



# **National Conference on Social Security Programme Review 4-6 November, BICC, Dhaka**

**Presentation on**

**Skills for Employment Investment Program (SEIP)  
Finance Division, Ministry of Finance**

# Background

- ❑ Bangladesh has made remarkable progress in reducing poverty in current decade, supported by sustained economic growth
- ❑ At the same time, life expectancy, literacy rates and per capita food production and consumption have increased significantly
- ❑ Progress was underpinned by 6 percent plus growth over the decade and reaching **7.65 percent in 2017/18**
- ❑ Rapid growth enabled Bangladesh to reach the **lower middle-income country status in 2015**
- ❑ In 2018, Bangladesh fulfilled all three eligibility criteria for graduation from the UN's LDC list for the first time and is **on track for graduation in 2024**

# Background ...Contd.

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- ❑ The target of transforming the country into an **Upper Middle income** one by 2021 and a **Developed** one by 2041 and at the same time achieving SDG goals and targets by 2030 is to be achieved
- ❑ Sustained high economic growth requires increase in capital investment and improvement of productivity/marginal efficiency of the workforce. In order to increase the productivity skills training is a must
- ❑ Against this backdrop Finance Division has undertaken the SEIP Project which is working to improve the labor productivity through bringing in greater efficiency in the overall skill ecosystem of the country
- ❑ The project is putting a lot of efforts to deliver high quality, market responsive and job focused skills training to the labor force

# Skills Gap Study

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- BIDS completed micro level Skills Gap Studies for 09 key industrial sectors and a macro level study- engaged and financed by the SEIP project. The studies were conducted to understand the current skills gaps in the country and future skills demand. The following table gives us a picture of labour demand from 2016 to 2050 projected by BIDS and gap between labour supply and demand.

Year	Labour demand (million)	Labour Supply (million)	Supply- demand Gap (million)
2016	63.56	64.80	1.24
2017	65.74	66.86	1.12
2018	68.06	69	0.94
2019	70.52	71.19	0.67
2020	73.15	73.47	0.32
2021	76.02	75.81	-0.21
2022	79.00	77.52	-1.48
2023	82.10	79.28	-2.82
2024	85.31	81.07	-4.24
2025	88.66	82.91	-5.75
2030	107.35	92.99	-14.36
2040	157.38	111.25	-46.13
2050	230.73	128.16	-102.57

Source: BIDS estimate based on LFS and other secondary data

# Skills Gap Study by BIDS...Contd.

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BIDS report also shows the projected training needs by sectors from 2015-2016 to meet skill requirement.

Sector	2016	2018	2020	2025	2030	2040	2050
Agro-food	13,000	14,000	15,000	21,000	30,000	55,000	99,000
Healthcare	51,000	45,000	41,000	25,000	31,000	45,000	65,000
Hospitality and tourism	5,000	6,000	9,000	14,000	23,000	66,000	2,01,000
RMG	12,35,000	13,8,000	15,47,000	21,17,000	28,50,000	54,85,000	99,02,000
Textile	3,09,000	3,44,000	3,87,000	8,29,000	6,26,000	13,71,000	24,76,000
Leather	87,000	96,000	1,08,000	1,49,000	2,07,000	3,85,000	6,93,000
IT	6,17,000	6,90,000	7,73,000	10,59,00	14,82,000	27,43,000	49,51,000
Construction	3,83,000	4,31,000	4,88,000	6,35,000	8,13,000	12,02,2000	15,43,000
Light engineering	2,47,000	2,76,000	3,09,000	4,23,000	5,92,000	10,98,000	19,80,000
Shipbuilding	31,000	35,000	39,000	53,000	74,000	1,38,000	2,48,000
Others	14,37,000	15,69,000	17,16,000	18,81,000	30,26,000	45,57,000	73,17,000
<b>Domestic (Total)</b>	<b>44,16,000</b>	<b>48,86,000</b>	<b>54,33,000</b>	<b>72,07,000</b>	<b>97,55,000</b>	<b>1,71,43,000</b>	<b>2,94,75,000</b>

Source: BIDS report prepared based on training target ratio used in ADB (2015)

# Objectives of SEIP

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- ❑ **Overall Objective:** Qualitative and quantitative expansion of the skill training capacity by establishing and operationalizing a market responsive skill ecosystem and delivery mechanism.
- ❑ **Some specific objectives:**
  - a) **Impart market responsive job focused skills training** along with up-skilling of the existing workforce to enhance productivity and growth of industry sectors;
  - b) **Develop a network of training providers** that are endorsed by industries for providing quality training to meet the skill needs of the employers;
  - c) Establish and **implement a strategy to address special need groups** specified in the National Skills Development Policy (NSDP) 2011 and ensure their participation in the SEIP programs;

# Objectives...Contd.

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- d) Implement vocational trainer **development program for trainers and assessors and a management leadership** program for training providers to meet NSDP requirements;
- e) Support the **training providers for capacity development** to ensure quality training delivery mechanism through development of Standard, Curriculum , Assessment Tools etc.
- f) **Support key government institutions** to strengthen institutional arrangement to enable the Technical & Vocational Education & Training (TVET) system to meet govt. policy objectives;
- g) **Support** establishment and operationalization of a National Skills Development Authority (**NSDA**), National Human Resources Development Fund (**NHRDF**), Industry Skills Council (**ISC**) etc to make permanent arrangements for quality training in the country.

# Financing Plan (Tranche I and II)

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- ❑ Total time-frame for 03 Tranches: 2014~2024
- ❑ Allocations for Tranche I, II & III are shown in the following table:

Tranche	Source of Funding (In Million USD)				Total (Mill USD)
	ADB Loan	SDC Grant	GOB	IAs	
Tranche I 2014-2018	100	10	25	3.5	138.5
Tranche II 2017-2020	100	-	25	3.5	128.5
Tranche III 2019-2024	150	-	37.5	3.5	191.0
<b>Total</b>	350	10	87.5	10.5	458.0

- ❑ Government is considering taking up SEIP-II project from 2021 to 2030



# Sectors Identified for Tranche I & II

- ❑ **Nine Priority sectors (12 Industry Associations) have been identified**
  - Readymade Garment (RMG) & Textile (BGMEA, BKMEA, BTMA)
  - Construction (BACI & REHAB)
  - Information Technology (BASIS, BACCO)
  - Leather and Footwear (LFMEAB)
  - Light Engineering (BEIOA)
  - Shipbuilding (AEOSIB)
  - Tourism & Hospitality Management (ISC, T & HM)
  - Agro-processing (BAPA)
  - Nursing and Health Technician

# Training Targets and Partners

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- ❑ **Overall Target:** Skills training to be provided to 5,02,000 trainees
  - 260,000 under Tranche I
  - 242,000 under Tranche II
- ❑ **Job Placement:** At least 60%, i.e. 3,01,200 will be placed in gainful jobs
- ❑ **Training Providers:**
  - Public training institutes
  - Private training institutes and factories
  - NGOs

# Payment Modality

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## □ **Payment to Private Training Institute**

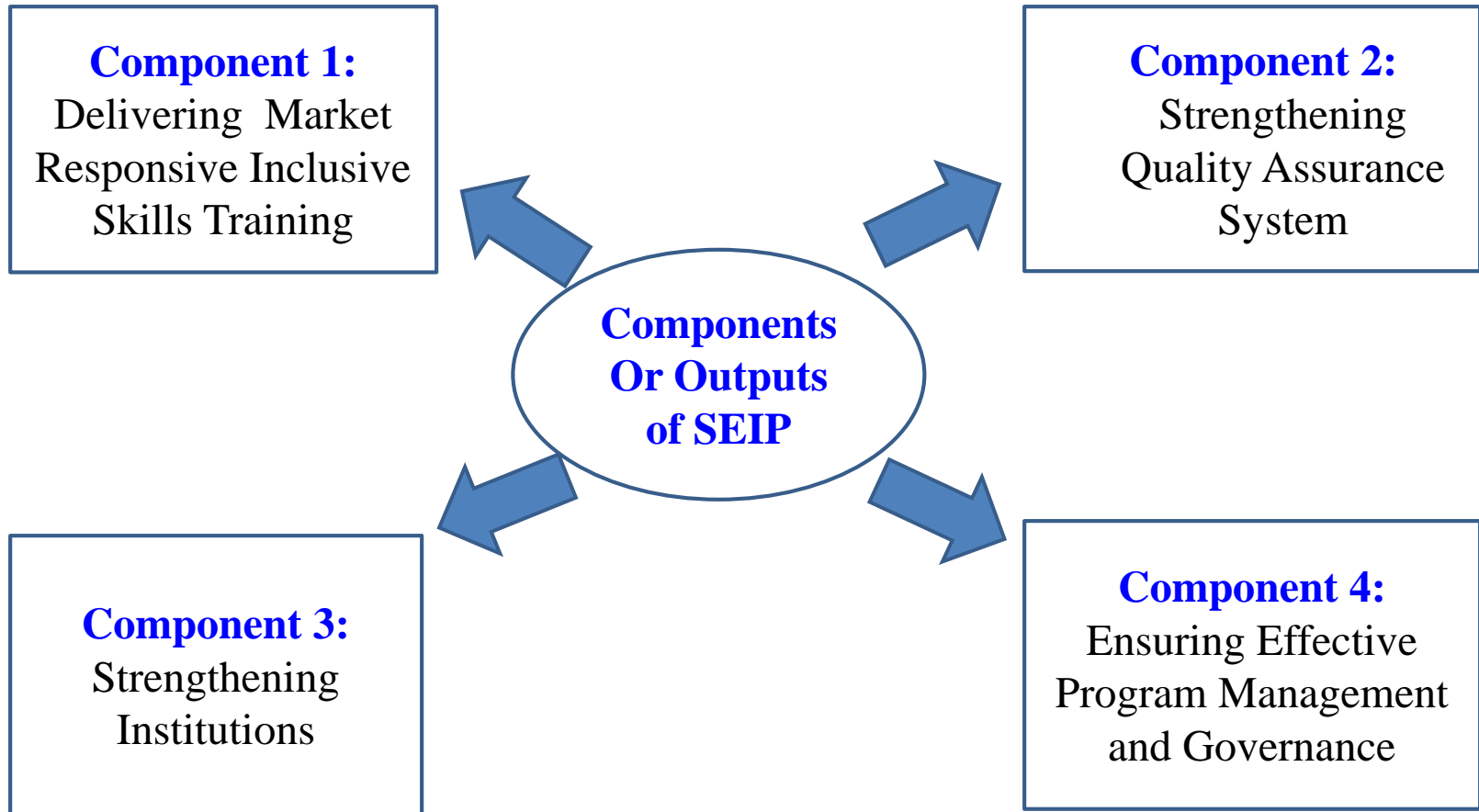
- Payments to the Industry Associations (IAs) are based on milestone achievements.
- To start the training activities 5% mobilization advance is paid to IAs.
- In case of new entrants' training 40% payment is made upon enrollment, 40% upon assessment/ certification and 20% after 3 months of job placement and retention.
- In case of Up-skilling training 30% payment is made upon enrollment, 30% upon assessment/certification and 40% after 3 months of job retention

## □ **Payment to Public Training Institute**

- Payments are made to the public training institutes through Treasury System
- Budget allocation is given to the PTIs before the start of the training and the PTIs spend the money through local accounts offices

# Components of SEIP

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# Component I: Delivering Market Responsive & Inclusive Training

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Achievement so far:

Enrollment	:	266,445 (Female 32%)
Certification	:	231,143
Job Placement	:	168,405 (73% against certification)

# Delivering Market Responsive & Inclusive Training...Contd.

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- ❑ At least 30% of the total trainees should be female
- ❑ At least 15% of the trainees should be from ethnic minority, physically challenged and socially disadvantaged and ultra poor groups;
- ❑ Special Stipend for the socially disadvantaged and ultra poor groups
- ❑ Training is being provided based on market / industry needs;
- ❑ Training is being delivered at more than 500 training centers, 57 districts on more than 130 trades following CBT system to make the trainees job ready.

# Component 2: Strengthening Quality Assurance System

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- ❑ The training quality is being ensured in the following ways:
  - Curricula developed by the industry associations and endorsed by SEIP are being strictly followed;
  - Recruitment of qualified trainers has been ensured;
  - Trainer – trainee ratio is being strictly maintained;
  - Ratio of theoretical and practical (20:80) session is being maintained;
  - Supply of teaching – learning materials is being ensured;
  - Assessment by independent industry assessors is being practiced based on SEIP tools. The assessors have been trained by SEIP team;

# Strengthening Quality Assurance System...Contd.

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- ❑ Training equipment to the public training institutions and industry associations
- ❑ Monitoring of the training program by the SDCMU officials and DPDS;
- ❑ Actions are being taken on the findings of monitoring reports as immediately as possible.
- ❑ Few small tracer studies already conducted. A comprehensive tracer study is underway with 6,000 sample trainees.
- ❑ SEIP has already developed a good number of Competency Standards and CBLMs.
- ❑ 240 TVET trainers have already been trained from Singapore
- ❑ 150 TVET managers have been trained locally
- ❑ Training on Occupation Health & Safety (OHS), Pedagogy and Technical Skills has been given to 820 trainees locally.



# Component 3: Strengthening Institutions

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- ❑ Private and Public training institutions are being strengthened by providing them necessary training equipment, furniture, good quality teachers & assessors;
- ❑ National Human Resource Development Fund (NHRDF) already established
- ❑ In order to make NHRDF fully operationalized an MoU has been signed between SEIP Project and NHRDF. A detailed Operational Manual will be develop by 2018 to make NHRDF fully functional.
- ❑ National Skills Development Authority (NSDA) Act, 2018 has recently been enacted. SEIP supported the govt. in this process and continue to support the newly created authority to be fully operational
- ❑ SEIP Project is also supporting two Industry Skills Councils (ISCs) of various sectors

# Strengthening Institutions...Contd.

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- Three Technical Training Centers (TTCs) namely Sylhet, Khulna and BGTTC Dhaka are being upgraded to expand their capacity;
- In order to develop world class industry-ready mid and high level executives for RMG, Textile, Knitwear and Leather sectors, SEIP Project has started collaborating with 04 renowned private and public universities (IBA Dhaka University, Bangladesh Textile University, East West University and BRAC University).
- The main feature of this program is that trainees from fresh graduates and from industries who are already working will be enrolled. In order to make them industry ready trainers from both the university and industry will be engaged.

# Component 4: Ensuring Effective Program Management and Governance

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- ❑ A real time online Training Management System (TMS) is now fully operational;
- ❑ SEIP has already established linkage between TMS and NID database to identify targeted trainees and to eliminate multiple enrollments of the same trainee in different courses;
- ❑ The TMS captures all types of information regarding the trainees, trainers, enrollment, certification and job placement etc.
- ❑ Introduced system based payment procedure
- ❑ All milestone payments are processed through TMS

# Hon'ble Finance Minister is inaugurating a workshop on NHRDF at Hotel Sonargaon, Dhaka

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# Endeavour to Receive Quality Training

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# Food and Beverage Production Training at BWCCI Training Center

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# Launching of BIDS Study Report on Skill Gap in Bangladesh

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# For More Information

- Visit our website: <http://seip-fd.gov.bd/>
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# Thank You