

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Developing Skills Strategies for an Enhanced Skills Ecosystem for Strategic Jamaican Industries
▪ TC Number:	JA-T1215
▪ Team Leader/Members:	PAVON, FERNANDO YITZACK (SCL/LMK) Team Leader; JODY MAXWELL (SCL/LMK); GONZALEZ HERRERA, BEATRIZ MARIA (SCL/LMK); LIBERTAD SICCHA (SCL/LMK); MONICA BONILLA (SCL/LMK); GASTON FERRIN (SCL/LMK); CENTENO LAPPAS, MONICA CLARA ANGELICA (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	02 Nov 2022
▪ Beneficiary:	Jamaica - JAMPRO
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$300,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	SCL/LMK - Labor Markets
▪ Unit of Disbursement Responsibility:	SCL/LMK - Labor Markets
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation

II. Objective and Justification

- 2.1 The objective of this TC is to support the post COVID-19 economic recovery plan to promote growth of strategic sectors in Jamaica and spur employment. To this end, it will support the coordination of private sector partners and drafting of strategies leading to increased private sector participation in the training ecosystem and improve match between skills demand and supply of these strategic sectors. Specifically, it will test new mechanisms to identify skills demanded by 2 productive sectors to improved match between skills demand and supply.
- 2.2 Developing people with the right skills is not only crucial to deploy the right technologies; it is also key to achieve inclusive growth. In the region, as much as 19% of men and 21% of female may be displaced by new technologies in the coming years (Bustelo, Suaya and Viollaz, 2019). In addition, the lack of skills may create a backlash against the introduction of new technologies – much as taxi drivers resist the penetration of raid-hail companies such as UBER. As highlighted in the Skills Development Sector Framework Document (IDB, 2020), aligning skills development to a country's growth strategy and the demands of productive sectors improves the relevance of the skills being developed. To properly align the supply and demand of skills, it is important to involve industries and other social partners in the identification of skills needed, curricula design, and provision of learning (OECD, 2019; Amaral et al., 2017). Ongoing collaboration supports the continuous adaptation of curricula to

labor market demands. Many developed countries have ensured employers' participation in skills development through the establishment of sector bodies or organizations that represent industries, as part of their institutional arrangements.

- 2.3 The Jamaica Education Transformation Commission (JETC) was established with the aim to advise how to create a world-class educational system geared towards enabling students to fulfill their potential and develop the skills base and human capital required for Jamaica to compete in the 21st century global century. In 2022, the JETC embarked in understanding the TVET system in Jamaica and requested support to the Bank in two perspectives: 1) To support the JETC with an assessment of the current institutional arrangements of Jamaica's premier training institution, HEART-NSTA to meet Jamaica's skills supply and provide recommendations including best practices related to the operating models of levy based skilled; and 2) Support the JETC with an assessment of the current institutional arrangements of Jamaica's premier training institution, HEART-NSTA to meet Jamaica's skills demand and provide recommendations including best practices to optimize governance arrangements and strengthen their M&E systems. In this regard, preliminary findings in terms of issues drawn from workshops with employers about the strengths, issues and opportunities in the TVET system for Jamaica include the following (among other): i) The legal framework needs modernization and might be reviewed to become more flexible and responsive to employer requirements; ii) The system needs significantly more employer engagement; iii) There is a challenge in changing the culture, and how best to do this; iv) One reason for low engagement is that some employers focus on getting labour at the cheapest level, which discourages training investment; v) There is inadequate marketing to employers and the funding/financing for employers needs to be better understood; vi) There is a low level of understanding of the industries and the available job opportunities amongst the general public and young people. As the analysis on the demand side of Jamaica's TVET/skills development system is being concluded (October 2022), preliminary findings indicate a clear need for i) increased private sector participation in Jamaica's TVET system and ii) increased responsiveness of TVET system.

III. Description of Activities and Outputs

- 3.1 **Component I: Design of sector skills strategies.** This component will fund the design of sector skills strategies of 2 of the prioritized sectors: Logistics, & Manufacturing. It will: (i) identify potential areas where sectors could have or generate a competitive advantage in the country; (ii) define and map the necessary skills in the most demanded roles within the sector; (iii) identify/develop new skills profiles in response to emerging occupations; and (iv) map the training availability.
- 3.2 **Component II: Enhancement of processes for interaction of the skills development system with the private sector participation.** This component responds to the TVET system's need to establish private sector participation channels to drive towards a more responsive TVET system in Jamaica. This component will finance: (i) the establishment of industry-led bodies to systematize the future collaboration between major stakeholder to identify skills needs, set standards, and chart career pathways; (ii) the design of new training models and disruptive methods tailored for the selected sectors.
- 3.3 **Component III: Contingencies.** Contingencies.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Total Funding
Design of sector skills strategies.	US\$100,000.00	US\$100,000.00
Enhancement of processes for interaction of the skills development system with the private sector participation.	US\$180,000.00	US\$180,000.00
Contingencies	US\$20,000.00	US\$20,000.00
Total	US\$300,000.00	US\$300,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank, through LMK/CJA, will execute this technical cooperation, to facilitate the execution, with the Private Sector Organization of Jamaica (PSOJ) as its main partner. 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 PSOJ and JAMPRO, and by extension the Global Skills Sector Project Executing Unit for the implementation of this TC.
- 5.2 This execution scheme is proposed for the following reasons: (i) the Bank has technical expertise and resources to help support risk management and risk response planning specifically based on international best practices; and (ii) reduce the administrative burdens of the government, particularly in the identification and contracting of international experts.

VI. Project Risks and Issues

- 6.1 A potential risk identified is the coordination challenges among beneficiary and other key stakeholders to identify sector needs and risks and thus agree on appropriate sector collaboration mechanism as well as risk response and action plan. To mitigate this risk, this TC will rely on JAMPRO's capacity to coordinate risk response through its JA-L1079 PEU and coordination of beneficiaries and stakeholders

VII. Environmental and Social Classification

- 7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).