

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**JAMAICA**

**STRENGTHENING OF ACTIVE LABOR MARKET POLICIES IN JAMAICA**

**(JA-T1124)**

**TC DOCUMENT**

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## TC Document

### I. Basic project data

• Country/Region :	JAMAICA / CCB - Caribbean Group
• TC Name :	Strengthening of Active Labor Market Policies in Jamaica.
• TC Number :	JA-T1124
• Team Leader/Members :	Fernando Pavon, Team Leader (CJA/LMK); Ethel Muhlstein, (SCL/LMK); Sudaney Blair (CCB/CJA); Bettina Hennig and Margie-Lys Ramirez (LEG/SGO).
• Indicate if : Operational Support, Client Support, or Research & Dissemination.	Client Support (CS)
• Reference to Request :(IDB docs #)	See paragraph 3.3
• Date of TC Abstract :	27 May 2016
• Beneficiary (countries or entities which are the recipient of the technical assistance):	Jamaica, through the Human Employment and Resource Training Trust (HEART Trust/NTA) under the Ministry of Education, Youth and Information
• Executing Agency and contact name (Organization or entity responsible for executing the TC Program)	Inter-American Development Bank (IDB), Social Sector, through the Labor Markets and Social Security Division (SCL/LMK) Fernando Yitzack Pavon, fernandop@iadb.org.
• IDB Funding Requested :	US\$250,000 (Social Fund – ORC/SOF)
• Execution and disbursement period :	28 months
• Required start date :	December, 2016
• Types of consultants (firm or individual consultants):	Firms/Individual Consultants
• Prepared by Unit :	Labor Markets and Social Security Division (SCL/LMK)
• Unit of Disbursement Responsibility :	IDB, Country Office in Jamaica (LMK/CJA)
• Included in Country Strategy (y/n):	No
• TC included in CPD (y/n):	No
• GCI-9 Sector Priority	Social policy for equity and productivity; Addressing the needs of small and vulnerable countries

### II. Objectives and Justification of the TC

- 1.1 Unemployment in Jamaica is a pressing issue with youths accounting for a major part of the total unemployment figure. A total of 56,200 youth (age 20-24) were unemployed in January 2016, representing 29.5% of total unemployed persons.
- 1.2 Active Labour Market Policies (ALMPs), which seek to achieve the rapid and efficient workforce integration or re-integration of unemployed workers or hard-to-employ vulnerable persons, are widely used by countries around the world to address the aforementioned challenges (IDB, 2013). These ALMPs include, for example: (i) skills training programs that aim to increase beneficiaries' employability and thus their probability of employment; and (ii) Labour Intermediation Services (LISs) like public employment services, which reduce job search costs for job seekers and recruitment costs for employers as they help close the information gap between what the supply and demand of skills is at any given point in time. In this sense, LISs benefit from

strong labour market information systems that collect robust and systematic intelligence with which different stakeholders can make evidence-based decisions.

- 1.3 In order to better respond to the demands of current and potential employers, Jamaica needs to increase capacity and instruments to effectively and regularly collect process, analyze and disseminate relevant and reliable Labor Market Information (LMI). The identification of Labour Market issues critically rests on the availability of data, information and analysis. Labour Market information and analysis provide the essential basis for Employment and Labour Policy and informs the design, implementation, monitoring and evaluation of policies that are better focused and targeted in the dynamic market place. There is a strong need to develop an efficient Employment Service (ES) that can: (i) identify and anticipate the specific skills needs of the private sector; (ii) connect the unemployed with vacancies in the private sector and train people in firms and also the self-employed to be more productive; and (iii) integrate the ES with training programs targeted to employers' needs.
- 1.4 Jamaica currently has several programs that are implemented by different institutions such as the Human Employment and Resource Training Trust (Heart Trust/NTA); Jamaica Values and Attitudes (JAMVAT), through the Ministry of Education, Youth and Information (MEYI) and the National Youth Service (NYS),<sup>1</sup> among others. The review of the current apprenticeship system may offer the opportunity to rationalize a range of existing training programs.
- 1.5 For this, emphasis must be placed on the development of Public-Private Partnerships (PPP) that allow for the unemployed, particularly the youth, to receive both in-classroom and on-the-job training or both, enabling the formation of a labor force with pertinent skills for the world of work. Specifically, Jamaica can consider exploring and adapting different PPP models that have been successful in other countries in the form of apprenticeship, pre-apprenticeship/traineeship and/or internship programs (Australia, Canada, Germany, the United Kingdom, New Zealand, etc.). A review and proposal of a revised National Apprenticeship Programme (NAP) that establishes the articulation between public sector institutions and employers would allow the implementation of labor market demand-driven programs.
- 1.6 The **objective** of this TC is to support the Heart Trust/NTA, the MEYI Ministry of Labour & Social Security (MLSS), the Ministry of Economic Growth and Job Creation (MEGJC) and both public<sup>2</sup> & private sector stakeholders in building capacity and

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<sup>1</sup> National Youth Service (NYS) aims to equip youths with the necessary life coping skills to foster their personal and career development as well as enhance their contribution to community and national development. <http://www.nysjamaica.org/dynaweb.dti?dynasection=aboutus&dynapage=orgprofile>

<sup>2</sup> Public sector stakeholders include (but not limited to): MEYI, HEART Trust/NTA and National Council on Technical and Vocational Education and Training (NCTVET).

development of key inputs required to review and strengthen the NAP and to strengthen the Labour Market Information System (LMIS)<sup>3</sup> in Jamaica.

1.7 The TC aligns with: (i) the IDB Sector Framework Document for Labour (GN-2741-3) in two dimensions: (a) workers and companies have access to relevant and cost-effective workforce training mechanisms; and (b) the region's young people, the unemployed, underemployed or hard-to-employ make the transition to work faster, more effectively, and with better earnings prospects; (ii) it is also aligned with the Strategy on Social Policy for Equity and Productivity (GN-2588-4). This operation is under the objective of "Productivity and innovation". The TC is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) and is aligned with the development challenge(s) of: (i) productivity and innovation, by increasing the quality, access and use labor training, and life-long skills development, and labor intermediation services, specifically for inserting youth, and the unskilled into the workforce. The program is also aligned with the priorities of the sector strategy "Social Policy for Equity and Productivity" (GN-2588-4) by: Individuals (all, men, women, and youth) benefited from programs to promote higher labor market productivity. It is also aligned with the national goals of Vision 2030 Jamaica – National Development Plan: (a) development and protection of human capital; (b) economic stability, growth and employment; and (iv) specifically, it is also aligned with National Outcome #2 within the Medium Term Socio-Economic Policy Framework 2015-2018<sup>4</sup>: (a) deliver labour market demand driven programs; and (b) expand Apprenticeship Programme.

## **II. Description of activities/components and budget**

2.1 **Component 1. Building Effective Employer Engagement (US\$183,000).** Human resource development against a backdrop of rising youth unemployment is a challenge facing governments and educators across the region. Creating conditions for employers to own and drive the skills agenda is essential to the development of effective solutions. It is vital that employers have the workforce they need to enable them to grow and prosper in a global economy. They need the provision to be both relevant and of high quality. Within the scope of this TC, the Jamaican authorities could identify one or two priority industry sectors where there is economic growth perspective and aligned with the country's growth strategy and a subsequent demand for qualified young people.<sup>5</sup> The Government of Jamaica (GoJ) is currently looking into several areas of focus in regards to skills training. A growing portion of this focus deals with Technical, Vocational, Education and Training (TVET) and Science, Technology, Energy and Mining (STEM) related initiatives. According to the reports from the MLSS and the leading national vocational training

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<sup>3</sup> The Labour Market Information System (LMIS) is an internet-based system that permits increased access to labour market information and intelligence, employment as well as career development opportunities. It is comprised of three major components, the Electronic Labour Exchange (ELE), Skills Bank and Labour market intelligence (LMI).

<sup>4</sup> Medium Term Socio-Economic Policy Framework 2015-2018, National Outcome #2, activities #72 and #73.

<sup>5</sup> In previous discussions with different stakeholders, especially GoJ, main areas of interest for the HEART/NTA are: Gaming, Business Process Outsourcing (BPO), Animation and the Logistics Hub. On the logistics hub, there has been several discussions with HEART Trust NTA around conducting a mapping exercise to unearth what skills areas should be emphasized on building capacity.

association (Heart Trust/NTA) there is opportunity and need for skills training, to change the economic landscape towards more technological areas. The major areas of focus include: The Logistics Hub, Business Process Outsourcing (BPO), Agriculture/Agro-Processing, and Tourism. There is a major interest from GoJ in making Jamaica into a premiere Logistics Hub in the Caribbean region and has started to move in that area.<sup>6</sup>

2.2 One of the key elements of success of both AP and Pre-apprenticeships is the active role that employers play in their design and delivery, specifically in identifying skills needs and subsequently defining occupational standards and shaping curricula, among other functions. Many developed countries have ensured employer participation through the development of Sector Skills Councils (SSC), entities that represent employers in a coherent and acknowledged sector of the business community. In countries like the United Kingdom, there has been great emphasis on creating this type of institutional structures, which have also played an important role in ensuring programs' quality assurance by setting assessment methodologies' for the apprentice. This TC will lay the groundwork towards establishing one employer-led SSC that will: (a) identify skill needs in particular industries; (b) develop relevant curricula based on those needs; and (c) set quality assurance mechanisms for training (assessment and certification standards). This component will also finance activities that will enable the Ministry of Economic Growth and Job Creation (MEGJC) to create an action plan that will provide guidelines for interaction and coordination with the both public and private sectors. This will assist in creating an environment conducive to attract investment resulting in economic opportunities and job creation through the coordination of activities among current entities such as Ministry of Investment, Commerce, MEYI, MLSS, Heart Trust/NTA, Jamaica Promotions Corporation (JAMPRO), among others.

2.3 This component will also finance the review and design of a revised NAP to expand the Registered Apprenticeship Programme (RAP) implemented by the MEYI and administered by the HEART Trust/NTA in Jamaica laying out the roles and responsibilities of the entities involved and strengthening the National Council on Technical and Vocational Education and Training (NCTVET) and the National Qualifications Register.<sup>7</sup> Finally, in a joint effort with the British Council, this component will also finance the participation of key players within national institutions and the selected industries to take part in the international skills seminars to draw from international best practices.<sup>8</sup>

#### 2.4 **Component 2. Capacity Building and Institutional Strengthening (US\$52,000).**

The LMIS serves as a single window that provides all information regarding labour market and which has capability to collect, evaluate and disseminate labour market information to all the stakeholders. It contains qualitative and quantitative information

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<sup>6</sup> According to statements from the Ministry of Industry, Investments, and Commerce, "the Cabinet had prepared a Memorandum of Understanding (MOU) to formalize engagement in a major project, amounting to US\$5 billion, to be undertaken by overseas investors. This will be done for logistics-related infrastructure projects". Source: British Council study "Skills Training in Jamaica Current Landscape and Areas for Growth".

<sup>7</sup> <http://www.ngrjamaica.org/nationalregister/generalinfo/main.aspx>.

<sup>8</sup> <https://www.britishcouncil.org/education/skills-employability/approach/seminars-study-tours-policy-dialogue>.

and it collects, analyzes and disseminates information that assists and empowers its stakeholders for correct planning, selection and decision making related to education, career, business requirements, training programs, job search, hiring, government policy and investment strategies.

2.5 Currently, the LMIS infrastructure does not adequately capture most of the key labour market information needed to facilitate a more efficient functioning LMIS. In addition, aside from reports generated from the database of jobseekers on the website, the LMIS does not automatically allow for detailed analysis of trends. In order to create the conditions for employers to benefit from strong labour market information systems that collect robust and systematic intelligence with which different stakeholders can make evidence-based decisions, this TC will provide the technical assistance to enhance the capabilities of the Jamaica LMIS.

2.6 The ELE currently has undergone improvements (Phase 2) of the platform: there are more than 12,000 job seekers registered and more than 720 employers registered on the platform. Phase 2 includes almost completely new front end, many additional features for both job seekers and employers, and a new section of the platform dedicated to labour market information (LMI). Notwithstanding these improvements, for a more dynamic LMIS, improvements for a Phase 3 need to be considered including support to the development and implementation of the labor market information collaboration and articulation between ELE and Heart Trust NTA system. This component will finance the support for further improvements of the LMIS (Electronic Labor Exchange - ELE portal<sup>9</sup>), which include: (i) technical assistance to strengthen the ELE team's technical capacity (including training activities for Government staff); (ii) development and implementation of the labor market information collaboration and Memorandum of Understanding (MOU) between ELE and Heart Trust/NTA as to be able to articulate both systems; (iii) support in activities leveraging labor market studies and reports to increase the visibility and reputation of the LMIS and the MLSS among various audiences; and (iv) capacity building of ELE teams with a site visit to another public employment service (i.e. South Miami one stop system).

### Indicative Results Matrix

Results/outputs Indicators	Unit	2016	2017	2018	End of Project (EOP)	Means of Verification (MOV)
<b>Expected result:</b> Government uses products financed with the TC for National Apprenticeship Programme design that would allow Jamaica to expand a new Apprenticeship Program for Jamaica is the incorporation of: (i) quality assurance mechanisms that lead to an industry recognized certification; and (ii) structured mechanism for private sector engagement.						
<b>Outputs</b>						
1.1. Employer-led skills agenda in one sector designed (incorporating assessment and certification standards)	Report	0	0	1	1	Final report approved by IDB technical supervisor
1.2. Training for NCTVET and Heart Trust NTA staff	People	0	10	20	30	Training Agenda and Satisfaction Survey presented

<sup>9</sup> As the core component of the LMIS, the ELE facilitates the matching of job seekers with employers. <http://www.lmis.gov.jm/Home/AboutUs>

Results/outputs Indicators	Unit	2016	2017	2018	End of Project (EOP)	Means of Verification (MOV)
delivered						by Heart Trust NTA
1.3. Revised National Apprenticeship Programme (incorporating quality assurance & private sector engagement mechanisms)	Report	0	1	0	1	Final report presented by Heart Trust NTA approved by IDB technical supervisor
1.4. Communications plan between the MEGJC and HEART Trust/NTA approved by Bank.	Report	0	1	1	1	Communications plan presented including specific activities for workshops
1.5. Skills Seminar/ Study tour participation	People	9	5	0	14	Event Agenda and Satisfaction Survey
2.1. Proposal to enhance the Electronic Labour Exchange (ELE), Skills Bank and Labour market intelligence (LMI) by articulating MLSS & Heart Trust NTA systems	Report	0	1	0	1	Final report approved by IDB technical supervisor
2.2. Public employment service study tour	People	0	6	0	6	Event Agenda and Satisfaction Survey

2.7 The total amount of this project will be US\$250,000 (two hundred and fifty thousand US Dollars), which will be fully funded by the Bank through the Social Fund (ORC/SOF). The following table includes the project budget according to its different components.

#### Indicative Budget (US\$)

Activity/Component	Description	IDB/Fund Funding (ORC/SOF)	Total Funding
<b>C1 – Building Effective Employer Engagement</b>		<b>183,000</b>	<b>183,000</b>
i) Design of employer-led skills agenda in one sector	Individual consultants, workshops	85,000	85,000
ii) Training activities for National Council on Technical and Vocational Education and Training (NCT VET) and Heart Trust NTA	Individual consultants, workshops	25,000	25,000
iii) Revised design of the updated National Apprenticeship Programme	Individual consultants, workshops	45,000	45,000
iv) Skills seminar/study tour	Travel costs	20,000	20,000
v) Communication Strategy/Plan	Individual consultant	8,000	8,000
<b>C2 – Capacity Building and Institutional Strengthening</b>		<b>52,000</b>	<b>52,000</b>
i) Technical assistance to enhance the Electronic Labour Exchange (ELE), Skills Bank and Labour market intelligence (LMI)	Individual consultants	37,000	37,000
ii) Capacity building of LMIS teams: public employment service study tour	Travel costs	15,000	15,000
Contingencies		15,000	15,000
<b>TOTAL</b>		<b>250,000</b>	<b>250,000</b>

### III. Executing agency and execution structure

3.1 The Bank, through LMK/CJA, will execute this technical cooperation to facilitate the execution, according to the official request of the Government of Jamaica. The Labor Markets and Social Security Division (SCL/LMK) will be responsible for the direction, supervision and coordination of this TC. The Bank will coordinate its work extensively with GoJ benefitting entities, most directly, MLSS and MEYI through the HEART

Trust/NTA. The Heart Trust/NTA will be the main beneficiary entity as the agency with the mandate to implement the National Apprenticeship Program. The role of the MEYI, MLSS and MEGJC will be within the coordination context. This execution scheme is proposed for the following reasons: (i) SCL/LMK has particular technical expertise in social development and labor market programs, specifically based on international best practices; and (ii) administrative burdens can be reduced on the government, particularly in the identification and contracting of international experts.

- 3.2 **Procurement.** The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with the Bank's current procurement policies and procedures.
- 3.3 **Condition prior to first disbursement.** Prior to the disbursement of the TC resources and initiation of activities in Jamaica, the corresponding letter of request will be obtained from the Country liaison entity with the Bank. The letter of request should be received from the Beneficiary by December 14, 2016. In case the letter of request is not received by this date, the possibility of a partial or total cancellation of funds will be discussed.

#### **IV. Major issues**

- 4.1 A possible risk is delays in project execution due to difficulties in coordinating with a specific sector for an employer-led skills agenda, thus delaying any inputs that can be created for sector skills council. To mitigate this risk, the activities in the TC will be laid out with the collaboration of the MEGJC and JAMPRO and their established work in regards to working with specific sectors for economic growth. The TC will provide funding to generate awareness with local "champions" to push the agenda forward and generate the sufficient integration, coordination and communication among government entities and strategic partners. To further this goal, the TC will finance the participation of key players in the process to attend skills seminars/study tours.<sup>10</sup> As an activity for the Sector Skills Council process, prior engagement has been established with the BPO industry and PIOJ. As a result of this engagement the industry has expressed interest in working together with IDB and NTA, PIOJ towards establishing a structured mechanism. Four sector champions will be joining the Skills Policy Seminar to understand how the SSC works in the United Kingdom and be able to replicate a similar structure in the BPO industry in Jamaica with IDB support.

#### **V. Exceptions to Bank policy**

- 5.1 None.

#### **VI. Environmental and Social Strategy**

- 6.1 There are no expected significant negative social and environmental impacts and this project received classification C. See safeguard reports at [SPF](#) and [SSF](#).

**Required Annexes:**

[Request from client](#) -- [In progress](#)  
[Terms of Reference for activities/component to be procured](#)  
[Procurement Plan](#)

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<sup>10</sup> <https://www.britishcouncil.org/education/skills-employability/approach/seminars-study-tours-policy-dialogue>