

AMENDATORY CONTRACT

AMENDATORY CONTRACT entered into between JAMAICA (the “Borrower”) and the INTER-AMERICAN DEVELOPMENT BANK (the “Bank”, and together with the Borrower, the “Parties”).

ARTICLE ONE

The Parties agree to replace Annex of Loan Contract No. 2039/OC-JA entitled “Youth Development Program – Phase I”, entered into between the Borrower and the Bank on December 5, 2008, in the manner and to the extent set forth below:

“THE ANNEX

THE PROGRAM

Youth Development Program – Phase I

I. Objective

- 1.01** The main objective of the Program is to facilitate the transition of unattached youth to adulthood and the world of work through training, on-the-job experience, information dissemination and labor intermediation services. Activities will be financed in three mutually supporting strategic areas: (i) enhancement of youth training and life skills programs; (ii) promotion of youth information centers building upon ongoing efforts in this area; and (iii) institutional strengthening for the NYS and the National Center for Youth Development (NCYD), including technical assistance, to support governance and articulation between various sectors.
- 1.02** The Program is designed as a multiphase operation in order to provide systemic and long-term support, both financial and technical, to the youth sector over an estimated minimum period of eight years. Program activities will be financed in two phases, with a first phase of approximately four years and a possible second phase of another four years subject to GOJ request and Bank approval. The first phase of the Program will strengthen institutional capacity to implement, monitor and evaluate youth policies and programs; support the ongoing transformation of the NYS; expand youth information centers; and test new modalities for unattached youth. Described below are activities that will be included in the first phase, hereinafter denominated the Program.

II. Description

2.01 The Program will finance the implementation of the following components:

Component 1. Quality improvement and strengthening of youth training and life skills Programs

2.02 The Program will support: (i) alignment with employer needs and demands; (ii) upgrading and modernization of NYS facilities; (iii) piloting of new initiatives; and (iv) institutional strengthening.

2.03 **Subcomponent 1.1. Alignment with employer needs and demands.** In order to ensure that NYS and other training courses are demand driven, technical assistance will be provided to develop and maintain corporate contacts in the private sector to increase their participation in the NYS placement programs, delivered through the Career Advancement Program (CAP) and other modalities. A consultant firm will be hired to work closely with the NYS during Phase I to develop a system for corporate outreach, establishing and maintaining private sector contacts, and for placing NYS and CAP participants in internships directly related to the occupational areas of the course taken. The consultancy will examine to what extent incentives and cost-sharing mechanisms can help to ensure quality work experiences for youth. Opportunities for incorporating the private sector in the provision of training will also be explored. In addition, a relational database will be developed with detailed information on participants and firms, including monthly satisfaction ratings by firm representatives and participants. The database will have a web-accessible portal and login availability by all corporate services staff to regularly update and ensure quality placements.

2.04 The Program will support the design and implementation of supervision and mentoring program. Emphasis will be placed on ensuring that NYS can provide the type of support participants need during their internships (e.g., adjustment to the workplace) and upon graduation to facilitate their transition to further training, education or employment. Mentors will provide on-site support to NYS participants, including CAP, advising on issues ranging from job performance to career trajectories.

2.05 The Program will support efforts to review the special orientation curricula in the areas agreed upon between the MOE and the Bank and to align the competencies required of each with national qualification standards. This will allow for a smoother transition of NYS participants into HEART/NTA and other training programs, and also generate a better response to employer demands for trained personnel. At present, national standards have been identified for some components of four corps programs (early childhood education, clerical administration, sales and administration, and customer care). Insofar as all NYS curricula include competencies common to a number of basic level training programs, each curriculum will be reviewed on the basis of the competencies they develop. To the extent possible, a set of general competencies will be identified and aligned with HEART/NTA competency standards. A manual outlining the competencies and standards (where applicable) will be prepared for each curriculum.

- 2.06 Subcomponent 1.2. Upgrading of NYS facilities.** The Program will support limited upgrading to NYS field and head offices to facilitate outreach and recruitment efforts, as well as onsite workshops and training seminars. Program financing will also be used to develop and implement a management information system, including accounting and human resources software.
- 2.07 Subcomponent 1.3. Testing new initiatives.** The Program will support the piloting of the new modalities targeted towards youth with levels of numeracy and literacy below those required for entry into the regular NYS corps and HEART/NTA programs. These new initiatives will be designed in collaboration with the HEART/NTA and Jamaica Foundation for Lifelong Learning (JFLL). Specifically it will support the Career Advancement Program (CAP) recently designed by the MOE, to integrate NYS, HEART/NTA and JFLL services.
- 2.08** The Program will be designed to increase the basic numeracy and literacy skills of participants through innovative, technology-driven means and hands-on skills training. Specifically, the initiatives will provide: (i) intensive remedial support in literacy, bringing the reading level of participants up to at least the 9th grade level; (ii) initial hands-on skills training; (iii) an internship of varying length (minimum of three months); and (iv) the NYS core curriculum with its emphasis on positive youth development. Different modalities will be tested: web-based versus contact (presencial) literacy and numeracy training; in secondary schools. The curriculum will be modular in format with specific learning activities and goals. Within the program the participants will be able to achieve certification in at least one vocational/skills area.
- 2.09** Both the development and piloting of the modalities will be financed in a number of selected schools. Resources will also be provided to evaluate the pilots in terms of literacy and numeracy goals, and transition into further training opportunities.
- 2.10 Subcomponent 1.4. Institutional Strengthening.** To meet increasing participant demand and in line with the proposed NYS expansion plans, additional Regional Field Officers in each of the field offices of NYS will be financed. In addition, key staff of the MOE (including NYS) will be given professional development opportunities, including specialized training, international seminars and conferences. At the end of the Program, an impact evaluation of the NYS Corps Programs and the CAP program will be undertaken (baseline data currently being collected). The evaluation capacities of the NYS Head Office will be strengthened through specialized consultancies and support from a Chief Technical Advisor.

Component 2. Youth Information Centers (YIC)

- 2.11** This component aims to facilitate the empowerment of young people by increasing access to information, technology and training opportunities, complementing existing systems of information dissemination. The Program will support the establishment of YIC in five additional parishes. Each of the five YIC financed will include a cyber center with at least 14 computers; a resource centre with information on education and training opportunities,

entrepreneurial programs, career guidance, job search skills, personal development, among others; and a multipurpose room. Technical assistance will be provided to link the YIC with the existing Labor Market Information System and the Electronic Labor Exchange managed and operated by the Ministry of Labor and Social Security in order to increase access for youth and to maximize the effectiveness of the system for matching job supply and demand. An evaluation to examine the impact of these activities on youth and the effectiveness of the YICs as a tool for facilitating the transition of unattached youth into training, education and work opportunities will be carried out at the end of the Program.

Component 3. Sector management

- 2.12** In order to improve sector management of the youth portfolio, the Program will include financing to support NCYD efforts to revise the National Youth Policy and monitor its implementation as well as strengthen coordination mechanisms among relevant ministries and agencies involved in youth initiatives.
- 2.13** The Program will finance the design, implementation and analysis of a youth survey representative at the parish level. The results of this survey, in conjunction with results from national consultations with major stakeholders, will be used to update the Youth Policy and to define measureable indicators that will allow subsequent monitoring and evaluation of its implementation. Technical assistance will be provided to develop mechanisms and procedures for systematic data collection and analysis. In addition, the Program will support other activities deemed important for sector management of the youth portfolio including: (i) an electronic inventory of youth service providers; (ii) a comprehensive review of existing research about youth (situational analysis 2009/2010); (iii) corporate relationship, social communication and marketing initiatives; (iv) development of instruments to support mainstreaming of youth issues in government programs; and (v) professional development.

III. Total Cost of the Program and Financing Plan

- 3.01** The estimated cost of the Program is the equivalent of eleven million dollars (US\$11,000,000), in accordance with the following chart showing investment categories and sources of financing:

Cost and Financing

Category	Bank	%
1. Strengthening of Skill Development Programs	<u>5,848,770</u>	<u>53</u>
1.1 Alignment with Employer Needs and Demands	900,000	
1.2 Upgrading of NYS facilities	2,008,000	
1.3 Pilots for youth with low literacy numeracy skills (CAP)	1,507,470	
1.4 Institutional Strengthening, Monitoring and Evaluation	1,433,300	
2. Youth Information Centers	<u>2,095,776</u>	<u>19</u>
2.1 Construction and equipment	1,832,563	
2.2 Supervision and quality control	236,213	
3. Sector Management	<u>1,235,754</u>	<u>11</u>
3.1 Youth Survey	600,000	
3.2 Update of the National Youth Policy	270,010	
3.3 Professional Development	262,626	
3.4 Articulation, Outreach and Coordination	103,118	
4. Administration, audit and evaluation	<u>1,819,700</u>	<u>17</u>
4.1 MOE	956,340	
4.2 NYS	423,460	
4.3 NCYD	439,900	
TOTAL	<u>11,000,000</u>	<u>100.00</u>

IV. Execution

- 4.01** The Executing Agency of the Program will be the Ministry of Education (MOE). The MOE will work in close coordination with the NYS; the CAP team and NCYD who will retain technical responsibility for execution of pertinent Program activities. An integrated implementation model will be used whereby MOE will be responsible for all financial, procurement and administration arrangements for Program activities. To this end, a Program Implementation Unit (PIU) will be established within MOE consisting of a Program Manager, Financial Specialist, Procurement Specialist and support staff.
- 4.02** The participation of both the MOE and NCYD in a youth development program will allow synergies to be created given that their roles are complementary. The CAP team will have technical responsibility for execution of CAP pilot activities to be financed under Component 1 (Strengthening of Skill training) while NYS will be the technical responsibility for its institutional Strengthening. NCYD will have technical responsibility for Components 2 (Youth Information Centers) and Components 3 (Sector Management). To facilitate execution and coordination with the Program Implementation Unit, a Technical Coordinator and project assistant will be contracted to work with NYS; NCYD, 2 Technical Coordinators will be contracted (one for each component) along with a Project Assistant. All positions related to project management and execution will be filled on a competitive basis and in accordance with Bank procurement policies for the contracting of individual consultants.
- 4.03** In addition, NYS will contract a Chief Technical Advisor (CTA) to support the institutional strengthening and transformational activities to be financed by the Program.

The main functions of the CTA will be to provide periodic technical assistance and guidance in the hiring of the agreed upon consultancies and evaluations, review consultant reports and facilitate the implementation of the recommendations.

- 4.04** A Project Management Steering Committee (PMSC) will be established and meet at least on a quarterly basis to ensure the integrated planning and programming of activities, as well as to enable strategic decision-making. The PMSC will be co- chaired by MOE and MICYS and will have representatives from Ministry of Finance and the Public Service, Planning Institute of Jamaica (PIOJ), NYS, NCYD, HEART/NTA and the private sector.
- 4.05** **Operations Manual:** The Operations Manual will guide and govern the execution of the Program and will include: (i) a description of the institutional framework, including the organization and operative structure of the program, and identifying the key entities involved in its execution; (ii) a description of coordination mechanisms between components —when appropriate— and between various entities participating in the Program; (iii) procedures for the administrative and financial management of the Program; (iv) procedures for the contracting of goods and services; (v) procedures for coordination between the Program Implementation Unit, NYS, NCYD and the Bank; (vi) mechanisms and procedures for monitoring and evaluation; (vii) terms of reference for all key management and technical positions that will support execution; and (viii) terms of reference for all key consultancies to be financed under the various components of the Program. Once approved as part of the conditions prior to first disbursement, any changes to the Operations Manual will require the no objection of the Bank.

V. Monitoring and Evaluation

- 5.01** **Monitoring.** Both the MOE and NCYD will maintain a permanent monitoring system to evaluate the progress of all Program activities. As part of this system, both entities will collect and retain updated information on performance indicators, annual implementation plans, and all evaluations. Program monitoring will be based on the Annual Operating Plans (AOP), the Results Framework and the Matrix of Phase I Triggers, all of which will be examined on a regular basis as part of the review process for production of the semiannual progress reports which will be to be presented to the Bank by the Executing Agency.
- 5.02** **Evaluation.** In order to evaluate the impact of the NYS and improve the quality and relevance of programs targeted towards unattached youth, an evaluation with an experimental design will be undertaken. Baseline data will be collected on the social, emotional, educational, and work-preparedness states of all applicants to the NYS Corps Programs, as well as information on current earning and employment related indicators using internationally proven instruments. Phase I will also include evaluations of the new modalities for youth with low literacy and numeracy levels. With respect to the YIC, technical assistance will be provided to develop an overarching monitoring and evaluation framework that will improve the tracing of unattached youth and their placement in employment, education and/or training programs. The methodology will

improve and expand existing data collection mechanisms currently employed at the YIC to collect background information on YIC users and to monitor the use of the Labor Market Information System.

- 5.03** When at least forty percent (40%) of Program resources have been disbursed and/or after thirty-six (36) months of Program execution, which ever occurs first, an external evaluation will be conducted using Loan resources to evaluate the Program (Phase I) activities and assess readiness for Phase II. The evaluation report will highlight the degree to which the goals and indicators agreed between the Borrower and the Bank were achieved. It will also contain relevant recommendations for changes or adjustments to Phase II, related to both institutional aspects and education processes.
- 5.04** In accordance with multiphase loan operational requirements, advancement from the first to the second phase will be subject to the level of disbursed resources (at least fifty percent (50%) of resources disbursed) and the reaching of milestones defined by specific output and/or results indicators. For the purpose of this Program, five (5) out of the seven (7) triggers listed in the table below should be achieved:

Triggers for Phase II
A quality enhancement plan for NYS has been prepared based on evaluation findings related to the quality of work placements and their link to the training area of participants; the transition of graduates into further training, education or employment; and the development of corporate contacts and relationships.
The competencies of the NYS curricula have been aligned with national qualification standards.
At least 20% of NYS participants carry out their job training internships in private sector firms.
A framework for supervision and mentoring of NYS participants on-the-job and post graduation is in operation.
New initiatives targeted to youth with low levels of numeracy and literacy have been evaluated, and a plan for expansion in Phase II prepared based on the recommendations made.
The National Youth Policy has been revised and updated, including measureable indicators for monitoring and evaluation and a baseline established.
Instruments for mainstreaming of youth policies and programs have been created and disseminated within Government ministries and agencies.

ARTICLE TWO

The Parties hereby ratify the validity and enforceability of all other provisions set forth in Loan Contract No. 2039.

ARTICLE THREE

The Parties agree that this Amendatory Contract shall enter into force on the date of its signature by the Borrower.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract in two (2) equally valid copies, in Kingston, Jamaica.

JAMAICA

INTER-AMERICAN DEVELOPMENT
BANK

/s/ Audley Shaw

/s/ Ancile E. Brewster

Audley Shaw
Minister of Finance and the Public Service

Ancile E. Brewster
Representative in Jamaica

Place: Kingston, Jamaica

Place: Kingston, Jamaica

Date: April 11, 2011

Date: April 11, 2011