reach 21.4%. This can be considered a lower-bound estimate, as it is based on current salaries and does not take into account the expected quality improvements in the training, and thus the expected higher returns, that this Program will provide. Although it is expected that investments in equipment and infrastructure will remain in use for two decades, this calculation was more conservative, assuming a 10-year life of physical capital. Under this scenario, the period to recuperate the investment would be 12 years.
- 4.3 Under the same assumptions regarding the placement rate and expected life of the equipment, the social rate of return to the proposed Program would be

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<sup>30</sup> ATN/SF-8979-HA

<sup>31</sup> ATN/JC-6489-HA

approximately 4%. While these social rates of return take into consideration the full resource cost of the investment (direct costs and forgone earnings), the non-monetary benefits, or external effects of vocational training are not included and these often tend to be much higher than the direct benefits. That is, the training of some 30,000 individuals between 15 and 24 years of age suffering from labor marginality would also have other positive socioeconomic effects, such as improvements in the levels of wellbeing of young Haitians through, for example, increased self esteem; improvements in the human capital of children of trained parents; improved economic efficiency stemming from reductions in gender-based occupational segregation; and the benefit to society of reductions in the levels of vandalism and delinquency.

- 4.4 As indicated in Table IV-1, average direct cost per beneficiary are estimated at US\$613. This estimated opportunity costs of beneficiaries was calculated on the basis of 34% of beneficiaries being currently employed, and assuming an average course length of three months each for the academic and practical phases. The above private and social rates of return could fall if the average per-beneficiary cost were to substantially increase or if post-training placement rates were to fall below 40%. In order to maintain a positive social rate of return, the MO stipulates the rejection of course proposals with per-beneficiary costs in excess US\$600 for full-time six-month courses, including both the conceptual and the practical applications. The maximum cost increases proportionately for longer courses.

**Table IV-1**  
**Estimated Cost Structure of Training Provided within the Program**

<b>COSTS (US\$)</b>	<b>INDIVIDUAL</b>	<b>TOTAL</b>
<b>Direct Costs</b>	<b>613</b>	<b>18,400,000</b>
Training Costs	160	4,800,000
Stipends and insurance	130	3,900,000
Infrastructure, equipment, teacher training, and didactic materials	280	8,400,000
Administrative Costs	43	1,300,000
<b>Opportunity Cost of Beneficiaries</b>	<b>69.3</b>	<b>706,860</b>
Foregone earnings during training in center (3 months)	18.2	185,640
Foregone earnings during internship (3 months)	51.1	521,220
<b>TOTAL COST</b>	<b>682.3</b>	<b>19,106,860</b>

- 4.5 For businesses and the economy as a whole, the Program would have important consequences. Human capital development is central to any growth strategy. The correlation is direct and positive: higher levels of education and skills lead to higher levels of output and productivity. By introducing higher quality standards and promoting linkages to the productive sector, the Program would make it possible to improve productivity and competitiveness. It would also help ease the shortage of semi-skilled workers that the economy suffers from, thereby diminishing the current need to import workers from the Dominican Republic and Asia.
- 4.6 **Gender aspects.** The conditions that make pre-employment training effective are the same for women as they are for men: jobs must be available and good linkages must be forged between training institutions and employers to ensure that training is relevant to the productive sector's needs. Yet, even when these conditions have been present, the role of vocational training as a path to

employment for women has been limited. The evaluation of three demand-driven training systems, that have been financed by the Bank in Chile, Argentina and Brazil, consistently found that the rates of employment and return to education were lower for women beneficiaries than for men. Against this background, the proposed Program will use a four-pronged strategy to promote women's participation in non-traditional more profitable occupations: (i) this issue will constitute a central element in the social marketing campaign; (ii) the technical assistance given to centers in the elaboration of proposals will place emphasis on the general targeting of women – through e.g. the provision of childcare during training hours – and the identification of internships for them in non-traditional occupations; (iii) this issue is a criteria in the process for the accreditation of training providers; and (iv) courses for women in non-traditional occupations will be prioritized for financing under Component I.

- 4.7 **HIV/AIDS and Disability.** Discrimination based on physical disabilities or HIV status is widespread in relation to employment, and some employment situations involve risk for the employees. To address these problems, the Program will introduce into the teacher training elements related to HIV/AIDS, occupational safety, and the sensitization on issues related to disabilities. In the selection of courses in Component I, priority is also given to proposals that address these problems as crosscutting issues. Moreover, the rehabilitation of infrastructure encompasses mechanisms to provide access for people with disabilities.

#### **C. Financial Viability**

- 4.8 During the 2003/2004 fiscal year, the INFP's share of the MENJS's budget was close to US\$2.3 million. While it would be economically inefficient and against IMF recommendations to redirect the payroll levy to the training system, it is expected that this level of allocation will at least be maintained. It is also expected that the enhanced quality brought about by the Program will create an increased demand for the services of the INFP and for vocational training. This enhanced credibility of the system and increased demand for training is predicted to bring about higher proceeds and higher national budget allocations. Resources may also be freed up through an exercise eliminating "ghost workers" from the Government's payroll. The exercise, which is spearheaded by the Ministry of Finance and the IMF, is expected to make available resources to cover additional recurrent costs of public institutions.

#### **D. Environmental Impact**

- 4.9 As the investment in infrastructure is limited to the rehabilitation of existing constructions, no significant adverse environmental impacts are envisaged. Nevertheless, the MO will require that the investments in infrastructure and equipment are environmentally feasible. The Program will also finance activities that will have an indirect positive environmental impact. In the development of didactic materials, the training of teachers, and the accreditation of courses, the following will be emphasized: (i) environmentally sustainable production methods, including energy conservation, and the treatment and disposal of toxic waste; and (ii) the promotion of occupational health, safety and protection.



## **E. Benefits and Beneficiaries**

- 4.10 It is anticipated that the proposed operation will reorient the training system away from a supply- to a demand-driven approach incorporating quality and normative controls. This shift is expected to produce a series of positive results, including: (i) stronger regulation and control of the vocational training system, including the establishment of an accreditation and certification system; (ii) improved monitoring of the quality of the services offered by both public and non-public providers; (iii) enhanced quality of the training provided; (iv) enhanced credibility of evidence of learning certified by the INFP; (v) improved access to the training system of young people between 15 and 24 facing problems of labor marginality; (vi) increased employability of low-income individuals; and (vii) decreased gender-based occupational segregation. Regarding the sustainability of these results, it is predicted that the improved quality of the services rendered by the INFP, as well as the increased demand for training, will lead to higher national budget allocations as well as higher proceeds.
- 4.11 This Program classifies as a social equity-enhancing project, as described in the indicative targets mandated by the Bank's Eight Replenishment<sup>32</sup>. Furthermore, this Program qualifies as a Poverty Targeted Investment based on the headcount classification. Well over half the beneficiaries earn less than US\$62 a month, which is the poverty line for Haiti established by the Bank.

## **F. Risks**

- 4.12 In addition to the risks entailed by the current political Haitian context, which could have adverse effects on the entire portfolio of the Bank, the risks outlined below have been identified.
- 4.13 The main challenge to demand-driven vocational training programs that the Bank has financed in the past – including the Private Training Market Initiative in Haiti, *Chile Joven* and *Proyecto Joven* in Argentina – has been the underinvestment in the preparation of quality training materials and teacher training. Design improvements to enhance the quality of the training provided are expected to mitigate this risk. In addition, the INFP's capacity to assume its mandated role – to coordinate and regulate the vocational training system – constitutes a challenge to the successful outcome of the Program. To mitigate this weakness, a pre-execution pilot program is being implemented with technical cooperation resources to accompany the INFP step by step in the institutionalization of the new quality control and management systems<sup>33</sup>. This assistance will continue during Program execution through trainings and technical assistance to all permanent divisions of the INFP. Additionally, the enthusiasm of the representatives of private training providers and the productive sector in relation to the creation of the National Vocational Training Task Force during Program preparation indicates an enabling environment for sector-wide coordination.

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<sup>32</sup> GN-1763-27.

<sup>33</sup> ATN/SF-8979-HA.

**VOCATIONAL EDUCATION PROGRAM  
(HA-0017)  
LOGICAL FRAMEWORK**

NARRATIVE SUMMARY	VERIFIABLE INDICATORS <sup>1</sup>	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL</b> Increased employability of low-income youth, thereby enhancing their possibilities of achieving sustained improvements in their wellbeing.	<b>By the end of the Program:</b> <ul style="list-style-type: none"> <li>The employment rate of Program participants is at least 11% higher than the rate for non-participant youth.</li> </ul>	<ul style="list-style-type: none"> <li>National Survey of Living Conditions.</li> <li>Annual Program reports.</li> <li>Control group survey.</li> </ul>	
<b>PURPOSE</b> Haiti's human resources base has been strengthened.	<b>By the end of the Program:</b> <ul style="list-style-type: none"> <li>The private return to training within the Program is at least 2 percentage points higher than the base year rate.<sup>2</sup></li> <li>X% of Program participants have improved their basic skills.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>National Survey of Living Conditions.</li> <li>Tracer study of vocational training students.</li> <li>Evaluation of entry- and exit level skills.</li> <li>Annual Program reports.</li> </ul>	Robust economic growth and macro-economic stability.
<b>COMPONENTS</b> <b>I. Demand-driven Training</b> Access to vocational training is more equitable and the training provided is linked to the production sector's needs.	<b>By the end of the Program:</b> <ul style="list-style-type: none"> <li>30,000 individuals between 15 and 24 are trained in skills, which are demanded by the labor market;</li> <li>The proportion of employers that are satisfied with the performance of the graduates has increased from 11.4% to 30%.<sup>4</sup></li> <li>The proportion of women trained in non-traditional occupations within the Program is 25 percentage points higher than the base year.<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>Control group survey.</li> <li>Annual Program reports.</li> </ul>	

<sup>1</sup> All relevant indicators will be disaggregated by sex.

<sup>2</sup> The private return to training has been estimated at 11.3% in 2004.

<sup>3</sup> The value of this indicator will not be known until the first evaluation of basic competencies is carried out during the first trimester of execution.

<sup>4</sup> The base year is 2004.

<sup>5</sup> In 2001, the gender-based occupational segregation in vocational training was 0.31%.

NARRATIVE SUMMARY	VERIFIABLE INDICATORS <sup>1</sup>	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>II. Quality Enhancement</b></p> <p>The quality of vocational training provided by public, private and non-governmental providers has improved.</p>	<p><b>By the end of the Program:</b></p> <ul style="list-style-type: none"> <li>• The proportion of trainers within the Program with private sector experience is at least 20%.</li> <li>• The number of centers with access to cutting-edge equipment and technologies that respond to the needs of the labor market has increased from one to eight.<sup>6</sup></li> <li>• The proportion of courses benefited by the Program that use using didactic materials based on a modular approach is at least 50%.</li> </ul>	<ul style="list-style-type: none"> <li>• Control group survey.</li> <li>• Annual Program reports.</li> <li>• Basic infrastructure survey.</li> <li>• Study of labor market needs the needs.</li> </ul>	
<p><b>III. Governance</b></p> <p>The governance of the vocational training system has been strengthened.</p>	<p><b>By the end of the Program:</b></p> <ul style="list-style-type: none"> <li>• The number of centers accredited by the INFP has increased from 0 to 100.</li> <li>• The frequency of INFP inspection visits to the centers participating in the Program is at least 100% higher than in the base year.<sup>7</sup></li> <li>• The INFP uses a management information system for the monitoring of the fulfillment of its functions, as well as of the quality of the services provided by public and non-public providers.</li> <li>• The proportion of youth (of both sexes) with interest in professional training has increased from 6.2% to 10% in the targeted departments for the social promotion campaign.<sup>8</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Control group survey.</li> <li>• Annual Program reports.</li> </ul>	

<sup>6</sup> The base year will be 2004.

<sup>7</sup> Between 1995-2004, the annual frequency of inspection visits per center was 0.2 visits.

<sup>8</sup> In the absence of data on individual preferences, data on applicants to registered training providers has been used as a proxy indicator for interest.