

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

JAMAICA

PROJECT PAPER

BASIC SKILL TRAINING

AID/LAC/P-155

Loan Number:532-V-024
Project Number:532-0083

UNCLASSIFIED

APPENDIX 3A, Attachment 1
Chapter 3, Handbook 3 (TM 3:43)

FOR USE BY THE DEVELOPING COUNTRIES

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
C = Change
D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Jamaica

3. PROJECT NUMBER

532-0083

4. BUREAU/OFFICE

LAC

05

5. PROJECT TITLE (maximum 40 characters)

Basic Skill Training

6. PROJECT ASSISTANCE COMPLETION DATE (PACT)

MM DD YY
018 | 011 | 89

7. ESTIMATED DATE OF OBLIGATION

(Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY | 813 |

B. Quarter | 4 |

C. Final FY | 819 |

8. COSTS (\$000 OR EQUIVALENT \$1 = J\$2.78)

| A. FUNDING SOURCE | FIRST FY 83 | | | LIFE OF PROJECT | | |
|------------------------|-------------|---------|-----------|-----------------|---------|------------|
| | B. FX | C. L/C | D. Total | E. FX | F. L/C | G. Total |
| AID Appropriated Total | | | | | | |
| (Grant) | (865) | (216) | (1,081) | (3,892) | (974) | (4,866) |
| (Loan) | (2,929) | (-) | (2,929) | (11,472) | (-) | (11,472) |
| Other | | | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| Host Country | | 4,959 | 4,959 | | 46,544 | 46,544 |
| Other Donor(s) | | | | | | |
| TOTALS | 3,794 | 5,175 | 8,969 | 15,364 | 47,518 | 62,882 |

9. SCHEDULE OF AID FUNDING (\$000)

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH CODE | D. OBLIGATIONS TO DATE | | E. AMOUNT APPROVED THIS ACTION | | F. LIFE OF PROJECT | |
|------------------|-------------------------|----------------------|------------------------|---------|--------------------------------|---------|--------------------|---------|
| | | | 1. Grant | 2. Loan | 1. Grant | 2. Loan | 1. Grant | 2. Loan |
| (1) EH | 614 | 610/610 | | | | | 1,917 | 4,520 |
| (2) EH | 623 | 630/630 | | | | | 1,216 | 2,869 |
| (3) EH | 663 | 660/660 | | | | | 1,733 | 4,083 |
| (4) | | | | | | | | |
| TOTALS | | | | | | | 4,866 | 11,472 |

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

635 613 614 615

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code Tech TNG DEL INTER

13. PROJECT PURPOSE (maximum 480 characters)

To establish an improved skill training system responsive to the CCF's economic policies and labor market needs.

16. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 016 | 815 | 016 | 817 | 016 | 819 |

14. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

15. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP. Amendment.)

17. APPROVED BY

Signature
[Signature]
Title
Director,
UNAD/Jamaica

Date Signed
MM DD YY
10/10/83

18. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION

MM DD YY
| | |

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY OR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

ASSISTANT
ADMINISTRATOR

PROJECT AUTHORIZATION

Name of Country : Jamaica
Name of Project : Basic Skills Training
Number of Project : 532-0083
Number of Loan : 532-V-024

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Basic Skill Training project for Jamaica involving planned obligations of not to exceed Eight Million Five Hundred Thousand United States Dollars (\$8,500,000) in loan funds ("Loan") and Four Million Nine Hundred Thousand United States Dollars (\$4,900,000) in grant funds ("Grant") over a six year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is six years from the date of initial obligation.

2. The project ("Project") consists of assistance to establish improved skills training in Jamaica which, in facilitating the economic recovery program, will be responsive to economic policies and labor market needs. The Project has three major facets: (i) assistance for the institutional strengthening of the Human Employment and Resources Training (H.E.A.R.T.) Trust; (ii) upgrading and expansion of non-formal skills training programs within the Ministry of Youth and Community Development; and (iii) institutional strengthening and expansion of formal technical level skills training within the Ministry of Education. It is contemplated that a fourth facet will be added to the Project following additional planning, i.e., the establishment of a H.E.A.R.T. Trust revolving loan/grant fund to assist primarily private and selected public sector organizations to upgrade and expand their skills training programs.

3. The Project Agreement, which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Interest Rate and Terms of Repayment

The Government of Jamaica ("GOJ") shall repay the Loan to A.I.D. in U.S. Dollars within twenty (20) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The GOJ shall pay to A.I.D. in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of (i) two percent (2%) per annum during the first ten (10) years, and (ii) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.

b. Source and Origin of Commodities, Nationality of Services (Loan)

Commodities financed by AID under the Loan shall have their source and origin in Jamaica or in countries included in AID Geographic Code 941, except as AID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Jamaica or countries included in AID Geographic Code 941 as their place of nationality, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the Loan shall be financed only on flag vessels of Jamaica or countries included in AID Geographic Code 941, except as AID may otherwise agree in writing.

c. Source and Origin of Commodities, Nationality of Services (Grant)

Commodities financed by A.I.D. under the Grant shall have their source and origin in Jamaica or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Jamaica or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

d. Conditions Precedent

(i) Condition Precedent to Disbursement in Excess of \$50,000

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, in excess of \$50,000, the GOJ shall, except as A.I.D. may

otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence of the establishment of an autonomous H.E.A.R.T. Trust Board of Directors or other equivalent body, together with evidence that the private sector representation on the Board is not less than 50% and that the Board includes key officials of appropriate GOJ agencies.

(ii) Condition Precedent to Disbursement for Training Activities

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, for training activities in excess of \$100,000, the GOJ shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence of a time-phased detailed Training Plan for the training activities during the first year of the Project, together with a more general training plan for the remainder of the Project.

e. Covenant

Except as A.I.D. may otherwise agree in writing, the GOJ shall covenant that it will furnish to A.I.D. within 60 days from the date of arrival of the first resident contractor representative, or such other time as A.I.D. may agree in writing, a detailed implementation plan for in-country training and participant training, job descriptions for project personnel, and a detailed plan for all activities to be undertaken during the first two years of the Project. Thereafter, an updated plan shall be submitted to A.I.D. at six month intervals over the life of the Project, except as A.I.D. may otherwise agree in writing.

Carl W. Leonard

Acting Assistant Administrator
Bureau for Latin America and
the Caribbean

July 29, 1983
Date

Clearances:

| | | | |
|------------------|--------------------|------|----------------|
| GC/LAC:RBMeighan | <i>R.M/Gu</i> | Date | <u>7/28/83</u> |
| LAC/DR:RDelaney | <i>[Signature]</i> | Date | <u>7/28/83</u> |
| LAC/DR:DBJohnson | <i>[Signature]</i> | Date | <u>7/29/83</u> |

SKILL TRAINING PROJECT PAPER

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USAID/GOJ Project Steering Committee

Mrs. Myrtle Hazel - Chairperson, National Planning Agency

Mrs. Elsie Webber - Director, Vocational - Technical Unit,
Ministry of Education

Mr. Arlie Dyer - Chief Vocational Officer, Vocational
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Mr. Leslie Johnstone - Director, Vocational Training Division,
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USAID/J Project Committee

| | | |
|--------------------------|---|--|
| Dr. Charles H. Reed | - | Education/Human Resources Officer |
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| Mr. Charles Mathews | - | Chief Engineer |
| Mr. Larry Bailey | - | Economist |
| Mr. Allan Broehl | - | LAC/DR/HR |

USAID/J Executive Committee

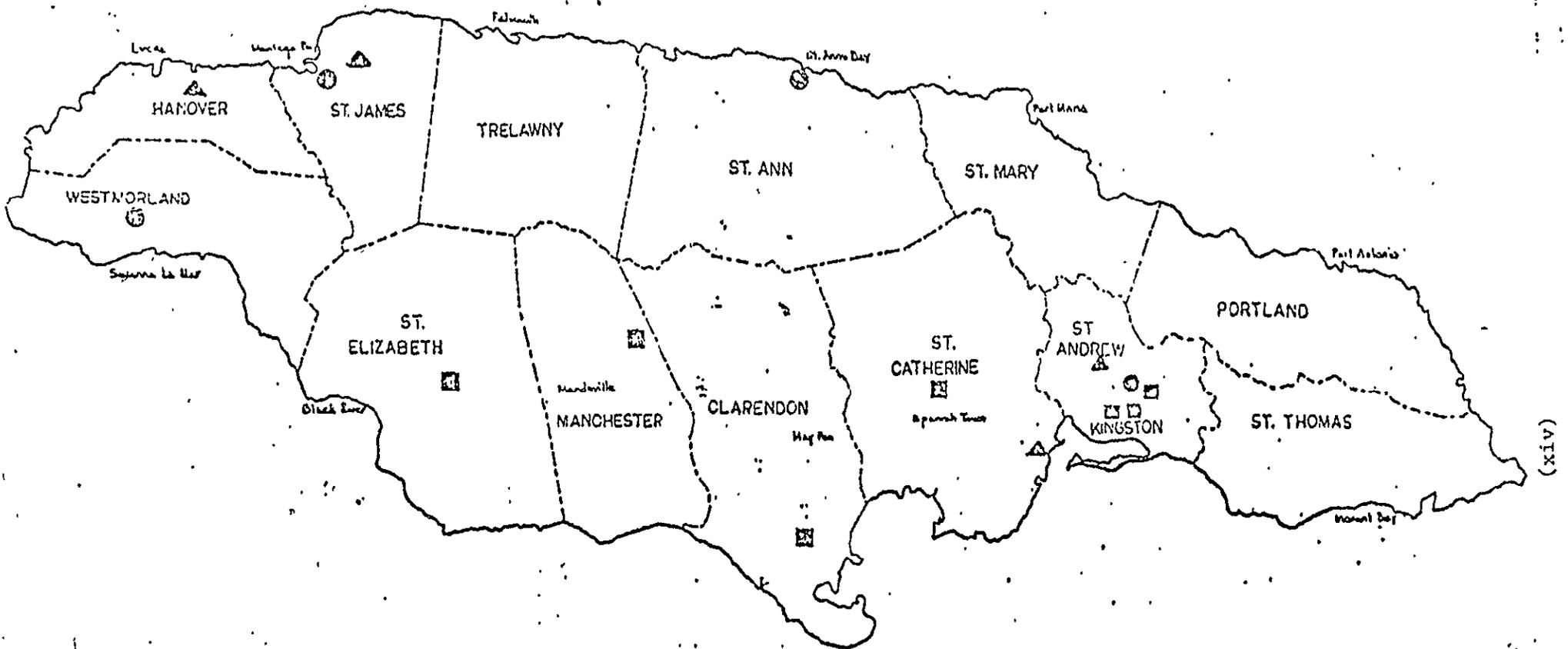
| | | |
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| Mr. Charles Warren | - | CONT |
| Dr. Raymond San Giovanni | - | OHRD |

LIST OF ACRONYMS

| <u>Acronyms</u> | <u>Definition</u> |
|-----------------|--|
| C.A.S.T. | College of Arts, Science and Technology |
| CDSS | Country Development Strategy Statement |
| COP | Project Chief of Party |
| CP | Conditions Precendent |
| EHRD/USAID | Education & Human Resources Division/ U.S. Agency for International Development |
| FX | Foreign Exchange |
| FAA | Foreign Assistance Act |
| GDP | Gross Domestic Product |
| GOJ | Government of Jamaica |
| H.E.A.R.T. | Human Employment and Resources Training Trust |
| IBRD | International Bank for Reconstruction and Development (World Bank) |
| IFBs | Invitation for Bids |
| ILO | International Labor Organization |
| IPC | Industrial Production Centers |
| ITC | Industrial Training Center |
| JAGAS | Jamaican/German Automotive School |
| JAMAL | Jamaican Advanced Movement for Adult Literacy |
| J\$ | Jamaican Dollar |

| | |
|---------|--|
| JIDC | Jamaica Industrial Development Corporation |
| LC | Local Costs |
| MICO | MICO Teacher Training College |
| MOE | Ministry of Education |
| MCW | Ministry of Construction and Works |
| MYCD | Ministry of Youth and Community Development |
| NDA | National Development Agency |
| NFST | Non Formal Skill Training |
| NPA | National Planning Agency |
| PACD | Project Assistance Completion Date |
| PVO | Private Voluntary Organization |
| RFP | Request for Proposal |
| TA | Technical Assistance |
| SDC | Social Development Commission |
| VTD | Vocational Training Division |
| VTDI | Vocational Training Development Institute |
| VTU | Vocational-Technical Unit |
| USAID/J | United States Agency for International Development/Jamaica |
| UNDP | United Nations Development Program |
| UK | United Kingdom |

Location of Technical High Schools/H.E.A.R.T. Academies



| Legend | |
|--------|--------------------------------------|
| ○ | - Proposed Technical High Schools |
| □ | - Existing Technical High Schools |
| △ | - A.I.D.-funded H.E.A.R.T. Academies |

(xiv)

PROJECT SUMMARY

One of the major obstacles to the Government of Jamaica's (GOJ) economic recovery program is the shortage of skilled, semi-skilled and technical manpower. This situation exists, despite high levels of unemployment and under-employment. The GOJ is well aware of the economic, social and political implications of this situation, and has assigned high priority and considerable resources to its resolution.

This six-year project will help the GOJ to establish a skill training "system" responsive to Jamaica's needs and consistent with the GOJ's policy of pursuing a "private sector led" economic growth policy. Many elements of such a skill training system currently exist within private and public institutions in Jamaica. However, these elements are fragmented, badly decapitalized, rigidly structured, poorly managed, lack new instructional technology, and function inefficiently in relative isolation from one another and the private sector. They do not, as yet, constitute a "system".

In order to help the GOJ create a skills training system, this project will upgrade selected elements that the GOJ wishes to incorporate into its skill training system, and provide a mechanism for coordinating these elements and the system. The project's goal is to help establish a trained human resource base that will facilitate the GOJ's economic recovery program and improve Jamaica's productivity.

The Project design pursues a focussed and internally integrated approach to meeting the long and short term training requirements of Jamaica's private sector, without comprehensive involvement in all the GOJ's activities concerned with the establishment of a "system". Project activities will focus on three areas. These are: (1) assistance for the institutional development of the Human Employment and Resources Training (H.E.A.R.T.) Trust, which will, among other things, regulate, evaluate, fund, promote and coordinate new and existing skill training programs included in the GOJ's desired skills training system; (2) upgrading and expansion of non-formal skill training programs and services within the Ministry of Youth and Community Development; and (3) upgrading and expansion of formal technical level skill training services and programs within the Ministry of Education.

The Project will provide approximately 398 person-months of long and short term technical assistance, about 230 person-months of participant training, and approximately \$5.2 million of commodities. The A.I.D. contribution is \$12.5 million, the GOJ contribution is \$34.3 million. A.I.D. inputs are as follows:

| | | |
|--------------------------------------|---------|------------------------|
| Technical Assistance | | \$3,980 |
| Foreign Exchange Cost | \$3,184 | |
| Local Currency Cost | 796 | |
| Participant Training | | \$ 656 |
| Equipment | | \$3,457 |
| Innovative Educational Technology | | \$2,270 |
| | | ----- |
| Sub-Total | | \$10,363 |
| Contingency - 5% | | 520 |
| Inflation - 10% | | \$ 1,634 |
| | | ----- |
| Total Life of Project Cost | | <u><u>\$12,515</u></u> |

By the end of the project, a more nearly adequate supply of appropriately trained, skilled, technical and supervisory level personnel will be available to help meet the GOJ's economic growth goals. In addition, elements of a flexible skill training system will exist that are capable of removing short and long term human resource bottlenecks and providing appropriate skills training and related services to the unemployed and underemployed. Moreover, it is expected that the H.E.A.R.T. Trust will ensure the coordination and relevance of skill training institutions and assist private establishments, including private and voluntary organizations, train new employees and upgrade currently and/or experienced workers.

I Project Rationale and Description

A. Background

1. The Problem

Jamaica's human resource problems are among the most difficult facing the Government of Jamaica (GOJ). Traditionally, the nation has had excessively high levels of unemployment and underemployment. At the same time, it has a shortage of skilled workers that imposes severe constraints on its economic development. Over the next five years, Jamaica will require an annual average of more than 9,000 technical, skilled and semi-skilled workers.

Unemployment figures for the first half of 1982 suggest that 287,000 persons were out of work (an unemployment rate of 27%). Young people and women are particularly disadvantaged groups within the labor market, as nearly 51% of the young people aged 14 to 24, and 40% of the women, are unemployed. The magnitude of underemployed is substantial. However, approximately 15,000 jobs, or 2% of the jobs in the labor force, remain unfilled due to skill shortages. The nature, contributing factors, and characteristics of the problem are fully developed in the Economic/Financial Analysis (Section II, page 51), but some of the major reasons include:

- numbers of unemployed, underemployed and discouraged workers, built up during the severe 1973-80 economic downturn, have not yet found employment;
- many young people and previously non-working women are entering the labor force each year;
- the relative capital-intensity of the urban, modern sector;
- rampant emigration of thousands of skilled, semi-skilled, technical and managerial workers each year, and
- an overall shortage in the capability and capacity of Jamaica's skill training system.

Efforts to replenish the supply of skilled workers, improve the skills of those who are now working, and provide skills to new labor market entrants are hampered by an inefficient skill training system that has the following characteristics:

- a fragmented 'system' of skill training, which includes seven ministries, as well as other government agencies and Private Voluntary Organizations (PVOs);
- unnecessary duplication in programs and facilities, and unregulated training not based on current or anticipated demand;

- poor relationships with the Private Sector;
- no effective, formalized placement service;
- an inequitable geographic distribution of facilities, and programs that do not necessarily relate to labor market demand;
- a lack of national certification of occupations and job standards; and
- excessive concentration on entry-level training.

Internally, skill training institutions and programs are:

- rigidly structured to last one year, regardless of the particular skill;
- unable to meet the need for the new skills required to support the economic recovery;
- lacking in new instructional technology and materials that could reduce the cost of training and enhance instructors' effectiveness;
- short of consumable training materials and trained instructors; and
- poorly managed, and lacking proper facilities and training equipment.

2. GOJ Priority Vis-a-Vis the Problem

The Government of Jamaica is well aware of the economic, social and political implications of high rates of unemployment/underemployment, skill shortages and inefficient skill training methods. The government of Prime Minister Seaga has given high priority, attention and resources to the problem. Indeed, one of the main elements of the GOJ short and medium term strategy for achieving economic development is,

"The development and implementation of special job related training schemes for youths, women and men in order to secure socially tolerable levels of employment by 1985-86 and, at the same time, address the severe constraints to development imposed by the shortage of skill."^{1/}

^{1/} Structural Adjustment of the Jamaican Economy, 1982-87, National Planning Agency, Kingston, May 1982, Page II.

Moreover, the GOJ has initiated a series of activities to create employment through economic growth, as well as improve the nation's productivity through an improved skills training system.

The government's economic recovery strategy is, in essence, a private sector, export led development model. The strategy is based on encouraging the development of the private sector, encouraging foreign investment, deregulating the economy, and providing responsible public sector fiscal management. The GOJ's three-year Economic Recovery Program attempts to raise the level of economic activity, maximize the use of available productive capacity and facilitate the attraction of light assembly industries, and it emphasizes manufacturing, agro-industry, bauxite/alumina, and tourism. At the same time, the GOJ is attempting to improve the employment potential generated by small enterprises. (See Economic/Financial Analysis, Section II, Page 55-6, Tables 10 and 11 for estimates of the magnitude of potential employment to be generated by the GOJ economic recovery strategy.)

In September 1982, the GOJ created the Human Employment and Resources Training Trust (H.E.A.R.T. or Trust), to develop, encourage, coordinate, monitor, and provide finance for the training, employment and placement of all levels of technical and skilled personnel. To support the Trust, a permanent, full time, technical secretariat has been established. At the operational level, the GOJ has begun a major restructuring of the non-formal skill training system. As part of this restructuring effort, the GOJ is expanding the existing network of 5 rural, residential youth camps (H.E.A.R.T. Academies) to 15 institutions, with a capacity for 500 students each (see Technical Analysis, Section II, for more discussion about the Trust and the GOJ's operational plans).

3. Programs Designed to Alleviate the Problem

a. Other Donors

Multilateral and bilateral donor organizations have tried to help alleviate the GOJ's human resource problems, but, in most cases, such assistance has focused on small individual institutions and training related to specific development assistance purposes. For example, the Dutch Government has provided 3 person years of technical assistance to the Building Trades Department of the College of Arts, Science and Technology (CAST). Similarly, the GOJ has been negotiating with the USSR to develop a farm mechanics and repair training center, and with the German Government to improve the training services offered by the Jamaican/German Automotive School (JAGAS). More general skill training assistance has been provided through the Third Education Loan provided by the International Bank for Reconstruction and Development (IBRD).

The three and one half year IBRD project will use two thirds of its US\$6.8 million for:

- the physical expansion and equipping of the College of Arts, Science and Technology (CAST);
- the construction, equipping and furnishing of five workshops at the Vocational Training Development Institute (VTDI); and
- the construction, furnishing and equipping of two pilot Industrial Production Centers (IPC) in Kingston and Montego Bay.

The remainder will provide technical assistance and staff upgrading to the technical secretariats of the Ministry of Education and the Ministry of Youth and Community Development. The loan agreement also requires the formation of a National Industrial Training Board (a coordinating body for skill training activities) as a covenant. The H.E.A.R.T. Trust meets this requirement. A full review of the IBRD loan can be found in Annex N.

4. A.I.D. Strategy

A key goal of USAID/J's 1983-87 strategy, as outlined in the Country Development Strategy Statement (CDSS), is productive employment generation. Jamaica's success in implementing its employment creation program is dependent on a variety of factors, including the availability of appropriately trained human resources. In this context, the Project is part of A.I.D.'s portfolio of interrelated and mutually supportive activities aimed at achieving the CDSS goal of employment generation. This project will assist Jamaica's economic turn-around by removing existing skill bottlenecks, providing adequate training to meet the nation's future manpower requirements, and raising the levels of productivity of existing workers.

There is no single activity or simple project which can solve Jamaica's complex problems. Current analyses cannot infallibly predict the future in this very dynamic area. The Jamaican economy is likely to change rapidly in the next few years, making articulation of manpower needs difficult. The Project recognizes these problems and is designed with best available statistical data and information. It also recognizes that the Project will occur in a changing operational environment, which will necessitate the incorporation of an internal feedback and operational adjustment process.

The Mission has based the design of this project on the following assumptions:

- existing firms hampered by skill shortages must improve their productivity (labor costs must compare favorably with other countries competing for the same markets);
- current skill shortages in the private sector will be more severely felt as economic activity expands, and may limit

employment expansion as more firms compete for these skills;

- new employment opportunities given the GOJ private sector, export led strategy, are likely to be in the manufacturing, agro-industry and tourism sectors, with an initial need for construction workers to build housing, physical plant and related infrastructure; and
- increased economic activity will require workers with a variety of skills, including new emergency occupations, and with a range of abilities within each skill category.

With this in mind, the Project is designed to promote the development of user-oriented, comprehensive, and flexible skills training. The Project will stress the strengthening of vocational skill training to meet the needs of the private sector, and to provide assistance to employers in upgrading the skills of their present workers.

GOJ officials have convinced USAID/J that the GOJ intends to overcome its current skill training deficiencies through programs adjusted to the changing needs of the economy. This Project presents a unique opportunity to update the management, technology and programs of the GOJ skill training system, and to better orient it to the thrust of Jamaica's economic development.

5. Relationship of the Project to the PID Approval Guidance Cable

In the nearly 15 months since the PID was approved, the entire structure of Jamaica's approach to skill training has changed. This dynamic situation has been the greatest impediment USAID/J has faced in its attempt to focus and finalize the design of the Project. The difficulties within the preparation process, thus, has become pertinent to the product.

The design process began with the intent of a "grass roots" design augmented by technical experts in non-formal education, formal education and institutional coordination. The "grass roots" element consisted of a working level, interdisciplinary, interagency, combined public and private sector "Steering Committee," chaired by the National Planning Agency. Initially it worked well. Within a few weeks the Steering Committee had designed the broad lines of an activity, which seemed to have strong, broad support.

In September 1982 the Prime Minister created the H.E.A.R.T. Trust. The expectations of this program were as unknown to the members of the Steering Committee, as it was to USAID/J. However, the steering committee drafted a memorandum to the Prime Minister requesting guidance, as well as describing the current state of affairs and suggesting alternative lines of cooperation/amalgamation.

Unfortunately, the Steering Committee project design process has never been able to again seize the initiative. More than this, the early compromises and their ensuing unity of purpose has never again been attained. The GOJ's "Political Directorate" has become the lead partner in the exercise.

The issue, then, is whether the politicization of the Project area has made it impossible to carry out a suitable project. USAID/J believes that it has not; it has simply made it more difficult. The two areas in which USAID/J has elected to intervene - formal education, through the technical schools; and the H.E.A.R.T. Trust and two cooperating agencies, are at little variance with the areas for which USAID/J originally opted.

The new H.E.A.R.T. Trust element, and its ten new academies, are the prime thrust of the "Political Directorate". H.E.A.R.T. is at the core of the GOJ's priorities. While it varies, somewhat, from the National Training Board envisioned by USAID/J and the IBRD, it has been accepted by the IBRD and is the announced policy instrument of the GOJ. No activity in skills training can afford to ignore H.E.A.R.T. For example, USAID/J prefers the Industrial Training Center (ITC) concept, which has dominated Jamaica's non-formal training scene for years. The GOJ is not inclined to maintain the ITC's virtues; GOJ policy is to disband them in their present form. Thus, USAID/J has elected to respect this decision and provide pilot support for the successor instrument, the H.E.A.R.T. Academy. Similarly, the JIDC seemed a strong candidate for assistance in providing speciality training for investors, as did such related, but semi-independent programs as the Apprenticeship Program. However, there appear to be major reorganization winds blowing - winds which do not portend ease of Project administration for a JIDC component. Thus, the Project will emphasize the use of the Revolving Trust Fund as the instrument for motivating and mobilizing the Private Sector initiative necessary to meet the requirements of these obviously valuable programs, as well as public sector apprenticeship programs and JIDC training for first line supervisors.

In response to the guidance, then, the Project has attempted to simplify the design (for ease of implementation objectives), to introduce incentives for Private Sector involvement in the process, and to provide greater policy guidance to the GOJ's chosen instrument for implementing skills training, the H.E.A.R.T. Trust. We submit that the dynamics of the situation require a greater level of flexibility and experimentation that is generally warranted in a project of this financial magnitude; we expect the implementation frustrations to be significant; but we expect the project to have vast positive effects, which justify A.I.D.'s investment.

a. Project Complexity

Efforts to simplify the Project design as suggested in the Guidance Cable, have been made difficult by the complexity of Jamaica's training problems. Eliminating proposed project components and/or participating institutions requires that essential services necessary for solving training related problems be left out. The GOJ considered options for placing the H.E.A.R.T. Trust outside the Prime Minister's Office, or making it into an autonomous corporation (again, suggested in the Guidance Cable), but decided those options would reduce the Trust's effectiveness in managing the public and private institutions

involved in the project. Essentially the original Project design has been retained but scaled down and importantly modified. The final configuration represents the best and most viable way to meet the Project's purpose and outputs.

b. Private Sector

The Guidance Cable proposed the increased participation of the private sector in all aspects of the Project. In this case, the Mission has gone to great lengths to comply with the Guidance Cable. The H.E.A.R.T. Trust Board now has equal private sector representation, as opposed to the GOJ's initial appointment of representatives which were dominated by the public sector. The Chairman of the Board is a representative of the private sector. Advisory committees for individual industry or occupational groups (e.g. construction) have been appointed from the private sector and some of them are already assisting the H.E.A.R.T. Trust to set occupational performance standards, and certification procedures, review curriculum and generally to organize training activities within their sector. In addition, the Ministry of Education has agreed to a revitalization of the Private Sector Advisory Committee's role in the administration of the Technical High Schools. Finally, there has been a shift in Project resources favoring private sector related activities. Keeping in mind the very limited intervention of the private sector in the past in providing skills training, the Mission believes the Project properly addresses the stimulation of private sector skills training.

c. Creation of a New Agency

The Guidance Cable questions why the creation of the H.E.A.R.T. Trust is essential to developing this Project. It is, of course, at a sufficiently high level of authority to rationalize the skill training system (see Section II. C. 2 page 40). Without the H.E.A.R.T. Trust, the fragmented, unarticulated public sector programs might continue producing large quantities of graduates without resolving existing skills shortages or making longer run improvements in the overall quality of the labor force. The H.E.A.R.T. Trust will permit resources to directly enter the private sector, while at the same time providing it with essential expertise, materials and instructor training which are currently only available from the public sector. The H.E.A.R.T. Board unites employers and public sector officials capable of bringing about required change. Trade Union representation on the Board (another Guidance Cable issue) has not yet been introduced, as it is believed by the GOJ that it might cloud this basic "team work" concept to get the public and private sectors initially working together.

B. Description of the Project

1. Synopsis of the Logical Framework

a. Project Goal

The goal of this Project is to establish a trained human resource base that will facilitate the GOJ's economic recovery program and improve the productivity of the nation.

b. Project Purpose

The purpose of this Project is to help establish an improved skill training system responsive to the GOJ's economic policies and labor market needs.

c. End of Project Status

By the end of the Project, the following conditions will exist:

- a functioning GOJ agency (the H.E.A.R.T. Trust) ensuring better coordination among skill training institutions, as well as increased private sector participation in directing skill training activities;
- a more nearly adequate supply of appropriately trained skilled, technical and supervisory level personnel to meet Jamaica's requirements;
- a more comprehensive, flexible skills training system capable of removing human resource bottlenecks in the short and long term, and providing appropriate skill training and related services to the employed, unemployed and underemployed;
- a capability, through the Trust for assisting private establishments, including PVOs, train new employed or experienced workers; and
- improved employment placement ratios from public sector training institutions.

d. Project Outputs

At the end of the Project, the GOJ should have the technical and managerial capability to propagate, manage, and update a program of skill training relevant to Jamaica's changing skill requirements. Specific project outputs include the following:

- approximately 21 H.E.A.R.T. Trust staff trained in the United States and Jamaica;

- approximately 9000 employed workers with upgraded skills;
- approximately 2500 new workers trained for new investors;
- support for approximately 143 private sector organizations, private voluntary organizations and trade associations;
- approximately 21,000 persons trained at the semi-skilled level;
- establishment of a functioning central Instructional Materials Production Center at VTDI;
- updated curricula and instructional materials for approximately 20 courses;
- established standards and proficiency tests for approximately 20 trades;
- four new H.E.A.R.T. Academies established and in operation;
- ten technical high schools upgraded;
- approximately 630 instructors upgraded;
- management systems upgraded for the MYCD, the MOE, and the H.E.A.R.T. Trust;
- increased training and employment of women in the skilled trades; and
- a better understanding of the policy, organizational and procedural changes that are required to improve the Jamaican skill training system.

2. Project Focus

The Project aims at improving skill development in areas that have an important impact on skill shortages and productivity. The Project will strengthen the GOJ's ability:

- to equip entry-level workers with skills required by employers;
- to upgrade the skills of employed workers;
- to respond to company or industry specific training problems; and
- to build a self-sustaining, technical and managerial capacity to respond to the private sector's training needs in an innovative and flexible manner.

The fundamental objectives of the Project are consistent with the four priority areas established by U.S.A.I.D. for delivering developmental assistance, i.e. policy dialogue and reform, strengthening of the

private sector, institutional development, and technology transfer and research. The Project will support policy reform through a new GOJ agency, the H.E.A.R.T. Trust. The Project will direct much of its support toward improving private sector skill training and/or directing skill training to meet private sector needs, including establishing a special fund for stimulating skill training in the private sector. In addition, substantial project resources will be directed toward developing the major GOJ institutions involved in skill training, transferring educational technology to those institutions, and conducting relevant research.

3. Project Design

a. Overview

The Project is designed to achieve its objectives by focusing on four basic components:

- the H.E.A.R.T. Trust,
- the H.E.A.R.T. Trust Revolving Loan/Grant Fund,
- Non-formal Skills Training, and
- Formal Skills Training.

These components are interrelated and mutually supportive, and together they represent an internally consistent thrust compatible with the GOJ's overall efforts to develop a sound skill training program. Detail is provided below concerning each of the principal components of the Project.

b. Components

(i) The H.E.A.R.T. Trust

The H.E.A.R.T. Trust (H.E.A.R.T., or the Trust) component is concerned with policy formation, integration and coordination of all skill training activities. It is also charged with increasing the role of private sector participation in skill training activities, and strengthening the placement of skill training graduates in productive employment.

The Trust was established by legislation in September, 1982. It is a quasi-autonomous 'statutory body' attached to the Office of the Prime Minister. The Trust is managed by an Executive Director reporting to a Board of Directors composed of ten members from the public sector and ten members from the private sector. The Trust is funded from a 3% payroll tax on all firms with a yearly payroll of more than J\$87,000 per year (the estimated tax revenue from the payroll tax is J\$30 million per year).

The Trust's function is:

- to develop, encourage, monitor and provide finance for employment training;
- to provide employment opportunities for trainees;
- to induce or assist skilled Jamaicans living abroad to return to Jamaica; and
- to promote employment projects.

Although the Trust has the authority to execute all activities necessary to implement a comprehensive skill training system in Jamaica, the Trust will not directly undertake an operational activity unless it is a vital service that no other agency will or can perform. The primary responsibility of the Trust is to formulate policy, set guidelines, fund, monitor, evaluate and coordinate skill training activities in Jamaica.

Since the Trust is still in an embryonic stage of development, its operation has not been worked out in full detail. Several major Trust programs are under development, however, including a scheme for placing recent school leavers in employment, and the funding and development of H.E.A.R.T. Academies (residential youth camps for training skilled workers). A complete description of the H.E.A.R.T. Trust can be found in the Technical and Institutional Analyses (Sections II; A and C).

Some of the planned activities of the Trust are outside the purview of A.I.D.'s assistance, as provided through this Project, e.g. inducing skilled Jamaicans living abroad to return to Jamaica. Although A.I.D. supports the general objectives of the Trust, A.I.D. financial inputs will concentrate on assisting the institutional development of those parts of the Trust concerned with training. In order for the Trust to develop a capability to execute its mandate, a secretariat has been created with the responsibility for planning and policy-making, coordination, and monitoring and evaluating skill training activities. The secretariat has five major divisions, i.e. Finance and Planning, Administration and Data Processing, Projects Development, Monitoring, and Training, and when fully staffed will employ approximately 20 professionals.

A.I.D. grant funding will be used to provide the services (\$600,000) of a specialist in Vocational-Technical Education Administration, who will act as the Project Team Leader. A.I.D. will also provide grant funds to

finance 78 person-months of short-term advisory services (\$780,000), and loan funds for long and short term participant training (\$264,000) in such fields as management information systems, planning and research, monitoring and evaluation, placement, and specific training problem areas. In addition, A.I.D. will fund office equipment and vehicles (\$112,000).

In addition to Jamaican employee salaries (\$199,000), the GOJ will fund operational expenses, equipment and supplies, and research support to the H.E.A.R.T. Trust (\$554,000).

The Summary Budget for the H.E.A.R.T. Trust Component is as follows.

Table 1

Summary Budget, H.E.A.R.T. Trust Component
(J\$ converted to U.S.\$ at U.S.\$1 = J\$1.78)

| <u>Item</u> | <u>In Thousands of U.S. Dollars</u> | | | |
|-------------------------------|-------------------------------------|------------------|-------------|--------------|
| | <u>Loan</u> | <u>AID Grant</u> | <u>GOJ</u> | <u>TOTAL</u> |
| Technical Assistance (138 pm) | - | 1380 | 40 | 1420 |
| Participant Training | 264 | - | 69 | 333 |
| Equipment | 112 | - | 35 | 147 |
| Workshops/Seminars | - | - | 206 | 206 |
| Jamaican Personnel | - | - | 199 | 199 |
| Research Support | - | - | 135 | 135 |
| Other Costs | - | - | 62 | 62 |
| Contingency | 19 | 69 | 38 | 126 |
| Inflation | <u>65</u> | <u>238</u> | <u>233</u> | <u>536</u> |
| TOTAL | <u>460</u> | <u>1687</u> | <u>1017</u> | <u>3164</u> |

(iii) Non-Formal Skill Training

The non-formal skill training component addresses a need to upgrade and expand the facilities, equipment, institutional technology and management necessary for delivering a flexible, comprehensive and expanded program of non-formal skill training. Responsibility for this activity rests with the Ministry of Youth and Community Development (MYCD).

The MYCD, through its Social Development Commission (SDC) and Vocational Training Division (VTD), has a long history of involvement with non-formal skill training activities. In the early 1960s, the SDC developed and operated 4 rural, residential Youth Camps aimed at providing pre-vocational and vocational level skill training. In the late 1960s, the MYCD developed Industrial Training Centers (ITCs) (non-residential, vocational level skill training), which were expanded island-wide to 30 centers. In the early 1970s, with assistance from the International Labor Organization (ILO), the MYCD developed the Vocational Training Development Institute (VTDI) to provide technical support for Jamaica's non-formal skill training system.

In an effort to restructure the non-formal skill training system, the GOJ has decided to phase-out the ITC network and replace it with a system of 15 H.E.A.R.T. Academies. The Academies, which will offer residential and non-residential training, are predominantly aimed at 17-20 year olds at the "advanced" vocational training level.

A.I.D. will use the unique opportunity offered by the restructuring of the non-formal skill training system to provide pilot support to four units of the new H.E.A.R.T. Academy system.

The GOJ's decision to expand the H.E.A.R.T. Academies and phase-out the ITC network requires a rationalization of existing equipment, hand tools and machinery. Within this context, A.I.D. inputs will repair usable equipment and machinery, and introduce additional new equipment, machinery, and hand tools, as needed. A.I.D. inputs will assist H.E.A.R.T. Academies working in the Construction Skills, Repair and Maintenance, Garment Trades, and Commercial skill areas.

The Project will upgrade and introduce appropriate and innovative curricula, instructional technology and training materials to reduce the cost of training and enhance the effectiveness of instructors. A.I.D. funds will be used to provide these inputs to the selected institutions, as well as to develop a Curricula and Training Materials Resource Center at VTDI (see Technical Analysis, Section II). Recent technological advances in training, e.g. self-paced, competency based, modularized and programmed instructional techniques, will be introduced and adapted for use in Jamaica. Through the VTDI Resource Center, the H.E.A.R.T. Academies, private firms and other private and public sector training institutions will have access to a wide variety of training materials and curricula, and will receive assistance from VTDI in adjusting these materials to meet their specific requirements. As part of its responsibilities, the VTDI will develop and adopt appropriate curricula and training materials to address a need for work attitude and training for self-employment programs. Emphasis will be placed on adapting existing curricula and materials, thereby avoiding the cost of developing totally new materials. Once curricula and materials have been adapted for use in Jamaica, workshops in their application will be conducted for potential users.

In cooperation with the formal skill training component of the Project, A.I.D. resources will be used to provide in-service training to Project-connected personnel in the administration and management of skill training centers and institutional laboratories. In-service training will be conducted through short-term seminars for administrators and teachers by technical advisors and local personnel who have demonstrated effective management practice. Specifically this training will include: in-service training for VTDI personnel in management, testing, monitoring/inspecting, tracer studies, and curriculum and materials development and adaptation. In addition, A.I.D. will support four persons for advanced, long-term, overseas training in vocational pedagogy, and provide 20 person months of short term study/observation programs abroad.

A.I.D. loan funds will be used to assist the GOJ to provide 116 person months of participant training (\$272,000), and purchase training tools, equipment, international technology, materials and curricula (\$3,479,000). Grant funds will be used to provide the services of a specialist in the management and implementation of non-formal skill training programs (\$600,000) for five years, and a specialist in curriculum development and adaptation for two years (\$240,000). In addition, A.I.D. will provide grant funds to finance 62 person-months of short term advisory services (\$620,000).

The Summary Budget for non-formal skill training is as follows:

Table 2

Summary Budget, Non-Formal Skill Training
(GOJ Contribution converted to U.S. Dollars at U.S.\$1 = J\$1.78)

| <u>ITEM</u> | <u>In Thousands of U.S. Dollars</u> | | | <u>TOTAL</u> |
|---------------------------------|-------------------------------------|------------------|--------------|--------------|
| | <u>Loan</u> | <u>AID Grant</u> | <u>GOJ</u> | |
| Technical Assistance (146 p.m.) | - | 1460 | 43 | 1503 |
| Participant Training (116 p.m.) | 272 | - | 104 | 376 |
| Equipment | 2347 | - | 638 | 2985 |
| Innovative Educational Tech. | 1185 | - | 119 | 1304 |
| Workshop/Seminars | - | - | 213 | 213 |
| Local Personnel | - | - | 21150 | 21150 |
| Research Support | - | - | 850 | 850 |
| Construction | - | - | 5883 | 5883 |
| Other Costs | - | - | 2303 | 2303 |
| Contingency | 190 | 73 | 1578 | 1841 |
| Inflation | 657 | 251 | 9736 | 10644 |
| TOTAL | 4651 | 1784 | 42617 | 49052 |

(iii) Formal Skill Training

This component focuses on the need to upgrade and expand the facilities, equipment, management and instructor training necessary for delivering a viable, flexible, and expanded formal program of technical level skill training. This activity will be implemented through the Ministry of Education (MOE) in a phased and regularly monitored mode over the life of the project.

The last major improvement in the Technical High School System took place in the 1960s. Since then, the schools have maintained capacity enrollment and have had heavy and sustained use. At the same time, funding of recurrent expenditures has not been adequately budgeted to keep the physical plant and instructional programs in good order. This, along with weak management systems, vandalism and theft, and a shortage of qualified instructors, has resulted in a general deterioration of the system.

In spite of the difficulties and shortcomings faced by the Technical High School System, it plays an important economic role. Graduates of these institutions are at the skilled craftsmen or technical level, and many continue their education, or go into middle management or higher skill levels in the private sector. Technical School graduates serve as an essential link between highly skilled professional and semi-skilled and unskilled workers, and they are an important force in Jamaica's economic revitalization and growth.

Five basic approaches will be used to assist the formal skill training delivery system.

- (1) Seven existing Technical High Schools will be rejuvenated and three existing High Schools will be upgraded to the Technical High School Level

The phased renovation and upgrading of the physical facilities and equipment of these 10 schools will be a basic objective of the Project. Physical plant and usable equipment and machinery will be repaired, and additional new equipment and machinery will be introduced. The individual priorities of each school will be addressed and all instructional areas will be made secure from theft and vandalism.

- (2) Appropriate Innovative Instructional Technology and Materials will be introduced.

A basic objective of the Project is to introduce appropriate innovative technology and training materials in the Technical High Schools. A variety of new classroom materials, teaching aids, audio/visual equipment and other related educational technology is required. As part of the new technology and materials, the Project will develop and adapt appropriate work attitude training materials. A basic set of technical reference materials will be supplied to each

school. Finally, the Vocational/Technical Division of the Ministry of Education will receive a modest amount of equipment (duplicating machine, audio-visual and photo equipment) to provide institutional support and upgrade a Training Materials Resource Center, which will be used to improve the dissemination of materials between Technical High Schools.

(3) Training will be provided in the management of Technical High Schools and instructional laboratories.

In cooperation with the non-formal skill training component of the Project, in-service training will be offered to the majority of Project-connected personnel in the administration and management of Technical High Schools and instructional laboratories. The in-service training will be provided through short-term seminars and workshops for administrators and teachers, and it will be conducted by technical advisors, and local administrators and teachers who have demonstrated effective management techniques. Several trainees will serve a practical observation training period at Vere Technical High School, a school with an exceptionally effective management system. This experience will help them to develop a workable plan for managing their individual schools.

(4) Personnel Training will be provided.

The training provided will be of three types: in-service training for the majority of Project-connected personnel involved in administration, teaching, and materials development and adaptation; moderate upgrading of the Industrial Education Teacher Training Program at MICO Teacher Training College; and participant training for advanced study abroad. The in-service training, conducted with the assistance of a U.S. university, will provide a "career track", i.e., provide the opportunity for individuals to enter at different points along the track and progress to a degree. The "career track" training and credential system will support the long-term upgrading and retention of technical teachers. A.I.D.-financed specialists will work with MICO to develop a plan to recruit more students to the program, and thirty scholarships per year will be provided to qualified students who enroll in the teacher training programs at MICO. The participant training program will focus on the training of key counterparts in combination study/observation programs abroad.

(5) Private Sector Advisory Committee

Assistance will be provided to help the GOJ develop an effective technical and vocational education system, which is responsive to the needs of the Private Sector. As part of the upgrading of the present Vocational-Technical Education Unit within the Ministry of Education, U.S. specialists will assist the MOE to develop an effective Private Sector Advisory Committee, which will assist in the development of curricula, occupational counseling, and placement of Technical High School graduates. The Private Sector Advisory group to the Vocational

Technical Unit will meet on a regular basis and be changed to insure that all vocational curricula is flexible and relevant to occupational employment and that an effective counseling system for employment placement is in place. Each Technical High School and each H.E.A.R.T. Academy will have its own private sector advisory group. These private sector advisory groups will operate more closely with the day to day activities of the skills training system of a particular Technical High School or H.E.A.R.T. Academy.

A.I.D. provided grant funds will be used to provide the services of a specialist in the management and implementation of Technical High Schools for five years (\$540,000). A.I.D. loan funds will be used to rehabilitate and upgrade existing facilities; purchase training tools, equipment and hand tools; and purchase instructional technology and materials (\$2,003,000).

Development assistance will not be provided for all schools concurrently; rather, several schools will be assisted in each of three phases. If experience and evaluation during implementation indicate that it is advisable, funds, particularly those reserved for a future phase, may be reallocated from this component to the H.E.A.R.T. Trust Fund.

The budget for the formal skill training component follows.

Table 3

Summary Budget, Formal Skills Training Component
(Local Current Costs Converted to U.S.\$ at the Rate of US\$1 = J\$1.78)

In Thousands of U.S. Dollars

| | <u>AID</u> | | <u>GOJ</u> | <u>TOTAL</u> |
|--------------------------------------|-------------|--------------|-------------|--------------|
| | <u>Loan</u> | <u>Grant</u> | | |
| Technical Assistance (114 p.m.) | - | 1140 | 33 | 1173 |
| Participant Training (42 p.m.) | 120 | - | 36 | 156 |
| Equipment | 998 | - | 176 | 1174 |
| Innovative Educational Technology | 1085 | - | 89 | 1174 |
| Workshops/Seminars | - | - | 163 | 163 |
| Local Personnel | - | - | 361 | 361 |
| Research Support | - | - | 230 | 230 |
| Construction | - | - | 723 | 723 |
| Other Costs | - | - | 120 | 120 |
| Contingency | 110 | 57 | 120 | 120 |
| Inflation | 381 | 196 | 603 | 1180 |
| TOTAL | 2694 | 1393 | 2632 | 6719 |

C. Cost Estimates and Financial Plan

1. Total Project Requirement

The total financial investment in this Project will be \$62,882,000. Of this total AID will contribute \$13,338,000 or 26% of the total while the GOJ will fund \$46,544,000 or 74% of the total. In addition to providing local currency support for the H.E.A.R.T. Fund and construction, AID will provide all of the Project's foreign exchange requirements, primarily in the areas of technical assistance and equipment costs. The GOJ's contribution will be exclusively in local currency Table 4 below breaksdown project component costs between AID and the GOJ.

TABLE 4

| | <u>Project Costs by Component</u> <u>(US \$1,000's)</u> | | |
|----------------------------|--|------------|--------------|
| | <u>AID</u> | <u>GOJ</u> | <u>TOTAL</u> |
| Technical Assistance | 3,980 | 116 | 4,096 |
| Participant Training | 656 | 209 | 865 |
| Equipment/Innovative Tech. | 5,727 | 849 | 6,576 |
| Other Costs | 2,975 | 45,379 | 51,354 |
| TOTAL | 13,338 | 46,544 | 62,882 |

2. USAID Funding

a. The following is a brief description of each AID funded project component.

i. Technical Assistance: \$3,980,000

Technical Assistance includes 204 months of long term and 194 months of short term assistance. This component is budgeted at \$10,000 per person/month and will address the areas of administration/coordination, instructional materials appreciation and adaption, inplant and technical school instructor training, work attitude improvement, company training and trade testing/certification.

ii. Participant Training: \$656,000

In total AID will fund 132 person-months of long term training budgeted at \$2000/month for a total of \$264,000 and 98 person-months of short-term training budgeted at \$4000/month for a total of \$392,000. All the in-service training will be funded by the GOJ.

iii. Equipment/Innovative Technology: \$5,727,000

Equipment funded by AID includes minicomputers, office equipment, training equipment, Innovative Instructional Materials, and vehicles. See Section III, Implementation Plan.

iv. Other Costs: \$2,975,000

Also included are allowances for contingency and inflation.

b. Loan Vs. Grant Funding

Of the total AID Project contribution, \$4,866,000 is being funded through grants. This amount is comprised entirely of technical assistance. Experience has shown that grant funding for external personnel services is best. There is a natural resentment created when local counterparts, as capable and well educated as those providing technical assistance, work at a much lower salary. This resentment is compounded with the realization that these services are being purchased through loan funds by their government. Grant funding should also allow for a greater selection of qualified specialists, assuring greater selection of specialists' backgrounds and experience - important factors in the success of this Project.

c. A.I.D. Project Contribution by U.S. and Local Currency

The following assumptions were used to divide project costs into U.S. \$ and local currency requirements. See Table 5, p.22

- i. Technical Assistance: Local currency costs represent percent of the total to cover per-diem, housing and related expenses.
- ii. Participant Training: All costs are US\$.
- iii. Equipment: All costs are US\$.
- iv. Other Costs:
 - H.E.A.R.T./Trust Fund: All costs are U.S. Dollars.
 - Contingency: Divided on the basis of total project cost distribution.
 - Inflation: Divided on the basis of total project cost distribution.

Basic vocational education equipment (\$3,475,000) for the ten vocational schools (MOE) and four H.E.A.R.T. Academies (MYCD) funded by A.I.D. includes office equipment, traditional vocational educational/training equipment, tools, vehicles, etc. It is envisioned in the implementation of the Project that the contract for the identification, purchase and monitoring of the installation of this equipment will be given to an 8A set aside firm. The Innovative Educational Technology (\$2,270,000) funded by A.I.D. will include "soft" and "hard" innovative instructional materials, minicomputers, curriculum development materials and various educational technologies. This educational equipment will be identified, purchased and installed under the responsibility of the principal contractor^s of the Project.

3. GOJ Funding

a. During Project

As stated above the GOJ's project contribution will be denominated exclusively in local currency. The following is a brief description of each GOJ funded project component.

i. Technical Assistance: \$116,000

This amount represents the office space, secretarial services and local transportation provided by the GOJ to each consultant. These services, valued at \$290/month, will be provided for 398 person months.

ii. Participant Training: \$209,000

This represents the international air fare (\$400) and the continued local salary payments (\$829/month) financed by the GOJ for Participant Training in the U.S.

46 participants X \$400 = \$ 18,400

230 person months X \$829 = \$190,670

iii. Equipment/Innovative Technology: \$1,057,000

The GOJ will maintain, care for and repair all of the equipment and innovative instructional technology provided to it by the Project. Allowances for such maintenance represents 5% of each yearly cumulative value of equipment and 2% of innovative technology (which includes many non-equipment Training materials).

iv. Workshop/Seminars: \$584,000

This represents the actual costs of providing the accommodation, meals, local transportation and other costs related to each seminar (estimated at \$3,000) and the salary paid to the 20 people spending one week at each seminar (estimated at \$4,100).

82 workshop/seminars X \$7,100 = \$582,200 (difference due to rounding and conversion).

v. Research Support: \$1,215,000

Amount is based on estimate of actual GOJ contributions to estimating training needs, researching occupational structures for curricula development and modifications, industry needs assessments and following up on training activities.

vi. Local Personnel : \$21,925,000

This amount represents: (1) incremental staff in each of the agencies required to administer the Project and to contribute to a coordinated, rationalized training system, and (2) incremental number of instructors required to meet project outputs.

vii. Other Costs: \$2,546,000

The GOJ will provide incremental amounts of expendable materials, utilities, office supplies, communications and transportation as a result of the Project.

viii. Construction: \$6,606,000

The GOJ will build new H.E.A.R.T. Academies and remodel Technical High Schools.

ix. Contingency: \$1,714,000

Estimated at 5% of total costs.

x. Inflation: \$10,572,000

Calculated at 10% per year.

b. Recurring Costs

Recurring costs associated with this Project are expected to be minimal and well within the capability of the GOJ to maintain. It is expected that most of the increased operating costs will be recovered by an employer payroll tax enacted as part of the H.E.A.R.T. Trust.

Expected recurrent costs to operate a rejuvenated skill training system are as follows:

1. Maintenance costs for shop and audio-visual training equipment and building estimated at \$497,000 per year.
2. Salaries for staff estimated at \$4,755,000 per year.
3. Innovation Educational Technology estimated at \$46,000 per year.
4. Transportation, Utilities, Communications, etc. estimated at \$546,000 per year.
5. Research support estimated at \$210,000 per year.

Table 5

Project Cost - LC vs. FX

US\$1,000

| <u>Component</u> | <u>USAID</u> | | <u>GOJ</u> | | <u>TOTAL</u> | |
|-------------------------|--------------|------------|------------|--------------|--------------|--------------|
| | <u>FX</u> | <u>LC</u> | <u>FX</u> | <u>LC</u> | <u>FX</u> | <u>LC</u> |
| 1. Technical Assistance | 3184 | 796 | | 116 | 3184 | 912 |
| 2. Participant Training | 656 | - | - | 209 | 565 | 209 |
| 3. Equipment | 3457 | - | - | 849 | 3457 | 849 |
| 4. <u>Other</u> | | | | | | |
| a) Educational Tech. | 2270 | - | - | 208 | 2270 | 208 |
| b) Workshop/Seminar | - | - | - | 584 | - | 584 |
| c) Research | - | - | - | 1215 | - | 1215 |
| d) Local Personnel | - | - | - | 21925 | - | 21925 |
| e) Construction | - | - | - | 6606 | - | 6606 |
| * f) Revolving Loan | 3000 | - | - | | | |
| g) Miscellaneous | | - | - | 2546 | - | 2546 |
| <u>Sub-Total</u> | <u>12567</u> | <u>796</u> | <u>-</u> | <u>34258</u> | <u>12567</u> | <u>35054</u> |
| Contingency - 5% | 628 | 40 | - | 1714 | 628 | 1754 |
| Inflation - 10% | 2169 | 138 | - | 10572 | 2169 | 10710 |
| <u>Total</u> | <u>15364</u> | <u>974</u> | <u>-</u> | <u>46544</u> | <u>15364</u> | <u>47518</u> |

* The revolving loan fund was not approved with the project paper but may be approved pending USAID/J review of several issues.

Table 6

Project Costs By Component

US\$ 1,000

| Component | FY 84 | | FY 85 | | FY 86 | | FY 87 | | FY 88 | | FY 89 | | TOTAL | |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-------------|--------------|--------------|
| | USAID | GOJ | USAID | GOJ | US | GOJ |
| 1. Tech. Assistance | 1030 | 29 | 980 | 28 | 770 | 24 | 610 | 18 | 560 | 16 | 30 | 1 | 3980 | 116 |
| 2. Participant Trng. | 180 | 62 | 212 | 67 | 108 | 36 | 112 | 33 | 44 | 11 | - | - | 656 | 209 |
| 3. Equipment | 1360 | 65 | 1493 | 142 | 302 | 154 | - | 154 | 302 | 167 | - | 167 | 3457 | 849 |
| 4. <u>Other</u> | | | | | | | | | | | | | | |
| a) Ed. Technology | 749 | 15 | 536 | 26 | 542 | 37 | 65 | 38 | 378 | 46 | - | 46 | 2270 | 208 |
| b) Workshop/Sem. | - | 114 | - | 100 | - | 100 | - | 99 | - | 92 | - | 79 | - | 584 |
| c) Research | - | 150 | - | 215 | - | 220 | - | 210 | - | 210 | - | 210 | - | 1215 |
| d) Local Personnel | - | 658 | - | 2934 | - | 4071 | - | 4754 | - | 4754 | - | 4755 | - | 26925 |
| e) Construction | - | 3535 | - | 2589 | - | 241 | - | - | - | 241 | - | - | - | 6606 |
| f) Miscellaneous | - | 95 | - | 343 | - | 470 | - | 546 | - | 546 | - | 546 | - | 2546 |
| Sub-Total | 3319 | 4723 | 3221 | 6444 | 1722 | 5353 | 787 | 5852 | 1284 | 6083 | 30 | 5804 | 10363 | 34258 |
| Contingency - 5% | 166 | 236 | 161 | 322 | 86 | 268 | 39 | 293 | 64 | 304 | 2 | 290 | 520 | 1714 |
| Inflation - 10% | - | - | 338 | 677 | 380 | 1180 | 271 | 2034 | 625 | 2964 | 20 | 3717 | 1634 | 10572 |
| TOTAL | 3485 | 4959 | 3720 | 7443 | 2188 | 6801 | 1097 | 8179 | 1973 | 9351 | 52 | 9811 | 12515 | 46544 |

*Contingency & Inflation
for Kowloon Loan Fund
\$ 885,000*

II. Project Analysis

A. Technical Analysis

1. Current Structure of the Skill Training System

Currently, skill training services in Jamaica are conducted by nine GOJ ministries in a loosely structured, uncoordinated "system". The major elements of this system are described below.

a. Formal Skill Training

The Ministry of Education (MOE) is responsible for operating Jamaica's formal skill training system, and administers three levels of training programs in a variety of institutions. At the pre-vocational level, the Ministry operates 82 New Secondary Schools, with an enrollment of more than 100,000 students; 42 Traditional High Schools that have approximately 50,000 students enrolled, and 6 Comprehensive High Schools with an enrollment of more than 7,000 students.

At the vocational level, the Ministry operates 7 Technical High Schools, with an enrollment of more than 6,000 students. Both these programs service the 14-17 age group. At the tertiary level, the Ministry administers the College of Arts, Science and Technology (CAST), which provides a three year program for training technicians and middle-management personnel. In 1982, the enrollment at CAST was approximately 3,500: 1,700 full-time, 1,000 part-time day and 800 part-time evening students.

b. Non-Formal Skill Training

Non-formal skill training is available from a variety of sources, but the Ministry of Youth and Community Development (MYCD) has responsibility for the bulk of Jamaica's public sector, non-formal skill training activities. The Ministry operates a variety of pre-vocational programs, including 67 Community Centers having approximately 3,500 persons enrolled in handicrafts. Eight "4-H" camps have 400 students enrolled in agriculture training, and 5 H.E.A.R.T. Academies (formerly Youth Community Training Centers) have a current enrollment of 1,000 students.

At the vocational level, the MYCD administers 24 Industrial Training Centers (ITCs) having an enrollment of 2,200 students; the Jamaican German Automotive School (JAGAS) with about 75 enrolled students; and the Garment Industry Training School, with its 130 enrolled students.

The main post-vocational program of the MYCD is the apprenticeship system, which has 270 students. However, several other institutions, such as JAGAS, provide some post-vocational level training as a spin-off of their primary training activities.

Other specialized vocational training programs include the Toolmakers Institute, the Repair and Maintenance Unit, and the Food Technology Institute, all of the Jamaica Industrial Development Corporation.

These institutions have a combined enrollment of approximately 60 students.

2. The GOJ's Skill Training Strategy

In an effort to deal with the skill training needs of Jamaica, the GOJ has begun a major restructuring of the non-formal skill training system. As an initial step, the GOJ formed the H.E.A.R.T. Trust to coordinate, fund, monitor, and promote skill training activities in Jamaica. (See Annex K for an organizational chart of the H.E.A.R.T. Trust.) Through the Trust, the Government has begun a thorough and systematic attempt to analyze the problems and constraints of Jamaica's skill training system, and develop an empirical basis for resolving them. Care must be taken to assure that the Trust's operational activities do not overwhelm its analytical and planning responsibilities.

As a second step, the government has identified a need to improve the quantitative and qualitative capacities of its skill training system, to remove the constraints to development imposed by the shortage of skills, and to improve employment opportunities. With this objective in mind, the government has announced an ambitious program to develop 15 H.E.A.R.T. Academies and train 500 students per year in each institution. Similarly, the GOJ intends to provide 12,000 school leavers (4,000 the first year, 8,000 the second year, and 12,000 the third and succeeding years) with on-the-job training opportunities. Both the academies and the school leavers program are to be financed out of the H.E.A.R.T. Trust payroll tax. As a third aspect of the strategy, the government has announced a plan to phase out the Industrial Training Center (ITC) network operated by the MYCD and convert the ITCs into "factory-type production/training centers". The government intends to remove the training equipment from the ITCs, put it into the Academies, and make the ITC shells available for factory space. Skill training would be a by-product of the factory operation.

Within this context, USAID/J has worked closely with the Trust, the JIDC, the MOE, and the MYCD to analyze the skills training system and to recommend project alternatives for consideration by key Jamaican policy-makers. The results of this effort are incorporated in the Project design.

3. Major Constraints in the System

The major constraints of the skill training system have been organized into 6 groups to serve the purpose of this analysis. However, these groupings of weaknesses are interdependent. They must be addressed simultaneously, as a failure to do so may result in further, and even worse, imbalances in the system.

a. Need for Improvement and Expansion of the System

Only some 62 percent of the students in the age group 14-19 are now enrolled in secondary schools. The remainder are, for the most part, out of school, unemployed, untrained, and without preparation to enter the work force or life careers. Only about 7,000 (or 4 percent) of the approximately 166,000 students enrolled in secondary schools receive vocational training. Further, the equipment and facilities of the various skills training institutions are in need of renovation and modernization if they are to function effectively. Along with these facility problems, there is the problem of the deficient educational content of most of these institutions.

b. Improved Maintenance of Facilities and Equipment

With few exceptions, the physical condition of the skill training institutions is deplorable. One problem is the low importance given to the concept of maintenance, as reflected by the low budget levels provided for this purpose. Thus, a greatly improved and systematic program for facility and equipment maintenance is critical for the efficiency and effectiveness of the skill training process in Jamaica. This is important because the Project's inputs will be of only marginal value if the problem is not resolved.

c. Shortages of Teachers and Program Managers

The shortage of trained teachers and program managers constitutes a continuing problem throughout the skill training system. Many teachers are not trained to accepted pedagogical standards. The problem is exacerbated by a high annual attrition rate of trained teachers from the system. Although there is not much empirical evidence about why teachers leave the system, poor financial incentives, the unsatisfactory physical conditions of the schools, harsh teaching conditions, a lack of career opportunities, and morale factors, etc., are possible causative factors.

d. Lack of Adequate Texts, Teaching Materials and Educational Technology and Curricula

In general, the skill training system is devoid of text books, teaching materials and standard educational technology. The curricula are often out-of-date and rigidly structured to last one year, regardless of the particular skill or its need. In view of the complex and broad nature of curriculum and training materials development, the existing skill training system is understaffed in terms of qualified and professional leadership.

e. Lack of Adequate Management and Coordination of Human Resource Training Efforts

Because there are problems related to qualified staff, and standards and criteria for school management, there are great differences in the quality of training offered. A strong central program is needed to develop standards and criteria for training institutions, principals, and staff members, and to guide the essential operations of the skill training system. At a national level, a major constraint is the lack of coordination of training activities among the various ministries. The existing effort is splintered, inefficient and ineffective.

f. Lack of Employment and Training Opportunities for Women

One of the objectives of the GOJ, and the Project, is to increase the training and employment opportunities for women. Currently, employment (and training) for women is limited to traditional areas, where perceived female characteristics are required. The GOJ appears willing to increase training opportunities for women, and the Mission has encouraged the GOJ to provide training for women in non-traditional areas. Nevertheless, current GOJ plans call for the training of women in those skilled trades for which women have been traditionally accepted.

The Project will support training opportunities through Academies for 500 women in the areas of commercial trades. In addition, the Project contractor will be held responsible for determining the potential opportunities for women in such trades as electronics, construction trades, fine mechanics, etc., and will work with the GOJ to develop other appropriate training opportunities for women. A special placement program will be undertaken to maximize the chances for obtaining employment for women.

4. Anticipated Effect of the Project on Skill Training Institutions

The Description of the Project (See Section I. B) explains the basic design of the Project and its various components. The following analyses explore the effects the Project should have on the skill training institutions involved in the Project, as well as trace the dynamics of how the Project will improve the GOJ's skill training system.

a. The H.E.A.R.T. Trust

Meeting the Project's objectives, i.e. upgrading a significant proportion of currently employed workers, providing complementary training to experienced, but unemployed workers, and training sufficient quantities of new labor force entrants, requires the utilization of the training potential of both the public and private

sectors. This necessitates a rationalization of the entire skill training system under one central coordinating authority. The H.E.A.R.T. Trust fulfills this role by:

- representing both the public and private sectors in one body;
- having responsibility for measuring the skill training needs of the labor market;
- maintaining control over the activities of the various public and private sources of skill training, through training standards and financing for public and private institution training;
- incorporating private sector leadership into the training process through industry/occupation-specific advisory committees; and
- constantly monitoring the output of training programs to assure that training objectives are attained.

Anticipated results of the H.E.A.R.T. Trust coordinating role in the skill training sector include a significant increase in the participation of the private sector in providing relevant training and financing for training. It has already begun eliminating the duplication of programs for training new labor force entrants and assuring that critical gaps in training services are overcome. Moreover, the H.E.A.R.T. Trust has begun to assure that quality training is provided to meet the real needs of the labor market in a timely and cost effective manner.

The Trust is under constant pressure to meet its obligations, as the private sector has significant representation on its Board. Assured adequate revenue resources originate from the payroll tax.

As previously described, this Project will be administered through the Trust. Finally, this location within the Prime Minister's office enhances its stature and adds to its impact on the other institutions within the training sector. These factors assure that the Trust will become the predominate and controlling agency for rationalizing the skill training sector in Jamaica.

b. The Ministry of Education

(i) MICO Teacher Training College: MICO Teacher Training College has a capacity for about 150 students in its three year program of industrial education. By using these facilities for upgrading the skills of current teachers, as well as for preparing new ones, some 45-60 graduates per year could be obtained. Currently, the facilities are grossly underutilized, i.e., they turn out only some 10 graduates per year. The reason for this has been that MICO provides a certificate, vis a vis the diploma that graduates from CAST receive.

CAST, however, is rapidly growing into a higher level institution; its graduates are finding higher paid jobs, and fewer and fewer are entering teaching. MICO can now fill this role, as it has been upgraded by the Ministry of Education and permitted to offer diplomas in technical education.

MICO has excellent training facilities in the areas of electricity, machine shop, wood shop and drafting, as well as general industrial education. The equipment is in reasonably good condition and the college is well managed. With a modest Project-financed reequipping and upgrading program, MICO can be considerably strengthened to become a second, and possibly most viable, source of trained teachers for the Technical High Schools. The Project will also finance a scholarship program for 30 new students each year, offering a modest stipend in an effort to stimulate enrollment in industrial education.

(ii) The Vocational Technical Unit and The Technical High Schools: The Vocational Technical Unit of the Ministry of Education has almost complete responsibility for vocational technical education at the secondary level. This unit is located in the Educational Planning Division; it is one administrative step removed from the Permanent Secretary and the Minister. Its basic functions are program planning and curriculum development. Its technicians are the only ones with a technical background in vocational education in the Ministry. The Building and Special Projects Division has some of the additional responsibilities in this area, including the purchase and maintenance of equipment and machinery. However, there are few specialists in this division with a background in vocational education. Thus, it is ill prepared to make adequate decisions on the proper selection of training equipment, and there are procurement, delivery, and pilferage problems.

Further, the authority and responsibility for vocational education in the Ministry is fragmented, with a lack of coordination between individuals responsible for various activities. Technicians in the Technical and Vocational Unit are not on an equal administrative level with others who have responsibility for vocational education, even though they have a stronger background in, and a greater responsibility for, the activities in this field. A Condition Precedent for this element of the Project is the establishment of clear lines of authority, with adequate coordination of responsibilities. This should include the formation of a Vocational Technical Education Division headed by an administrator with appropriate background.

The technical education system is made up of seven Technical High schools. The oldest, Kingston Tech., was established in 1896, while the remainder were constructed or upgraded during the 1960's--except for one built in 1979. These schools offer basic training in building construction, carpentry and joinery, drafting, electricity and

electrical installation, machine shop, welding, automotive repair, shorthand and typing, home economics and agriculture. Supporting academic subjects are also offered. Most schools provide special evening classes to a variety of students, and some schools offer special remedial programs. The seven schools have a combined enrollment of over 7,000 students, and produce some 1,800 graduates annually. All schools appear to be operating at or beyond their capacity, with waiting lists.

Individual schools vary greatly, due to the character of management and staff, the type of building, how they use their funds, and the participation of the local community. Some schools are well maintained, while others are in need of extensive repairs. The same is true of equipment and materials. Similarly, the quality of instructional programs varies within schools, i.e. sound programs exist alongside weak ones. In general, all schools suffer from security problems, and the resultant losses due to theft and vandalism. There is a need, therefore, to eliminate qualitative differences between schools and within schools, and to improve security in all schools.

One of the major reasons for the lack of uniform quality graduates is the difference in the managerial ability of administrators and teachers. One school, Vere Technical High School, is exceptionally well managed. It has well maintained facilities and equipment, adequate materials, and suffers almost no losses from theft or vandalism. Using Vere as a model, an appropriate management system must be developed for application throughout the technical education system.

Technical High School administrators must be trained in management techniques and exposed to the efficient practices at Vere Tech. In addition, techniques for enlisting community support and participation should be included in this training. Finally, department heads and instructors must be trained in the organization and management of instructional laboratories. To complement improved management practices, the GOJ will be required to commit adequate funds to maintenance and keep upgraded facilities and equipment in working order.

The recruitment and retention of qualified vocational instructors is a continual problem. Schools cannot hire enough qualified teachers and continually lose staff to the private sector, where salaries are two

to three times greater. Vocational programs are often not implemented due to the lack of instructors, or the use of unqualified teachers reduces their quality. Further, teachers are unfamiliar with the application of current training materials and resources for improving the efficiency and quality of technical training. As these are a part of this Project, teacher training will have to be provided.

The expansion of MICO will help to increase the quantity of available teachers, as well as provide facilities for upgrading the skills of

some of those who are currently employed. There is an additional need, however, for a comprehensive career development program for those teachers who require upgrading and/or desire professional advancement. This should be accompanied by a restructured teacher credential system, which allows for entry of teachers at different levels, and provides credit and incentive for skills upgrading.

Finally, the GOJ needs to support salary differentials for technical teachers in order to reduce high turnover rates. Recently, the GOJ announced a special education tax that may be used to support selected key needs of the education sector, such as salary differentials.

To enhance the efficiency and quality of technical training, a Training Materials Resource Center will be created in the Vocational Technical Unit. Existing instructional curricula and materials, at levels and in skill areas appropriate to the Technical High Schools, will be included. This material will be used to update existing curricula, permit the addition of new skill areas, allow the introduction of short term and evening courses to complement existing programs, and increase efficiency by introducing modern instructional techniques.

d. The Ministry of Youth and Community Development

(i) The Vocational Training Development Institute (VTDI): VTDI is the principal institution for training instructors for the non-formal training institutions, e.g. H.E.A.R.T Academies, as well as for preparing in-plant trainers, some technical school teachers, and skill training instructors for other Ministries. Generally, VTDI entrants have three to five years of work experience in industry before they enter the two year instructor program. Training is provided in construction, mechanical, and electrical work, as well as in wood and metal skills, for 50 full-time instructor trainees. VTDI has a capacity for some 100 full-time trainees, although a new World Bank loan will expand this by 70 and add new areas of instruction, e.g. mechanical repairs and maintenance, air conditioning / refrigeration, radio/TV repair, industrial electronics, and auto repair.

VTDI is expanding its Research and Development Unit, which has responsibility for developing curricula and training materials, performance tests, and implementing and evaluating training programs. This unit will not receive World Bank support. The Project will provide assistance to this Unit by strengthening the Training Materials Resource Center to make curricula, training materials, and teaching aids currently available in the U.S. appropriate to Jamaica's local conditions and training needs. Enormous savings can be made through such technology transfers. Such training technologies will include those which follow.

- Competency Based Instruction: is based on specified learning objectives organized into sequential units, and providing frequent reinforcements to learners during and after each unit. Courses

may be tailored to specific labor market requirements by selecting only those units (tasks), or by varying performance requirements, to meet the needs of a specific job.

- Individualized Instruction: allows learners to move at their individual speeds, eliminating the need to repeat the learning of previously acquired skills and knowledge and permitting faster or slower learners to acquire knowledge at their own rate. It also frees instructors to provide more individualized student attention.

Mediated Instruction: incorporates a wide variety of delivery systems and combinations of systems appropriate to specific learning requirements, e.g. print, video-tapes, audio cassettes, lesson-loops, slides, simulators, laboratories, video-discs, computers, work experience, field trips, performance tests, etc.

The Training Materials Resource Center will store, adapt, disseminate and facilitate the introduction and application of instructional technology into MYCD and private sector sponsored training activities. Vast savings can be anticipated, based on applications elsewhere, due to reduced training time, lower dropout rates from training programs, and higher output resulting from more effective, relevant training techniques. Many of these materials have been developed and successfully applied by the U.S. private sector.

(ii) The H.E.A.R.T. Academies: The meeting of the immediate training needs of the private sector will not solve Jamaica's skill deficiencies, nor will it improve its unemployment/underemployment situation. The longer run solution is to increase the quality of new labor force entrants by providing them with a better potential for learning diverse skills, and by enhancing their attitudes toward, and behavior in, the labor force. Eventually, technical High Schools will provide young workers capable of entering the skilled and technical occupations. In the interim the much larger number of semi-skilled jobs so important to an export oriented economy must come from the large number of currently unemployed women and young people who have no previous training or labor force experience. The challenge of the GOJ is to convert this group into human resources attractive to investors, and enable them to fill the semi-skilled positions being created by economic expansion. The Social Soundness Analysis (see Section II.D.) analyses the large number of Jamaican young people who have not entered or completed secondary school. Not only do they lack skills, they have negative attitudes and behavior patterns with respect to membership in the labor force. If they are to be converted from potentially dangerous elements in the social/political structure into attractive human resources needed to fill semi-skilled entry occupations, significant resources will be required to effect the change.

The GOJ's response to this challenge is the introduction of a revitalized and expanded system of resident and non-resident youth

training facilities, i.e., the H.E.A.R.T. Academies administered by the MYCD. Increased attention will be placed on providing relevant, cost-effective skill training, in addition to required attitudinal improvements. Of greatest importance, however, is the recent introduction of private sector management and financing provided by the H.E.A.R.T. Trust. Improved relationships will be established between the H.E.A.R.T. Academies and employers, with maximum importance being given to the identification of training requirements and the placement of Academy graduates. Although the costs of maintaining resident training facilities are much higher than alternative forms of skill training, it is doubtful if attitude improvements, together with the imparting of skills, can be undertaken while young people continue to live in the environment where their negative work attitudes were acquired. Project funds will be provided to assist four H.E.A.R.T. Academies offering skill training in construction repair and maintenance and commercial occupational areas. Approximately 7,800 graduates will complete training programs at A.I.D.-supported H.E.A.R.T. Academies during the Project.

B. Engineering Analysis

1. Description

The proposed Project anticipates \$6,606,000 in construction, \$4,148,000 of which is new construction and the balance of \$2,458,000 is attributable to upgrading and renovation of existing structures, all of which is financed by the GOJ. The breakdown by implementing agencies is as follows.

Table 7

Summary Budget, Construction by Agency

| | <u>New Construction</u> | <u>Renovation</u> | <u>Total</u> |
|--|-----------------------------|-------------------|------------------|
| Ministry of Education | \$ 455,000 | \$ 268,000 | \$ 723,000 |
| Ministry of Youth and Community Development - H.E.A.R.T. Academies | <u>3,693,000</u> | <u>2,190,000</u> | <u>5,883,000</u> |
| TOTAL | \$4,148,000 | \$2,458,000 | \$6,606,000 |

New construction by the Ministry of Education will include over 35,000 sq.ft. of classroom, storage, and workshop area. A more detailed description of the allocation and geographic location of the new construction space is on file with USAID/J. MOE upgrading and renovation work will consist of replacement of damaged doors and windows, repair and/or renewal of roofs, additions of security grillwork, repairs to electrical, plumbing, and water system, and ventilation of shop areas.

New construction by the Ministry of Youth and Community Development consists of additional classroom/workshop space at three H.E.A.R.T. Academies. The Academy complexes will include classrooms, workshops, multi-purpose rooms, libraries, administration areas, dormitories, staff living quarters, laundries, etc., and water and sewage disposal systems as necessary. Renovation work to be carried out at one Academy will include repairs and improvements to existing facilities, including the upgrading of water and sewage disposal systems.

2. Construction Methods

The predominant type of construction for single story and low-rise structures in Jamaica is concrete block walls on concrete slab, with reinforced concrete structural frame (or simply reinforced concrete

black masonry for single story structures), and wood frame roof structures covered with sheet metal or shingles. Wide span areas are covered by a steel frame roof structure, rather than wood. The concrete block walls are usually finished with a veneer of plaster. Windows are typically jalousies or adjustable wood or aluminum louvers. Hinged metal or wood-framed glass windows are also used. The construction of facilities contemplated in the proposed Project are expected to be of the above-described type.

3. Implementation Procedure

The Ministry of Education institutional organization includes a Planning and Development Division and a Projects Construction and Maintenance Division, both of which will be responsible in their respective areas for implementation of the MOE construction program. Small construction contracts, up to J\$60,000, are handled within the Ministry by Division staff personnel. Contracts in excess of J\$60,000 are handled by the Ministry of Works and Construction.

GOJ procedures for procurement of construction services are nominally competitive. It differs from what would be acceptable to A.I.D. in that contractors arbitrarily selected from a "pre-qualified" list are invited to bid. The bid documents state that the award may be made to other than the low bidder, and that the bid evaluation committee has a great deal of discretion in selecting the awardee. The list from which contractors are selected is composed of contractors interested in government contracts, who have applied for inclusion on the list. The Ministry of Works and Construction (MWC) reviews the applicants' general qualifications and financial capability. Criteria for selection of potential bidders from the list includes a judgement on the part of the MWC as to the residual financial capability of the contractor, if he has contracts currently in force, and whether the contractor has recently been awarded a government contract. The system purports to provide an equitable distribution of the work. Since all construction costs in the proposed Project are for the GOJ account, the above procedures will not invoke A.I.D. Host Country Contracting procedural rules and regulations. The principal concern of USAID/J will be the quality of the construction work and its contribution to project objectives.

The Ministry of Youth and Community Development will be responsible for the bulk of construction in the proposed Project. The MYCD has a small technical staff involved in carrying out such work. The MYCD intends to involve its technical students in on-the-job training in construction activities within their capabilities. Such training is to be closely supervised by the instructors, with overall oversight carried out by a mature experienced sub-professional. For the scope of small construction projects previously undertaken, this approach has proven successful. The most recent achievement by this type of effort is two large warehouse type buildings of structural steel framework, with sheet metal roof and siding. These buildings house small offices and storerooms, and serve as shop facilities for construction trades training.

The demands of the proposed Project, however, exceed the capability of the MYCD's small planning and supervisory staff, given both the professional inputs required and the time frame for project execution. The MYCD recognizes this and proposes to employ the National Development Agency (NDA), which has an in-house professional staff. NDA also contracts for outside professional assistance from consulting firms when specialized professional services are required.

Additional implementation planning is required on the part of MYCD for this Project. Such planning is currently ongoing within the Ministry and should be accomplished prior to scheduled implementation. Again, Host Country rules and regulations will not be applicable to the MYCD construction effort, due to all construction being funded with non-U.S. funds.

4. Cost Estimates

Construction costs have been estimated by the respective ministries for the work they will undertake in the proposed Project. The Ministry of Education estimates were prepared by its Quantity Surveyor (professional estimator), and were based on current actual costs of similar work applied on a unit basis (square foot), with a 12 1/2% inflation/escalation factor incorporated into the totals. The MOE estimates assume no dramatic increase in the cost of labor or building materials. Unit costs used in these estimates ranged from J\$55 to J\$70 per sq. foot.

The MYCD estimates are also based on the Ministry's recent experience with similar type work, but unit (per sq.ft.) costs differ from those of the MOE due to utilization of student labor. The extent to which the services of the National Development Agency will be needed by the MYCD has not yet been determined. Therefore, the costs of such services are not included in the unit prices used. Also, site planning remains to be done, so firm site costs have not been incorporated into the unit prices. The unit prices utilized by the MYCD for these estimates range from J\$45 to J\$55 per sq. foot.

The cost estimates for construction costs are useful for budgeting purposes, but they would not qualify for a FAA Sec.611(a) determination. Such a determination is not required in this case, however, since all construction will be financed from GOJ resources. It is, nevertheless, appropriate to develop cost estimates that are as firm as possible, and at a feasibility study quality, at a minimum, for project authorization purposes. The whole construction industry in Jamaica is currently facing the problem of adjusting to the parallel market. Since a considerable amount of construction materials is imported, the prices of such materials will go up and cost estimates based on previous cost experience will not be a reliable gauge of what costs can be expected in the future. The MOE and MYCD recognize this deficiency, and have attempted to compensate by application of a contingency factor.

In this paper, all local currency costs that will be met by purchase of local currency with U.S. dollar funds have been converted to their U.S. dollar equivalent at the rate of J\$2.5 per U.S.\$1.00. L/C costs that will be met by GOJ contribution have been converted to their U.S. dollar equivalent at the official rate of J\$1.79 per U.S. \$1.00.

C. Institutional Analysis

1. Introduction

There are three Jamaican Ministries and five institutions participating in the Project. The institutions by ministry are:

1. Office of the Prime Minister
The H.E.A.R.T. Trust
2. The Ministry of Youth and Community Development (MYCD)
 - a. H.E.A.R.T. Academies
 - b. The Vocational Training Development Institute (VTDI)
3. The Ministry of Education (MOE)
 - a. MICO Teacher Training College
 - b. The Vocational-Technical Unit and the Technical High Schools.

With the exception of the H.E.A.R.T. Trust, the institutions in the Project are already well-established and fully operational. The two implementing institutions (MYCD, and MOE) have existed for 15 years or more, and currently operate a system that provides skill training in more than 50 centers with an annual enrollment of over 5,000 persons. The key administrative staff members of these institutions are relatively well-trained professionals, with excellent commitment to their profession. Turnover of key technical staff, other than normal attrition, is moderate. The Political Directorate and the senior staff of these institutions are committed to revitalizing the skill training system. Moreover, the H.E.A.R.T. Trust, even as a new

entity, has several experienced, key professionals in place and is building a sound organizational and administrative capacity. Thus, USAID/J believes that the GOJ has the capability for executing, with USAID/J assistance, the proposed skill training program.

Administratively, the Project appears complex, but viable. The H.E.A.R.T. Trust was created, in part, to coordinate and rationalize Jamaica's loosely structured skill training "system", and it has already begun that task. In addition, although each activity of the Project is mutually supportive, the success of one component is not dependent on the success of another component.

In order to demonstrate that GOJ institutions have the capacity to administer and implement the Project, this assessment will systematically review the organization, management and staffing of each of the Project institutions. The assessment will also present an analysis of the role each institution will play in the Project, and an explanation of how the institutions will cooperate to accomplish the Project goal. The Project provides technical support and training specifically for management. This will enable representatives from the participating institutions to improve their administrative/management skills and, thus, better deal with the complexities of operating a skills training system.

2. The H.E.A.R.T. Trust

The Human Employment and Resources Training (H.E.A.R.T.) Trust is a statutory body, established by legislation in September, 1982, and attached to the Office of the Prime Minister. The Trust is guided by a Board of Directors, composed of ten members from the public sector and ten members from the private sector. The Trust is financed by a 3 percent payroll tax on all firms with payrolls of more than J\$87,000.

The functions of the H.E.A.R.T. Trust are:

- to develop, encourage, monitor and provide finance for training for employment;
- to provide employment opportunities for trainees;
- to induce or assist skilled Jamaicans living abroad to return to Jamaica; and
- to promote employment projects.

In the exercise of its functions the Trust has the power:

- to provide finance for employment projects sponsored by the Trust;
- to administer and invest the funds of the Trust;

- to enter into arrangements with such bodies as it thinks suitable with regard to the establishment, implementation, monitoring and financing of training or employment programs;
- to furnish equipment and finance to persons, who, after training, require assistance in establishing a business on their own account;
- to receive and administer funds donated or entrusted to the Trust by any agency or organization;
- to make refunds of contributions; and
- to do such other things as may be necessary or expedient for the proper performance of its functions.

In order for the Trust to execute its mandate, a secretariat has been created with five major divisions: Finance and Planning, Administration and Data Processing, Projects Development, Monitoring, and Training.^{1/} Currently, the Trust has three of the five division chiefs in place. When fully staffed, the Trust will employ approximately 20 professionals, all under the technical direction of the Managing Director.^{2/} The Managing Director will implement the policy decisions established by the Trust Board, and will work with the technical sub-committee's established by the Board to determine guidelines and procedures for implementing the Board's policy decisions.

Although the Trust is still in its formative stage, an example of how it will operate can be seen in the construction sector. In response to the up-turn in economic activity in the construction sector, the Board of Directors of the Trust decided to develop new training

^{1/} A proposed organizational chart of the H.E.A.R.T. Trust is available in Annex K.

^{2/} Both the Managing Director and the Chairman of the Board of Directors of the H.E.A.R.T. Trust have had extensive experience as managers in the public and private sectors, and in the fields of formal and non-formal education. The staffing of key positions in the Trust Secretariat is a condition precedent to disbursement of A.I.D. funds.

programs for the sector. The Board formed a sub-committee of key public and private sector officials knowledgeable about skill training needs and training techniques in the construction sector. The Managing Director of the Trust, working with the technical sub-committee, the implementing Ministries and the Secretariat, developed skill training programs. Once under way, the technical sub-committee and the Secretariat evaluated the programs and recommended actions to the Managing Director to correct deficiencies. On the basis of recommendations, the Managing Director worked with the implementing Ministries to redirect the programs.

The Trust will be the executing agency for the Project. As such, it will be directly responsible for carrying out various activities related to the Project, including:

- planning, coordinating and evaluating the Project;
- administering the Revolving Loan/Grant fund; and
- maintaining important liaison responsibilities with other agencies inside and outside of the Project.

These liaison responsibilities include working closely with:

- the National Planning Agency, and other entities to evaluate human resource needs and conduct studies to determine relevant skill training programs for the nation;
- the Ministry of Youth and Community Development, which will be responsible for the actual implementation of the Project's non-formal skill training programs and the development of sound curricula for the GOJ through its Vocational Training Development Institute (VTDI); and
- the Ministry of Education, which will be responsible for the development of the Technical High Schools, and the MICO College element of the Project.

3. The Ministry of Youth and Community Development

The Ministry of Youth and Community Development (MYCD) has responsibility for the country's public sector supported non-formal skill training activities, as well as a number of social service related activities, e.g., child care, women's affairs, community development, and sports. The Ministry operates under five divisions (Central Administration, Finance, Personnel, Internal Audit, and Planning and Evaluation), and six statutory bodies operate under its auspices, including the Social Development Commission, the Institute of Sport, the Jamaican 4-H program, and the Adoption Board. The MYCD operates on an annual budget of approximately J\$50 million, and employs more than 1,600 persons.

The MYCD is headed by a Minister, who is an elected member of Parliament and is appointed by the Prime Minister. Serving under the Minister is one Permanent Secretary, who, working with the Minister, establishes administrative policy and guidelines for the various entities within the MYCD. (An illustration of the MYCD's organizational structure can be found in Annex M.)

Although the MYCD provides various levels of skill training in a number of institutions, the Project will provide direct assistance to only two MYCD entities: the H.E.A.R.T. Academies and the Vocational Training Development Institute (VTDI). The former will be administered by a new division within the MYCD, while the latter will be responsible to the director of the Vocational Training Division (VTD).

a) H.E.A.R.T. Academies

Although the H.E.A.R.T. Academies are financed by the H.E.A.R.T. Trust, the training programs are implemented by the MYCD. The MYCD expects to administer the Academies through the creation of a new division entitled Non-Formal Skill Training (NFST). The NFST will be headed by a director, who in turn is supported by three sub-directors: one in charge of training, and one in charge of finance, while the other is responsible for administrative and support services. Each of the directors will be supported by staff in the MYCD that currently has similar responsibility. Thus, the Social Development Commission will provide administrative and support services, the Finance Division will provide accounting services, and the Vocational Training Division will provide technical support to the skill training activities. Approximately 130 persons are currently seconded to the Non-Formal Skill Training Division.

b) Vocational Training Development Institute

The Vocational Training Division (VTD) administers the VTDI, as well as the ITCs and the Apprenticeship Board. The VTD is headed by a director, who is supported by a sub-director and two technical specialists, one in curriculum evaluation and certification and one in resource and field operations. The VTDI is headed by a principal and vice-principal who are responsible to the director of the Vocational Training Division. The VTDI employs 20 professionals who are engaged in a variety of technical support services, such as developing curricula and training materials, and training instructors.

Because the current GOJ Administration has attached high priority to the area of non-formal skill training, it has made some dramatic changes in the skill training milieu. In an effort to do a better job in the area of educational administration and delivery, and to keep

pace with the changing milieu, the MYCD has been working on a reorganization scheme for the administration of non-formal skill training activities. The reorganization scheme, unofficial at this point, is raising questions about the location and management of some of its activities. As a result, USAID/J and the GOJ have agreed that one of the Project's first tasks (with Project-funded technical assistance) will be to develop an appropriate management system within the MYCD and submit the new organization plans to A.I.D. for approval. This is a condition precedent to the disbursement of funds for non-formal training activities under the Project. Project assistance and training is provided to improve the management skills of MYCD personnel, in line with the requirements of the reorganization.

4. Ministry of Education

The Ministry of Education (MOE) has responsibility for the country's public sector supported educational system, which includes formal skill training activities. The MOE operates through six divisions (Planning and Development, Education Operations, School Services, Personnel and Management Services, Finance, and Projects Construction and Maintenance), and supervises three statutory bodies, the Jamaica Adult Literary (JAMAL) Program, the Jamaica Library Services, and Nutrition Products, Ltd. The tertiary level College of Arts, Science and Technology (CAST) operates under the auspices of the MOE, and the MOE provides funding to MICO College. The MOE operates on an annual budget of approximately J\$423 million.

The MOE is headed by a minister who is an elected member of Parliament and is appointed by the Prime Minister. Serving under the Minister is a Permanent Secretary who, working under guidelines established by the Minister, manages the various entities within the ministry. The Internal Audit, Finance, Personnel and Management Services, and Construction and Maintenance Divisions all support the Ministry's management. An illustration of the MOE's organizational structure can be found in Annex L.

The MOE administers two major programs for technical skill training: CAST and the Technical High Schools program. The Third World Bank Education Loan provides substantial assistance to CAST. Complementing this joint effort of the World Bank and the MOE in technical skills training on the college level, the Project will assist the Technical High Schools, the Vocational-Technical Unit of the MOE's Planning and Development Division, and the MICO Teachers Training College.

a) The Vocational-Technical Unit and the Technical High Schools

Currently, the Vocational-Technical Unit (VTU) of the Planning and Development Division, MOE, provides technical support, e.g., curriculum and training materials development, monitoring and

evaluation, and planning, to the Technical High Schools, and to a lesser extent, the New Secondary Schools and Comprehensive High Schools that offer vocational programs. The VTU is headed by a director, who in turn is supported by 17 professionals who are specialists in the various curriculum areas. The unit does not exercise control over the logistic support of the institutions, and this has often resulted in poor management and insufficient support for the Technical High School Program. A recommended solution is to elevate the Vocational-Technical Unit to Divisional status within the MOE. Technical support and training in management techniques will be provided to the MOE for improving both its central office and Technical High School administrative capabilities.

b) MICO College

MICO College is the largest Teacher's College in the Caribbean, and one of the oldest in the Western Hemisphere. It has been in operation for 147 years. The College currently operates three full-time training programs (primary, secondary and special education), with approximately 850 full-time students and 1,200 part-time evening students. The College has a staff of 204 employees, including a faculty of 71 professionals and 47 administrative staff.

The College is financed by the Government and funds received from the Lady Micault bequest. The Board of Governors, who are responsible for the administration of the institution, pay all salaries and other expenses with annual grants from the Ministry of Education. The bursar of the College serves as Secretary and Accountant to the Board of Governors. The principal is the administrative officer of the College, and he is assisted by two vice-principals.

5. Coordination

The Project will deliver simultaneous interventions at several different levels within the skill training system. In order to carry out the proposed Project effectively, a significant amount of coordination will be required both within and outside the GOJ.

Perhaps the most important role of the H.E.A.R.T. Trust will be to coordinate the GOJ activities to meet the needs of the private sector through the H.E.A.R.T. Trust Board of Directors. The Board will provide overall coordination to the Project through its members who represent the various ministries and the private sector. In addition, technical sub-committees of the Board have been formed to maintain important coordinating relationships. These sub-committees, made up of owners of firms, civic leaders, and training officials; are responsible for:

- determining occupational skill training needs;
- coordinating training programs to be carried out by governmental and non-governmental institutions;
- aiding in job information, placement, and follow-up services; and
- other appropriate tasks to ensure Project success.

The feedback from these sub-committees helps to assure that courses are relevant and that graduates have been properly trained. A mechanism, thus, exists for handling outside coordination, and the Project will provide technical advisory services directly to the Trust Board, Secretariat, and technical sub-committees, as needed, to enable them to carry out the coordination effectively.

The problem of coordination within the GOJ should be less difficult than that of coordinating entities outside the GOJ. The high priority being given to skill training and the Trust by the present administration augurs well for intra-ministerial coordination. The administrative arrangements of the Project will work to reinforce the expected coordination.

The Project Chief of Party (COP) will be assigned to the H.E.A.R.T. Trust. His/her technical role will be in the planning, management and coordination of skill training activities. The COP will supervise long-term technical advisors located in each of the major implementing agencies: MOE and MYCD. Each of these long-term project technicians will guide and coordinate the programs in their respective agencies in keeping with the directives of the H.E.A.R.T. Trust. USAID/J, therefore, will have a double opportunity to ensure effective coordination: through the H.E.A.R.T. Trust directly, and through daily working relationships with the staff of the ministries implementing skill training activities.

6. Experience with External Financing

Several of the GOJ entities have had considerable experience with external financing. A.I.D. has provided the MOE with about \$11.2 million in loan financing since 1970. The MYCD and MOE also have received about \$600,000 in grant funding. Other donors such as the UNDP, IBRD, and the German, Dutch and Canadian governments have provided considerable financial assistance to both the MOE and the MYCD since the 1960's.

Both the MOE and MYCD have shown their capability to administer funds provided from external sources. The H.E.A.R.T. Trust, as a new entity, has no experience which can be cited. Nevertheless, it has the responsibility for administering large amounts of GOJ funds, and has hired a U.S. Trained Director of Finance and Planning who has had extensive experience working with U.S. Corporations. Further, under the proposed Project, the GOJ administrative capability will be enhanced with A.I.D. financial inputs. Thus, based on GOJ experience with previous loans and grants and personnel in place, USAID/J judges the capability of the GOJ for handling the proposed loan and grant funds to be adequate.

7. Conclusion

USAID/J has carried out an analysis of the GOJ entities involved in the proposed Project in order to determine their capability for effectively administering the proposed Project. The GOJ has done a creditable job of carrying out the A.I.D.-funded projects. Thus, the Mission believes that the GOJ has the capability for executing the proposed expanded skills training program once the following changes, which were discussed above, are made:

- i) a restructuring of the MOE, which will facilitate the effective delivery and administrative support of the Vocational-Technical Unit; and
- ii) an administrative structure within the MYCD which will facilitate the effective delivery of services and administer support to A.I.D.-financed activities within the MYCD.

These changes will be included as Conditions Precedent to disbursement for funds for their relevant portions of the Project.

D. Social Soundness Analysis

1. Characteristics of the Target Population

Unemployment and underemployment have been among the greatest and most persistent social problems in Jamaica since the late 1960s. Severe unemployment, which mainly affects recent school leavers or women with little previous labor market experience, is only one manifestation of the problem. High outmigration and a growing numbers of workers seeking self-employment are also indications of the problem. Lowered productivity in the private sector has resulted in part from plants retaining workers even though production has decreased. Finally, the services and commerce sectors are employing far more workers than necessary, an indication of the ease of entry for unskilled workers in these areas.

The Jamaican industrial system and the labor force exhibit characteristics which make the transition into an organized, modern work setting a difficult process. Industrialization and modern employer/employee relationships are still relatively new, having had only some 40 years of real experience. Labor force practices have emerged from a plantation economy, and small-scale agriculture now exists in confrontation with diverse management practices imported from a cross-section of the more advanced industrial countries. Jamaican blue-collar and service workers still exhibit some of these rural characteristics. The high stratification of rural society means that workers rigidly perform only those tasks which fall clearly in their defined role, leaving little room for initiative or role expansion. Similarly, the higher the content of manual work embodied in a job, the lower the level of status which it is given. Given the seasonal characteristics of rural employment, workers have not developed a sense of long term commitment to their jobs. The tradition of paternalism and authoritarianism persists in the worker's perception of work relationships. Workers desire to develop special or direct relationships with all persons in their line of authority.

Conversely, this tradition has resulted in a number of advantageous traits. Peasants have evolved a system of occupational multiplicity, permitting them to exploit several opportunities to generate income and ensure security. This trait has enabled many workers to avert unemployment because they have acquired a variety of skills. Also, there is a strong value placed on self-employment, no doubt originating from the mentality of the small land holder. It is perceived to offer independence, greater monetary rewards, and self-pride. Self-employment and employment in small enterprises have, in fact, been the major growth areas in the labor force in recent years.

Compounding labor force problems are the main agents of socialization, the family and the school, which do not serve to inculcate desirable work habits. Family disorganization and harsh child rearing practices, both characteristics of Jamaican lower class society, lead to deep-set defensive mechanisms and tendencies to shift blame or responsibility to other persons, or to external circumstances. One-third of Jamaican households have no adult male present, while many of those remaining are headed by women, with males only in an extra-residential relationship with the household. Among working class Jamaicans, children are largely reared by mothers, grandmothers or other female relatives. The male role-model, as principal contributor to household income earned from work, is absent in a large segment of the population. Male-oriented skills passed from father to son are also lost due to these female dominated family relationships.

Early education in the primary school system is not geared to developing desirable work attitudes either. Teaching methods are predominantly role-learning, and there is little emphasis on practical application. Punishments are applied for poor performance and discipline problems, but there are few systems of reward to engender self-esteem or encouragement. Even secondary and technical education remain highly theoretical, with limited application to the demands placed on graduates in the labor market. The non-formal skill training programs have evolved out of social welfare objectives, to assist the lower economic level group to gain access to employment with little regard for the availability of jobs.

Given this socio-cultural background, the lack of realistic skill training opportunities, and poor working conditions in industrial settings, it is not surprising that the values, expectations and work behavior of Jamaican workers are perceived as constraints to industrial development. The established behavior and attitudes differ significantly from the norms required in the modern industrial setting. The major characteristics to be addressed in this Project include:

- Dependency
- Lack of initiative
- Feelings of insecurity
- Low self-esteem and self-confidence
- Lack of job responsibility
- Inability to control material and physical elements
- Lack of respect for the property of others
- Unrealistic time perspectives
- Resentment of authority
- Unrealistic assessment of the value of labor
- Defensive behaviors

There are other labor market related problems in Jamaica, in addition to the worker traits described above. Management style tends to be authoritarian, exhibiting little respect or recognition for the services performed by workers. It has been reported that in larger Jamaican enterprises the worker-management situation is characterized by credibility gaps, social distance, and alienation. Trade union activity is a major influence, as political affiliation of the major trade unions results in intense competition among them for control of the limited number of wage and salary workers. Trade unions themselves tend to be undemocratic, and often exert little control over their members. There were, for example, 624 industrial disputes reported to the Ministry of Labor in 1981, resulting in 144 work stoppages. Most stoppages were caused by disputes over dismissals and suspensions, rather than over wages.

Women experience especially difficult problems related to employment. The participation of females in the labor force is extremely high, representing 46% of total employment. Female unemployment is almost three times higher than that for males: 39% compared to 14% in 1981. Women workers are concentrated in the traditionally low wage occupations such as garment trades, commerce and services. This concentration of women in "female occupations" is further noted in secondary school enrollments, where girls mostly take business education and home economic options. Few enter industrial/technical education. Discussions with employers indicate that women are their first choice for assembly type jobs requiring manual dexterity, concentration and reliability. They perceive women to be more loyal and to have fewer grievances. Employers in traditionally male sectors, such as construction and mining, feel that women would present problems at the work site. Resistance exists, particularly in the construction sector, where taboos exist regarding female employment. It is true, however, that more women than men fill professional positions in Jamaica's public administration sector.

There are no legislative restrictions to female employment, or to the acquisition of any kinds of skills. Legislation is in place for equal pay for equal work, and for maternity leave benefits. The latter is considered by many employers to be a significant liability, particularly for women in the 15-29 age group. Fertility rates are decreasing with increased female labor force participation, which should make this perception decreasingly valid.

While women's labor force status is more precarious than men's, and their earnings significantly lower, they often have the greatest burden for family responsibility. As mentioned earlier, it is most often the woman in lower income Jamaican families who is primarily responsible for family maintenance. This accentuates the importance of providing assistance to improve the labor market and earning conditions of women. In addition, it is important to note that many social scientists and development experts in Jamaica feel that women's savings and consumption patterns are far superior, from the point of view of economic growth, to those of men. Improving the employment situation for women cannot be considered an issue of social advocacy alone; rather, it must also be recognized as a critical issue of economic development.

2. Social Benefits and Consequences

Assisting training institutions and private firms to satisfy the training requirements of the expanding formal employment sector and newly encouraged small enterprises is the purpose of this Project. This should result in a reduction of the "Social Welfare" orientation of the technical schools and training centers. The Project will focus

on the reduction of unemployment and under-employment by placing people into economically viable jobs created through the growing economic turn around. The immediate beneficiaries will be existing employed workers whose skill levels can be upgraded rapidly through a combination of in-plant and highly-focused, institutional-based training programs. The objective will be to fill critical occupational gaps which currently limit the expansion of production and employment, as well as increasing productivity. Attention will also be given the employment requirements of new firms, and the expansion needs due to increased small enterprise and self-employment. With improvements in meeting pressing manpower training problems, new opportunities will open at the entry levels for Technical High School and H.E.A.R.T. Trainees, as well as unskilled workers. Such a strategy will increase the probability of workers entering permanent jobs, rather than temporary public works activities directed to the least employable. In this manner, workers are permitted to attain their highest level of output. A ladder for escalating skill levels will be put in place, along with an in-plant training institution supporting mechanism enabling workers to take advantage of career enhancement. This strategy should also favorably influence desirable worker attitudes regarding loyalty and self-esteem.

The Project will also address the problems of worker traits and attitudes which are detrimental to their successful participation in the labor force. First, actual training programs for attitude improvement will be introduced as a part of general skill training curricula. Second, skill training will be progressively more oriented to actual workforce situations. In these cases, worker characteristics are dealt with directly, as they manifest themselves in the training process.

Finally, the labor force problems of women will be addressed by the Project. It is important to keep in mind the limitations of skill training in responding to the real employment needs of women. The industrial composition of the work force and the consequent occupational mix is a product of the kinds of investment decisions which are made. A further determinant of the kinds of occupations is the level of technology used in the production process, another outcome of investment decisions. Much of the decision affecting the quantity and quality of employment available to women will be related to the volume and nature of investments.

The Project can make an impact, however, on the access of women to training programs, and their subsequent employment in available jobs. The H.E.A.R.T. Trust; through its Training Support Department and the revolving loan/grant fund, will actively ensure that training and employment opportunities will be open to women in all sectors and subsectors of the economy.

Aggressive promotion will take place to enable women to move into more stable, better paid jobs. While a system of quotas will not be used, it will be a Project goal to increase progressively the percentage of

women in each occupation over its present level throughout the duration of the Project. Similarly, assistance will be provided to female graduates to enter employment in the occupations for which they are trained. To the extent that the H.E.A.R.T. Trust has sufficient persuasive ability, efforts will be made to encourage assembly and garment firms scheduled to come to Jamaica not to limit women to only low level manipulative activities. Provisions should be made for them to move on to supervisory and maintenance jobs at higher salary levels. Through the Project's intervention in the area of instructors in traditionally male trades. They can serve as role models for young women making career choices. Their performance in schools and training centers may exceed that of their male counterparts.

The influence the H.E.A.R.T. Trust has on financing the training activities of private voluntary organizations can be particularly beneficial to women. Such activities can demonstrate to public officials and employers that women can successfully perform occupational activities not traditionally expected of them. H.E.A.R.T. Trust Fund financing to private firms and public sector organizations can further ensure that employers will not discriminate unfairly against women when selecting candidates to enter in-plant training. These private sector related interventions will be monitored and evaluated, using guidelines that assure increased training and opportunities for women.

3. Spread Effects

The socio-cultural spread effects of this Project should be significant and sustained over a long time frame. Both institutions and target populations will benefit from these effects. The institutions, by improving their technical capabilities and developing an increasing awareness and experience in dealing with the socio-cultural realities and expectations of their clients, will be able to offer relevant training programs on a continuing basis to meet the needs of both the employing institutions and the individual participants. The individual participants will not only improve their personal attitudes, knowledge, and skills, but also will serve as a multiplier agent within their immediate and extended families, and within their local communities.

The Project will involve directly numerous public and private organizations and at least 105 individual participants over the six years of planned activities. Once A.I.D. assistance ends, it is estimated that important elements of a permanent, comprehensive, flexible skill training system will be in place to serve approximately 2,300 employed persons and 5,500 new labor force entrants annually.

E. Economic and Financial Analysis

1. Economic Background

Jamaica's recent economic history, and the strategy which the Government of Jamaica is implementing in pursuit of the recovery and

development of the economy, has been extensively described in the FY -1985 CDSS and a variety of other documents and need not be reiterated here in detail. Nevertheless, there are several salient facts and significant trends highlighted below, which have important implications for skill training activities.

There has been a secular increase in unemployment which is a reflection of fundamental structural changes in the Jamaican economy and its labor force. In the 1960's, employment grew very slowly (only 0.45 percent per year) in response to a rapid increase (7.6 percent per year in real terms) in economic activity. The critical factor explaining the marginal employment expansion and rapid economic growth is the high capital intensity of the expanding sectors of the economy.

In the 1970's, employment grew at a moderate pace, while economic activity decreased markedly. This growth of employment during a period of construction in total economic activity was a result of a decrease in capital/labor ratios linked to the slow down in investment, the increased employment share of the government sector (it doubled its share), the expansion of self-employment (69 percent of the increase in employment from 1972 to 1981 was in this category), and the rise of underemployment.

A second factor contributing to the secular increase in unemployment is the changed sex and age composition of the labor force. In 1972, young people aged 14-24 accounted for 27 percent of the labor force and had an unemployment rate of 40 percent. In 1982, the corresponding figures were 30 and 50 percent, respectively. Over the decade, the number of young people in the work force increased by 52 percent, while the labor force grew 33 percent. Similarly, women accounted for 44 percent of the labor force and had an employment rate of 35 percent in 1972, while in 1982 they represented 47 percent of the labor force. As a result, the unemployment rate currently stands at 27 percent and has fallen below 20 percent only once in the last fifteen years.^{1/}

^{1/} In Jamaica, unemployment levels include both active job seekers and persons who make no effort to find a job, but who indicate that they want to work and are available to accept it. The inclusion of non-seekers implies a wider definition of unemployment than is used in many countries, and provides a higher estimate of the size of the labor force and of the unemployed.

Throughout its history, Jamaica has experienced a "brain drain," but in recent years these trends have been amplified. Emigration statistics from the three major receiving countries (U.S.A., Canada, and the U.K.) reveal that more than 400,000 Jamaicans emigrated over the period 1960-1980. Extrapolations of recent trends suggest that more than 22,000 persons who were professional, technical and managerial workers, and more than 31,000 persons who can be considered skilled workers, emigrated in the period 1970-1980. In the decade, Jamaica lost approximately 31% of its professional and managerial manpower, and 13% of its skilled workers. In recent years, annual emigration has been nearly one-half of the annual output of professional, technical, managerial and skilled workers. Even these data must be considered under-estimates, as they fail to include other countries of destination and the numbers of emigrants who do not enter through official channels.

Jamaica has a skewed population distribution. The total population of Jamaica at the end of 1980 is an estimated 2.2 million. More than 51% of the population is 19 years and under. The 15-64 age group, which is the country's potential labor force, represents 53% of the population.

A quarter of a million youngsters are in the age group 15 to 19; more than 850,000 are school age. The labor force is projected to grow for the next 5 years at about 2.5 percent annually. An economic implication of this is that the economy must provide 25,000 new jobs annually just to maintain the same number of unemployed.

After a promising economic recovery in 1981 from the sustained decline of the 1970's, the Jamaican economy achieved disappointing results in 1982 and employment generation has been in a malaise. After a growth in real domestic product (GDP) of 2.0 percent in 1981, it is unlikely that real economic growth will be much above zero in 1982. Over the period, only the manufacturing and construction sectors exhibited significant and steady growth in employment, accounting for 70 percent of the total growth in employment. Moreover, indications are that employment of technical, skilled and semi-skilled workers i.e. the focus of this Project, exhibited no significant growth (73 percent of the total increment in employment occurred in the self-employment occupational group).

Overall employment rates conceal the wide disparities in the employment experiences of different groups in the economy e.g. young people and women. Data from April 1982 indicate that 27 percent of the labor force is unemployed. Young people and women are particularly disadvantaged groups within the labor market as 50.7 percent of young people aged 14 to 24 years, and 40.5 percent of the women, are unemployed. As might be expected, persons with the

greatest likelihood of being unemployed are young females who experienced an unemployment rate of 70.5 percent. The overall unemployment rate for men is 15.3 percent, while the unemployment rate for men twenty-five years or older is 8.4 percent.

The distribution of unemployment by age, shown below, illustrates that the unemployment problem in Jamaica is largely a youth unemployment problem. Moreover, it suggests, to the extent the problem is one of inadequate or inappropriate training, there are several different age groups to which training programs should be directed.

Table 8

Employment by Age Distribution

| Age Group | Number Unemployed | % Unemployed |
|-------------|-------------------|--------------|
| 14-19 | 75,300 | 26.8 |
| 20-24 | 87,300 | 31.1 |
| 25-29 | 39,200 | 13.9 |
| 30-34 | 20,200 | 7.2 |
| 35-39 | 13,700 | 4.8 |
| 40-44 | 11,700 | 4.1 |
| 45-54 | 14,600 | 5.2 |
| 55-64 | 13,100 | 4.6 |
| 65 and over | 5,600 | 1.9 |
| TOTAL | 280,700 | 100.0 |

(Errors due to rounding)

Evidence of skill shortages: Evidence of skill shortages is difficult to ascertain in all nations-- even in industrialized countries with well developed data systems-- because the concept is not well defined and most methods for capturing the data have not worked well. Nevertheless, the available data sources in Jamaica suggest that skill shortages represent between 1 and 2 percent of the labor force (7,500 to 15,000 jobs). In addition, USAID/J officials have anecdotal evidence from newspaper reports and interviews with public and private sector officials, which support this data. One building contractor for example, has reported that his firm was forced to turn down J\$10 million worth of business in 1981 because he could not find construction site supervisors to carry out proposed construction projects. This example demonstrates how, with an absence of critical manpower, employment and private sector development can be thwarted.

2. Employment Prospects in the Medium-Term, 1983-1987

a. GOJ Estimates

The National Planning Agency (NPA), as part of an A.I.D.-funded GOJ activity, has prepared preliminary estimates of projected economic activity and manpower demand and supply to 1987. Although the estimates are considered unduly optimistic, the data represent the best judgement of one of Jamaica's key analytical institutions. 2/

The Preliminary projections of GDP, by sector, are based on an input-output model developed with assistance from the Norwegian Agency for International Development and the Massachusetts Institute of Technology. The Technological relationships defined in the input-output table were combined with exogenous estimates of certain final demand aggregates and other exogenously estimated variables and worked successively through a series of sub-models to a set of final calculations.

The projections of sectoral GDP were translated into associated employment levels by sector by applying ratios of GDP per worker by sector in the base year to the GDP forecast for 1987. The assumption of stable GDP/worker co-efficients over the projection period was applied in the absence of firm estimates of labor productivity and, thus, the projected employment levels reflect maximum employment and no major structural changes in the economy. The projected employment levels were disaggregated using an industry/occupation matrix for the base year (1980), and summed across all sectors for each occupation to yield 1987 projections of employment by occupation. Estimates of the replacement demand (attrition due to death, retirement, or other separations from the labor force) were estimated by occupational group, and added to the employment projections to yield final estimates of employment by occupation in 1987.

2/ The NPA is in the process of revising (downward) its estimates and refining its methodology and, with the introduction of new data sources, appears to be developing a capability for continuously analyzing data on macro-level manpower demand and supply. This capability should prove particularly useful to the GOJ, USAID/J, and the Project Contractor for directing the Project over its life.

Table 9

Preliminary GOJ Estimates--
Manpower Demand for Selected Occupations

| <u>Occupational Group</u> | <u>Average Annual Job Openings</u> |
|--|------------------------------------|
| Professional, Technical and Related | 2,950 |
| Craftsmen, Production process and Operating Occupations | 6,200 |
| Structural Work Occupations | 2,300 |
| Mechanical and Electrical Repairing | 1,200 |
| Garment Making and Related Occupations | 470 |
| Wood Products Occupations | 300 |
| Food Processing Occupations | 200 |
| Clerical and Sales Occupations | 6,150 |
| Secretarial/Clerical Occupations | 3,000 |
| Accounting and Computing Occupations | 575 |
| Self-Employed Occupations | 16,800 |
| Farming | 6,900 |
| Wearing Apparel Occupations | 1,250 |
| Manufacturing/Cottage Industry Occupations | 1,250 |
| Independent Occupations in Construction | 290 |
| Service Occupations | 7,240 |
| Food and Beverage Occupations | 1,285 |
| Culinary Occupations | 690 |

b. USAID/J Estimates

Despite Jamaica's recent disappointing economic performance, USAID/J has adopted an outlook of cautious optimism. We expect that Jamaica will experience slow economic recovery over the next few years before it takes off on a path of sustained economic growth. Under this scenario, GDP will grow in real terms by one percent in 1983, two to three percent in 1984, and an average of four percent per year from 1985 to 1987.

Employment may grow more slowly, however, than the rate of GDP growth. A broad-based surge of real economic activity would undoubtedly carry with it increased demand for labor at all skill levels, but the productivity of relatively unskilled and residual workers brought into employment may be low relative to the older, more experienced workers now employed. The shortage of skilled labor, particularly at above entry levels, is likely to constrain employment growth. Moreover, there has been a decline in labor productivity as

capacity utilization levels have fallen in recent years. If capacity utilization rates increase, employment may not keep pace.

When all factors are considered, i.e. USAID/J's slow economic growth scenario, the NPA analysis of probable sectoral growth patterns within the GOJ policy framework, past employment trends, the expected loss of skilled workers due to emigration, skill shortages, unknown new investments not currently embodied in the analyses, and a host of other factors, USAID/J expects that the 1983-87 requirements for skilled, semi-skilled and technical manpower will be a minimum of 50,000 workers. More specific occupational areas and groups in which growth is likely are contained in Table 11.

Table 10

USAID/J Estimates--
Manpower Demand for Selected Occupations

| <u>Occupational Groups</u> | <u>Average Annual Job Openings</u> |
|---|------------------------------------|
| Professional, Technical and Related | 2,300 |
| Craftsmen, Production Process and Operating Occupations | 3,800 |
| Structural Work Occupations | 1,400 |
| Mechanical and Electrical Repairing | 830 |
| Garment Making and Related Occupations | 290 |
| Wood Products Occupations | 180 |
| Food Processing Occupations | 135 |
| Clerical and Sales Occupations | 4,150 |
| Secretarial/Clerical Occupations | 2,180 |
| Accounting and Computing Occupations | 400 |
| Self-Employed Occupations | 9,827 |
| Farming | 4,075 |
| Wearing Apparel Occupations | 735 |
| Manufacturing/Cottage Industry Occupations | 730 |
| Independent Construction Occupations | 170 |
| Service Occupations | 5,240 |
| Food and Beverage Occupations | 850 |
| Culinary Occupations | 400 |

The Project will offer basic skill training through the H.E.A.R.T. Academies in construction trades (electrical installation, carpentry, plumbing and pipe fitting, and masonry and steel fixing); repair and maintenance trades (radio and TV repair, typewriter repair, refrigeration and air conditioning, electrical appliance, auto electric, auto mechanic); and clerical and secretarial services. These areas are, by design, somewhat undefined to enable the GOJ to respond in a flexible manner to changing labor market needs. Additional monitoring of demand will be undertaken by the H.E.A.R.T. Trust, in cooperation with the NPA, in all areas to determine which courses should be expanded or contracted.

The Mission considers the skills to be taught through the proposed Project to be supported by macroeconomic data, supply and demand projections, and specific industry interviews, as well as realistic in terms of the GOJ's economic policies.

3. Benefit-Cost Analysis

Although it is evident that an appropriately designed Skills Training Project should generate substantial net benefits, skills training projects generally do not lend themselves to a quantitative (economic) analysis in which costs and benefits are easily compared to derive a measure of viability by reducing the benefit-cost relationships to either a benefit-cost ratio, internal rate of return or a net present value measure. As a result, the Mission considers this Project to be particularly inappropriate for a quantitative analysis and has provided a qualitative analysis.

a. Benefits

The benefits which will accrue to society as a result of this Project are both extensive and difficult to measure. The major thrust of the Project is to establish an improved skill training system that will facilitate the economic recovery program and improve the productivity of the nation. Gains from improved vocational training will have significant direct impact on several social groups.

The largest benefiting group, the general population, will reap the benefits of the Project's potential to contribute to lower production costs and, hence, lower prices, economic growth, political stability, and an increased quality of life from increased productivity. To the extent that higher productivity increases the competitiveness of exports and foreign exchange earnings, the Project will contribute to aggregate economic growth. Moreover, by contributing importantly to the institutional capability of assessing and delivering training needs, the Project will improve the performance of market mechanisms in general and labor markets in particular.

Employers should benefit from the Project by obtaining better trained entry level workers and by getting help in improving the skills of employed workers. Higher labor productivity should result in higher production and employment. Private sector employers, especially those in smaller scale production, should gain by getting access to training resources that have not previously been available to them at an affordable cost.

A third group that will benefit from the Project will be the staff of the GOJ and private establishments who receive training, either in Jamaica or overseas, which should eventually result in higher efficiency and productivity in planning and delivering training.

Finally, a major group to benefit from this Project will be the workers and trainees, both entry level and advanced, who will acquire

more relevant and marketable skills. They will benefit directly from greater employability and higher wages.

b. Costs

The Mission used the total Project cost by year as presented in the financial plan, since they include all operation and investment costs, plus maintenance (depreciation) from all sources. No differentiation was made between A.I.D. financing and GOJ budget resources. The post-A.I.D. Project recurring costs i.e., those the GOJ will pay to continue producing 5,500 graduates per year, were added.

Since the majority of buildings to be used in the Project are existing and do not have an alternative use currently, it was concluded that the cost of the use of the existing buildings is zero. All equipment, renovation, and hardware was estimated to have a twenty year life, except vehicles and tools, which were estimated to have a ten year life. Replacement of the vehicles and tools was prorated annually, as part of recurring costs.

c. Cost Effectiveness

The cost per graduate of this skills training Project over the life of the project is \$J1,914. A comparison of this unit cost to alternatives programs with the same outcome would give us a test of the cost effectiveness of the Project. The problem in doing this lies in determining what is the "same outcome."

The Project incorporates two approaches to skill training under one umbrella, i.e., formal vocational training in Technical High Schools, and non-formal skill training in residential, publicly-funded institutions. Beyond these, the Revolving Trust Fund will finance non-formal skill training in non-residential institutions, and apprenticeship and industry organized training. Each of these approaches is an alternative method for accomplishing the desired outcome; it is this "mix" of approaches which determines the cost effectiveness of the Project. The cost effectiveness of these approaches are characterized below:

(i) Formal vocational training in Technical High Schools provides training for higher skill levels, as well as academic education over a long period at a high cost per graduate. Currently, the cost per graduate is J\$2,100.

(ii) Apprenticeship and industry-organized training, when strict accounting costs are calculated, appears to be a low cost approach. Young adults join a firm at a minimal salary and are trained, on-the-job, at very little cost. At issue in this approach, however, is the fact that many smaller firms may not undertake such training programs (even with financial incentives) for reasons of economics of scale. Thus, much of the potential expansion in this area would not be realized. The cost per graduate of this alternative is J\$600.

(iii) Non-formal skill training in H.E.A.R.T. Academies, which offer one year training programs, appears to offer a relatively high cost per graduate. Primarily, this is because of the residential character of the training. The cost per graduate of this alternative is \$4,500.

Given the GOJ's stated skill training plans, USAID/J's strategy has been to optimize the cost effectiveness of the Project, while realizing that each skill training approach does not result in the same outcome. Thus, formal vocational training in Technical High Schools and H.E.A.R.T. Academies have been supported, in spite of its high cost, because evidence suggests the graduates of those institutions are better trained and in high demand in Jamaica. Similarly, apprenticeship and in-plant training have received indirect funding under the Project, in spite of their lower cost, because evidence suggests the potential expansion of this area will be constrained. In USAID/J's view, the mix of approaches for skill training proposed in the Project is an economically feasible and cost effective method for equipping a relatively large number of persons with skills needed to obtain employment and, at the same time, address the nation's skill shortages.

4. Impact on the Economy

One of the most difficult economic challenges that confronts the Government of Jamaica is the provision of job opportunities-- particularly for youth and women-- as well as resolution of the severe constraint to development imposed by the shortage of skills. This skill training Project is designed to help meet this challenge by providing skill training to the unskilled unemployed, by upgrading employed workers, and by building a capacity for responding to industry's training needs. Since the magnitude of the Project is modest in contrast to the size of the problem, it should not be expected that the Project can entirely solve Jamaica's unemployment and skill shortage problems. The Project, however, can help Jamaica make substantial progress toward that goal.

The measurement of the Project's impact on the national economy will be performed using "with project" and "without project" scenarios. It will be divided into four categories: its employment effect, its impact on the private sector, its impact on productivity, and its other aggregate effects.

a. Employment Effect

At the end of six years, when A.I.D.'s loan funds will have been disbursed, the GOJ will be training 5,500 new semi-skilled workers annually. Given the current and projected shortages of semi-skilled workers, the Mission has assumed conservatively that 40 per cent of the trained workers will be able to obtain employment; 25 per cent will go on to further training; 20 per cent will become self-employed

(at least, part-time) and 15 per cent will improve their home environment. Therefore, it is reasonable to assume for the purpose of this analysis that about two-thirds of the 5,500 trainees will eventually find jobs. With an average annual increase of 25,000 new persons seeking work each year (70 percent of whom were unskilled), the Project will reduce the annual increase of unemployed workers in the economy by about 20 percent (3,575/17,500).

The GOJ has plans for a major expansion of the skill training system with or without A.I.D. assistance. Since the Project is designed to improve the relevance of instruction to job requirements, it is reasonable to assume that a lower proportion of trainees would obtain employment, or further training without the Project. Thus, without the Project, it is likely that the annual unemployment increase will be greater. In addition, the Project expects to devote resources to upgrading already able, or willing, to devote substantial resources to this area. The GOJ plans to concentrate its resources on entry-level skill training. Since there is evidence that the scarcity of first-line supervisors and mid-management personnel may limit the absorption of skilled workers with limited work experience, the impact of the Project on employment through the Revolving Trust Fund loans/grants to the private and public sector should be significant.

b. Impact of the Private Sector

The Project is designed to increase the impact on skill shortages in the private sector in several ways. First, the Revolving Trust Fund will enable the private sector to upgrade the already employed. Second, private sector firms will be able to request special upgrading courses from the GOJ. Third, the Project element aimed at upgrading training supervisors to be better trained will be especially important to smaller private sector firms. Fourth, the establishment of skill standards will facilitate private sector firms' hiring, wage determination and certification. Fifth, private sector firms will have access to technical assistance in diagnosing specific training problems and developing appropriate in-plant training programs. Sixth, the Project's outreach activities will inform private sector employers of the training services available from the GOJ, and encourage their utilization. Seventh, the private sector will be represented on the H.E.A.R.T. Trust and be able to make their training needs known and play a role in establishing training policy and managing training programs.

Even if the GOJ should begin to emphasize training for private sector needs without the Project, it is unlikely that the GOJ would have the resources to carry out this comprehensive package of private sector oriented services. Moreover, should the GOJ undertake these services, the probable pace of implementation of these activities would be slowed without the Project.

c. Productivity

One of the major aims of the Project is to raise productivity, by improving the relevance and quality of skills training. Productivity, however, is determined by the intervention of many factors, e.g. worker skills, capital investment, technology, scale of production, capacity utilization, product mix, etc. Moreover, the results of increased productivity are numerous, e.g. lower unit costs, higher profits and wages, greater export competitiveness, etc. As a result, changes in productivity attributable to a single variable, such as training, are extremely difficult to measure. It is safe to say, however, that the Project will directly address the issue of raising productivity through a series of programs for employed workers and private sector employers. Without the Project, it is unlikely that the GOJ would be able to mount an effective program for training employed workers, and therefore, would not increase productivity to the same degree as under the "with Project" scenario.

d. Other Effects

In the years of economic decline, Jamaica experienced a low level of foreign investment. Even in the last two years, the level of foreign investment has not reached its full potential, in part because of the lack of skilled workers. Training more skilled workers will not only help provide more job opportunities, but will also attract more foreign investment to Jamaica. Although it is difficult to determine how much foreign investment will be forthcoming as a result of the Project, it is safe to say that the A.I.D. assistance, including the Revolving Trust Fund, will better enable the GOJ to respond to foreign investors' needs for programs to develop skilled workers. It is clear that the training programs to be supported through this Project represent just one element of the overall economic recovery program. Training of the labor force is an investment in productive inputs. It does not, however, create the demand for inputs in the aggregative sense. Demand depends on the confidence of investors, the conduct of the macro-economic policy, and exogenous economic conditions over which the government has no control. Support for the Project rests, ultimately, on confidence that it will result in a better trained, more disciplined, and more productive labor force at a cost that makes it a sound investment. The Government of Jamaica has concluded that this is in fact the case. We concur in that judgement and believe that our support for the Project, which will be undertaken in any case, affords the opportunity to provide an input that will help to elevate the probability that it will be successful, and, thereby, make a positive contribution to Jamaica's economic recovery.

III. IMPLEMENTATION ARRANGEMENTS

A. Implementation Plan

1. Implementation and Monitoring Responsibilities

The H.E.A.R.T. Trust, in cooperation with USAID/J, will coordinate overall project activity and have full responsibility and authority for project implementation. Overall policy direction of the Project will be provided by the H.E.A.R.T. Trust Board. The Board consists of 10 private sector representatives and 10 representatives of key GOJ agencies, as designated by the Minister of Finance.

The Project will be implemented by a Management Committee, which will consist of the Managing Director of the Trust, as Chairman, the MOE Project Manager, the MYCD Project Manager, the USAID/J Project Officer, and the Chief of Party (C.O.P.) of the Project Contract Team. The Project Management Committee will meet as often as necessary but at least monthly, to review project implementation and recommend appropriate action. The establishment of such a committee is a Condition Precedent to the signing of the Project.

The H.E.A.R.T. Trust, in cooperation with U.S.A.I.D., will obtain the services of a U.S. contractor to provide the technical assistance participant training and commodity inputs required to implement the Project. U.S.A.I.D., in cooperation with the H.E.A.R.T. Trust, will (1) develop and issue a request for proposal (RFP), evaluate submissions and compile a short list of qualifying firms; (2) establish criteria upon which basis the proposals will be evaluated; (3) evaluate the proposals received in response to the RFPs; (4) negotiate and sign the contract with the firm with the highest ranked proposal. These contracting tasks will be accomplished in accordance with established U.S.A.I.D./Jamaica contracting procedures.

The general responsibility of the contractor will be to advise and assist the H.E.A.R.T. Trust and the implementation agencies i.e. the Ministry of Education and Ministry of Youth and Community Development. The specific detail of the services to be provided by the contractor shall, therefore, be determined by the Management Committee and USAID/J in consultation with all implementing GOJ agencies during the contracting process. The scope of services for the contractor, using sub-contractors as permitted by the prime contract and approved by A.I.D., will include the following requirements:

- Provide the A.I.D.-financed technical assistance required for the Project (see Annex C and Project Description).
- Develop, in coordination with the GOJ, detailed work plans to enable each contract team member (specialists, advisors, and

consultants) to accomplish his statement of work. Such work plans will be completed 30 days prior to each individual's arrival in Jamaica.

- Prepare, in coordination with the GOJ, a comprehensive and detailed implementation plan and schedule. The plan will cover all project components and will: (a) establish detailed implementation targets or objectives; (b) specify actions required to achieve those targets or objectives; (c) assign individual responsibility for initiating and completing each required action; (d) establish a detailed training plan in collaboration with the GOJ; and (e) establish detailed administration plans and procedures for the H.E.A.R.T. Trust.
- Develop detailed course designs and appropriate instructional materials.
- Determine commodity needs, in coordination with GOJ staff, and prepare detailed specifications and all procurement documents, and provide procurement services for such commodities.
- Assist the GOJ to expand training opportunities for women.
- Assist USAID/J and the GOJ in regular project evaluation exercises.
- By sub-contract, furnish the services of a U.S. university to provide summer courses at MICO College for teachers and administrators from the technical high schools and H.E.A.R.T. Academies.
- Administer participant training in accordance with policies and decisions of the Management Committee.
- Provide in-service training courses in Jamaica in accordance with policies and decisions of the Management Committee.
- Submit periodic reports as required by USAID/J and the GOJ.

The USAID Project Officer will serve as the chairman of the USAID/J Project Monitoring Committee. The Project Committee will assist the Project Officer in monitoring GOJ performance in meeting Conditions Precedent and fulfilling covenants, decision making and in reviewing project implementation and performance evaluation. (See Estimated Implementation Schedule, Annex C).

2. Financial Management

USAID/J will make disbursements directly to the H.E.A.R.T. Trust based upon approved requests for advances of funds to meet local currency

costs of goods and services included in the approved Project budget and the A.I.D. contribution to the Revolving Loan/Grant Fund. Such advances may not exceed 60 days estimated expenditure. Expenditures must be properly reported and documented to USAID/J on monthly financial reports in form and substance acceptable to A.I.D. before further advances are approved. The foreign exchange cost of eligible goods and services procured by host country institutions, generally, will be financed under direct or bank letters of commitment.

3. Procurement Plan

Technical Assistance (T.A.) services are to be provided under a competitively awarded direct A.I.D. contract. Since this contract will be financed by A.I.D. Grant funds, the eligible source code will be 000 (U.S.). Competitive proposals will be obtained through advertising and the issuance of a Request for Proposals (RFP). The USAID/J contracting officer will conduct this process.

The contract will permit portion of the contractor's functions to be sub-contracted subject to the written approval of A.I.D. For example, it is anticipated that the contractor will arrange for the services of a U.S. university under a sub-contract to provide in-service summer courses at MICO College for teachers and administrators from Technical High Schools and H.E.A.R.T. Academies.

The T.A. contractor will provide commodity procurement services for the A.I.D.-financed commodities. Such procurement will be financed by the Loan and limited to commodities having their source and origin in countries included in A.I.D. Geographic Code 941 or in Jamaica.

It is expected that formal bidding procedures, including the issuance of an Invitation for BIDS (IFBs), will be used for several major commodity procurements. These groups are likely to include, respectively, (a) motor vehicles, (b) handtools for the H.E.A.R.T. Academies and Technical High Schools, (c) shop equipment for the H.E.A.R.T. Academies and Technical High Schools, (d) a package of repair and maintenance shop equipment for the H.E.A.R.T. Academy, (e) clerical/secretarial training equipment for one H.E.A.R.T. Academy and 10 Technical High Schools, and (f) books, reference materials and training aids.

That T.A. contractor will be responsible for making recommendations to the Management Committee on the scheduling of procurement, types of commodities and specifications, installation services required and on procurement methodology. The contractor will also prepare documentation and carry out the procurement on behalf of the GOJ. Procurement decisions will be made by the Management Committee and documentation and action will be approved by USAID/J. It is planned that the contractor's procurement specialist will be resident in Jamaica and travel, as needed, to the U.S. The contractor's home office will be expected to provide considerable assistance in commodity procurement.

Where feasible, commodity shipment will be in full trailer container loads for delivery unopened to each final site.

The T.A. contractor's scope of work will also include responsibility for the administration of overseas participant training (see Annex F and Project Description) in accordance with the policies and instruction of the Management Committee. USAID/J will reserve the right to provide advance approval of individual trainees and training institutions.

B. Evaluation Plan

1. Internal Evaluation System

Objective

The H.E.A.R.T. Trust Secretariat will establish an Internal Evaluation System for monitoring the activities of the skills training system and evaluating the results of these activities. It will focus both on the quantitative and qualitative aspects of the system as well evaluating its internal efficiency and its ability to satisfy the needs of the labor market.

Methodology

The Internal Evaluation System will obtain information from all of the training institutions which form part of the skills training system. This information will include enrollment by occupation, completion by occupation, utilization of facilities, quality of graduates as measured by test scores and pass rates of standardized proficiency tests and quality of courses as measured by the utilization of project developed curricula, curricula content and time in shop and work site related training. Cost of courses and the number of weeks of courses will be maintained. Utilization of staff time and the access to labor force related services such as vocational counseling and placement activities will be included.

The Internal Evaluation System will also register post-training information from graduates through formal and informal tracer studies and follow-up interviews. Contacts will be made with employers immediately after placement, with a sample of graduates after completion of training courses, and with a much more limited sample of graduates for long term follow-up. These data will evaluate labor force behavior of the graduates and will touch on quality of training from both the graduates' and the employers' point of view.

Purpose

The purpose of the Internal Evaluation System is to assure that training courses are meeting labor market needs, that they are cost-effective and efficient, that training content is directed

Logical Framework

I GOAL

A. Project Goal

To establish a trained human resource base that will facilitate the economic recovery program and improve the productivity of the nation.

B. Measures of Goal Achievement

1. Increased numbers of skilled workers trained and employed and an increase in the real per capita income of those trained.
2. Improved economic performance, including individual sector performance, productivity measures, GDP and sectorial growth, and greater competitiveness (both in the domestic and world market).

C. Means of Verification

1. GOJ statistics, including:
 - Labor force survey
 - Quarterly employment and earnings survey
 - National income accounts
 - External trade accounts
 - Training and placement records of training institutions.
2. Periodic project evaluations.

D. Important Assumptions

1. Favorable economic and political climate for economic growth.
2. GOJ funding will assure agencies can meet their project input obligations.
3. GOJ will continue emphasizing the development training and employment opportunities.

II PURPOSE

A. Project Purpose

To establish an improved skill training system responsive to the GOJ's economic policies and labor market needs.

B. End-of-Project Status

1. A functioning GOJ agency ensuring better coordination among skill training institutions as well as increased private sector participation in directing skill training activities.
2. A more nearly adequate supply of appropriately trained skilled, technical and supervisory level personnel to meet Jamaica's requirement for its long-term goal of sustained economic growth.
3. A more flexible skills training system capable of removing short and long term human resource bottlenecks to the economic recovery program and providing appropriate skill training to the employed, the unemployed and the underemployed.
4. Improved placement ratios from the public sector training institutions.

C. Means of Verification

- Project Evaluation
- Surveys of Private Industry
- H.E.A.R.T. Trust Annual Reports
- Survey of Private Sector Training Programs
- Placement Records
- Contractor Reports
- GOJ Production and Employment data.

D. Important Assumptions

- The GOJ agency will have the authority to coordinate and regulate all important skill training activities.

- Competent administration is provided the Project by counterpart institutions.
- Private industries and Private Sector will cooperate.
- GOJ willingness to allow emphasis on private sector skill training.
- GOJ and U.S. Project staff are relatively stable.

III. OUTPUTS

C. Means of Verification

- Industrial production and employment data.
- H.E.A.R.T. Trust Annual reports, requests and placement records.
- Semi-annual internal evaluations and three external evaluations.
- Review of curricula and materials generated and adapted by the Project.
- MYCD and MOE reports.

D. Important Assumptions

- Experienced GOJ personnel will continue in present jobs and will utilize training and technical assistance provided.
- Industrial organizations are willing to collaborate and develop their training program.
- GOJ agencies will collaborate with one another (through H.E.A.R.T. Trust) to produce outputs.
- GOJ assigns key officials as counterparts.
- Training institutions are receptive to new innovations.
- H.E.A.R.T. Trust Board members are apolitical, influential and representative of the private sector.

III Outputs and Outputs Targets

A. Description of Output by ComponentB. Magnitude of Output by Year

| | FY 83 | 84 | 85 | 86 | 87 | 88 | 89 | TOTAL |
|--|-------|----|----|----|----|----|----|-------|
| <u>Component A (Coordinating Agency)</u> | | | | | | | | |
| 1. GOJ agency (HEART Trust) to set policy, coordinate, integrate, and evaluate skill training activities, and increase participation of private sector in orienting training activities, established and in operation; | - | * | - | - | - | - | - | |
| New staff trained and effectively coordinating and evaluating skill training activities: | | | | | | | | |
| a) long term (PM) | - | 12 | - | - | - | - | - | 12 |
| b) short term (PM) | - | 27 | 10 | 8 | 8 | 7 | - | 60 |
| c) in-service (PM) | - | 6 | 10 | 10 | 15 | 15 | 10 | 66 |

* Non-quantifiable output, indicates time at which output is expected to be achieved.

A. Description of Output by ComponentB. Magnitude of Output by Year

| | FY 83 | 84 | 85 | 86 | 87 | 88 | 89 | TOTAL |
|--|-------|----|----|----|----|----|----|-------|
|--|-------|----|----|----|----|----|----|-------|

Component B

1. Four (4) HEART Academies (Youth Camps) supplied with hand tools, equipment, training materials and staff-training.

| | | | | | | | | |
|--|---|-----|-----|------|------|------|------|------|
| a) people trained at semi-skilled level | - | 200 | 700 | 1200 | 1700 | 2000 | 2000 | 7800 |
| b) graduates placed in industry or self-employment (75%) | - | 150 | 525 | 900 | 1275 | 1500 | 1500 | 5850 |
| c) administrative staff trained | | | | | | | | |
| i) long-term (P.M.) | - | 36 | 36 | 12 | 12 | - | - | 96 |
| ii) short-term (P.M.) | - | 4 | 4 | 4 | 8 | - | - | 20 |
| iii) in-service (P.M.) | - | 75 | 75 | 75 | 75 | 75 | 75 | 450 |

2. Capability strengthened within VTDE to:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|----|
| a) adapt and develop curriculum | | | | | | | | |
| i) new courses | - | 6 | 3 | - | - | - | - | 9 |
| ii) courses modified | - | 4 | 4 | 4 | - | - | - | 12 |
| b) develop proficiency tests for training curricula | - | 8 | 5 | 4 | 4 | - | - | 21 |
| c) upgrade inspecting and monitoring system | - | - | - | * | - | - | - | - |
| d) develop tracer, student-followup and placement system | - | - | * | - | - | - | - | - |
| e) develop improved management systems | - | - | - | * | - | - | - | - |
| f) training materials resource center established and adapting and developing appropriate innovative training materials | - | - | * | - | - | - | - | - |

Component C (Formal Skill Training)

1. Restore seven existing Technical High Schools and upgrade three existing High Schools to the Technical High School level.

| | | | | | | | | |
|--|---|------|------|------|------|------|------|-------|
| a) people trained at semi-skilled level | - | 1800 | 1800 | 1800 | 2700 | 2700 | 2700 | 13500 |
| b) graduates placed in industry or self employment (75%) | - | 1350 | 1350 | 1350 | 2025 | 2025 | 2025 | 10125 |

* Non-quantifiable output, indicates time at which output is expected to be achieved.

| A. Description of Output by Component | B. Magnitude of Output by Year | | | | | | | TOTAL |
|--|--------------------------------|----|----|----|----|----|----|-------|
| | FY 83 | 84 | 85 | 86 | 87 | 88 | 89 | |
| <u>Component c (Cont'd)</u> | | | | | | | | |
| 2. Appropriate innovative instructional technology and materials introduced in Technical High Schools. | - | - | * | - | - | - | - | - |
| a) long-term (P.M.) | - | - | - | 12 | - | - | - | 12 |
| b) short-term (P.M.) | - | - | 6 | - | 3 | - | - | 9 |
| 3. Capability established within MOE Technical High School Division to effectively manage the Technical High School system. | - | - | - | - | - | - | - | - |
| a) long-term (P.M.) | - | - | 12 | - | - | - | - | 12 |
| b) short-term (P.M.) | - | - | 3 | 3 | 3 | - | - | 9 |
| c) in-service (P.M.) | - | - | 10 | 10 | 10 | 10 | 10 | 50 |
| 4. MOE Technical High School staff upgraded through 'career track' of in-service training and new staff trained at MICO College. | - | - | - | - | - | - | - | - |
| a) in-service (P.M.) | - | 75 | 75 | 75 | 75 | 75 | 75 | 450 |
| b) scholarship assistance (persons/yr) (GOJ participant training) | - | 30 | 30 | 30 | 30 | 30 | 30 | 180 |
| 5. Technical High School/Private Sector Advisory Committee established and beginning to advise Technical High School system. | - | - | - | * | - | - | - | - |

* Non-quantifiable output, indicates time at which output is expected to be achieved.

B. Implementation Target - Inputs in Thousands of US Dollars

| Components | 84 | | 85 | | 86 | | 87 | | 88 | | 89 | | TOTAL | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|---------------|---------------|
| | USAID | GOJ | USAID | GOJ | USAID | GOJ |
| Component B (Non-Formal) | | | | | | | | | | | | | | |
| 1. Technical Assistance | 420 | 12 | 450 | 13 | 230 | 8 | 210 | 6 | 150 | 4 | - | - | 1,460 | 43 |
| 2. Participant Training | 72 | 31 | 88 | 35 | 40 | 15 | 56 | 19 | 16 | 4 | - | - | 272 | 104 |
| 3. Equipment | 864 | 43 | 1,483 | 119 | - | 119 | - | 119 | - | 119 | - | 119 | 2,347 | 639 |
| 4. Innovative Educational Tech. | 409 | 8 | 476 | 18 | 200 | 22 | 50 | 23 | 50 | 24 | - | 24 | 1,185 | 119 |
| 5. Workshop/Seminars | - | 36 | - | 36 | - | 36 | - | 43 | - | 28 | - | 36 | - | 215 |
| 6. Research Support | - | 100 | - | 150 | - | 150 | - | 150 | - | 150 | - | 150 | - | 500 |
| 7. Local Personnel | - | 528 | - | 2,805 | - | 3,942 | - | 4,625 | - | 4,625 | - | 4,625 | - | 21,150 |
| 8. Other Costs | - | 51 | - | 303 | - | 430 | - | 506 | - | 506 | - | 506 | - | 2,307 |
| 9. Construction | - | 3,294 | - | 2,589 | - | - | - | - | - | - | - | - | - | 5,883 |
| Total | 1,765 | 4,103 | 2,497 | 6,068 | 470 | 4,722 | 316 | 5,491 | 216 | 5,460 | - | 5,460 | 5,264 | 31,304 |
| Component C (Formal) | | | | | | | | | | | | | | |
| 1. Technical Assistance | 210 | 6 | 210 | 6 | 270 | 8 | 210 | 6 | 210 | 6 | 30 | 1 | 1,140 | 33 |
| 2. Participant Training | - | - | 60 | 17 | 36 | 13 | 24 | 6 | - | - | - | - | 120 | 34 |
| 3. Equipment | 394 | 17 | - | 17 | 302 | 29 | - | 29 | 302 | 42 | - | 42 | 996 | 171 |
| 4. Innovative Educational Tech. | 340 | 7 | 60 | 8 | 342 | 15 | 15 | 15 | 328 | 22 | - | 22 | 1,085 | 63 |
| 5. Workshop/Seminars | - | 28 | - | 28 | - | 36 | - | 28 | - | 28 | - | 15 | - | 103 |
| 6. Research Support | - | 20 | - | 40 | - | 50 | - | 40 | - | 40 | - | 40 | - | 230 |
| 7. Local Personnel | - | 60 | - | 60 | - | 60 | - | 60 | - | 60 | - | 61 | - | 301 |
| 8. Other costs | - | 20 | - | 20 | - | 20 | - | 20 | - | 20 | - | 20 | - | 113 |
| 9. Construction | - | 241 | - | - | - | 241 | - | - | - | 241 | - | - | - | 723 |
| Total | 944 | 399 | 330 | 196 | 950 | 472 | 249 | 204 | 840 | 459 | 30 | 201 | 3,343 | 1,911 |
| TOTAL Project | | | | | | | | | | | | | | |
| 1. Technical Assistance | 1,030 | 29 | 980 | 28 | 770 | 24 | 610 | 18 | 560 | 16 | 30 | 1 | 3,980 | 110 |
| 2. Participant Training | 180 | 62 | 212 | 67 | 108 | 36 | 112 | 33 | 44 | 11 | - | - | 656 | 214 |
| 3. Equipment | 1,360 | 65 | 1,493 | 142 | 302 | 154 | - | 154 | 302 | 167 | - | 167 | 3,457 | 811 |
| 4. Innovative Educational Tech. | 749 | 15 | 536 | 26 | 542 | 37 | 65 | 38 | 378 | 46 | - | 46 | 2,270 | 714 |
| 5. Workshop/Seminars | - | 114 | - | 100 | - | 100 | - | 99 | - | 92 | - | 79 | - | 374 |
| 6. Research Support | - | 150 | - | 215 | - | 220 | - | 210 | - | 210 | - | 210 | - | 1,215 |
| 7. Local Personnel | - | 658 | - | 2,934 | - | 4,071 | - | 4,754 | - | 4,754 | - | 4,755 | - | 21,925 |
| 8. Other Costs | 500 | 95 | 1,000 | 343 | 500 | 470 | 500 | 546 | 250 | 546 | 250 | 546 | 3,010 | 2,416 |
| 9. Construction | - | 3,535 | - | 2,589 | - | 241 | - | - | - | 241 | - | - | - | 6,106 |
| Total | 3,819 | 4,723 | 4,221 | 6,444 | 2,222 | 5,353 | 1,287 | 5,852 | 1,534 | 6,083 | 280 | 5,804 | 13,363 | 34,259 |

IV. INPUTS

C. Means of Verification

- USAID records and semi-annual reports.
- USAID audit of disbursements.
- Contractor records.
- Ministry of Finance records.
- Ministry of Education records.
- Ministry of Youth and Community Development records.
- H.E.A.R.T. Trust records.

D. Important Assumptions

- Qualified contractor available.
- U.S. training techniques and expertise can be used effectively in Jamaica.
- Qualified GOJ participant trainees can be released for training.
- Appropriate commodities can be obtained in a timely manner.
- Appropriate technical services in the skills required are available and can be obtained in a timely manner.

ESTIMATED IMPLEMENTATION SCHEDULE

| <u>MAJOR ACTION</u> | <u>ESTIMATED PROJECT MONTH</u> | <u>RESPONSIBLE ORGANIZATION</u> |
|---|--------------------------------|---------------------------------|
| <u>Component A</u> | | |
| <u>H.E.A.R.T. Trust</u> | | |
| Project Agreement Signed | 0 | |
| Initial Conditions Precedent Met | 2 | GOJ |
| RFP Issued | 2 | USAID |
| Participant Training Plan | 2 | HT/MYCD/MOE |
| T.A. Proposals Received | 4 | USAID |
| T.A. Contracts Awarded | 5 | USAID/HT |
| First Small Commodity Orders Placed, including office equipment | 5 | HT |
| First Joint semi-annual review | 6 | HT |
| Long-Term T.A. arrives | 7 | Contractor |
| In-service Training for Office Staff started | 8 | HT |
| HT staffing completed | 8 | HT |
| First Long-Term participants leave for training | 8 | HT |
| Detailed Implementation Plan | 8 | Contractor |
| First IFB Issued | 8 | HT |
| Bids received first IFB | 10 | Contractor |
| First major commodity contract award | 11 | Contractor |
| In-country training started | 12 | Contractor |
| First commodities received | 13 | Contractor |
| Mid-term Evaluation | 30 | HT/USAID |

| | | |
|---------------------------|----|-----|
| All Commodities Received | 36 | |
| End of Project Evaluation | 72 | AID |
| T.A. Departs | | |

Component B

Ministry of Youth

H.E.A.R.T. Academies

| | | |
|--|----|------------|
| Equipment Ordered | 8 | Contractor |
| Long Term T.A. arrives | 8 | Contractor |
| First Participants Leave for Training | 8 | MYCD |
| Short term T.A. begins | 11 | Contractor |
| Construction of 2 H.E.A.R.T. Academies - Completed | 12 | GOJ |

| | | |
|-----------------------------------|----|------------|
| In-country Training Begins | 12 | VTDI |
| First Semi-annual Review | 12 | Contractor |
| First Phase Curriculum Completed | 12 | VTDI |
| Vehicle Received | 13 | Contractor |
| First Equipment Arrives | 13 | Contractor |
| First H.E.A.R.T.. Academy Opened | 14 | GOJ |
| All Commodities Arrived | 16 | Contractor |
| Opening of Final Two Academies | 18 | GOJ |
| Second Phase Curriculum Completed | 18 | VTDI |
| External Evaluation | 24 | AID |
| External Evaluation | 48 | AID |
| Post Project Evaluation | 60 | AID |
| Long Term T.A. Departs | 70 | Contractor |

VTDI - Materials Center

| | | |
|--|----|------------|
| Arrival of Long-term T.A. Advisor | 8 | Contractor |
| Equipment Ordered | 9 | Contractor |
| First Seminars/Workshops | 9 | VTDI |
| First Equipment Arrives | 13 | Contractor |
| VTDI Materials Center Begins Materials Distribution | 14 | VTDI |
| Internal Evaluation | 24 | AID |
| External Evaluation | 24 | AID |
| T.A. Departs | 32 | Contractor |
| External Evaluation | 48 | AID |
| End of Project Evaluation | 60 | AID |

Component C - Formal

Ministry of Education

| | | |
|---|----|-----------------------|
| Arrival of Technical Assistance | 8 | Contractor |
| Equipment Ordered | 9 | Contractor |
| Short Term T.A. Begins | 10 | Contractor |
| First Long Term Participants Leave on Training | 10 | Ministry of Education |

Tech/Vocational Resource Center

| | | |
|--|----|-------------------|
| First Equipment Arrives for Tech/Vocational Resource Center | 13 | Contractor |
| Tech/Vocational Resource Center Distributes First Materials | 14 | Min. of Education |

Technical Schools

| | | |
|--|----|--------------------|
| Rehabilitation of 4 Technical Schools completed | 8 | Min. of Education |
| First Semi-Annual Review | 12 | Min. of Education |
| First Equipment for 4 Schools Arrives | 13 | Contractor |
| Rehabilitation of other 6 Technical Schools Completed | 18 | Min. of Education. |
| Equipment for 6 Schools Received | 18 | Contractor |
| All 10 Technical Schools Rehabilitated and Equipped | 18 | Min. of Education |
| End of Project Evaluation | 72 | AID |

MICO

| | |
|------------------------------|---|
| Equipment Ordered | 8 |
| U.S. University Sub-contract | 8 |

| | | |
|---------------------------|----|------------|
| Curriculum Completed | 9 | MICO |
| First Equipment Received | 11 | Contractor |
| Summer Courses Begin | 11 | MICO |
| Evaluation | 24 | AID |
| Evaluation | 48 | AID |
| End of Project Evaluation | 72 | AID |

TECHNICAL ASSISTANCE SCOPES OF WORK

The competence and performance of the technical assistance personnel, both long and short term, must be of a high caliber for the Basic Skills Training project to be successful. The training component is also essential in assuring Project success, but most of the training will be focused and coordinated by technical assistance personnel. Because of the importance of the quality of the T.A.s, a description of their duties and qualifications is included in the Project Paper. The T.A.s have been organized by project component; the H.E.A.R.T. Trust, the H.E.A.R.T. Trust Revolving Loan/Grant Fund, Non-formal Skills Training and Formal Technical Skills Training.

1. The H.E.A.R.T. Trust - although there will be a need for numerous short term consultants, the principal technical assistance responsibilities of the Project will belong to the Technical and Vocational Education Administration and Management Specialist who will also serve as Project Team Leader.

This person will work directly with the Managing Director of the H.E.A.R.T. Trust to:

- a. Assist in long term planning, policy-making and coordination of national skills training activities,
- b. Assist as required with H.E.A.R.T. Trust budget preparation and overall financial management.
- c. Assist with the monitoring and evaluation of all skills training activities under the purview of the H.E.A.R.T. Trust's mandate.
- d. Assist in regular assessments of employment generation possibilities and skills needs in the private and public sectors.
- e. Foster the participation of the private sector in the administration and management of all skills training activities in the project.
- f. Assist in programming short and long term technical assistance and participant training activities within the Project.

- g. Serve as a major resource person in Technical Skills Education and Management for the senior officers of the H.E.A.R.T. Trust, as may be needed.
- h. Serve as Chief of Party for the Basic Skills Training Project and liase with the H.E.A.R.T. Trust, M.O.E., M.Y.C.D. and the USAID/EHRD Office.

Qualifications

The individual should have a graduate level degree (Ph.D. preferred) in vocational/technical education and/or Public Administration, Management or similar academic background. The Technical Education Admin/Management Specialist should have significant experience working in a developing country and in involving private sector enterprises in skill training programs.

2. Non-formal Skills Training

Under this component of the Project USAID/J will supply the T.A. services of a five-year Non-formal Skills Management/Training Specialist and a two-year Institutional Materials/Curriculum Development Specialist to develop a pilot support program to four units of the H.E.A.R.T. academy system and other subsidiaries.

A. Non-formal Skills Management/Training Specialist. This person will work directly with the Senior Coordinator of the Training Division for the H.E.A.R.T. academies. His responsibilities will be to:

- (1) Assist with the planning, policy-making and development of the intended fifteen H.E.A.R.T. academies.
- (2) Assist with H.E.A.R.T. Academies' budget preparation and financial management.
- (3) Organization of the training programs for the instructors at the four H.E.A.R.T. academies within the Project.
- (4) Assist in establishment of the curricula for all subject areas and appropriate instructor-training based on regular assessments of possible employment generation schemes.
- (5) Assist in the establishment of a system for recruitment, enrollment, job placement, counseling and follow-up of the trainees.
- (6) Assist in the definition of non-formal adult education programs for the 20-30 year old age group in evening programs at the educational facilities of the H.E.A.R.T. academies.

Qualifications

This person must have professional administrative experience with non-formal skills/technology transfer programs. The individual will need to have a broad range of vocational skills and have worked previously in developing countries. The person must also have business and managerial skills of a level sufficient for the design and implementation of a management and financial system for the new H.E.A.R.T. academies.

B. Instructional/Materials/Curriculum Development Specialist. This individual will be located at the Institutional Materials Resource Center of VTDI and his responsibilities will be to:

- (1) Disseminate information about new instructional materials, curricula, training techniques adapted to Jamaica's skills needs and environment to H.E.A.R.T. academies and private and public sector training institutions.
- (2) Adapt existing instructional materials, printed and audio/visuals to Jamaica's needs in such subject areas as life coping skills, work attitudes, training for self-employment, etc.
- (3) Assist with the development strategies, including workshops at the national and local levels for the dissemination of skills training instructional materials and curricula.
- (4) Prepare teacher orientation materials and workshops to introduce new skills training instructional materials.
- (5) Collaborate with private and public sector training institutions and short-term instructional materials/curriculum development specialists in conducting field studies and evaluations of the new curriculum implementation process.
- (6) Assist in developing a long range institutional development plan for the instructional materials resource center at VTDI.

Qualifications

An M.A. degree in instructional materials and curriculum design and implementation is required. The individual must have proven abilities in the design, installation and evaluation of skills training materials. He/she must have experience in organizing and conducting training workshops in skills curriculum

implementation and a firm understanding of community development and training school/community integration. The person must have experience using various teaching methods professionally, i.e., audio/visual materials like film and radio. Transcultural communication skills and previous professional experience abroad are essential.

4. Formal Skills Training - Under Ministry of Education auspices this component will upgrade and expand the management teacher training, facilities and equipment of ten formal technical skills training High Schools. The Technical High School Management Specialist will, over a 5-year span, assume the following responsibilities.

- a. Assist in long-range planning and policy-making decisions for the gradual upgrading and physical expansion of ten Technical High Schools over the life of the Project.
- b. In consultation with the Instructional Materials/Curriculum Development Specialist at VTDI, supervise the procurement of new instructional materials, teachers' aids, audio-visual equipment, etc. at the ten schools.
- c. Assist in the design and supervision of the in-country training programs and the U.S.A. university "career tracks" degree program at MICO Teachers Training College.
- d. Assist the MOE and private sectors to develop an effective Private Sector Advisory Committee in order that the Technical High Schools can implement a comprehensive and flexible training program adaptable to the changing demands of the market place and real employment possibilities.
- e. As needed, assist the MOE in budget planning, cost/benefit analysis and general financial management for the Technical High School system.

Qualifications

This person will have professional administrative experience at Vocational/Technical High Schools and have actually taught at such schools. The individual must also have business and financial management skills. A proven ability in community organization and leadership and past training experiences with the private sector. Experience with the training of trainers methodologies and in-country training is also desirable.

ESTIMATED TRAINING SCHEDULE

| Component | Type | No. of Part | Course Duration | Person Mths./Year | | | | | | Cost \$000 |
|-----------------------|---|-------------|-----------------|-------------------|----|---|---|---|---|------------|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| A. <u>HEART Trust</u> | <u>Long Term</u> | | | | | | | | | |
| | Mgt. & Planning | 1 | 12 PM | 12 | | | | | | 24 |
| | <u>Short Term</u> | | | | | | | | | |
| | Overseas Courses & observation tours in | | 60 PM | 21 | 16 | 8 | 8 | 7 | | 240 |
| | 1. Proj Dev't. 2. Monitoring 3. Placement 4. Admin of Revolving Fund 5. Specific Trng Problem Areas | | | | | | | | | |
| | <u>Workshop/Seminars to promote HEART (GOJ)</u> | 580 | 29 Seminars | 7 | 5 | 4 | 4 | 5 | 4 | 206 |
| | GOJ costs associated with Participant Trng | | | | | | | | | 69 |
| SUB TOTAL | | 661 | | | | | | | | 539 |

| | | | | | | | | | | |
|----------------------|--|----|-------|----|----|----|----|---|--|----|
| B. <u>Non-Formal</u> | <u>Long Term</u> | | | | | | | | | |
| | Voc. Admin. | 4 | 48 PM | 24 | 24 | | | | | 96 |
| | Pedagogy | 4 | 48 PM | 12 | 12 | 12 | 12 | | | 96 |
| Overseas | <u>Short Term</u> | | | | | | | | | |
| | Courses & Educational tours in Monitoring, Testing Curriculum Dev., Counseling, Institution Mgt. | 10 | 20 PM | | 4 | 4 | 8 | 4 | | 80 |

| Component | Type | No. of Parts | Duration | Person Mths. / Year | | | | | | Cost \$000 |
|------------------|--|-----------------|----------------|------------------------|----|----|---|---|---|---------------|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | |
| | <u>Workshop/Seminars</u> (GOJ) | 600 | 30 Seminars | 6 | 6 | 6 | 7 | 4 | 5 | 215 |
| | GOJ costs associated with Participant Trng | | | | | | | | | 104 |
| SUB TOTAL | | | | | | | | | | 429 |
| <hr/> | | | | | | | | | | |
| C. <u>Formal</u> | <u>Long Term</u> Mgt of Tech. High Schools | 2 | 24 PM | | 12 | 12 | | | | 48 |
| | <u>Short Term</u> Courses & tours in Admin., Teaching, Materials Dev. and Adaptation | 6 | 18 PM | | 9 | 3 | 6 | | | 72 |
| | <u>Workshop/Seminars</u> | 460 | 23 Seminars | 4 | 4 | 5 | 4 | 4 | 2 | 163 |
| | GOJ costs associated with Participant Trng | | | | | | | | | 36 |
| SUB TOTAL | | | | | | | | | | 319 |
| <hr/> | | | | | | | | | | |
| TOTAL | | | | | | | | | | 1287 |

INITIAL ENVIRONMENT EXAMINATION

| | |
|----------------------------------|---|
| PROJECT LOCATION | Jamaica |
| PROJECT TITLE | Skills Training |
| FUNDING | FY 1983-1989 Loan/Grant \$15,364,000 |
| LIFE OF PROJECT | SIX YEARS |
| IEE PREPARED BY | <hr/> David Evans USAID/Jamaica |
| DATE | JULY 5, 1983 |
| ENVIRONMENTAL ACTION RECOMMENDED | That the project will not have a significant effect on the environment and therefore a negative determination is appropriate. |
| CONCURRENCE | <hr/> Lewis P. Reade USAID/Director |

Assistant Administrator's Decision

APPROVED See State _____ dated _____

DISAPPROVED _____

DATE _____

SUMMARY OF PROJECT

The purpose of this project is to establish an improved skill training system responsive to the labor market needs and the governments economic policies. While many elements of a skill training system currently exist within private and governmental institutions in Jamaica, the system is fragmented, and they function inefficiently and in relative isolation from one another. The overall objective of project activities, then is to upgrade the skill training system, provide a mechanism for eliminating duplicative functions and increase the relevance and efficiency of the skill training system. The ultimate goal of the project is to establish a trained human resource base that will facilitate the economic recovery program.

Project activities will focus on five component areas where assistance is needed. There are: a) assisting in the institutional strengthening and operation of the H.E.A.R.T. Trust which will serve as a national industrial training board to regulate, evaluate, certify, fund, promote and coordinate new and existing training programs in order to assure that private sector requirements are met; b) upgrading and expanding several non-formal skill training programs and services within the Ministry of Youth and Community Development; c) upgrading and expanding formal technical level skill training services and programs within the Ministry of Education; and d) assisting the select public sector organizations by strengthening their ability to conduct flexible skill training programs for individual industries and private sector firms aimed at first-line supervisory personnel and middle managers.

An evaluation of the project's components indicates that none of the proposed activities will have a significant negative impact on the physical or natural environment and USAID/Jamaica recommends that the project be given a negative determination requiring not further environmental review.

Impact Areas and Sub Areas

A. LAND USE

1. Changing the character of the land through:

- a. Increasing the Population
- b. Extracting natural resources
- c. Land Clearing
- d. Changing soil character

N

N

N

N

2. Altering natural defences

N

3. Foreclosing important uses

N

4. Jeopardizing man or his work

N

5. Other factors.

N

B. WATER QUALITY

1. Physical state of water

N

2. Chemical and biological states

N

3. Ecological balance

N

4. Other factors

N

C. ATMOSPHERIC

1. Air additives

N

2. Air pollution

N

3. Noise pollution

N

4. Other factors

N

D. NATURAL RESOURCES

1. Diversion, altered use of water

N

2. Irreversible, inefficient commitment

N

3. Other factors

N

E. CULTURAL:

- | | |
|------------------------------------|----------|
| 1. Altering physical symbols | <u>N</u> |
| 2. Dilution of cultural traditions | <u>N</u> |
| 3. Other factors | <u>N</u> |

F. SOCIOECONOMIC

- | | |
|--|---------------------|
| 1. Changes in economic/employment patterns | <u>Yes Positive</u> |
| 2. Changes in population | <u>N</u> |
| 3. Changes in cultural patterns | <u>Yes Positive</u> |

G. HEALTH

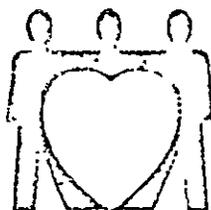
- | | |
|-------------------------------------|----------|
| 1. Changing a natural environment | <u>N</u> |
| 2. Eliminating an ecosystem element | <u>N</u> |
| 3. Other factors | <u>N</u> |

H. GENERAL

- | | |
|---------------------------|----------|
| 1. International impacts | <u>N</u> |
| 2. Controversial impacts | <u>N</u> |
| 3. Larger program impacts | <u>N</u> |
| 4. Other factors | <u>N</u> |

I. OTHER POSSIBLE IMPACTS (not listed above)

| | |
|--|----------|
| | <u>N</u> |
|--|----------|



Human
Employment
And
Resource
Training

H.E.A.R.T. Trust,
16 Oxford Road,
Kingston 5,
Jamaica W.I.

Tel: 92-93412, 93415, 93418

Chairman: Steadley S. Webster, J.P., BSc., M.Ed.

Managing Director: Joyce L. Robinson, C.D., M.B.E., F.L.A., LL.D (Hon).

our ref: 13/2/1

your ref:

date October 5, 1983

Mr. Lewis P. Reade
Director
US AID/Jamaica
P.O. Box 541, Kingston 5.

Dear Mr. Reade:

Re: Basic Skills Training Project

On behalf of the Government of Jamaica I would like to request the assistance of the United States Agency for International Development in carrying out a major basic skills training program in the island. The Government has recently embarked on a program to upgrade and improve vocational skills training on a national level and the Human Employment and Resource Training Trust (H.E.A.R.T. Trust) was established by Parliamentary Act 13 in 1982 to coordinate this program.

We seek your assistance through a project that would assist us in meeting Jamaica's requirements in technical, skilled and semiskilled workers over the next five years, a project which we believe would be compatible to our economic recovery program.

To this end we have reviewed the draft project paper prepared by your staff with the assistance of our Government of Jamaica Steering Committee, and find that it reflects the concerns we have discussed over the past several months. This project is among our highest priorities and we are prepared to comply and cooperate with the US AID in implementing what we hope will be a mutually rewarding project.

Thank you for your kind assistance in this matter.

Yours sincerely,

JOYCE L. ROBINSON
MANAGING DIRECTOR

JLR:ap



Department of State
INCOMING TELEGRAM
American Embassy Kingston

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AGS:

SUBJECT: JAMAICA SKILLS TRAINING PID

SUMMARY: THE DAEC REVIEWED THE SUBJECT PID ON MARCH 4, 1982 SEVERAL AREAS OF CONCERN WERE DISCUSSED, ESPECIALLY ISSUES RELATED TO THE PROJECT STRATEGY AND DESIGN. THE PID IS APPROVED AND THE MISSION IS AUTHORIZED TO PROCEED WITH INTENSIVE REVIEW SUBJECT TO THE GUIDANCE PROVIDED BELOW. BECAUSE OF THE NATURE OF THE GUIDANCE AND THE COST OF THE PROJECT, ESTIMATED AT \$16.6 MILLION IN THE PID, THE PP SHOULD BE SUBMITTED TO THE BUREAU FOR REVIEW AND APPROVAL. END SUMMARY.

PROJECT STRATEGY - CONSIDERABLE DISCUSSION AT THE DAEC MEETING CENTERED ON THE MISSION'S STRATEGY FOR IMPROVING JAMAICA'S SKILLS TRAINING SYSTEM, AND A NUMBER OF STRATEGY-RELATED CONCERNS WERE DISCUSSED. PRINCIPAL CONCERNS WERE THE PREDOMINANT ROLE OF THE PUBLIC SECTOR IN THE STRATEGY (E.G., ITS LEVEL OF PARTICIPATION ON THE NATIONAL INDUSTRIAL TRAINING BOARD--NITB--AND THE LARGE NUMBER OF PUBLIC SECTOR INSTITUTIONS INVOLVED IN TRAINING UNDER THE PROJECT). DURING INTENSIVE REVIEW, THE MISSION SHOULD EXAMINE THE APPROPRIATENESS OF INCREASING THE PRIVATE SECTOR'S ROLE IN THE PROJECT (E.G., EXPANDING ITS PARTICIPATION ON THE NITB

INCREASING THE INVOLVEMENT OF THE PRIVATE SECTOR IN SKILLS TRAINING SUCH AS ON-THE-JOB AND APPRENTICESHIP PROGRAMS). IF THE MISSION CONCLUDES THAT THE RESPONSIBILITY OF THE PRIVATE SECTOR CANNOT OR SHOULD NOT BE EXPANDED, THE PP SHOULD CLEARLY INDICATE

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THE REASONS WHY THIS IS NOT APPROPRIATE OR FEASIBLE. GIVEN THE DESIRE OF THE GOJ TO MINIMIZE ITS ROLE WHERE POSSIBLE, THE PP SHOULD ALSO SPELL-OUT WHY THE CREATION OF ANOTHER PUBLIC SECTOR INSTITUTION (THE NITB) IS ESSENTIAL TO THE PROJECT. FURTHER, THE LINKAGES BETWEEN TRAINING ENTITIES INVOLVED IN THE PROJECT AND THE PRIVATE SECTOR SHOULD BE OUTLINED IN THE PP TO DEMONSTRATE THAT THE NEEDS OF THE PRIVATE SECTOR WILL BE ADEQUATELY REFLECTED IN THE TRAINING ACTIVITIES SUPPORTED UNDER THE PROJECT. THE MISSION SHOULD ALSO EXAMINE THE ADVISABILITY OF INCLUDING THE LABOR UNIONS WITHIN THE PROJECT AND DISCUSS THOSE FINDINGS IN THE PP.

3. PROJECT DESIGN - A NUMBER OF DESIGN ISSUES WERE DISCUSSED, SEVERAL OF WHICH INVOLVE THE QUESTION OF PROJECT COMPLEXITY. IN GENERAL, THE MISSION IS URGED TO SIMPLIFY THE DESIGN. SEVERAL OF THE SPECIFIC POINTS RAISED IN THE GUIDANCE WHICH FOLLOWS SHOULD HELP TO REDUCE ITS COMPLEXITY.

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--A. NITB. DURING INTENSIVE REVIEW, THE MISSION SHOULD EXAMINE A NUMBER OF QUESTIONS RELATED TO THE BOARD. (1) GIVEN THE DESIRE TO ENCOURAGE GREATER DELEGATION AND DECENTRALIZATION OF DECISION MAKING TO GOVERNMENTAL ENTITIES OUTSIDE OF THE PM'S OFFICE, IS THE NITB APPROPRIATELY PLACED WITHIN THE GOJ? AN OPTIONAL ORGANIZATIONAL ARRANGEMENT WHICH THE MISSION SHOULD INVESTIGATE AND WHICH WOULD REDUCE GOVERNMENTAL INFLUENCE IS THE ESTABLISHMENT OF NITB AS A CORPORATION WHICH REPORTS TO ITS BOARD OF DIRECTORS SUCH AS WAS DONE IN JORDAN WITH THE VOCATIONAL TRAINING CORPORATION. IF THIS OR OTHER POSSIBLE ORGANIZATIONAL ARRANGEMENTS SHOULD PROVE INFEASIBLE, THE MISSION SHOULD DESIGN THE PROJECT SO AS TO MINIMIZE THE REQUIREMENTS FOR MANAGEMENT BY THE ADMITTEDLY ALREADY OVERTAXED PM OFFICE OF THE OPERATIONS OF THE BOARD TO THE MAXIMUM EXTENT POSSIBLE. (2) HOW WILL THE BOARD'S ACTIVITIES BE FUNDED AFTER THE AID LOAN IS DISBURSED? IN ADDRESSING THIS QUESTION, THE MISSION SHOULD CONSIDER, INTER ALIA, THE USE OF PAYROLL OR OTHER USER TAXES TO SUPPORT BOARD ACTIVITIES AND/OR THE CHARGING OF TRAINING FEES TO USERS OR TRAINEES. (3) IS THE PRIVATE SECTOR ADEQUATELY REPRESENTED ON THE BOARD? THE MISSION SHOULD MAKE EVERY EFFORT TO INCREASE THE PARTICIPATION OF THE PRIVATE SECTOR ON THE BOARD TO A MAJORITY POSITION. GIVEN THE CENTRAL ROLE OF THE NITB UNDER THE PROJECT, THE PP SHOULD NOT BE SUBMITTED TO THE BUREAU FOR REVIEW UNTIL THE BOARD HAS BEEN FORMALLY ESTABLISHED AND IS URGED. IF THE MISSION SHOULD DECIDE TO ESTABLISH ANOTHER ENTITY FOR CARRYING OUT THE PROJECT IN PLACE OF THE NITB, PURSUANT TO THE GUIDANCE PROVIDED IN (1) IMMEDIATELY ABOVE, THE MISSION SHOULD NOTIFY THE BUREAU PRIOR TO FINALIZING THE PP AND PROVIDE A COMPLETE DESCRIPTION OF THE NEW ENTITY INCLUDING, INTER ALIA, ITS LEGAL STATUS, STAFF COMPOSITION, ROLE IN PROJECT, AUTHORITIES, ETC.

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3. NEW TRAINING FACILITIES. THE PID DID NOT ESTABLISH THE NEED FOR NEW CONSTRUCTION AND EQUIPMENT FOR NYCD AND THE SKILLS TRAINING PROGRAMS. IF CONSTRUCTION AND EQUIPPING OF NEW FACILITIES ARE TO BE INCLUDED IN THE PROJECT, THE PP SHOULD CLEARLY DEMONSTRATE THAT NEED EXISTS AND THAT IT IS A PRIORITY USE OF AID RESOURCES. COMPLETE DESCRIPTIONS OF FACILITIES WITH APPROPRIATE LISTING OF ALL ELEMENTS (I.E., SITE, CONSTRUCTION, EQUIPMENT) SHOULD BE INCLUDED.

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4. REVOLVING FUND. A NUMBER OF RESERVATIONS WERE MADE ABOUT THE APPROPRIATENESS/FEASIBILITY OF ESTABLISHING A SPECIAL REVOLVING LOAN FUND UNDER PROJECT AID HELPING PVO'S INCLUDING, INTER ALIA, THE DIFFICULTIES OF ADMINISTERING SUCH A FUND (E.G., THE ESTABLISHMENT OF LENDING CRITERIA, ACCOUNTING/COLLECTION PROCEDURES, AND MONITORING CAPABILITY) AND DEMONSTRATING DEMAND FOR AID FUNDS FOR THIS PURPOSE. ON THE OTHER HAND, IF THE FUNDS WERE TO BE GRANTED, AN ISSUE RELATED TO THE USE OF AID RESOURCES TO FINANCE A FUND WHICH WILL CAPITALIZE IS RAISED. THEREFORE, THE MISSION SHOULD EXPLORE OTHER METHODS FOR ASSISTING PVO TRAINING EFFORTS INCLUDING THE POSSIBILITIES OF FINANCING SUCH ASSISTANCE FROM NITE OPERATIONAL FUNDS PROVIDED BY THE GOV AND/OR COVERING THE COSTS OF SPECIAL PVO TRAINING EFFORTS FROM FEES PAID BY STUDENTS.

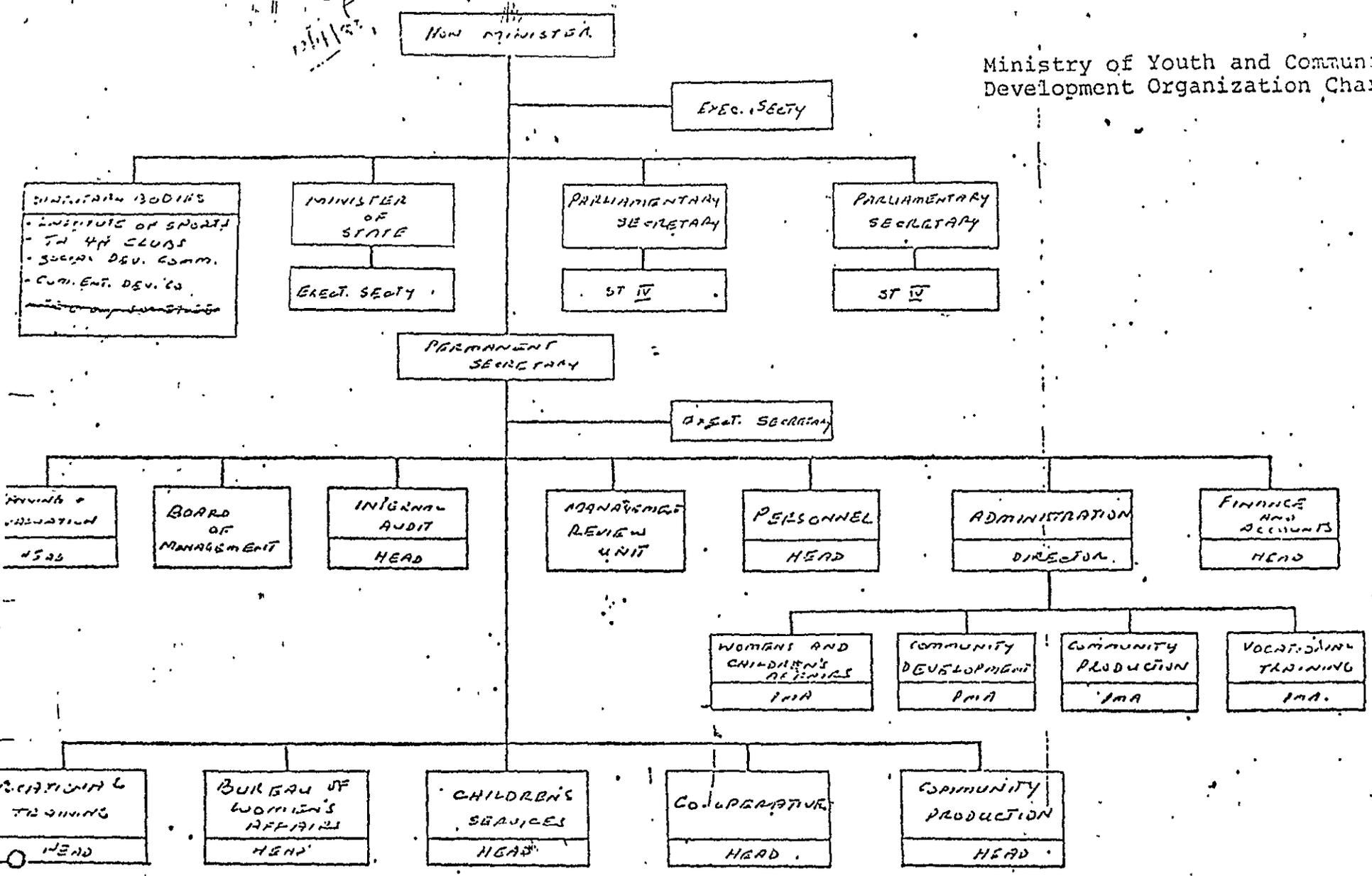
5. OTHER CONCERNS. IN THE PP, THE MISSION SHOULD (1) EARLY INDICATE HOW THE PLACEMENT OF GRADUATES WILL BE CARRIED OUT UNDER THE PROJECT INCLUDING THE USE OF MECHANISMS SUCH AS APPRENTICESHIP PROGRAMS, ON-THE-JOB TRAINING, AND TRAINING ON DEMAND TO ENSURE HIGH RATES OF EMPLOYMENT; (2) DISCUSS THE NEED FOR TRAINING IN JAMAICA BASIC ENTREPRENEURIAL SKILLS AND, AS APPROPRIATE, INCORPORATE THIS TRAINING IN THE PROGRAMS TO BE SUPPORTED UNDER THE PROJECT; (3) NOT INCLUDE FOP AID FINANCING ANY OF THE SALARY COST ASSOCIATED WITH NITE OR OTHER GOV AGENCY PERSONNEL I.E., THOSE COSTS

DESCRIBED AS OPERATIONAL AND ADMINISTRATION IN THE PID; (4) DISCUSS THE QUESTION OF NITE'S CONTROL OF ALL TRAINING PROVIDED INCLUDING THAT WHICH WOULD BE PROVIDED BY OTHER MINISTRIES (AND PVO'S AS APPROPRIATE, SEE PARAGRAPH C ABOVE); AND (5) DESCRIBE THE RELATIONSHIP BETWEEN THE PROPOSED AID PROJECT AND THE VOCATIONAL TRAINING PROJECT OF THE IBRD.

FYI: ALL LAC MISSION PID APPROVALS ARE NOW SUBJECT TO BUREAU REVALIDATION IF THE POST-PID PROJECT DEVELOPMENT PROCESS EXTENDS BEYOND ONE YEAR. EAGLEBURGER

13/11/57

Ministry of Youth and Community Development Organization Chart



SUPPORT BODIES

- INSTITUTE OF SPORTS
- 4th CLUBS
- SOCIAL DEV. COMM.
- CURR. ENT. DEV. CO.

INSPECTION & EVALUATION
HEAD

BOARD OF MANAGEMENT
HEAD

INTERNAL AUDIT
HEAD

MANAGEMENT REVIEW UNIT
HEAD

PERSONNEL
HEAD

ADMINISTRATION
DIRECTOR

FINANCE AND ACCOUNTS
HEAD

WOMEN AND CHILDREN'S AFFAIRS
HEAD

COMMUNITY DEVELOPMENT
HEAD

COMMUNITY PRODUCTION
HEAD

VOCATIONAL TRAINING
HEAD

RECRUITMENT & TRAINING
HEAD

BUREAU OF WOMEN'S AFFAIRS
HEAD

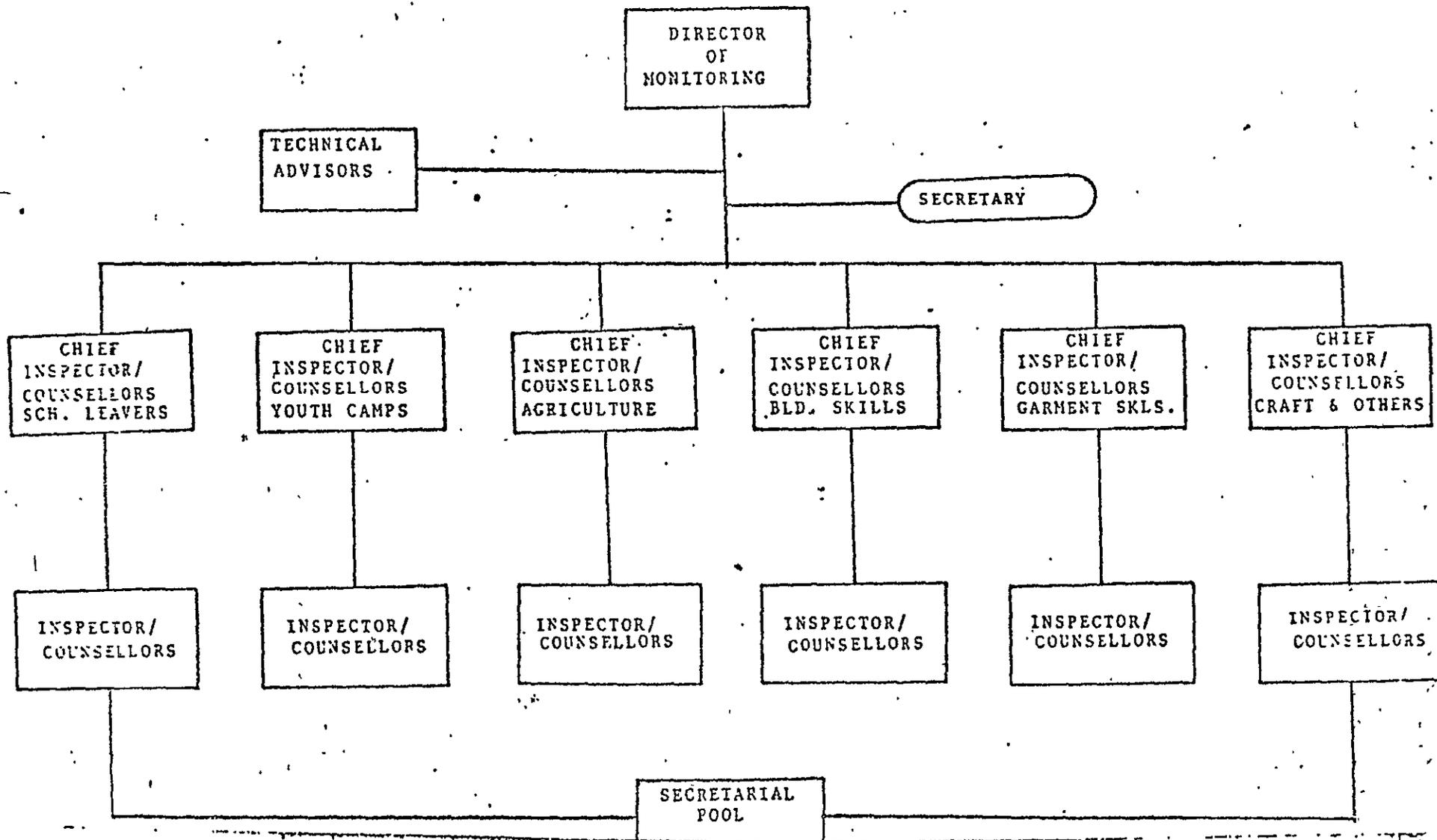
CHILDREN'S SERVICES
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CO-OPERATIVE
HEAD

COMMUNITY PRODUCTION
HEAD

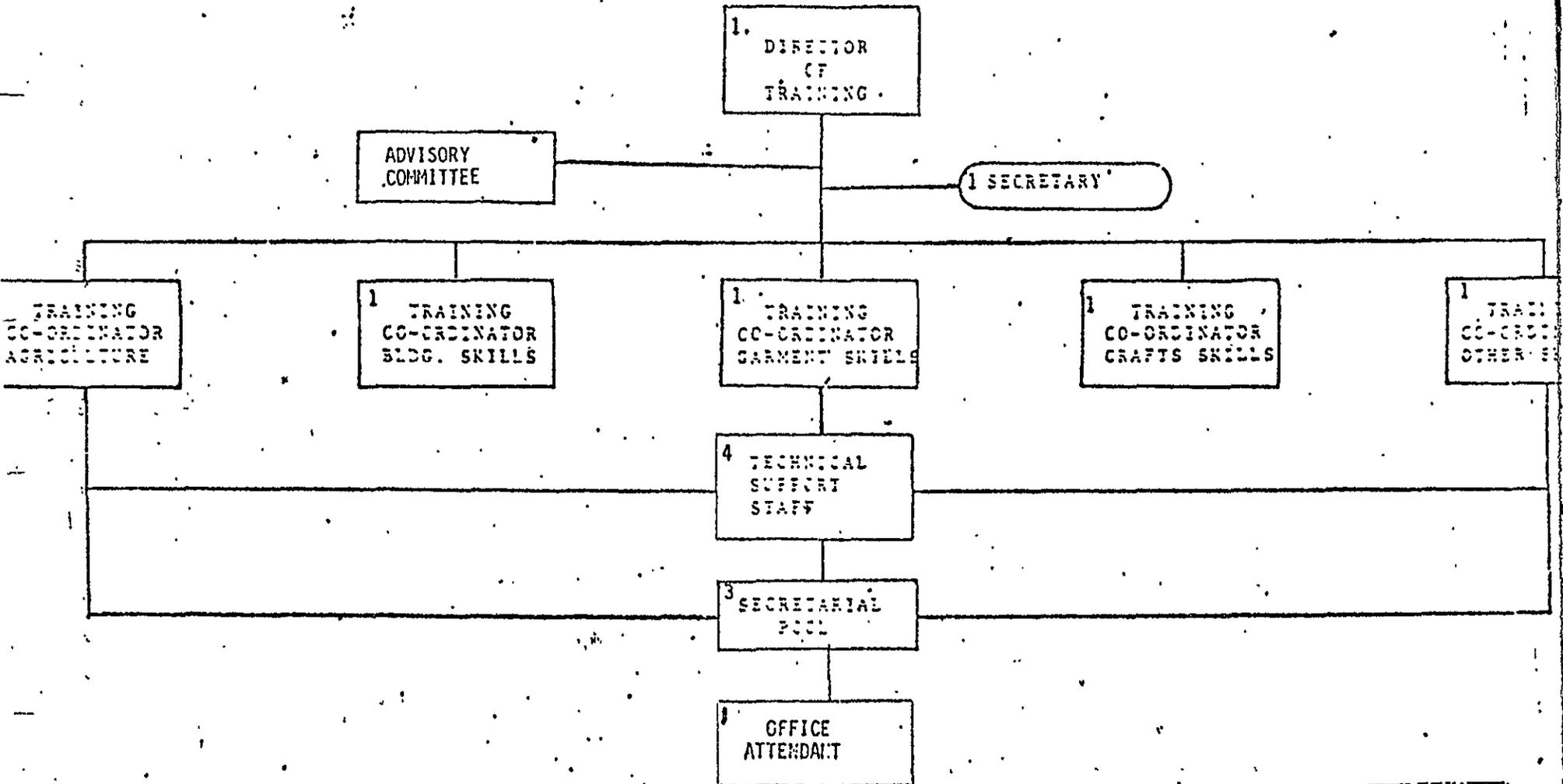
PROPOSED STRUCTURE

MONITORING DIVISION

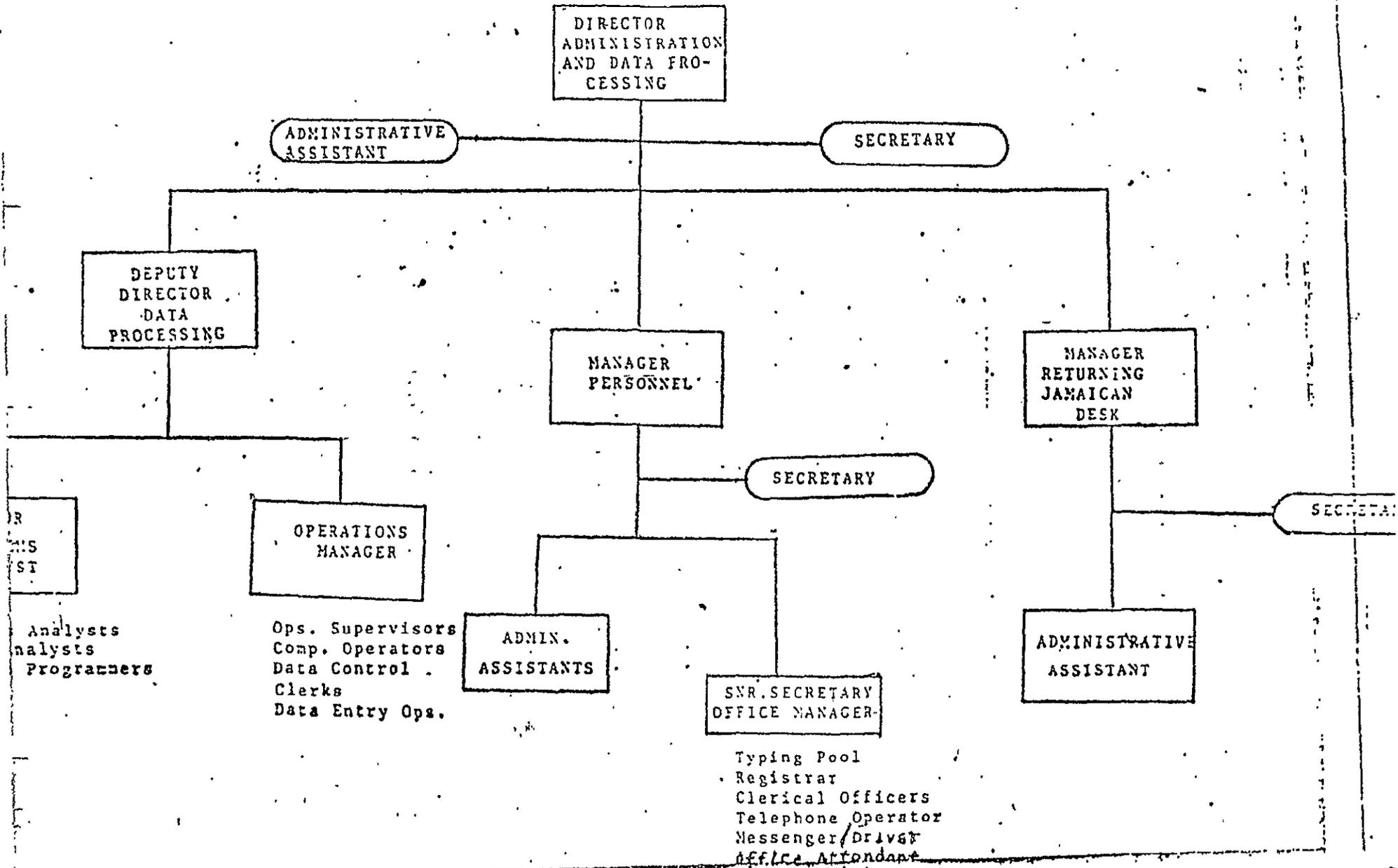


PROPOSED STRUCTURE

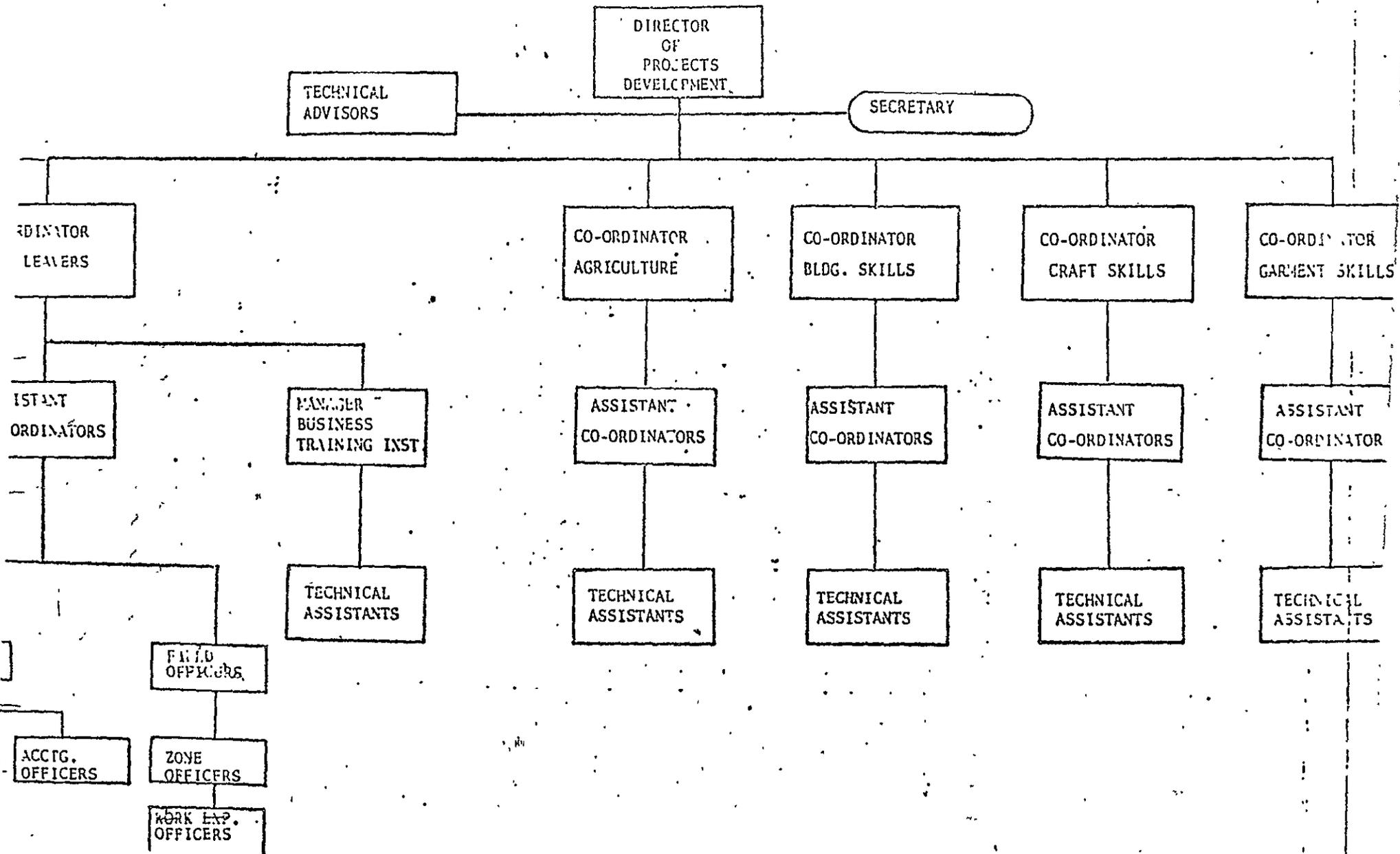
TRAINING DIVISION



ADMINISTRATION & DATA PROCESSING

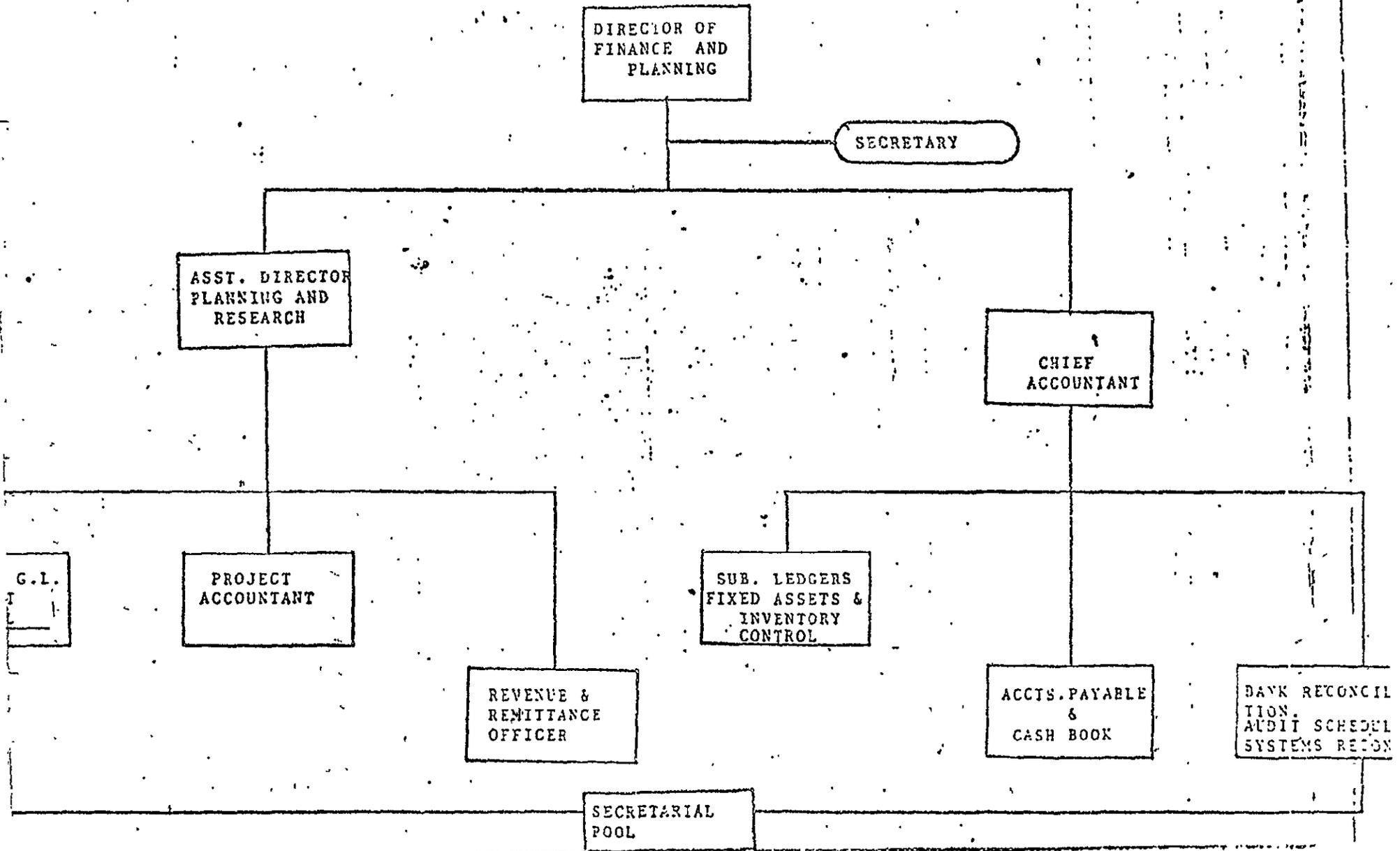


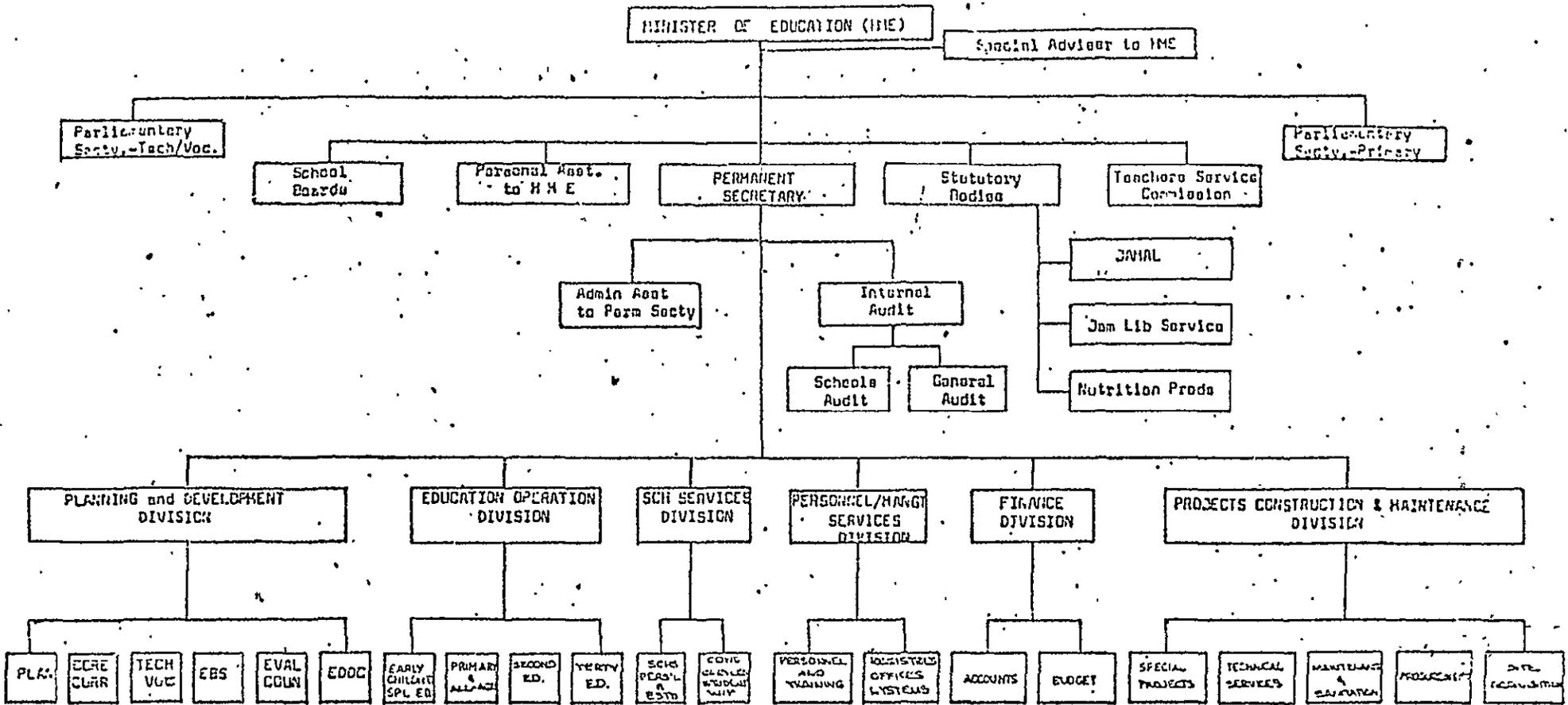
PROJECTS DEVELOPMENT DIVISION



PROPOSED STRUCTURE

FINANCE AND PLANNING





ANNEX N: ORGANIZATIONAL STRUCTURE OF
PARTICIPATING AGENCIES IN THE PROJECT

The World Bank Third Education Project

Objectives.

The proposed Project will address the issues of Jamaica's technical and vocational education system by pursuing three objectives: selective expansion, quality improvement and improved management. First, the Project will seek to expand the output of the system selectively to meet identified manpower demands. This objective would be sought by means of:

- expansion of technician and teacher training in selected fields at the College of Arts, Science and Technology (CAST);
- expansion of instructor training at the Vocational Training Development Institute (VTDI); and
- establishment of two pilot Industrial Production Centers (IPCs) to train workers for self-employment.

Second, the Project will seek to improve the quality of training at CAST and VTDI. This would be accomplished through the:

- development of new teaching programs;
- improvement in the quality of teacher training;
- provision of appropriate learning materials; and
- establishment of evaluation systems to identify outcomes of the training system.

Third, the Project would help strengthen the managerial capacity of the overall training system by supporting:

- the creation of the National Industrial Training Board; and
- the establishment of the Planning and Evaluation Division of MOY.

In addition, the Project would finance a pre-investment study to assist the Government in preparing better teaching materials for primary education and the preparation of future education projects.

The Project would include the following specific items:

A. The College of Arts, Science and Technology (CAST)
(Proposed total outlay US\$3.6 million)

In order to improve the quality and increase the output of the technician training system, the Project would finance the improvement of three departments at CAST--Technical Education, Computer Science, and Science--as well as the Library and the Maintenance Unit.

1. Department of Technical Education
(Proposed outlay: US\$0.5 million)

The Department will be physically expanded to provide 105 additional places for new teachers and 45 places for upgrading unqualified teachers. New teachers enrollments will increase as follows:

| <u>Area of Speciali-</u> <u>zation</u> | <u>Enrollments</u> | | | <u>Annual</u> <u>Output</u> |
|---|--------------------|-------------------|--------------|--------------------------------|
| | <u>Existing</u> | <u>Additional</u> | <u>Total</u> | |
| Construction | 45 | 15 | 60 | 20 |
| Electrical Technology | 45 | 15 | 60 | 20 |
| Mechanical Technology | 45 | 15 | 60 | 20 |
| Home Economics | 45 | - | 45 | 15 |
| Business Studies | 60 | 30 | 90 | 30 |
| Business Secretarial | 60 | 30 | 90 | 30 |
| Total | <u>300</u> | <u>105</u> | <u>405</u> | <u>135</u> |

In addition to the new trainees, there will be three groups of 15 unqualified teachers, i.e., a total of 45, who through summer courses had attained credits equivalent to the second-year diploma course; these teachers would attend the third-year diploma course on a full-time basis. Project fellowships would be provided for staff upgrading.

2. Department of Computer Science
(Proposed outlay: US\$0.2 million)

The Project will convert the present CAST library building into the Department of Computer Science. Appropriate furniture and equipment will be installed. CAST already owns a proper computer with its ancillary equipment, but needs a small educational computer and a small-business micro-computer for demonstration purposes. The new arrangements would enable the Department to extend its activities, increasing its annual output of computer technicians from 10 to 25 providing training service to up to 250 banking and accounting

students in the Department of Commerce, and performing general administrative services for CAST, through the programming of accounting records and functions, student transcripts, marking of examinations, etc. A project fellowship would enable a senior member of the academic staff to undertake an upgrading course overseas in data processing management.

3. Department of Science
(Proposed outlay: US\$1.4 million)

The Project will include construction, furnishing and equipping of a new science wing, which would include four laboratories and auxiliary accommodations. This would allow the whole Department to be located on campus and expand its internal activities and service to other departments. Programs in chemical technology would be expanded and would provide third-year diploma options in sugar technology, agro and food industries, and the manufacture of products (soap, edible oil, etc.) for export or import substitution. The planned addition of 50 student places would increase enrollments in chemical technology from 40 (1980) to 90 (1985), and outputs from 20 technicians to 35 - 15 technicians and 20 higher technicians.

4. Library/Learning Resource Center
(Proposed outlay: US\$1.3 million)

The Project will construct, furnish and equip a new library/learning resource center. The new center would have a seating capacity for 300 persons, and facilities for about 45,000 books, periodicals and audio-visual aids. The center will be used by more than 3,000 students of all the faculties and 200 teachers. The use of educational technology for teaching and learning at the learning resource center will become part of the training of technical teachers. The Project includes fellowships in educational technology and polytechnic library administration and operations.

5. College Maintenance Unit
(Proposed outlay: US\$0.2 million)

The Project will provide CAST with fully furnished and equipped maintenance shops for the upkeep of the College and its laboratories. The new facilities will enhance the teaching of practical maintenance to students, including science equipment maintenance, for which one fellowship will be provided by the Project.

B. The Vocational Training Development Institute (VTDI)
(Proposed outlay: US\$0.6 million)

The Project will help the VTDI to increase its output of instructors and workers in specific trades to develop new teaching programs and to

establish systems to assess the effectiveness of its training. First, the Project would include the construction, furnishing and equipping of 5 workshops. This would enable the VTDI to add about 70 new places to existing accommodations for the training of an equivalent number of vocational training instructors every year. About 20 of the graduates of the instructors courses are expected to be employed by private industry and the Government for the training and upgrading of workers, through in-service, in-plant and apprentice training arrangements. About 50 others would be used as training staff in industrial training centers, youth community training centers and secondary schools. With the provision of additional training opportunities for instructors, the VTDI would be expected to train and upgrade about 10,000 additional workers between 1985 and 1995. Second, new courses of specialization given by the VTDI would include mechanical repairs and maintenance (including agricultural machinery), air-conditioning/refrigeration, radio/television, industrial electronics, and automobile repairs. The Project will provide technical assistance to train staff and develop curricula in the subject areas of industrial electronics, radio/television, and air conditioning/refrigeration, for which there is no qualified staff available.

C. The Industrial Production Centers (IPCs)
(Proposed outlay: US\$3.0 million)

The purpose of an IPC will be to train people for self-employment. An IPC would consist of workshops for both training and production. The proposed Project will finance the construction, furniture and equipment for the establishment of two pilot IPCs, the first in the country. The IPC in Kingston would train 140 students, and the IPC in Montego Bay 120. Trainees would be graduates of secondary schools and industrial training centers, i.e., persons who have already reached the skill level of a junior craftsman. The one-year intensive courses offered by the IPCs are intended for persons interested in self-employment or small cooperative ventures. A sufficient supply of qualified, interested entrants is expected to be available. The courses would include a common core curriculum focusing on the organization and management of small businesses or cooperative ventures, including quality control, accounting, marketing and credit. The rest of the curriculum would emphasize the development of knowledge and skills required by senior craftsmen. Particular emphasis in the curriculum would be given to modern industrial production practices and techniques. While in training the trainees would produce saleable goods and services, especially maintenance services. The selection of crafts offered by each center would be guided by local, regional and national needs. For instance, the Kingston Center would house training courses and production work in automotive, auto body repair, cabinet making, electrical maintenance, refrigeration and air conditioning, sheet metal work, and welding. The Montego Bay Center would give courses in food technology, masonry,

automotive/agro-machinery, metal work, woodwork/carpentry, and electrical/electronics. The staff of each Center would be headed by a Production Manager, who would be trained through the technical assistance program.

D. Technical Assistance
(Proposed outlay: US\$1.2 million)

Management Improvement

An important purpose of the Project will be to support the Government in strengthening the managerial capacity of its training system. This would be accomplished through the establishment of: (a) the National Industrial Training Board, and (b) a Planning and Evaluation Division in the MOY. First, specialist services would be provided through the Project to help the Government establish appropriate organizational, administrative and financial arrangements for the National Industrial Training Board. This Board, to be actively supported by the Government, industry, trade unions and the training institutions, would undertake an overall coordinating role for all industrial training activities, and promote the development of industrial training curricula, the establishment of trade standards and testing for certification, and the monitoring and evaluation of industrial training programs. In carrying out its activities the Board would utilize the professional and supporting services of existing government agencies. During negotiations, the Government gave assurances that the National Industrial Training Board would be established as agreed by December 31, 1983. Technical assistance, in the form of specialists and fellowships, would also help the MOY to establish the structure and services of a Planning and Evaluation Division. This division would adequately deal with the collection and analysis of statistical data; the carrying out of research; the formulation of the Ministry's long term plans, intermediate strategies and short term goals; the development of programs and projects for the various components of the Ministry; and the monitoring and evaluation of their implementation.

Overall, the Project would finance the equivalent of about 84 staff-months of specialist services and about 207 staff-months of fellowships. The technical assistance program would include the following table:

Technical Assistance Program

| <u>Specialists</u> | | <u>Fellowships</u> | |
|---|-------------------------------------|---|-------------------------------------|
| <u>Areas of Special- ization</u> (Approx) | <u>Staff Months</u> (Approx) | <u>Areas of Special- ization</u> | <u>Staff Months</u> (Approx) |
| <u>CAST.</u> | | | |
| (1) Specialists in Allied Health Curricula Development, Educational Technology | 12 | Staff training fellowships in Science and Technology; Computer Science; Library Science; Equipment Maintenance; Educational Technology Tracer Studies and Evaluation. | 135 |
| <u>VTDI</u> | | | |
| (2) Curriculum development specialists in Electronics; Radio/TV; Air Conditioning/Refrigeration | 36 | Staff fellowship on Electronics, Radio/TV; Air Conditioning Refrigeration; Pedagogy | 42 |
| <u>IPCs .</u> | | | |
| (3) Training specialist in Production Management and Engineering | 12 | Staff training fellowships in Production Management and Engineering | 12 |
| <u>MOY</u> | | | |
| (4) Consultant assistance in establishing a National Industrial Training Board | 12 | | |
| Specialist services in Planning | 12 | Staff training fellowships in Planning and Tracer Studies | 18 |
| <u>TOTAL</u> | 84 | | 207 |

E. -Pre-Investment Study on Primary Education Learning Materials
(Proposed outlay: US\$0.3 million)

3.15 Previous experience in Jamaica has shown that a revised primary school curriculum cannot be introduced effectively, and students' achievements suffer, without appropriate supporting learning materials. The Project will help correct the present lack of teaching materials by financing the development of new textbooks and teachers' guides. The Project will finance the salaries of researchers, writers and evaluators of the learning materials and the supplies required for their preparation, field testing and editing. A sample of about 10 representative schools with about 30 students in each grade would be used for a full school year for the testing of each textbook. Textbooks and teachers' guides would be developed under the Project as follows:

Development of Learning Materials for Primary Education

Teachers Guide

| <u>Subject Area</u> | <u>No. of Titles</u> | <u>Grades</u> | <u>No. of Titles</u> | <u>Grades</u> |
|---------------------|----------------------|---------------|----------------------|---------------|
| Language | 1 | 1-6 | 3 | 4,5,6 |
| Mathematics | 1 | 1-6 | 3 | 3,4,5 |
| Science | 1 | 1-6 | 3 | 3,4,5 |
| Social Studies | 1 | 1-6 | 3 | 3,4,5 |
| TOTAL | 4 | | | |

The above work will be undertaken by the Core Curriculum Unit of the Planning and Development Division of the Ministry of Education. The pre-investment study will also include a component for the preparation of future educational projects.