

Vocational Training Program

PARAGUAY

SECTOR: Education

PROJECT NAME: Vocational Training Program
(851/OC-PR)

TOTAL COST: \$27.0 million

FINANCING:

IDB	\$20.7 million
MIF	\$ 3.5 million
LOCAL	\$ 2.8 million

DATE OF APPROVAL: December 21, 1994

GENERAL DESCRIPTION: The objective of this program is to increase productivity and incomes through efficient operation of the country's vocational training system. In this way, the program will: (a) upgrade the knowledge and skills of employed workers as an aid to restructuring the productive sector; (b) provide suitable vocational training for young people entering the job market and unemployed youths belonging to low-income groups; and (c) increase management skills of small business operators and microentrepreneurs.

The system will allow for broad participation by the private sector in its administrative body, ensure that there are mechanisms that permit learners to select the type of training they prefer and the institution to provide it, and award contracts for such training courses through an open process in which private institutions are free to compete.

The program includes the following components:

(a) a sector reforms component: to create the vocational training system, create and place in

operation a governing body for the system, along with a corresponding technical secretariat, restructure and rationalize the Servicio Nacional de Promoción Profesional (SNPP), with its regional branches and subdivisions, privatize the affiliated centers, strengthen the private sector institutions with the greatest impact on the sector, and conduct studies for awarding professional accreditation, while promoting participation by women in the labor market;

(b) an investment component: to finance courses for active workers (refresher, updating and/or retraining courses), small business operators and microentrepreneurs (courses in business administration, accounting and marketing, among other topics), and the unemployed poor (courses designed to encourage reentry into the job market). During the first two years of the program, an education voucher system will be used in which students - and companies in the case of employed workers - will be given vouchers for the above-mentioned courses. These students and companies will have the option of selecting among the courses and participating institutions, thus creating healthy competition among the latter.

CONSULTANTS:

Consultants will be hired to: (a) create the vocational training system (106 staff/months); (b) help design and implement a governing body for carrying out the program (151 staff/months); (c) restructure the SNPP (144 staff/months); (d) study the possibility of having SNPP sell, assign or transfer its regional branches and subdivisions (8.4 staff/months); (e) conduct a study which will make it possible to strengthen the most efficient affiliated centers, close those centers for which there is no demand, and establish sectoral requirements for creating and operating new centers (18.2 staff/months); (f) strengthen private sector training institutions (8 staff/months); (g) conduct a study on professional certification (3.9 staff/months); (h) conduct a study of labor market prospects on which to base the design of a course aimed at helping women enter the labor force (5.2 staff/months); and (i) conduct a total of 50 pilot vocational education courses.

GOODS AND EQUIPMENT:

Equipment for workshops, teaching laboratories, software and educational materials will be purchased.

EXECUTING AGENCY:

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