

AFGHANISTAN SKILLS DEVELOPMENT PROJECT

(ARTF TF 093854)

Request for Release of the Second Tranche of US\$ 9 million

I. INTRODUCTION

1. The ARTF Management Committee (MC) approved, on August 26, 2008, a blanket of US\$ 18 million for the purpose of co-financing the Afghanistan Skills Development Project (ASDP) to which an IDA grant H 352 in the amount of SDR 12.6 million (US\$ 20 million equivalent) was approved by the IDA Board of Executive Directors on January 31, 2008. The ARTF Grant Agreement TF 093854 for the first tranche of US\$ 9 million was signed on April 14, 2009. This paper presents the implementation status and results of the project, and requests the ARTF MC to release the balance US\$ 9 million to enable the continued implementation of the project.

II. BACKGROUND

2. The Afghanistan Skills Development Project was approved by the IDA Board of Executive Directors on January 31, 2008 and the Financing Agreement for H 352 was signed on March 10, 2008. The Project's development objective is to increase the number of immediately employable graduates in Afghanistan by supporting the establishment of a high quality technical vocational.

3. Education and training (TVET) system that is equitable, market responsive and cost-effective. The Project has four components:

- Component 1: Development of a regulatory and quality assurance framework for TVET;
- Component 2: Improvement of relevance, quality and efficiency of TVET;
- Component 3: Supporting the national skills development program; and
- Component 4: Monitoring and evaluation.

4. On August 26, 2008, the ARTF Management Committee (MC) considered a funding request of US\$ 18 million for co-financing Part 2 of the ASDP. Specifically, the ARTF funding support was sought for the establishment and operation of a National Institute of Management and Administration (NIMA). The ARTF grant would fund (i) rehabilitation and construction of physical infrastructure and provision of equipment; (ii) provision of training support through partnerships with other academic institutions, and (iii) provision of scholarships to selected students. The key indicators of the ARTF grant include: (i) 1,500 students will graduate from NIMA every year; (ii) a third of student enrollment at NIMA are women; and (iii) 80 % of graduating class students will be employed within 6 months of their graduation.

5. The ARTF MC approved the funding request and the allocation of a first tranche of US\$ 9 million. The ARTF Grant Agreement TF 093854 was signed and became effective on April 14, 2009.

III. PROJECT IMPLEMENTATION STATUS AND RESULTS

6. While the ARTF-supported project activities had a slow start-up and encountered various implementation issues, the progress of the project has improved since the mid-term project review in April 2011 and the project was rated Moderately Satisfactory on its prospect to achieve its development objective and key indicators. 1,510 students have graduated as the first cohort, of which 1,058 students obtained a Diploma from the University of Jyväskylä, Finland. Nearly 30% of the graduates were women. Nearly 80% of the graduates of the first cohort have already (within six

months of graduation) been absorbed in various government or private sector jobs. A substantial number of graduates showed enthusiasm for pursuing professional courses but in many cases, shortage of personal funds have precluded such ambitions.

A. Academics and Management - Partnership

7. The Government of Afghanistan procured the services of joint venture partners – Maxwell Stamp Private Limited and the University of Jyväskylä, Finland, to support the implementation of the program for the first cohort of students covering the first two years of NIMA's existence. This first cohort of 1,510 students graduated in 2011. The second cohort is now undergoing the courses. This current cohort consists of 300 students chosen through a merit test administered by NIMA and its international partner. Currently, nearly 1700 students are registered with NIMA for undertaking Admission Test in February 2012.

8. Of the 1,510 students who graduated in the first cohort, 1,058 were given diplomas from the University of Jyväskylä, Finland. The rest of the students who had completed the course but had not cleared the final examination, were given certificates of completion from the DMTVET, as well as an opportunity to reappear for the final examination later. It was reported by the Deputy Ministry of Technical Vocational Education and Training (DMTVET), that by December 2011, i.e., within six months after graduation, more than 75% of the students had found gainful employment in the public or private sectors.

9. NIMA now has: (a) course curricula for all the three streams- Management, Accounting, and ICT; (b) trained Faculty for course delivery (but the need for further faculty capacity building is critical and urgent) with a larger student intake expected in the coming year; (c) relevant academic manuals, and (d) teaching materials.

10. NIMA 's operations has been supported by the following:

- i. Establishment of a broad-based Governing Council for NIMA. The Chairman of the Council is an independent international academic, who works in a honorary capacity. The Council includes top-level private sector representatives, academicians, NIMA Faculty and student representatives. The Council has taken upon itself the task of updating all NIMA policy documents and manuals, and guiding the revision of course curricula and teaching materials, holding examinations and entrance tests for students, as well as solving student related issues.
- ii. Academic, Administrative and Financial Autonomy: Within the overall legislative framework of the Government of Afghanistan, autonomy has been granted to NIMA by the MOE. NIMA now has its own Bank Account and there is general agreement with the DMTVET on inflows and outflows from that Account. The NIMA Council itself is operating a largely autonomous body in administrative academic matters.
- iii. Demand Driven Training: NIMA has aligned its course offerings with the market demands so as to ensure employment opportunities for its students.

B. Infrastructure

11. NIMA began its operations in 2008 in borrowed rooms from the Teacher Education Department of the Ministry of Education. NIMA now functions in its own buildings and also has its own students' hostels. Of the US\$ 5.88 million budget on Infrastructure as per the Procurement Plan, 100% has already been spent or committed. About US\$ 1.4 million (25% of the budget) has been disbursed for works that have now been completed. Works contracts that have reached more than 60% of progress account for 40% of the budget, and works completed less than 60% amounts to 35% of the budget. The somewhat slow rate of progress was because of leadership changes (there were four changes of Deputy Ministers/Directors-General of TVET in the first three years of the project), and consequently changes in locations, plans and priorities.

Completed Works (25% of budget)

- Renovation of 4 (four) buildings at Dar-ul-aman for use by NIMA and existing School of Accounting
- Renovation of 3 hostels at Janglak for use by NIMA students (boys)
- Renovation of Cafeteria at Dar-ul-aman for converted use as Library for NIMA
- Construction/restoration of boundary wall at Janglak Campus
- Construction of Auxiliary Building
- Construction of Auxiliary power station

Works with more than 60% progress (40% of budget)

- Renovation of Cafeteria at Jangalak for use by NIMA students
- Renovation of the buildings and additions to buildings at Jangalak Campus
- Construction of Library and Computer Center at Jangalak for NIMA at Jangalak Campus
- Construction of Alternate building for Auto Mechanical School at Jangalak Campus

Works with less than 30% progress (35% of budget)

- Construction of Additional Classrooms at Jangalak Campus
- Construction of Computer Technology Institute
- Construction of Learning Space for Teknik-e-Sanawi

Works that were initially identified but were put on hold given resource constraints:

- Construction of Women's hostel (urgent in view of higher representation of women from provinces who do not have a place to stay in Kabul)
- Landscaping and other works at Jangalak campus
- Rehabilitation of connections to City Power System at Jangalak and restoration of power connections and street lighting within Janagalak campus

C. Equipment

12. In addition to civil works, NIMA has been provided with computers and other teaching equipment, as well as photocopiers for use both by Faculty and students, etc. The project has also supported the procurement of furniture, carpets, cooking utensils, and other such equipment. For academic work, the project has also supported the procurement of textbooks, workbooks, other consumables, internet services, etc.

D. Scholarships

13. The scholarship program did not get off the ground in the first few years of the projects implementation and will be implemented in coming year as a voucher program through the office of the Minister for Education. This will allow trainees to vote with their feet in the choice of training institutes. The guidelines for this voucher program have been developed by the MOE.

E. Other Issues

14. Gender Targeting: Given the importance of mainstreaming gender considerations - through project-financed institutions, a Gender Focal Point has been appointed by DMTVET. The Gender Focal Point has been tasked with ensuring gender balance as per project design with regard to students, teachers, and facilities. Furthermore, the MOE/DMTEVT has been vigorous about recruiting young women to participate in the program and approximately 30% of the first cohort graduating class was women. This is an extraordinarily high proportion given that this is a post-secondary program.

15. Project Implementation Arrangements: An ASDP management unit within the DMTVET is responsible for project activities supported by IDA Grant H 352 and ARTF TF 093854. The Deputy

Minister of TVET and a specialist Adviser to the Minister also oversee the overall project. The Office of the Minister will directly oversee the Scholarship/Voucher program. This will ensure a degree of transparency and accountability at the highest level in the Ministry.

16. Procurement: Procurement arrangements also remain unchanged. The World Bank’s Standard Bidding Documents, Requests for Proposals and Forms of Consultant Contracts would be used. Civil Works and Goods shall be procured following National Competitive Bidding procedures using the agreed Standard Bidding Documents for Afghanistan. In case of conflict/contradiction between the World Bank’s procurement procedures and any national rules, the Bank’s procedures would take precedence as per Article 4(2) of the Procurement Law of Afghanistan July 2008 (amendments in January 2009 incorporated) of the GoA.

17. Financial Management, Disbursement, and Audit Arrangement: Project financial management has been generally satisfactory. The current financial management arrangements for the project have been reassessed by the Bank team as Moderately Satisfactory. - There are no overdue audit reports for this project and for other projects being implemented by the implementing line ministry (MOE). The audit report for the project for the year ended March 20, 2011, was received before the due date of September 22, 2011 and the auditors issued an unqualified clean opinion. The DMTVET has also appointed an Internal Auditor in compliance with the recommendations of the FM team of the Bank.

IV. REQUEST FOR THE RELEASE OF BALANCE US\$ 9 MILLION

18. Given the project implementation status and results achieved to date, NIMA is pursuing new partnerships to further develop its course offerings and build its faculty capacity. The release of the balance ARTF support of US\$ 9 million is crucial to enable NIMA to proceed with its operational plan. The Table below provides a - breakdown of the uses of the second tranche :

Provide and improve physical and academic infrastructure of the National Institute of Management and Administration and other Vocational Schools	USD
Infrastructure	2,000,000
Scholarships/Vouchers	1,000,000
Partnership Arrangements	5,000,000
Equipment	1,000,000
Total	9,000,000

19. Upon ARTF MC’s approval of the release of the balance US\$ 9 million, the ARTF Grant Agreement will be amend to reflect the increase of ARTF funding support. An extension of Grant closing date from February 28, 2013 to June 30, 2014 will be processed separately.