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Report No: 43942-GD

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 2.10 MILLION
(US$3.0 MILLION EQUIVALENT)

TO

GRENADA

FOR THE

OECS SKILLS FOR INCLUSIVE GROWTH PROJECT

IN SUPPORT OF THE SECOND PHASE OF THE

OECS SKILLS FOR INCLUSIVE GROWTH PROGRAM

December 16, 2008

Human Development Sector
Caribbean Country Management Unit
Latin American and the Caribbean Regional Office

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 9, 2008)

Currency Unit	=	Eastern Caribbean Dollar
EC$2.6882	=	US$1.00
US$1.43	=	SDR 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Activity
AHLA	American Hotel and Lodging Association
APL	Adaptable Program Loan
CARICOM	Caribbean Community
CAS	Country Assistance Strategy
CDO	Community Development Officer
CKLN	Caribbean Knowledge and Learning Network
CSME	Caribbean Single Market and Economy
CVQ	Caribbean Vocational Qualification
CXC	Caribbean Examination Council
ECCB	Eastern Caribbean Central Bank
EU	European Union
GCTVET	Grenada Council for Technical and Vocational Education and Training
GDP	Gross Domestic Product
GHTA	Grenada Hotel and Tourism Association
GTEP	Grenada Training and Employment Project
HEART	Human Employment and Resource Training Trust
NTA	National Training Agency
NVQ	National Vocational Qualification
MIS	Management Information System
MOE	Ministry of Education
MOEDP	Ministry of Economic Development and Planning
NIS	National Insurance Scheme
OAS	Organization of American States
OECS	Organization of Easter Caribbean States
PDO	Project Development Objective
TAMCC	T.A. Marryshow Community College
TVET	Technical and Vocational Education and Training

Vice President:	Pamela Cox
Country Director:	Yvonne Tsikata
Sector Director/Manager:	Evangeline Javier / Chingboon Lee
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GRENADA
OECS (GD) Skills for Inclusive Growth

CONTENTS

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GRENADA

OECS (GD) SKILLS FOR INCLUSIVE GROWTH
PROJECT APPRAISAL DOCUMENT

LATIN AMERICA AND CARIBBEAN
LCSHE

Date: December 16, 2008 Country Director: Yvonne M. Tsikata Sector Manager/Director: Chingboon Lee/ Evangeline Javier	Team Leader: Angela Demas Sectors: Vocational training (50%); Other social services (25%); General public administration sector (25%) Themes: Improving labor markets (P);Social safety nets (P);Other social protection and risk management (P);Education for the knowledge economy (P)
Project ID: P095681	Environmental screening category: Not Required
Lending Instrument: Adaptable Program Loan	

Project Financing Data

[ ] Loan [X] Credit [ ] Grant [ ] Guarantee [ ] Other:
For Loans/Credits/Others:
Total Bank financing (US$m.): 3.00
Proposed terms: Standard IDA credit with Service Charge payable by the Recipient on the Withdrawn Credit Balance equal to three-fourths of one percent (3/4 of 1%) per annum. The maximum commitment charge rate payable by the Recipient on the unwithdrawn financing balance shall be one-half of one percent (1/2 of 1%) per annum.

Financing Plan (US$m)

Source	Local	Foreign	Total
BORROWER/RECIPIENT	0.90	0.00	0.90
International Development Association (IDA)	2.00	1.00	3.00
Local Sources of Borrowing Country	0.60	0.00	0.60
Total:	3.50	1.00	4.50

Borrower:
Government of Grenada
Minister for Finance
Hon. Nazim Burke
Financial Complex
The Carenage
St. George's, Grenada
Tel: 1-473-440-6843

Responsible Agency:
Ministry of Education
Minister for Education

Hon. Franka Alexis-Bernardine
Botanical Gardens
Tanteen, St. George's
Grenada
Tel: 473-440-3162

Estimated Disbursement (Bank FY/US$)						
FY	2009	2010	2011	2012	2013	
Annual	380,000	760,000	710,000	750,000	400,000	
Cumulative	380,000	1,140,000	1,850,000	2,600,000	3,000,000	

Does the project depart from the CAS in content or other significant respects? ***Ref. PAD I.C.***	[ ]Yes [X] No
Does the project require any exceptions from Bank policies? ***Ref. PAD IV.G.***	[ ]Yes [X] No
Have these been approved by Bank management?	[ ]Yes [ ] No
Is approval for any policy exception sought from the Board?	[ ]Yes [X] No
Does the project include any critical risks rated "substantial" or "high"? ***Ref. PAD III.E.***	[X]Yes [ ] No
Does the project meet the Regional criteria for readiness for implementation? ***Ref. PAD IV.G.***	[X]Yes [ ] No

Project development objective ***Ref. PAD II.C., Technical Annex 3***
The objective of the second phase of the APL is to support Grenada to increase the employability of youth through public/private sector partnerships for technical and life skills training that is demand driven. This objective will be pursued through three means: (a) training to increase job-related competencies among unemployed youth through the establishment of a competitive training mechanism that supports the financing and delivery of demand driven training; (b) establishing a framework to improve the quality and value of training in Grenada and enhance OECS collaboration in training through the adoption of an occupational standards framework that is validated locally and recognized regionally; and (c) strengthening institutional capacity to plan, implement, and monitor training.

The main results indicators are:

(a) The percentage of youth enrolled in the training scheme who are employed fifteen months after the start of their training. Target value: 65 percent.
(b) The number of youth certified at Level I or above. Target value: at least 800.

Project description ***Ref. PAD II.D., Technical Annex 4***

Component 1 – Skills training for unemployed youth, will finance the training of unemployed youth through a competitive, demand-driven training scheme. The objectives of the training scheme are to provide quality, competency-based skills and life skills training to vulnerable youth, and to ensure that the training corresponds to labor market needs.

Component 2 – Establishing an occupational standards framework to improve the quality and value of training, will finance activities related to the adoption of an occupational standards

framework that is regionally recognized and adapted to the local context. This will include the introduction of occupational standards, their vetting by local industries, and the establishment of quality assurance processes; and **Component 3 – Institutional strengthening and project management through the following subcomponents:** **Subcomponent 3.1: Institutional Strengthening** will support the Grenada Council for Technical and Vocational Education and Training (GCTVET) and the associated National Training Agency (NTA) in their role of establishing TVET policy and promoting the adoption of a regional, standards-based occupational framework. **Subcomponent 3.2: Project Management** will support the implementing agency and Project Coordination Unit (PCU) to closely monitor and evaluate the implementation of the project. **Subcomponent 3.3: Communications Campaign** will support a targeted communications campaign focusing on the three main stakeholders: youth, training providers, and employers.
Which safeguard policies are triggered, if any? ***Ref. PAD IV.F., Technical Annex 10*** No Safeguard policies are triggered.
Significant, non-standard conditions, **if any**, for: ***Ref. PAD III.F.*** Board presentation: N/A Credit effectiveness: There are two conditions of effectiveness: (i) that the NTA has been established in a matter satisfactory to the Association (legal establishment); and (ii) that the Subsidiary Agreement that has been executed on behalf of the Recipient, GCTVET and NTA had become effective. Covenants applicable to project implementation:

I. STRATEGIC CONTEXT AND RATIONALE

A. Country and sector issues

1. *Economic growth is steadily improving in the countries of the Organization of Eastern Caribbean States (OECS), including Grenada.* Previous local and external shocks triggered a decline in overall economic performance including lower growth rates, decreasing terms of trade and increased rates of unemployment, particularly among out-of-school and unskilled youth. A slow recovery started in 2003 but Grenada's gains were reversed in 2004 as the economy declined by 6.8 percent as a direct result of Hurricane Ivan, which caused losses estimated at 200 percent of GDP. Due *mainly* to post-hurricane construction, the economy grew by 11.03 percent in 2005. The growth rate for 2006 was negative 2.4 percent. The Eastern Caribbean Central Bank (ECCB) estimates that real GDP in Grenada increased by 3.5 per cent in 2007, and attributes this turnaround in economic activity to growth in most economic sectors, led by tourism and agriculture, as well as a rebound in the manufacturing and transport sectors (*Annual Economic and Financial Review 2007*, ECCB).

2. *Recent economic growth in Grenada has relied heavily on the revival of the tourism sector following Hurricane Ivan.* The ECCB estimates that value added in the hotel and restaurant sector which is used as a measure of tourism activity, expanded by 10 percent in 2007 following a post-Ivan recovery of 50.6 percent in 2006. The performance in 2007 reflected continued growth in stay-over visitor arrivals. The expansion in tourism activities has led to increased demand for related services, such as electricity and water, transport, real estate and housing, communications, banking, and insurance. Construction activity boomed during post-hurricane reconstruction but predictably slowed down as major projects were finished. While the tourism sector has expanded in Grenada, in the Eastern Caribbean region as a whole, the number of visitors has remained stagnant in recent years as the tourism market has become more competitive. Within this competitive environment, it is crucial that the Grenada tourism industry concentrate on high-margin and niche markets, which will in turn require specialized skills for hospitality and tourism industry workers.

3. *To ensure economic growth, Grenada and other OECS countries must undertake crucial reforms, including improving provision of skills to the economy.* According to the World Bank report, OECS Towards a New Agenda for Growth (2005), the OECS must address three crucial elements to maintain high economic growth in the medium run: (i) formulation of a long-term vision that positions the OECS Economic Union in the global economy; (ii) reorientation of the basic development model toward greater openness, competition and a more level playing field in the sub-regional economy; and (iii) the creation of new capacity in the labor force and the private sector to take advantage of emerging opportunities in the global market place. In Grenada, firms cited shortage of skilled labor as the number one constraint to increasing competitiveness. Therefore, enhancing the employability of youth would help increase competitiveness of the economy, especially in the expanding sectors. New economic opportunities are currently emerging in Grenada in tourism, construction, and the marine industries (yachting, etc.) with the start of construction of new major hotel/`resort properties and the establishment of yacht repair facilities. In agriculture, the expansion of the hotel and tourism sectors will increase the demand for locally grown produce.

4. *Demand for skilled labor will place significant pressure on the labor market in the next few years.* A number of new large projects are being planned and implemented and, when completed, will require significant numbers of trained staff. While existing companies in Grenada may not be planning to expand significantly in the near future, as confirmed in an employers needs assessment, they may experience the repercussions of increased demand for trained staff, in that their best trained staff may *move* to fill the vacancies in the new developments.

5. *To be successful, the Caribbean Single Market and Economy (CSME), a strategy to position the region for competitive participation in the global economy, will require increased movement of artisans and skilled persons across the Caribbean Community.* In this context, the Caribbean region is taking steps to provide the human capital foundation for economic growth and integration. On October 19, 2007, the Caribbean Community Secretariat (CARICOM), other regional educational institutions and Jamaica's HEART Trust National Training Agency launched the Caribbean Vocational Qualifications (CVQ). The CVQ framework emphasizes common standards for and recognition of technical and vocational qualifications throughout the region, and alignment of technical and vocational training and education (TVET) with workplace demands. These qualifications will be accessible to persons already in the workforce as well as students in secondary and post secondary education. The Caribbean Association of National Training Agencies (CANTA) focuses on the CVQ at the post-secondary level.

B. Rationale for Bank involvement

6. The proposed project falls under Pillar One, "Supporting Growth and Competitiveness," of the OECS Country Assistance Strategy (CAS) for 2006-2009. The CAS highlights "growing unemployment, specifically among young people" as one of the core challenges which must be addressed, offering support for both "stimulating growth and competitiveness" as well as "reducing vulnerabilities, particularly targeting at-risk youth" in the two pillars of the CAS. The design of this project is based on the findings of two AAA products: The Caribbean Social Protection Strategy (2005) and the OECS Skills Enhancement Policy Note. Key findings and recommendations from the World Development Report: Development and the Next Generation 2007 that focuses on youth has also influenced project design and provided reinforcement for investing in young people. In addition, the project will complement the ongoing OECS Education Development Project (APL) and the Caribbean Knowledge Learning Network project (CKLN) by better linking education to labor market demands and by offering assistance to youth who face difficulty in gaining a foot hold in the labor market. Finally, the project will draw upon lessons learned Bank-wide, and create synergies with similar youth-centered school to work transition projects in the Dominican Republic, Chile, Colombia, and Honduras.

7. The proposed project would use Bank resources to leverage more effective investment by Government, the private sector and other donors by: (i) piloting and evaluating a new modality for demand-driven training through public-private sector partnerships; (ii) ensuring that a framework for standards-based skills training and accreditation is put in place; (iii) working closely with the other OECS client governments as well as with other donors and regional bodies during preparation and implementation; and (iv) strengthening labor market and training related institutions in Grenada.

C. Higher level objectives to which the project contributes

8. The project will contribute to several higher level objectives. First, by focusing on skills development in areas demanded by the private sector, the project will contribute to the competitiveness of the Grenadian economy. Second, by focusing on youth, the project will address the wider challenge of youth unemployment, underemployment, and youth-related crime. Third, by supporting the adoption of a regionally accepted competency-based standards framework for vocational education and training in Grenada, the project will contribute to the country's capacity to provide quality training and certification at any level to its populace and facilitate the professional mobility of trained workers to neighboring countries as envisioned under the Caribbean Single Market and Economy (CSME).

II. PROJECT DESCRIPTION

A. Lending instrument

9. The proposed project will be the second phase of the OECS Skills for Inclusive Growth Adaptable Program Loan (APL). In the "horizontal" APL, support for multiple operations (phases) is provided for several countries under a common program framework. The term horizontal implies that the instrument will apply sequentially across interested and eligible OECS countries to allow governments to join the program when they are ready and meet the eligibility criteria. The implementation period of the operations likely will overlap. As discussed in Section II, Part F – Alternatives Considered, the "horizontal" APL is preferable compared to several stand-alone specific investment loans (SIL).

B. Program objective and Phases

10. *As established with the* first *phase of the OECS (St. Lucia) Skills for Inclusive Growth APL, the program objective is to* support the development of demand-driven training programs in the OECS. The advancement toward this objective will be measured by the number of youth enrolling and successfully completing a demand-driven training program.

11. Program eligibility criteria. A country will become eligible to join the program when it meets three criteria for participation.

(i) Completion of a detailed project proposal to improve skills training incorporating the following key principals:
   (a) training is demand-driven and offered in partnership with the private sector;
   (b) training is financed through a competitive scheme whereby training providers partnering with employers reply to a call for training course proposals;
   (c) training addresses issues of employability and career mobility of the workforce;
   (d) training is short and focused; and
   (e) training combines technical and behavioral skills.

(ii) Government commitment to participate in the following key regional activities:
   (a) adoption of approved regional standards; and
   (b) recognition of OECS training providers accredited under the project, and

(iii)Availability of counterpart funding for the project.

12. All OECS territories (Anguilla, Antigua and Barbuda, British Virgin Islands, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines) could potentially participate in the program, even though they may not require or be eligible for IBRD/IDA financing. Participation could be financed entirely by the country, or partly financed by the World Bank and/or another donor. It is expected that World Bank financing will be limited to a subset of countries. The Country Assistance Strategy (CAS) lays out the framework for IBRD/IDA financing for the program. Four OECS countries have available IDA funding for the program (Commonwealth of Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines).

13. *The program will be rolled out in an on-demand basis.* St. Lucia was the first country to join the program.[1] Grenada is the second country participating in the program. The Government of Grenada has met all of the eligibility criteria as outlined above. Other OECS countries are also eligible to participate if they meet the established criteria.

14. *Bank procedures for approval of subsequent operations of the APL.* The Project Appraisal Document (PAD) for the first operation (St. Lucia IDA Credit No. 4300) describes the program objectives and the subsequent operation. The Grenada project is the first subsequent operation. It is consistent with the above-described program objective and complies with the established participation criteria.

15. Following the approved APL procedures, the PAD for the subsequent operation will be circulated to the Board for information after approval in principle by Management (exercised by the Regional Vice President), and management approval will become effective 10 working days thereafter. An approved envelope of US$6.5 million was specified in the first APL, and the proposed Grenada credit is within that total amount. The project would be scheduled for Board discussion only if requested by at least three Executive Directors during the 10-day review time period.

C. Project development objective and key indicators

16. The objective of the second phase of the APL is to support Grenada to increase the employability of youth through public/private sector partnerships for technical and life skills training that is demand driven. The project's main results indicators will be:

(a) The percentage of youth enrolled in the training scheme who are employed fifteen months after the start of their training. Target value: 65 percent.
(b) The number of youth certified at Level I or above. Target value: at least 800.

17. This objective has three intermediate outcomes with associated lines of action:

[1] IDA Credit No.4300 was approved on April 5, 2007 by the Board of Directors of the World Bank Group.

(a) (Training) to increase job-related competencies among unemployed youth through the establishment of a competitive training mechanism that supports the financing and delivery of demand driven training;
(b) (Framework) to improve the quality and value of training in Grenada and enhance OECS collaboration in training through the adoption of an existing occupational standards framework that is validated locally and recognized regionally; and
(c) (Capacity building) to strengthen institutional capacity to plan, implement, and monitor training.

18. The main intermediate outcome/output indicators of success for each of these lines of action are:

(a) (Training) Number of youth successfully completing program training. Completing includes: successfully graduating from the technical and life skills modules, and completing the traineeship in a private company. Target: 960 by end of project.
(b) (Framework and capacity building) Number of CVQ certifications awarded in Grenada, including youth and non-youth. Target: 895 by end of project.

D. Project components

19. The design of this project draws upon the design and early lessons learned in the first OECS operation under the APL in St. Lucia. Hence, the description of the Grenada project is similar to the description of the St. Lucia project. The Grenada project will consist of three interlinked components:

Component 1 - Skills training for unemployed youth;
Component 2 - Establishing an occupational standards framework to improve the quality and value of training; and
Component 3 – Institutional strengthening and project management

20. The components are closely linked in the sense that Component 1 will support the delivery of skills training to unemployed youth by financing a competitive, demand-driven training scheme while Component 2 will support policies and regulation that enhance the quality and value of training delivered and the sustainability of the training scheme financed under Component 1. Component 3 will finance the strengthening of institutional capacity and project management to carry out the establishment of the framework and provision of quality training in a sustainable manner. A monitoring and evaluation system will contribute to evidence-based decision making and the agility to adapt to changing market needs.

21. The aim is to keep the project design simple. Financing of training (component one) will be against training course proposals, based on per capita amount per trainee. One objective will be to incorporate a performance-based incentive for training providers to ensure quality delivery. A final percentage of the payment would be contingent on the trainee's completion of the course and certification.

22. *Regional Activities.* While it is important and advantageous for the countries participating in the APL to undertake activities at the regional level, the extent to which this can

be done will depend on the pace of integration of the countries into the program. The Grenada project is regional in nature. Under Component 1, training providers throughout the OECS will be eligible to compete for the training of Grenadian youth. Trainees who earn a certification in the skill for which they train, known as a Caribbean Vocational Qualification (CVQ), will have a portable skill that is recognized in the wider Caribbean. Under Component 2, regional activities are expected to include: (i) the development and provision of occupational standards-related materials throughout the OECS; (ii) training of assessors that are qualified to certify trainees and others in the workforce; (iii) training of auditors for accreditation of training providers based on regional standards; and (iv) collaboration of regional experts in workshops on standards. Finally, regional activities under Component 3 include: (i) a tracer study and evaluation of training interventions; (ii) procurement of common management information systems; (iii) the establishment of an OECS register of qualifications; and (iv) implementation of a common labor market needs assessment.

Component 1- Skills training for unemployed youth (US$2,090,000)

23. This component will finance the training of approximately 1,200 unemployed youth through a competitive, demand-driven training scheme. The objectives of the training scheme are to provide quality, competency-based and life skills training to vulnerable youth, and to ensure that the training corresponds to labor market needs. Based on international best practice and specific experience through the St. Lucia project and prior skills training efforts in Grenada, six principles acquired through lessons learned are being employed to guide the design of Grenada's training scheme: (i) training is demand driven and offered in partnership with the private sector; (ii) training addresses issues of employability and career mobility of the workforce; (iii) training combines behavioral/life skills and technical skills modules; (iv) training is delivered in short and focused modules; (v) training includes a monitored apprenticeship in companies; and (vi) the training scheme seeks efficiency, quality and value of training through regional collaboration, recognition and portability of skills.

24. Training will be targeted to unemployed youth ages 18-30 who are secondary school leavers (drop outs or graduates). They will have a maximum of six months work experience or internship in the sector of training for which they apply and no previous formal training in the sector. The trainee should have no more than three subject CXC[2] passes and there is no minimum number of CXCs required (see Table 2, Annex 4). These criteria ensure that the target group comprises youth who do not have sufficient academic qualifications to obtain employment or proceed to higher education on their own and require additional skills training to make the transition from school to work.

25. Training will begin with the combination of a short, life skills and technical skills module that meets at least the minimum criteria for level one certification of the CVQ (about 340 hours of technical training). This will be followed by a structured apprenticeship with a participating public/private employer that is monitored by the training provider. Throughout the training scheme, certified assessors will be utilized to administer periodic competency assessments of the

[2] CXC is the Caribbean Examinations Council which administers common regional exams in various subject areas to upper secondary school students. Results are generally used for entrance to tertiary education and/or for seeking employment. Most tertiary level institutions and employers require at least four passed subjects for employment or entrance to higher education.

trainees. Upon completion of the technical and apprenticeship process, trainees meeting the competencies for level one certification will earn a national vocational qualification certificate (NVQ). It is intended that the project will begin offering training for entry level trainees in one or two sectors (most likely the hospitality and construction sectors according to the Employers' Needs Assessment) during the first year of training. Once the implementing agency has gained experience and critical parts of the framework supported under Component Two are in place, expansion to other sectors (horizontal) and levels (vertical) is envisioned.

26. The training scheme will organize and finance training of young unemployed individuals on a regular basis. Each "round" of training entails the following steps:

(i) outreach to, and enrollment of, trainees, training providers, and employers;
(ii) a call for training course proposals in specific employment sectors;
(iii) matching eligible trainees, firms and training providers;
(iv) three to four months of pre-service training, including a life skills module and a technical skills module, using a standards-based curriculum;
(v) four months apprenticeship with an employer/firm;
(vi) assessment and certification of trainee's skills by certified assessors; and
(vii) monitoring and evaluation at each step of the process and after certification.

27. Trainee stipends and financing. The project will pay each trainee a modest stipend to provide minimum income support for the trainee to undertake the training and offset the costs of, for example, transportation and child care in order to participate. During the life skills and technical training coursework, the stipend will be EC$15/day (equivalent to US$5.57/day) and during the apprenticeship the stipend per day increases slightly to EC$20/day (US$7.44/day) since many businesses are not located directly in St. Georges (an extra bus trip is included). The stipend during the coursework and life skills is financed by the credit and the stipend during the apprenticeship is financed by the employer.

28. Unit Cost for the Training Scheme. The unit cost per trainee is US$1,658 (EC4,456) and has been estimated based on costs of technical training provided in Grenada which vary widely depending on the institution. A variety of institutions were consulted including the T.A. Marryshow Community College's technical and vocational program and NEWLO's intensive programs. During appraisal, an adjusted average was calculated for the final estimate of the unit cost per trainee. The Grenada program provides 60 hours of life skills training, 340 hours of technical skills training (in line with the average for a Level One CVQ), and about three months of an apprenticeship. Annex 4 provides more detail and Annex 5, Table 5.6 contains a breakdown of the unit cost.

29. The estimated unit cost was also compared to the actual costs of other vocational training programs in Latin America and the Caribbean (LAC) region. Other vocational training programs targeted to young people in LAC are estimated from a low of US$691 for the PROJoven program in Peru to about US$1,500[3]. The St. Lucia Skills for Inclusive Growth Project has a unit cost of US$1,351 which includes the pre-service training and the apprenticeship. The costs in LAC are comparatively lower than OECD countries. Costs of programs in OECD countries

[3] Shown in 2005 USD.

such as Canada, the UK and the United States range from US$950 for the New Deal for the Young Unemployed in the UK to US$17,151 for the U.S. Job Corps. Program costs vary depending on their duration, intensity, and purpose. For example, Grenada's program has significantly more hours of training in comparison to the Peru program which affects the unit cost per trainee. The training offered through this proposed Grenada project is driven by the end-goal of providing standards based training to enable certification at a skill level one. This requires a higher number of hours of training as mentioned above.

30. Key criteria for private sector willingness to participate in both the training and the mandatory youth apprenticeship scheme was explored through focus groups with stakeholders. Feedback from focus groups and the Employers' Needs Assessment showed that employers are willing to contribute when they are sure the investment will directly benefit them versus a contribution through a general levy for training. Grenadian businesses expressed a willingness to pay the cost of the stipend to the trainee during the apprenticeship period which is a customary practice. They may also be willing to contribute a small percentage to the technical classroom training, but reactions were mixed. It is likely that positive results of the training scheme will demonstrate returns that would persuade businesses to invest.

31. The project's impact will depend critically upon its ability to attract unemployed youth, employers, and training providers. Through the assistance of a PHRD grant during project preparation, these three groups of stakeholders have been consulted by means of focus groups, representative membership on the government's preparation team, and ad-hoc meetings.

Component 2: Establishing an occupational standards framework to improve the quality and value of training (US$440,000)

32. This component will finance activities related to the adoption of an occupational standards framework that is regionally recognized and adapted to the local context. This will include the introduction of regional occupational standards, their vetting by local industries, and the establishment of quality assurance processes. The latter will include: training a cadre of assessors and inspectors, accreditation of training providers, and certification of trainees based on competencies. The component will support technical assistance provided by regional leaders for the training of Grenada's inspectors and assessors and follow up technical assistance on a consultancy basis to provide coaching during execution of assessments for certification of trainees and accreditation of training providers in order to continue building capacity in the country. It will also support the actual inspections for accreditation and assessments for certification.

33. This framework will not only serve the training financed by the project's first component, but it will also serve the wider national training system including TVET at the secondary school level. The process will involve OECS-wide collaboration, as several OECS countries are moving towards the introduction of this type of framework on a comparable time line and in accordance with CARICOM recommendations. Barbados and Trinidad have already adopted and introduced the regional occupational standards framework. St. Lucia and St. Kitts and Nevis are at the early stages. OECS-wide collaboration will allow countries to reap the benefits from economies of scale and will help prepare them for the CSME.

Component 3: Institutional Strengthening and Project Management (US$1,950,000)

34. This component aims to strengthen institutional capacity of the implementing agency to plan, implement, monitor training, and manage the project.

35. ***Subcomponent 3.1. Institutional Strengthening (US$450,000).*** This subcomponent will support the Grenada Council for Technical and Vocational Education and Training (GCTVET) and the associated National Training Agency (NTA) in their role of establishing TVET policy and promoting the adoption of a regional, standards-based occupational framework. The GCTVET was approved by Cabinet in July 2007, and the NTA is currently being established. NTA would be a small operational arm of the GCTVET. The mandate of GCTVET is to function as a decision making body, which determines the national policy for technical and vocational training. The GCTVET is composed of TVET officials at the Ministry of Education and representatives of the main stakeholders. The GCTVET directs the validation and ratification of standards, allocates financial resources made available, ensures the quality of the training and assessment processes, and monitors the performance of training assistance. The NTA would consist of a small core of technical professionals who would coordinate technical inputs for standards validation, training provider accreditation, the calls for training proposals, and trainee registration and certification. It would call upon trained professionals to carry out assessments, inspections and certifications, and to serve on training proposal evaluation committees. This core staff would include professional counselors and may draw upon MOE guidance counselors to help select and guide potential trainees. The new Government is taking steps to legally establish the NTA. Terms of reference for the key positions have been developed and the structure and responsibilities of the NTA are clearly defined (Annex 6).[4]

36. While the government of Grenada has allocated a budget for both agencies, the project would help facilitate their mandates, structure, responsibilities, reporting, financing, and involvement throughout project implementation. The project will also facilitate the acquisition of technical assistance from organizations such as the Caribbean Association for National Training Agencies (CANTA), the Jamaica HEART Trust, and the Trinidad and Tobago NCTVET. The benefits from these investments in GCTVET and NTA are expected to accrue both during and beyond the project's life span. The MOE has been identified as the agency responsible for implementation of the project. The GCTVET and NTA are established semi-autonomously under the direction of the Ministry of Education. Since these structures are new, considerable capacity strengthening and technical support is being supported under this subcomponent.

37. ***Subcomponent 3.2 Project Management and Monitoring and Evaluation (US$1,180,000).*** This subcomponent would support the NTA and the PCU to closely monitor and evaluate the implementation of the project, including the development and maintenance of a management information system (MIS). The funds under this subcomponent would go towards purchasing the requisite hardware and software, training of staff and stakeholders, securing the necessary technical support, and collecting and analyzing information on trainees, employers, and training providers. The design and development of the MIS would be essential for the

[4] The Ministry of Education is working toward legally establishing the NTA and filling the key positions as soon as possible. The Minister of Education presented the structure of the NTA for approval to the Cabinet on August 25, 2008. The hiring of a Chief Executive Officer for the NTA is a condition of negotiations.

monitoring and evaluation activities, and the new system would be designed in a way to provide accessibility of essential information to the multiple agencies requiring labor market analysis for evidence-based planning and decision-making. A Japanese Grant for project preparation is currently supporting a consultant to design the monitoring and evaluation system. The project would support the programming and training in use and maintenance of the system.

38. Several key aspects of the project would be closely monitored and evaluation activities would be carried out to assess strengths and weaknesses with a view to making adjustments as needed for improvement. Among the aspects of the project that would be closely monitored are: (a) adoption of occupational standards in the sectors; (b) employers and training providers registered in the training scheme; (c) winning training proposals that are awarded contracts; (d) participating youth registered in training courses; (e) attendance of trainees and payment of transportation allowances; (f) completion of technical competency units by trainees; and (g) trainees earning a CVQ. Among the planned evaluation activities are exit surveys for trainees, online satisfaction surveys for training providers and employers, employment tracking surveys for trainees, feedback from stakeholder focus groups, and related reports at various stages of the project.

39. ***Subcomponent 3.3 Communications Campaign (US$320,000)***. This subcomponent would support a targeted communications campaign focusing on the three main stakeholders: youth, training providers, and employers. It would be instrumental in communicating information about the training scheme, call for proposals, and trainee registration under Component One and the dissemination of information regarding the roll out of the occupational standards framework for Component Two.

E. Lessons learned and reflected in the project design

40. *Training programs need to be an integral part of active labor market policies.* The proposed OECS training scheme builds explicitly on the existing Government-funded training programs throughout the OECS. Experience, particularly from Europe, has shown that labor market insertion can be successfully improved, including for disadvantaged population groups, if intermediary services that efficiently link labor market demand with supply are provided. A key part of this project is to ensure that both trainees and employers are well-linked and to provide a bridge linking the two groups.

41. *Working with the private sector requires flexibility and quick responses from the suppliers of training***.** In order to encourage the private sector to accept trainees, the program needs to be flexible and respond quickly to the opportunities offered by the market. The project, therefore, will allow various modalities for submitting training proposals to the NTA, including direct match between the employer and the training provider, a training broker acting on behalf of several small firms, or direct requests from firms.

42. *Training cannot substitute for schooling***.** It is known that a short-term training program cannot make up for the opportunities lost by youth who have either dropped out of school, been held back, or who have had a poor education. Studies have shown that for many youth, a combination of training and reentry to the education sector through "second chance" education programs have proven to be a successful combination in the long run. Firms polled in a recent

World Bank report on Latin America and the Caribbean overwhelmingly chose to train skilled (secondary education or above) workers. Although higher levels of education are associated with higher incidence of training, the critical threshold seems to be completion of secondary education. This most likely reflects the idea that investment in training requires a sufficient prior skill base in order to result in higher private returns. Overall firms rarely invest in basic skills of a worker, but rather train in specific job-related skills. Thus, to achieve full benefits from a skills training program for unemployed youth, it is important to have broader access to secondary education and expand access to "second chance" education programs. For reasons explained below, this project only assists modestly in expanding "second chance education" programs. However, in other projects, the World Bank is assisting four governments of the OECS providing universal access to better quality secondary education, with an emphasis on literacy, numeracy and strategies to support students with special learning needs (see Annex 2 Major Related Projects).

43. *Life skills training is essential to succeed in the workplace and in life in general.* As shown by emerging studies, life skills, such as communication skills, learning-to-learn, networking, conflict resolution, team work, information on risky behaviors (including reproductive health, HIV/AIDS, etc.), are increasingly important in a knowledge-based economy. These skills enable disadvantaged youth to increase their employability. This project includes a life skills module and counseling of youth to strengthen their life skills. At the same time the project will strengthen the mentoring of trainees during the apprenticeship phase.

44. *Keep project design simple.* There is broad recognition that the Bank's technical expertise in project design has made a significant contribution to the sub-region's development. However, project implementation in the OECS has not always gone smoothly and a number of areas were cited as contributing to the lackluster implementation of some projects in the OECS. A key area is complex project design, which has led to delays in effectiveness and implementation. Therefore, this project design is kept relatively simple. As explained below, the scope of the operation was limited to private sector-driven skills training. This strategic focus implied that the project does not add on extra programs that have sometimes brought additional challenges and complications, such as expansion of second chance education programs and training of already employed workers.

45. *Incentives for training providers to provide quality training.* Trainers will be required to offer standards-based training, and they should be paid based on outcomes. Tying the payments to various outcomes throughout the training cycle provides a good incentive for trainers to provide good quality training to ensure they meet the outcomes for which their payment is based. They will receive the unit cost per trainee, minus the amount of the stipend (which is given to the trainee). Forty percent will be paid upon commencement of training and 30 percent upon completion of the technical classroom training. The final 30 percent will be disbursed only for those trainees who successfully complete the full training including the apprenticeship and obtain certification. This payment schedule provides a strong incentive for training providers to offer quality training that ensures their trainees learn and become certified.

46. *Training must be aligned with the needs of the private sector.* Trainees will have better chances at finding a job at the completion of their training if they were trained to fill a position that is in demand by the private sector. However, it is often difficult for government entities to

determine exactly which positions are in demand. Therefore, the project incorporates direct participation of the private sector in the determination of which courses will be offered. First, each training proposal must be endorsed by private sector companies in the form of commitments to take on trainees in an apprenticeship. Second, the private sector will be represented on the committee that will select the winning training proposals.

47. *A good way to ensure that courses are effectively demand-driven is to require that the private sector share a portion of the costs of training.* A recent report on impact evaluations of job training programs financed by the InterAmerican Development Bank (IDB) revealed that the most common mechanism for ensuring support from the private sector, a simple "letter of intent" from an employer offering to host interns who are provided free of charge by the program, has repeatedly been shown to be insufficient. Instead, programs perform better when the private sector share some costs. For example, in Mexico, under the on-the-job training modality (by which training is provided by the firms and not by the training institutions) firms cover the direct costs of training, while the program covers the stipends to participants. In Peru, firms pay a minimum wage to participants during the internship phase. Under the proposed project the firms will cover the stipends to participants during the internship phase. In future years it is proposed that firms will also contribute 5-10% of the unit cost per trainee for the technical classroom training.

48. *Outreach and communication.* A very important aspect of the project is communication with youth, employers and training providers, in order to attract participants to the program. It is necessary to set up specific communication tools to reach disadvantaged youth, especially boys. The project incorporates a consultancy to design a communications strategy.

49. *Timing of the training courses for youth.* Experience from similar projects in Honduras and the Dominican Republic, as well as experience from the Grenada Training and Employment Project (GTEP) project in Grenada, show that courses should start soon after registration of eligible youth in order to retain their interest and availability to participate. Longer than four to six weeks, tends to pose some risk of losing those who have registered and been selected. To make this possible, it is necessary that: (i) the registration process be streamlined and well planned; (ii) verification of eligibility and counseling of youth need to start as soon as youth start applying to the program; and (iii) youth will be informed at the time of application of the courses that will be available.

50. *Strengthening implementation capacity. Adequate preparation of the project.* The St. Lucia project demonstrated that the process of acquiring, validating and disseminating standards is time-consuming, and that, if started after approval of the project, it could significantly delay the implementation of the project. In Grenada, Bank technical assistance and preparation funds from the PHRD grant have enabled the Government to begin the process of acquiring and locally validating the occupational standards for the Grenada context. It is expected that by Board date, the standards required for the first phase of the project will have been acquired and fully validated by industry, and that they will be available for training providers.

51. *Importance of the Monitoring and Evaluation System.* Experience from the Honduras training component of the Nutrition and Social Protection project shows that it is essential to have a sound monitoring and evaluation system in order to be able to manage the project and

reach the targeted beneficiaries. The design of such a system should happen during preparation, so that it is ready by the time the first call for proposals is launched.

F. Alternatives considered and reasons for rejection

52. *Scope of operation.* During design of the project, there was extensive debate on whether to include a wider range of beneficiaries, such as unemployed persons over age 30, employed persons seeking training, or persons seeking certification of skills. Despite the importance of reducing vulnerabilities and increasing the efficacy of social safety nets in the OECS, the decision was taken to concentrate the training component on unemployed youth. Nevertheless, other persons will be able to benefit from adoption of the standards-based framework for training and assessment. While the project will not finance the direct cost of certifying persons who acquired skills outside the training component of the project, it will put in place a system of certification within which anyone could be certified. The direct costs of this certification would have to be borne through government financing or private sources.

53. *Supply-side versus demand-side training.* The team weighed the possibility of funding a supply-driven training project or increasing direct financing to training institutions. However, analytical work on training clearly indicates that the most effective training is demand driven training which involves public-private partnerships and critically links training provision to fulfilling identified private sector needs. Further, it has been documented that supply-driven training often does not match the needs in the market. To encourage sustainability and to build local training capacity, it has been decided to set up the training scheme in a market structure where multiple providers can submit bids under the training guidelines and both public and private institutions can participate in the training.

54. *National versus regional project.* There were several choices considered for implementation including the choice to have a regional OECS-wide project or a national project. At present, training is very much a national undertaking, which implies that the countries do not reap many benefits of economies of scale. In order to have world class training that will provide the needed skills, it is crucial to build a regional market for training. This will professionalize training in the region, improve quality of training, provide volume, drive down costs, and save scarce fiscal resources. Balancing between the gains from a regional approach to training and the constraints of national government in pooling resources, it was decided that the project would choose a middle path between a 100 percent regional approach including all territories and a series of national projects designed for each country. The program proposes similar national training projects with the same set of operating principles and procedures, including mutual recognition of training providers and certifications, while separating each country's finances. Therefore, the program is flexible in responding to each country in terms of timing and economic priorities, while fostering regional collaboration where the gains are largest.

55. *Choice of Bank instrument.* The project is a "horizontal APL" where several countries can access funding under the same framework established for the first operation. Two alternatives to this instrument were discussed. The first alternative is a "vertical APL" that provides financing for multiple operations (and loans) over time to each country. This could allow for either a design of a long term investment plan stretching six to 10 years or a "customized" lending instrument with smaller loans in order to reduce commitment charges.

However, this was decided against due to the lack of such a customized instrument and the government's desire for swift project preparation. The second alternative was a series of single country specific investment loans (SIL). The SIL was rejected since the chosen instrument, the horizontal APL, allows for: (i) creating a common framework for competitive and private-sector driven training in the OECS conducive to increasing regional collaboration within this area, (ii) establishing a common framework for Bank financing of training across the OECS, and (iii) simplifying the approval process for subsequent operations.

III. IMPLEMENTATION

A. Partnership arrangements

56. *The government and the Bank teams have actively engaged all main stakeholders (training providers, employers, youth) during the preparation of the project.* The following entities were involved in preparation of the project and will be involved in its implementation:

- The Ministries of Education; Youth; and Economic Development
- Regional organizations (Jamaica HEART Trust/NTA, CANTA)
- Private sector (Grenada Tourism Association, Caribbean Tourism Organization, Caribbean Hotel Association, Grenada Employers Federation, the Grenada Chamber of Commerce, and several individual firms including large developers.)
- Training providers (T.A. Marryshow Community College, NEWLO, etc.)
- Youth representatives

B. Institutional and implementation arrangements

57. The Government of Grenada has determined that the institutional Technical and Vocational Education and Training (TVET) infrastructure would include:

(i) *The Grenada Council for Technical and Vocational Education and Training (GCTVET),* which functions as an advisory body to the Minister of Education with regard to policies, strategies, and programs for the management of TVET. Where appropriate, the GCTVET shall have executive authority to decide and direct with regard to overall TVET strategy and specific programs and projects.
(ii) *A National Training Agency* (NTA), consisting of technical professionals, which would be responsible for, among other things, general co-ordination, planning, supervision, standard setting and validation, training provider accreditation, programme accreditation and trainee certification, and quality assurance.
(iii) *Lead Industry Bodies (advisory committees)* that take the lead on the adaptation/ vetting of the occupational standards for each industry under guidance of the GCTVET.

58. The Grenada Council for Technical and Vocational Education and Training (GCTVET) was established in July 2007 and has been functioning for one year. During this time funding from the Japanese Grant has allowed for training delivered by Jamaica HEART Trust to the GCTVET, Ministry of Education technical staff, and Lead Industry Bodies. The GCTVET

established Lead Industry Bodies for active sectors where demand is high as confirmed by the Employers' Needs Assessment 2008 (hospitality, construction, marine, agriculture).

59. The National Training Agency will carry out the day-to-day management and administration of technical and vocational education in Grenada at all levels of education. The structure and positions have been defined and TORs developed during preparation of the project. Personnel in the Ministry of Education and the country possess the skills mix to fulfill those positions. Component 3 of the project specifically supports the capacity building and strengthening of the GCTVET and NTA.

60. The NTA will manage the pre-qualification of Training Providers, the Call for Proposals, the youth application process, matching of trainees with selected courses, and the monitoring and evaluation. The NTA will be small and draw upon technical experts in the Ministry of Education and outside on an as needed basis. The institutional and implementation arrangements are described in detail in Annex 6[5].

61. The PCU will work closely with the MOE as the implementing agency and in particular with the NTA. The PCU will provide guidance on compliance with fiduciary procedures and handle the procuring of goods and services for the NTA as it relates to the project. The NTA will inform the PCU of the winning course proposals from training providers and provide information on the selected trainees so that the PCU can respectively carry out the contracts/agreements and process payments of the transportation allowances to trainees. The PCU will handle all financial transactions as it relates to the project.

C. Monitoring and evaluation of outcomes/results

62. The monitoring and evaluation of the outcomes of the project will be the primary responsibility of the Ministry of Education through the National Training Agency and the PCU. The management information system, to be built under the project, will include the following key elements:

(a) Procedures and tools for registration of youth in the training scheme,
(b) Procedures and tools for participation of private firms in the training scheme,
(c) Procedures and tools for the participation of training providers in the training scheme,
(d) Procedures and tools for the monitoring and evaluation of courses and their participants (youth, training providers and employers),
(e) Procedures and tools for the follow up of youth registrants 15 months after the start of the training, and
(f) Procedures and tools for monitoring the adoption of standards, certification of providers and certification of trainees and general public, including National Certification Database.

63. A PHRD Grant has enabled Grenada to move forward with a consultancy to begin designing the monitoring and evaluation system in advance of project implementation.

[5] The Project Preparation Consultant is also assisting the MOE and PCU to draft the Operational Manual where roles and responsibilities will be detailed. A first draft is expected before the appraisal mission (August 31, 2008).

D. Sustainability

64. The adoption of the standards framework and institutional capacity building developed under the project will enable Government to expand horizontally to other sectors and vertically to higher levels of training and certification during and beyond the life of the program. The systems provide the foundation for Government to keep improving and using the framework. Grenada has recognized the need to include youth in training and employment opportunities. The Skills for Inclusive Growth Program assists the Government to improve the quality and framework for training as well as to train young people. It builds on the Government's prior established efforts for delivery of youth training and as such the vision is for youth training funds to be channeled through the training scheme that will continue after the project is completed.

65. The project will enable Grenada to adopt and implement the regionally accepted CVQs. Since the framework is being used regionally, there is a greater probability that the Government will continue to use and improve the system in order to be able to benefit from the regional payoffs of the framework.

66. Through project design the Government will ensure that courses are effectively demand driven by sharing some of the costs with the private sector. The share of the cost of training borne by employers could be increased over time if the training is successful, allowing Government to continue operating the training framework established by the project and continue partnering with the private sector.

E. Critical risks and possible controversial aspects

Description of risk	*Mitigation measures*	*Risk*
♦ Elections were held on July 8, 2008 and a new Party (NDC) has come into power. Change of political priorities is a concern.	♦ The new Government has confirmed its commitment to the proposed project. The World Bank will maintain dialogue and ongoing efforts to ensure that the new Government receives information on projects.	M
♦ Technical and Vocational Education Training (TVET) Policy and institutional capacity to carry it out is at the nascent stage. ♦ The data collection system on labor force statistics is poor. There is weak capacity for evidence based decision making	♦ The Project will assist in building the policy framework and institutional capacity for training based on occupational standards. ♦ The Project will build an M&E system that will provide information related to labor force statistics for utilization across Ministries and by stakeholders.	M
Operation-specific Risks		
♦ Literacy and numeracy levels of trainees are insufficient as a	♦ Applicants with insufficient literacy and numeracy skills will be referred to the	M

Description of risk	***Mitigation measures***	***Risk***
base for skills training ♦ Employers are seeking higher levels skills than entry level (Level one certification). ♦ Excluding young employed people who are not certified and who do not have much potential for growth ♦ Low-interest from males in the target age group. ♦ Lack of quality training providers in Grenada and weak knowledge of competency-based training ♦ Employers seek different skills than the ones provided in training courses – mismatch between demand and supply ♦ Employers do not wish to contribute	Government's "Yes I Can" second chance adult education program. ♦ The project will include vertical expansion for training provision to Level 2. The framework will be in place for the Government to continue to higher levels of training and certification. ♦ Through the framework, project design will allow for skills certification of both unemployed and employed persons. ♦ The project will conduct strong outreach activities targeting motivated and job-seeking youth. A specific communication outreach strategy for males in the population will be designed. ♦ The competition for training providers will be open to Grenadian and regional OECS training providers. ♦ The project will introduce occupational standards, certification and quality assurance measures that are nationally and regionally recognized. ♦ Orientation and training in proposal writing will be offered to training providers and employers to build knowledge and capacity. ♦ The project will implement performance-based funding of training providers. ♦ Training courses will be funded on a competitive, demand driven basis and training providers must show a proof of partnership with employers. ♦ During the preparation period, consultation with employers has confirmed their willingness to contribute financing for training that is relevant to their needs.	
The GCTVET and the National Training Agency (NTA) are new and inexperienced. ♦ Sustainability of financing for	♦ The project specifically supports training and capacity building for GCTVET and the NTA. ♦ Persons with the skill background to fill the NTA positions are available in Grenada; in addition, MOE personnel with the appropriate skills can be seconded to these positions as necessary. ♦ The Bank will ensure that courses are effectively demand driven by sharing some of	S

Description of risk	*Mitigation measures*	*Risk*
training	the costs with the private sector.	
♦ Fiduciary Risk – Financial Management Arrangements	♦ The PCU has already established a well functioning financial management system meeting the World Bank fiduciary requirements. ♦ The PCU, established as part of the Ministry of Finance will be responsible for all fiduciary responsibilities including procurement, financial management, project reporting and disbursements of funds.	M
♦ Lack of proper facilities and training equipment in the country.	♦ The extension of the Emergency Disaster Relief Project includes funds for TVET equipment for secondary schools.	M
Overall Risk		M

F. Credit conditions and covenants

67. The following are the conditions for effectiveness: (i) that the NTA has been established in a matter satisfactory to the Association (legal establishment); and (ii) that the Subsidiary Agreement that has been executed on behalf of the Recipient, GCTVET and NTA had become effective.

IV. APPRAISAL SUMMARY

A. Economic and financial analyses

68. *The youth training is expected to affect youth employment on two dimensions:* the probability of employment and wages for employed youth. The economic analysis presented in Annex 9 computes the combinations of employment probability and wage increases that will lead to positive returns for the project and evaluates the Grenada project from the economic return point of view. The assumptions underlying the economic analysis are summarized in Table A-9.1 in Annex 9.

69. *Rate of return of the project.* Various scenarios of employment and wage impact were used to compute, under the assumptions made, the Net Present Value and Rate of Return of Project investments. An increase in average wage income of 20 percent is needed to ensure a positive rate of return with discount rates of five or 7.5 percent, while an increase in average wage income of 25 percent is needed to ensure a positive rate of return with discount rates of 10 percent. Combinations of changes in the employment rate and changes in wages that will lead to

at least 20 (25) percent increase in average wage rates are highlighted (resp. bolded) in Table A-9.3 in Annex 9.

70. *Summary of impacts of other job training programs.* The general conclusion presented in the reviewed studies is that youth training programs in developed countries had the poorest track record, when compared with training programs for the long-term unemployed and those displaced through mass layoffs. Social rates of return were typically negative, both in the short- and the long run. However, results from youth training programs appeared to be different in the case of the "Jovenes" programs in Latin America (Argentina, Chile, Peru and Uruguay). Of the five new evaluations of youth training programs in Latin America between 1999 and 2004, all showed positive employment impacts and two of the three computing earning effects demonstrated positive impacts on that indicator. The lessons learned from these projects are also summarized in the main text and included in the project design.

71. *Assessment.* With interventions that were similar to the planned intervention in Grenada, two out of the five projects (Peru, Chile) achieved results which, if attained in Grenada, would yield positive rates to the Grenada project. If the St. Lucia project impact were similar to those in the Argentina project, the rate of return to investment would be positive only for adult females, but not for the other groups of beneficiaries. Were the results of the Grenada project similar to those in the Dominican Republic and Brazil project, the rate of return would be respectively borderline negative and negative. Importantly, the economic analysis does not take into account the positive externalities of the project, such as higher propensity to engage in further education, improved services to the poor, reduction in future social protection spending, improved health, and reduced crime and violence.

B. Technical

72. *The project is deemed technically sound and innovative.* The main lessons learned from technical and vocational education and training in the Latin America and Caribbean region and OECD countries have been taken into account when designing the project. The project designed was influenced by recent experiences and evaluation of a private sector driven training system in the United Kingdom and in Latin America. In addition, the design incorporates training experiences from Jamaica and other Caribbean countries. The second component is aligned with the training policies agreed and implemented at the wider Caribbean level in the sense that occupational standards and accreditation activities under the project will be consistent with the standards adopted by CARICOM and promoted by the Caribbean Association of National Training Agencies (CANTA).

C. Fiduciary

73. Fiduciary responsibility will be assumed by the centralized Project Coordinating Unit in the Ministry of Finance. This unit has substantial experience with World Bank fiduciary guidelines and is currently managing four World Bank projects. In addition, it has participated in several Bank training sessions and workshops. The PCU is in the process of being strengthened with additional personnel that will increase its capacity to handle the workload of an additional project in a timely manner. Details of the proposed financial management arrangements can be found in Annex 7.

D. Social

74. Focus groups with unemployed youth have shown strong interest in receiving training and in particular in occupations that are of high relevance to the labor market. The target group also supported a mandatory traineeship. Consultations with employers also revealed the high value placed on life skills and readiness to work even more so than technical skills. The inclusion of a life skills module and the apprenticeship features of the proposed training model were highly commended and supported by employers.

75. Social indicators for the OECS countries are strong and almost all of the major Millennium Development Goals have been met. Primary education net enrollment ratios, for example, are high, between 84 and 100, and infant mortality rates are low, ranging from 14 to 22 per 1,000. Dramatic progress in access to improved water source and sanitation has also taken place over the last ten years. Life expectancy, which ranges from 71 to 77 years, is comparable to most OECD countries.

E. Environment

76. The project has an environmental category C rating. It is expected to be neutral on the environment or marginally positive through an increased awareness for the importance of the environment through a greater level of education and training of the workforce in the OECS countries.

F. Safeguard policies

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	[ ]	X
Natural Habitats (OP/BP 4.04)	[ ]	X
Pest Management (OP 4.09)	[ ]	X
Physical Cultural Resources (OP/BP 4.11)	[ ]	X
Involuntary Resettlement (OP/BP 4.12)	[ ]	X
Indigenous Peoples (OP/BP 4.10)	[ ]	X
Forests (OP/BP 4.36)	[ ]	X
Safety of Dams (OP/BP 4.37)	[ ]	X
Projects in Disputed Areas (OP/BP 7.60)*	[ ]	X
Projects on International Waterways (OP/BP 7.50)	[ ]	X

G. Policy Exceptions and Readiness

77. No exceptions are sought.

* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

Annex 1: Country and Sector or Program Background

GRENADA: OECS (GD) Skills for Inclusive Growth

78. *Economic growth is steadily improving in the countries of the Organization of Eastern Caribbean States (OECS), including Grenada.* In the latter half of the 1990's, in spite of negative developments such as the loss of preferential access to European markets for traditional export crops, Grenada made significant economic progress, achieving an average growth rate of 5 percent per annum. However, local and external shocks at the turn of the century triggered a decline in overall economic performance including lower growth rates, decreasing terms of trade and increased rates of unemployment, particularly among out-of-school and unskilled youth. A slow recovery started in 2003 but the gains were reversed in 2004 as the economy declined by 6.8 percent as a direct result of Hurricane Ivan, which caused losses estimated at 200 percent of GDP. Due mainly to post-hurricane construction, the economy grew by 11.03 percent in 2005. The growth rate for 2006 was negative 2.4 percent. The Eastern Caribbean Central Bank (ECCB) estimates that real GDP in Grenada increased by 3.5 per cent in 2007, and attributes this turnaround in economic activity to growth in most economic sectors, led by tourism and agriculture, as well as a rebound in the manufacturing and transport sectors.

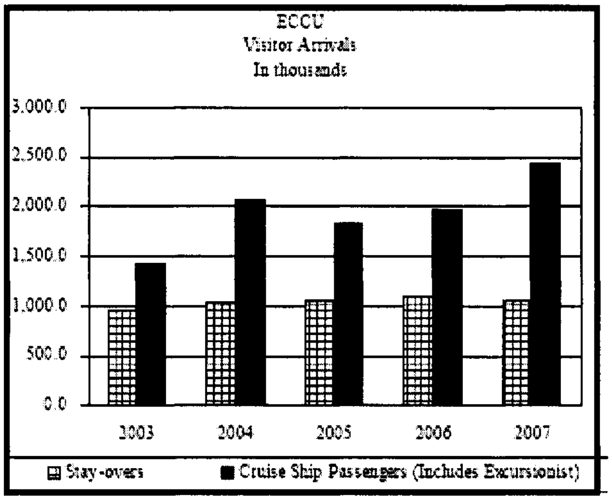
79. *Recent economic growth in Grenada has relied heavily on the tourism sector.* The ECCB estimates that value added in the hotels and restaurants sector, a measure of tourism activity, expanded by 10 percent following a recovery of 50.6 percent in 2006 when most of the hotel properties damaged during Hurricane Ivan were reopened. The performance in 2007 reflected continued growth in stay-over visitor arrivals. The number of stay-over visitors grew by 10.9 percent to 131,580, associated with increased marketing and promotion, the reopening of a hotel in Grand Anse and additional flights out of Europe and the US. Hotel occupancy was reported to have been high relative to 2006, largely attributable to the hosting of the Cricket World Cup 2007 and various regional and international conferences. Of the major markets, arrivals from the UK rose by 37.2 percent, as a result of additional airlift and an appreciation of the pound sterling relative to the US dollar (to which the EC dollar is pegged). [6]

80. *The expansion in tourism activities has led to increased demand for related services.* For example, in 2007 the ECCB observed expansions in the main sectors including electricity and water (10 percent), transport (9.6 percent), real estate and housing (6.5 percent), communications (6.0 percent) and banks and insurance (5.5 percent). Construction activity decreased by 5.0 percent in 2007, from the 30.1 percent decline in 2006, as major post-hurricane reconstruction projects came to a completion. The construction sector's share of GDP fell by 0.9 percentage point to 10.5 percent.

81. *While the tourism sector has expanded in Grenada, in the Eastern Caribbean region as a whole, the number of visitors has remained stagnant in recent years as the tourism market has become more competitive.* Within this competitive environment, it is crucial that the Grenada tourism industry concentrate on high-margin and niche markets, which will in turn require specialized skills for hospitality and tourism industry workers.

[6] Source : ECCB Annual Economic Report 2007

82. *Reasons for this stagnation include intense competition among holiday destinations* and the new passport requirements for Americans traveling to the Caribbean. The increase in airfare rates due to the rise price of oil is likely to further dampen the number of tourist arrivals. Within this competitive context, it is crucial that the Grenada tourism industry concentrate on high-margin and niche markets, which will in turn require specialized skills for tourism industry workers.



Source: ECCB, Annual Economic and Financial Report 2007

83. *To ensure economic growth, Grenada and other OECS countries must undertake crucial reforms, including improving provision of skills to the economy.* According to the World Bank report, OECS Towards a New Agenda for Growth (2005), the OECS must address three crucial elements to maintain high economic growth in the medium run: (i) formulation of a long-term vision that positions the OECS Economic Union in the global economy; (ii) reorientation of the basic development model toward greater openness, competition and a more level playing field in the sub-regional economy; and (iii) the creation of new capacity in the labor force and the private sector to take advantage of emerging opportunities in the global market place. In Grenada, firms cited shortage of skilled labor as the number one constraint to increasing competitiveness. Therefore, enhancing the employability of youth would help increase competitiveness of the economy, especially in the expanding sectors. New opportunities are currently emerging in Grenada in tourism, construction, and the marine industries (yachting, etc.) with the start of construction of major new hotel/resort properties and the establishment of yacht repair facilities. In agriculture, the expansion of the hotel and tourism sectors will increase the demand for locally grown produce.

84. The present trade agreements and negotiations in recent years continue to present new and increasing challenges for the Technical and Vocational Education and Training (TVET) system in Grenada. In addition, the free movement of capital and people within the Caribbean economy under the CARICOM Single Market and Economy (CSME) will lead to increasing economic returns for persons whose skills are up-to-date, adaptable and recognized outside their home country. In order to address the issue of portability of skills, several OECS countries are working on introducing a National Vocational Qualifications (NVQ) framework that is based on

regionally accepted occupational standards. To potential employers, NVQs are meant to confirm an individual's technical skill level an competency, regardless of the method of acquiring the skill.

85. An employers' needs assessment carried out during project preparation confirmed that a number of large resort development projects are being planned and implemented and when completed, will require significant numbers of trained staff. It also revealed that existing companies in Grenada are not planning to expand significantly in the near future. However, existing companies, especially in the tourism sector, may experience the repercussions of increased demand for trained staff. Their best trained staff may move to fill the vacancies in the new developments and thus, they too will have a need to fill vacancies with skilled employees.

Table 1.1: Timeline of Activities at New Developments and Projected Demand for Staff

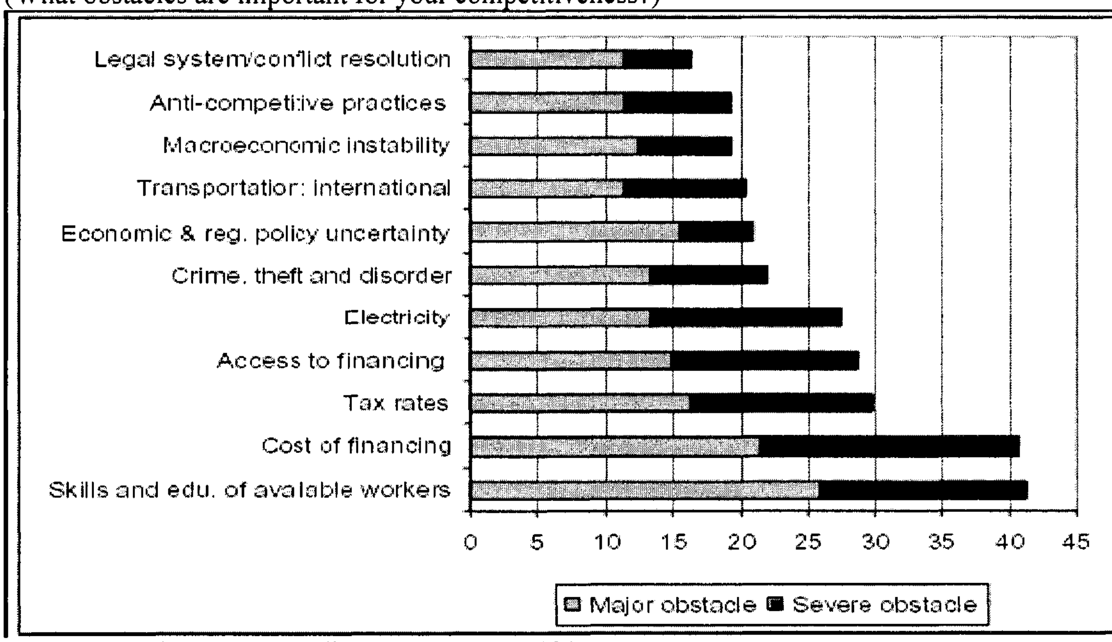
Name of Project	2008	2009	2010	2011
Grand Harbour Phase I	Construction	Hospitality 162 rooms 486 staff	Hospitality 162 rooms 486 staff	Hospitality 162 rooms 486 staff
Bacolet Bay	Construction 325 rooms 505 workers	Hospitality 235 units/325 rooms 350 staff	Hospitality 235 units/325 rooms 350 staff	Hospitality 235 units/325 rooms 350 staff
Port Louis Marina and hotel	Construction 350 workers	Construction 350 workers	Construction 100 workers Hospitality 100 rooms 200 staff	Hospitality 250 rooms 400 staff
Cinnamon hill	Construction 350 workers	Construction 350 workers	Construction 350 workers	Hospitality 5 star 180 rooms 350 staff
Cinnamon 88 / 4 Seasons	Infrastructure	Construction 800 workers	Construction 800 workers	Hospitality 500 rooms 1500 staff
Levera Project	---	Infrastructure (6 miles of road with water, electricity, telephone and cable)	Construction 160-200 rooms *Est. 300 workers*	Construction 160-200 rooms *Est. 300 workers*
Total construction Workers (needed per yr)	**1205**	**1500**	**1550**	**300**
Total hospitality staff	**0**	**836**	**1036**	**3086**

86. *These new economic opportunities provide Grenada and the OECS with an opportunity to broaden the gains of growth to youth.* Across the globe, youth unemployment is 2-3 times

larger than adult unemployment, and Grenada is no exception. The unemployment rate for the age group 15-19 years was shown at 42 percent (and 26 percent among 20-24 years old) compared to 15 percent for the whole workforce, according to the latest labor force survey. Youth unemployment imposes a high risk to society via forgone earnings and increased risks of deviant behavior. The Caribbean Youth Report estimates that bringing youth unemployment to the level of the whole workforce would increase GDP by 1.3 percent. The government has a window of opportunity to increase youth employment through assistance in successfully transitioning from school to work through training and job-search activities.

87. *Better preparation of young people through more relevant education and training would increase employment outcomes for youth.* In 2004, 41 percent of Grenadian businesses cited shortage of skilled labor as a major or severe obstacle to increasing their competitiveness. It is worth noting that much of the increased demand for skilled labor in the construction industry during the post-hurricane reconstruction effort was met through the recruitment of workers from regional countries not because of the lack of a sufficient number of Grenadians, but because the required skills, even basics skills, were not available locally.

Figure 1: Lack of Skills is considered the biggest obstacle for Grenadian firms
(What obstacles are important for your competitiveness?)



Source: Grenada Investment Climate Assessment 2004

88. *Education is a key factor for a successful career in the OECS.* However, schooling seems insufficiently focused on skills relevant to the labor market and overly oriented towards an academic career. There is a need to better link the education system with labor demand. Improving curricula and teaching in secondary and tertiary education institutions to better reflect labor market demands is the long term solution, and the World Bank is currently financing the Grenada OECS Education Development Program (P077759) which aims to improve the quality, efficiency and relevance of Secondary Education. Achieving this objective will take time, and it

is unlikely to eliminate the difficulties in the transition from school to work in the short term. Therefore, there is an immediate need for specific skills training targeted to young people to actively assist them in gaining a first job experience, and to help current workers upgrade and certify their skills. This would reduce the share of youth engaging in deviant behavior and expand the pool of skilled workers.

89. *Providing training through quality programs closely tied to employer needs would increase the impact of and the incentives for training.* Governments in the OECS invest a modest amount in technical skills training, mostly through public training programs. For example in Grenada, the Ministry of Youth's IMANI program offers on-the-job training to young persons between the ages of 18-30 who are no longer in learning institutions and are unemployed. However, many employers criticize the program as being of low relevance. Training youth according to standards valued by employers would provide youth with an added incentive for training. Employers would be more motivated to participate in training schemes if they perceived that youth are trained in skills that are relevant to the working world. Hence, the challenge is to design an effective training program that will benefit youth through upgrading of their skills and the private sector through the provision of skills that are relevant and contribute to companies' productivity.

90. *OECS countries will reap substantial benefits by collaborating in the establishment and administration of their youth training programs.* The proposed Grenada project would be the second youth training project supported through an Adaptable Program Loan (APL), following the OECS (St. Lucia) Skills for Inclusive Growth Project.[7] There are several reasons why OECS countries would gain from collaboration in this area: (i) OECS countries face a common problem of high youth unemployment and can learn from each other in tackling this complex issue; (ii) interlinked projects would create a market for training providers operating under a joint set of rules, which would yield economies of scale and drive down the cost of training; (iii) countries would spend less time on project preparation by developing and using common project concepts and tools; and (iv) the introduction of the Caribbean Single Market and Economy (CSME) implies that the region increasingly relies on one shared labor pool. Common frameworks for certification of technical skills will ensure that certificates are portable, enhance job opportunities and the efficiency of labor allocation.

91. As demonstrated by the Eastern Caribbean Telecommunications Project, which leveraged sub-regional economies of scale within telecommunication, it is essential to have political buy-in for regional initiatives. Further, other sub-regional projects show that in order for such programs to be successful, they must operate efficiently and be able to tailor programs to local demand.

Government Strategy

92. *Government officials in the OECS see the region's projected economic growth as a window of opportunity* to address the urgent need of providing relevant skills for unemployed youth to enter the labor market, as well as an opportunity to help transition the labor force into higher end services that produce greater value added. The OECS Development Charter

[7] See Annex 1 for APL objectives, program eligibility criteria, and procedures for subsequent operations of the APL.

emphasizes the need to enhance the skills of its citizens as well as generate sufficient quality job opportunities to reduce crime and violence among youth and absorb greater numbers of the labor force.

93. *The Government of Grenada*[8] *has sent a clear message that skills training and reduction of unemployed youth are priority policy goals for the next four years.* This priority is reflected in the 2006 budget entitled "Focusing on Youth Development, Poverty Reduction and Stability," which outlines a comprehensive medium term reform program that identifies the development of human resources and a reduction in unemployment as key priorities. Finally, in its 2006-2008 Medium Term Economic Strategy paper, the Government lists the following among its strategic development objectives:

- To improve the employment potential of the current unemployed; and
- To review and revise the education and training system to ensure its harmony with current national and international development priorities.

94. The above objectives reflect the Government's desire to improve the economic and social welfare of its people through initiatives aimed at increasing employment and income and reducing dependency. In regard to this, particular attention is being given to vulnerable groups such as the rural poor, the uneducated and unskilled, and young people. For example, the Government's Grenada Training and Employment Project (GTEP) aims to provide immediate support to young people in their quest for employment by providing them with soft skills training, a brief technical training, and in some cases a short internship.

[8] As outlined in a letter from the Prime Minister

Annex 2: Major Related Projects Financed by the Bank and/or other Agencies

GRENADA: OECS (GD) Skills for Inclusive Growth

Sector Issue Addressed (listed in Section B.2)	**Project**	**Latest Supervision (ISR) or OED Ratings (Bank-financed projects)**	
		Implemen-tation Program (IP)	**Develop ment Objective (DO)**
	Status, Amount, Project Objectives		
Bank-financed operations in the OECS			
General Public Administration	**Grenada – OECS Technical Assistance Project (P101322).** This project was approved by the Board on 03/13/2008 for the total amount of SDR 1.2 million (US$1.9 million equivalent). The Project Development objectives are to: (i) improve the efficiency and effectiveness of Customs, (ii) improve the efficiency of tax administration and decrease transaction costs of paying taxes and consequently increase tax compliance, (iii) modernize investment promotion, and (iv) enhance Government's support to the export sector through improving access to trade information and strengthening the capacity of the Bureau of Standards to provide conformity assessment and quality assurance.	S	S
Vocational Training, Social Services, and General Public Sector	**St. Lucia – OECS Skills for Inclusive Growth (P097141).** This project was declared effective on 12/19/2007. Total amount: SDR 2.4 million (US$3.5 million equivalent). The objective of the first phase of the APL is to assist the Government of St. Lucia to increase the employability of youth through private sector driven training.	MS	MS
The OECS countries' resilience, preparedness, and ability to respond to the effects of natural disasters	**Grenada Hurricane Ivan Emergency Project (P092692).** The project is currently active. Additional financing was requested and the closing date was extended to 6/30/2009. Total amount: US$10.0 million. The project aims at supporting the recovery efforts of the Government of Grenada through the financing of critical imports and rehabilitation activities in key social sectors. Due to the catastrophic losses in the education and health sectors, and their core importance to Grenadian society, the focus of this project is to rehabilitate infrastructure in these areas.	S	S
Expand and improve quality of secondary education to make it more equitable	**Grenada – OECS Education Development Program (P077759).** This project is currently active with a closing date of 12/30/08, but the Government has requested an extension to the project. Total amount: US$8.0 million. The objectives are to: (i) increase equitable access to secondary education, including replacing and rehabilitating secondary schools damaged by the passage of Hurricane Ivan on September 7, 2004; (ii) improve the quality and efficiency of Secondary Education, and (iii) strengthen the institutional capacity of the education sector.	MS	MS
	St. Vincent and the Grenadines – OECS Education Development Program in (P086664). This project is currently active, expected to close on 12/30/2008. Total amount: US$6.2 million. Objectives and components same as above.	MU	MS

	St. Lucia – OECS Education Development Program (P077712). This project is currently active, expected to close on 09/30/2008. Total amount: US$12.0 million. Objectives and components same as above.	S	S
	St. Kitts and Nevis – OECS Education Development Program (P075978). This project is currently active, expected to close on 06/30/2009. Total amount: US$5.0 million. Objectives: Same as above.	S	S
Prevent the spread of HIV/AIDS, improve access to care for HIV/AIDS	**Grenada – 2nd Phase APL HIV/AIDS (P076715).** The project is currently active, expected to close 06/30/2009 (revised closing date). Total amount: US$6.0 million. The objectives are: 1) curbing the spread of HIV/AIDS epidemic; 2) reducing the morbidity and mortality attributed to HIV/AIDS; 3) improving the quality of life for persons living with HIV/AIDS (PLWAs); and 4) developing a sustainable organizational and institutional framework for managing the HIV/AIDS epidemic over the longer term.	S	S
	St. Vincent and the Grenadines HIV/AIDS Prevention and Control Project (P076799). The project is currently active, expected to close on 06/30/2009. Total amount: US$7.0 million. The Project will support the national program that aims to prevent and to control the spread of the epidemic, and to mitigate the socio-economic impact of the disease on the population.	S	MS
	St. Lucia HIV/AIDS Prevention and Control Project (P076795). The project is currently active, expected to close 06/30/2009. Total amount: US$6.4 million. The Project will support the national program that aims to prevent and to control the spread of the epidemic, and to mitigate the socio-economic impact of the disease on the population.	S	MS
	St. Kitts and Nevis HIV/AIDS Prevention and Control Project (P076798). The project is currently active, expected to close 06/30/2008. Total amount: US$4.0 million. Project aims to support selected activities of St. Kitts and Nevis' Strategic Plan for the National Response to HIV/AIDS, under the four component: advocacy and behavior change; prevention in high risk groups and general population; access to treatment, care and support for persons living with HIV/AIDS; surveillance, epidemiology and research.	S	MS
Expand and improve tertiary education via use of ICT and improved collaboration	**Caribbean Learning and Knowledge Network** (together with the EU). The overall objective is to contribute to upgrading and diversifying skills and knowledge of the Caribbean people, through greater regional connectivity and collaboration. The project aim is to develop regional capacity to utilize affordable ICT to enhance the competitiveness of its labor force. The main activities are: (i) a series of consultant inputs and workshops in support of tertiary education institutions in the development of strategic planning, financial and human resource management capacity, (ii) support for consultations regarding financing models for tertiary education, (iii) provision of bandwidth access at affordable prices, (iv) workshops to strengthen technical IT and human capacities in the institutions, (v) implementation of region-wide mechanisms and systems to facilitate the movement of knowledge and courses, and (vi) strengthening of the CKLN Foundation to administer the Region-wide elements of the project.		
	OECS Telecommunications & ICT Development Project (P088448). The project is currently active, expected to close	S	S

	12/31/2009. Total amount: US$2.71 million. Improve the access, quality and use of telecommunications and ICT services to achieve socio-economic development in the OECS.		
	St. Lucia Disaster Management Project II (P086469). The project is currently active, expected to close on 12/31/2009. Total amount: US$7.50 million. The project aims at further reducing the country's vulnerability to adverse natural events (hurricane, floods, etc.) through investment in risk management activities. As such, the objectives of the project are to further strengthen (a) infrastructure against the impact of adverse natural events (hurricanes, flooding, etc.) through the implementation of physical mitigation measures; (b) the response capacity in case of adverse natural event (hurricane, flooding, etc.) through capacity building, equipment purchase and investment in emergency infrastructure; and (c) the institutional capacity of the various ministries and agencies dealing with disaster management through the provision of adequate facilities, critical equipment, technical assistance and training.	S	S
Bank-financed operations in LAC on lifelong learning and training			
	Dominican Republic Youth Development Project (P096605). Total amount: US$25.0 million. Project is not yet effective. The project's development objective is to support the Government of the Dominican Republic (GoDR) in improving the employability of poor at-risk youth by building their work experience and life skills, and expanding second chance education programs to complete their formal education.	MU	MU
	Honduras Nutrition and Social Protection Project (P082242). The project is currently active, expected to close on 06/30/2010. Total amount: US$20.0 million. The project development objective is to improve Honduras' social safety net for children and youth. This would be achieved by (i) improving nutritional and basic health status of young children through and expanding the successful AIN-C program, and (ii) increasing employability of disadvantaged youth through piloting a First Employment program. The coordinated implementation of these interventions constitutes the first step towards consolidating the government's institutional and technical capacity to formulate, coordinate, and monitor a comprehensive social safety net. This objective supports government's strategy of fostering human capital investment among poor families in the poorest municipalities of the country to reduce poverty.	MS	MS
Other donor-financed projects in the OECS			
STEP (OAS/CIDA)	The Organization of the American States (OAS) Small Tourism Enterprise Program (STEP), begun in 1998. The program targets the OECS and eight other countries in the Caribbean. The program has two key objectives: 1) enhancing the competitiveness of tourism enterprises to meet international standards, and 2) training and capacity building programs tailored to the requirements of small tourism enterprises. The first component of the program was designed to help small hotels in the Caribbean gain access to technology and provide internet-based training. The second component of the project focused on the need for skills training to improve service quality in the region. The STEP project secured a licensed agreement with the American Hotel and Lodging Association- Educational Institute(AHLA-EI) and with AHLA consent modified the AHLA certified line staff "Skills for Success"		

	training module to be appropriate for the small hotel sector in the Caribbean. The project's central goal-- to increase the competitiveness of small hotels in the region in the global tourism market—has been met and the program has worked with over 7000 small hotel employees. Over 1000 hotel employees from establishments across the Caribbean have been certified and 327 Caribbean trainers certified to continue the delivery of the AHLA certified 'Skills for Success' adapted training module.		
EU	The education projects which the Delegation implemented/is currently implementing in St. Lucia are: National Skills Development Centre (NSDC), the School Feeding Programme, and the Multi-Annual Training Programme. 1) NSDC: NSDC is a relatively new organization established to promote skills training for displaced farmers, farm workers and other un- and under-employed. The on-going programme of support to NSDC provides financing, i.e., for the expansion of coverage (new plant at rural site), the running of training courses at the main centre and the development of job attachment schemes. 2) School Feeding Programme: The overall aim of the project was to develop the human resource base of St. Lucia by improving the quality of access to education and to develop a sustainable school-feeding programme. 3) Multi-Annual Training Programme: The primary aim of the project was to produce highly skilled cadres in specialized areas. Scholarships were provided to candidates selected on the basis of aptitude and a commitment to serve the St. Lucian government. Training took place, at regional universities (University of West Indies) as well as overseas universities (primarily situated in the UK).		

Annex 3: Results Framework and Monitoring

GRENADA: OECS (GD) Skills for Inclusive Growth

Results Framework

95. The objective of the second phase of the APL is to increase the employability of Grenadian youth through public/private sector partnerships for technical and life skills training that is demand driven.

96. This objective has three intermediate outcomes with associated lines of action:

- (Training) to increase job-related competencies among unemployed youth through the establishment of a competitive training mechanism that supports the financing and delivery of demand driven training;
- (Framework) to improve the quality and value of training in Grenada and enhance OECS collaboration in training through the adoption of an occupational standards framework that is validated locally and recognized regionally; and
- (Capacity building) to strengthen institutional capacity to plan, implement, and monitor training.

Results Framework and Arrangements for Results Monitoring

Higher level objectives to which the project contributes: (i) competitiveness of the Grenadian economy; (ii) addressing the challenges of youth unemployment, underemployment, and youth-related crime; (iii) the country's capacity to provide quality training and certification at any level to its populace and facilitate the professional mobility of trained workers to neighboring countries as envisioned under the CSME.

Objectives and Outcomes	Indicators	Use of Project Outcome Information	Baseline value 2008	Target Values YR1 2009	YR2 2010	YR3 2011	YR4 2012	Data Collection and Reporting: Frequency of Reports	Data Collection Instruments	Responsibility for Data Collection
Project Development Objective	**Project Outcome Indicators**									
To increase the employability of youth	Percentage of enrolled youth employed fifteen months after the start of the training- [9]	Monitoring		N.A.	N.A.	65	65	Yearly	Follow-up/tracking of trainees	NTA
	Number of youth certified (NVQ/CVQ) at Level I or above[10]	Monitoring, cumulative number	0	0	167	564	814	Yearly	NTA Certification database	NTA
Intermediate Outcomes										
Intermediate Outcome 1: "to increase job-related competencies among unemployed youth through the establishment of a competitive training mechanism that supports the financing and delivery of demand-driven training"										
To train youth	Number of youth enrolled in the training scheme at Level 1	Monitoring annual numbers	0	250	300	300	310[11]	Every 6 months	NTA Management Information System	NTA
	Number of youth enrolled in the training scheme at Level 2	Monitoring annual numbers	0	0	0	0	40[12]	Every 6 months	NTA Management Information System	NTA

[9] Numerator: Number of persons from the denominator that are employed or self-employed at least 20 hours per week at the time of the interview. Persons that work on a voluntary basis or without remuneration are excluded. Denominator: Number of persons that started the program and for whom sufficient information could be gathered 15 months after the start of the training. The denominator excludes persons pursuing full-time (>20 hours per week) further education.

[10] Any youth age 18-30 that is certified at Level I or above in any occupation by the Grenada NTA / GCTVET. The numbers are cumulative. Age is at time of certification. Example: If a trainee aged 30 is certified in 2010, then this person will still be included in the 2011 number even though he/she will be older than 30 by then.

[11] Training must start by March 2012 for it to be feasible to be completed before the end of the project.

[12] Training must start by March 2012 for it to be feasible to be completed before the end of the project.

Objectives and Outcomes	Indicators	Use of Project Outcome Information	Baseline value 2008	Target Values YR1 2009	YR2 2010	YR3 2011	YR4 2012	Data Collection and Reporting: Frequency of Reports	Data Collection Instruments	Responsibility for Data Collection
To increase job-related competencies among unemployed youth	Number of youth successfully completing a training program. Completing includes: graduating from the technical and life skills modules, and completing the traineeship in a public/private company.	Monitoring Numbers are cumulative over the duration of the project	0	0	200	680	960	Yearly	NTA Management Information System	NTA
	Number of youth trained in the project that are certified at Level I in the occupation for which they were trained	Monitoring, cumulative number	0	0	160	544	742	Yearly	Certification database	NTA
Training is demand driven	Number of private sector companies that take on trainees from the project	Monitoring, all numbers are "at least"	0	30	35	35	45	Yearly	NTA Management Information System	NTA
Successful expansion of the training scheme to other sectors	Percentage of trainees in sectors other than tourism	Monitoring	Not applicable	0	0	10	30	Yearly	NTA Management Information System	NTA
Intermediate Outcome 2: "Component 2: To develop an improved policy framework for delivering training by enhancing OECS collaboration in training and introducing occupational standards to increase quality and value of training"										
Qualifications available	Number of qualifications acquired, validated, adopted and published on the web by the GCTVET	Monitoing, cumulative numbers	0	20	40	55	65	Yearly	NTA Management Information System	NTA
Assessors	Number of certified assessors who have assessed at least five people during the year[13]	Monitoing, cumulative numbers	0	0	17	31	39	Yearly	NTA Management Information System	NTA
	Number of NVQ/CVQ certifications awarded to youth and others	Monitoring, cumulative numbers [14]	0	0	184	620	898	Yearly	2009; NTA records From 2010: Qualifications register	NTA

[13] The numbers are based on training 20, 20, 15, and 10 assessors in years 1 thru 4 respectively, and a yearly 15% attrition rate in assessors.

[14] Calculated as: cumulative number of Level I and II NVQs/CVQs awarded to project trainees, plus 10%. The 10% is to account for certification of persons who have not been trained by the project (whether youth or not).

Objectives and Outcomes	Indicators	Use of Project Outcome Information	Baseline value 2008	Target Values				Data Collection and Reporting		
				YR1 2009	YR2 2010	YR3 2011	YR4 2012	Frequency of Reports	Data Collection Instruments	Responsibility for Data Collection
Intermediate Outcome 3: "Component 3: to strengthen institutional capacity to plan, implement, and monitor training"										
Operationalization of a certification system	National Qualifications register in operation: Certification activity is being recorded in the NTA MIS, and reports are available		No	No	Yes	Yes	Yes	Report to be submitted at supervision missions	NTA Management Information System	NTA
To strengthen institutional capacity to better implement, monitor and plan training through the strengthening of the project implementing agencies	Percentage of above indicators and of additional implementation indicators reported on a yearly basis by the NTA	Monitor the timely reporting of the project implementing agencies	Not applicable	100	100	100	100	Yearly	Review of indicators at supervision	PCU

Arrangements for Monitoring of Results

97. One of the objectives of the project is to contribute to the setup of the National Training Agency (NTA). The monitoring and evaluation of the activities and outcomes of the project will be one of the responsibilities of the National Training Agency.

98. The NTA's Management Information System (MIS) will play the leading role in the collection of M&E data for the project. The Government of Grenada has hired a consultant to design the system in advance of project approval, using funds from a Japanese project preparation grant. Additionally, there will also be a programming consultant who will be hired to program and build the NTA's MIS to the specifications of the design consultant. This will be supported under the project and it is eligible for retroactive financing if contracted in advance of the project effectiveness date.

99. The monitoring and evaluation system will develop procedures and tools to track the following key aspects of the project:

a. adoption of standards
b. registration and participation of employers in the training scheme
c. auditing and approval of training or assessment facilities
d. qualification of assessors
e. pre-qualification and accreditation of training providers
f. participation of training providers in the training scheme
g. submission and selection of training course proposals to the NTA
h. application of youth to the training scheme
i. registration and counseling of youth applicants into training courses
j. attendance of and payment of stipends to trainees during pre-service training
k. completion of pre-service training by trainees
l. assessment of trainees in competency units leading to qualification
m. attendance of and payment of transportation allowance to trainees during traineeship
n. completion of traineeship
o. certification of trainees on their qualifications as well as other individuals who are not in the program but have the required skills and have been assessed. This includes the development of a National Qualifications Register that will have information on individuals and their qualifications.

Arrangements for Evaluation of Results

100. The following activities will be carried out to evaluate the results of the project, and give feedback for improvement of it:

a. short exit survey for trainee dropouts
b. quick satisfaction survey of trainees at the middle of the pre-service training
c. focus groups of trainees (including dropouts), employers, and training providers
d. online survey of training providers and employers
e. tracking survey of trainees at various points after the start of the training
f. summative evaluation report between 17-20 months after the start of the training

Annex 4: Detailed Project Description

GRENADA: OECS (GD) Skills for Inclusive Growth

101. This design of this project will draw upon the design and early lessons learned in a similar training project in St. Lucia developed under the first phase of the APL. Hence, the description of the Grenada project is expected to resemble that of St. Lucia. The project will consist of three interlinked components:

Component 1 – Skills training for unemployed youth;
Component 2 – Establishing an occupational standards framework to improve the quality and value of training; and
Component 3 – Institutional strengthening and project management

102. The components are closely linked in the sense that Component 1 will support the delivery of the skills training to unemployed youth by financing a competitive, demand-driven training scheme while Component 2 will support policies and regulation that enhance the quality and value of training delivered and the sustainability of the training scheme financed under Component 1. Component 3 will finance the strengthening of institutional capacity and project management to carry out the establishment of the framework and provision of quality training in a sustainable manner. A monitoring and evaluation system will contribute to evidence-based decision making and the agility to adapt to changing market needs.

103. Specific disbursement and procurement arrangements will be defined during project preparation. The aim is to keep the design simple. Financing of training (component one) will be against training course proposals, based on per capita amount per trainee. One objective will be to incorporate a performance-based incentive to training providers to ensure quality delivery. A final percentage of the payment would be contingent on the trainee's completion of the course and certification.

I. Component 1: Skills Training for Unemployed Youth (US$2,090,000)

104. This component will finance the training of approximately 1,200 unemployed youth through a competitive, demand-driven training scheme. The objectives of the training scheme are to provide quality, competency-based skills and life training to vulnerable youth, and to ensure that the training corresponds to labor market needs. Based on international best practice and specific experience through the St. Lucia project and prior skills training efforts in Grenada, six principles acquired through lessons learned are being employed to guide the design of Grenada's training scheme: (i) training is demand driven and offered in partnership with the private sector; (ii) training addresses issues of employability and career mobility of the workforce; (iii) training combines behavioral/life skills and technical skills modules; (iv) training is delivered in short and focused modules; (v) training includes a monitored apprenticeship in companies; and (vi) the training scheme seeks efficiency, quality and value of training through regional collaboration, recognition and portability of skills.

105. Training will be targeted to unemployed youth ages 18-30 who are secondary school leavers (drop outs or graduates).

106. Training will begin with the combination of a short, life skills and technical skills module that meets at least the minimum criteria for level one certification (about 340 hours of technical training). This will be followed by a structured apprenticeship with a participating public/private employer that is monitored by the training provider. Throughout the training scheme, certified assessors will be utilized to administer periodic competency assessments of the trainees. Upon completion of the technical and apprenticeship process, trainees meeting the competencies for level one certification will earn a national vocational qualification certificate (NVQ). The project will begin offering training for entry level trainees in one or two sectors (most likely the hospitality and construction sectors according to the Employers' Needs Assessment) in the first year of implementation. Once the implementing agency has gained experience and critical parts of the framework supported under Component Two are in place, expansion to other sectors (horizontal) and levels (vertical) is envisioned. The timing and pace of expansion will be finalized during the appraisal mission.

107. The training scheme will organize and finance training of young unemployed individuals on a regular basis. Each "round" of training entails the following steps:

(i) outreach to, and enrollment of, trainees, training providers, and employers;
(ii) a call for training course proposals in specific employment sectors;
(iii) matching eligible trainees, firms and training providers;
(iv) three to four months of pre-service training, including a life skills module and a technical skills module, using a standards-based curriculum;
(v) four months apprenticeship with an employer/firm;
(vi) assessment and certification of each trainee's skills by certified assessors; and
(vii) monitoring and evaluation at each step of the process and after certification.

108. **Trainee stipends and financing.** The project will pay each trainee a modest stipend to provide minimum income support for the trainee to undertake the training and offset the costs of, for example, transportation and child care in order to participate. During the life skills and technical training coursework, the stipend will be EC$15/day (equivalent to US$5.57/day) and during the apprenticeship the stipend per day increases slightly to EC$20/day (US$7.44/day) since many businesses are not located directly in St. Georges (an extra bus trip is included). The stipend during the coursework and life skills is financed by the credit and the stipend during the apprenticeship is financed by the employer.

109. Unit Cost for the Training Scheme. The unit cost per trainee has been estimated based on adjusted average of skills training provided by entities in Grenada varying from the T.A. Marryshow Community College's technical and vocational program to the NEWLO program. The cost for training one participant includes the following:

	Training components	**Unit cost**
1.	life skills training (60 hours) - instructor's fee, classroom rental and stipend to trainee	US$137.64
2.	technical classroom training (approx. 340 hours) - instructor's fee plus associated costs and stipend to trainee	US$1,029.03
3.	apprenticeship (approx. 616 hours) - stipend to trainee.	US$491.03
	Total	US$1,657.71

110. The life skills and technical classroom training combined will take place at training facilities including secondary schools[15] that are equipped with technical and vocational education classrooms. The courses will most likely be offered 4 hours per day. The apprenticeship will follow at 8 hours a day for three and a half months[16].

111. As detailed above, the unit cost is composed of the training tutor's hourly fee, times the duration of the course, materials and equipment, and a stipend for the trainee. The unit cost will be reviewed annually to ensure that it remains in sync with average market rates for training. Calculation of the unit cost is detailed in Annex 5.

112. The cost was also compared to the actual costs of other vocational training programs in Latin America and the Caribbean countries. Other vocational training programs targeted to young people in Latin America and the Caribbean are estimated from a low of US$691 for the PROJoven program in Peru to about US$1,50017. The St. Lucia Skills for Inclusive Growth Project has a unit cost of US$1,351 which includes the pre-service training and the apprenticeship. The costs in Latin America and the Caribbean countries are comparatively lower than OECD countries. Costs of programs in OECD countries such as Canada, the UK and the United States range from $950 for the New Deal for the Young Unemployed in the UK to $17,151 for the U.S. Job Corps. Program costs vary depending on their duration and intensity. Also, inclusion of variable costs as well as fixed costs determines these differences.

113. Key criteria for private sector willingness to participate in both the training and the mandatory youth apprenticeship scheme was explored through focus groups with stakeholders. Feedback from focus groups and the Employers' Needs Assessment showed that employers are willing to contribute when they are sure the investment will directly benefit them versus a contribution through a general levy for training. Grenadian businesses expressed a willingness to pay the cost of the stipend to the trainee during the apprenticeship period which is a customary practice. They may also be willing to contribute a small percentage to the technical classroom training, but reactions were mixed. It is likely that positive results of the training scheme will demonstrate returns that would persuade businesses to invest.

114. The project's impact will depend critically upon its ability to attract unemployed youth, employers, and training providers. Through the assistance of a PHRD grant during project preparation, these three groups of stakeholders have been consulted by means of focus groups, representative membership on the government's preparation team, and ad-hoc meetings. They will continue to inform project design during preparation.

115. The following sections detail the proposal and matching process under Component I. It includes: the generation of training course proposals, the selection and evaluation process, the application of trainees, and matching them to a selected course. A detailed diagram of the process is illustrated in Figure 2.

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[15] After regular school hours.

[16] Length of the apprenticeship will be verified during appraisal. It could be reduced to about three months.

[17] Shown in 2005 USD.

A. Generation of Course Proposals

116. The following steps detail the generation of proposals by employers and eligible training providers:

- Eligible employers review their training needs and capacities.
- The NTA provides a list of pre-qualified training providers to firms or associations or other eligible parties.
- The NTA initiates a call for training course proposals. Proposals must either (i) respond to a direct need for trained persons identified by the private sector; or (ii) respond to a need for training identified by the Ministry of Economic Development and Planning (MOEDP) in response to a forecasted demand for skills based on national economic development priorities or prospects. The needs for training in (ii) will be made public at the time of the call for proposals so that providers can prepare proposals to address them.
- Proposals are prepared and submitted by the training providers, in collaboration with employers. Proposals can be generated in one of four ways:
    - Initiation by Training Provider: Eligible[18] training providers contact employers directly. Providers propose training and agree with employers on training a certain number of trainees in agreed areas of training (average course size should be 15-20 trainees).
    - Initiation by firms and brokering by a sector association. A sector business association, such as the Grenada Hotel and Tourism Association (GHTA), or another institution coordinates a training proposal for several (smaller) employers.
    - Initiation by firms and brokering by the NTA: Firms can submit a request for training of a certain number of trainees to the NTA. The NTA will seek to incorporate those requests with other proposals or act as a broker. However, the proposal would be submitted by a training provider to the NTA, not by the NTA itself.
    - Response by a training provider to a need for training identified in the call for proposals: A training provider may choose to respond to a need for training identified by the NTA in the call for proposals. Conditions for the proposals (endorsement of traineeships by employers) will be required as for other proposals.
- The training proposals are submitted to the NTA. These proposals are binding to the training providers/employers submitting them. This means that, if they are approved for funding, training providers and employers are bound to execute the training. Potential sanctions include exclusion from participation in future calls for proposals.

B. Selection of Winning Submissions

117. The following steps detail the process of selecting the winning proposals

- The Ministry of Finance / PCU sets the annual budget availability for the project.

[18] In the initial phase of the project, eligible training providers will be those who are pre-qualified. Once the accreditation system is operational, the NTA may decide to render the eligibility criteria more stringent and limit eligibility to accredited training providers.

- A technical evaluation committee for each sector will review the training proposals and ensure that the proposals meet the eligibility criteria (see Table 2). This body will consist of well-respected and independent individuals who have no conflict of interest with the training proposals. In particular, the members cannot be linked to any submitted training proposal. The committee, as a minimum, will consist of: a training expert from the NTA, a pedagogy specialist, and a recognized sector specialist. The technical evaluation committee submits its recommendations for approval to the Steering committee that will make the final selection.
- In case the demand for funds exceeds the amount allocated for training, the technical evaluation committee will use these additional pre-defined and published selection criteria to select the winning proposals:
  - The technical quality of the proposals.
  - The amount that the firms/employers are willing to co-finance.
  - Preferential treatment for small establishments (less than 50 employees).
  - Prior performance of training providers
  - Prior performance of employer

  The operational manual will establish the following selection criteria: (i) minimum level of quality required to be acceptable; (ii) specifications for the cost of training: fixed cost with competition on quality, or a combination of cost and technical quality; (iii) Maximum allowable price per trainee.

C. Application and Matching of Trainees

118. Matching the right trainee to employer and training provider is critical to maximize the probability of success at the end of the program. This requires a trilateral match in that: (i) the capabilities and attitudes of the trainee must meet the needs of the employer, and the trainee must have interest in working with the employer; (ii) training must respond to the employer's needs; and (iii) trainees have the abilities to learn enough during the pre-service training to successfully complete the training, and the training adequately imparts knowledge to the trainees. At the same time, it is important that the courses be offered to youth that belong to the target group of the project.

119. The following steps detail the process of enrolling and selecting interested youth:

- In order to manage expectations and to ensure commitment of the applicants, the application process for trainees will start only when the NTA has determined which courses will be available.
- The NTA will coordinate an intensive outreach campaign to inform and attract youth into the program. This outreach will include Community Development Officers. The CDOs will invite interested youth to apply for the program at the local training center or secondary school. In each of those centers, youth will be informed about the courses available and will be asked to fill in an application form.
- The information will be entered immediately into a web based system by registration personnel. The web based system will record the time and date of registration through a time stamp. Youth will be required to present their national ID and their National Insurance Scheme (NIS) number if they possess one.

- The web based system will be hosted at the NTA, which will administer the database of applicants. The database should have built-in checks that allow it to evaluate the following eligibility criteria: (i) age; (2) self-reported work experience and training.
- The NTA will check the remaining eligibility criteria. Table 4.1 details the eligibility criteria and their means of verification. Checking of the eligibility criteria will be done on an ongoing basis as the registration process proceeds, to ensure prompt completion of the process. It will be done in the order of application, using the time and date stamp in the database to determine this order.
- Young persons who have applied or are interested may attend an orientation session, which is a group session that outlines the program including the structure of the training, expectations from participants, etc.
- For the youth that is determined to be eligible and in the order of application, the NTA will schedule an appointment with applicants to attend a counseling session. The aims of the counseling session are the following: (i) confirm the eligibility of the applicant for the program, through verification of any outstanding criteria; (ii) identify strengths and weaknesses in trainee aptitude, and identify trainee interests; (iii) recommend possible training areas and occupations best suited to the trainee; (iv) identify whether the trainee has sufficient literacy in order to successfully complete a Level I training; (iv) if appropriate, recommend the courses best suited to the trainee's aptitudes and interests. Applicants whose level of literacy is found to be insufficient will be required to enroll in "Yes I Can," a remedial program offered by the Ministry of Education, in order to be allowed to enroll in a "Skills for Inclusive Growth" course.
- The results of the counseling session, including recommended courses, will be entered into the NTA database by the counselor.

120. Matching of eligible and counseled applicants to winning proposals

- The NTA verifies the number of trainees required from the winning proposals.
- The final decision on which trainees will be assigned to which courses will be made by the NTA.

Figure 4.1: Call for Training Course Proposals, Selection, and Matching Mechanism

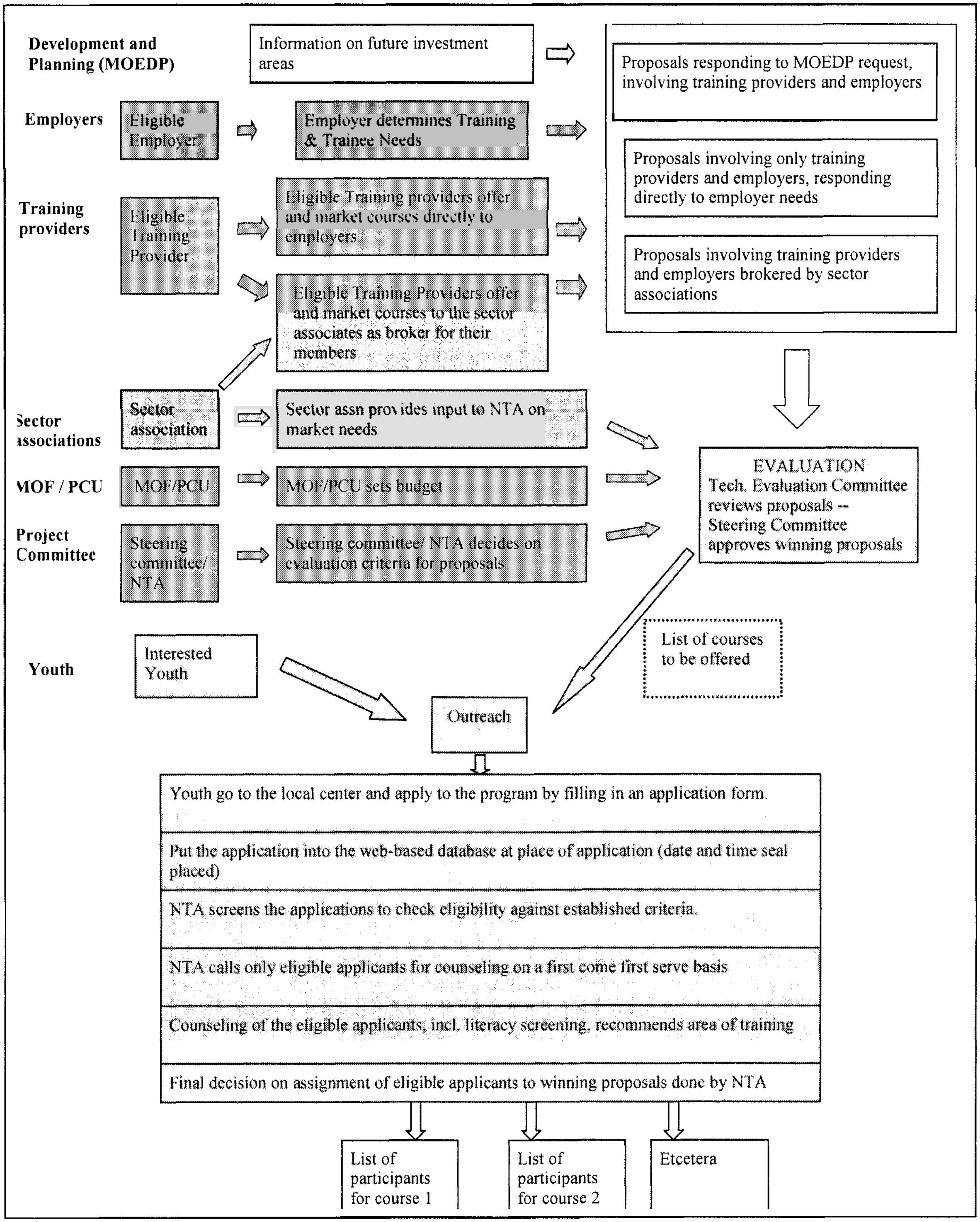


Table 4.1: Eligibility Criteria

Eligibility Criteria	Means of verification	Procedures and timeline for verification	Responsible person or unit for verification
Youth			
1. Currently unemployed. (At the time of application, the candidate does not have a regular job or is not normally self-employed)	The trainee will sign a waiver certifying that she/he is unemployed.[19] *Note: Communication with community officers in case of doubt*	At the time of counseling Tracked in the database	Counselor to collect the declaration
2. Between the ages of 18 and 30.	Birth certificate, passport or other government issued document	At the time of counseling. Tracked in the database	Counselor
3. Maximum of six months work experience or internship in the sector of training Eg. 3 months internship plus 4 months formal work disqualifies the person.	*Formal work experience:* Check National Insurance Scheme database for contribution to pension. A person will have deemed to be employed if she contributed to the NIS during a month, through an employer from the sector of the course. Self-employed persons are considered formally self-employed if they have paid contributions to the NIS.	Cross checking will be done on the basis of NIS numbers. For persons that do not give their NIS number in their application, names will be looked up in the NIS database.[20] This will need to be done separately for each course applied for, as they may be related to different sectors.	Need to program a small application to check each applicant's eligibility.
	Internship: - cross check the applicant with the IMANI database - cross check the applicant with the GTEP database - cross check the applicant with the TAMCC database	Cross checking will be done on the basis of NIS number and/or name of the applicant. If possible, it will be programmed within the database.	NTA and MOE IT officer
4. No previous formal training in sector of training	Verification with existing training providers	Varies depending on the training provider.	NTA
5. Three CXC passes or less. Note: there is no required minimum number of CXC's.	Ministry of Education's CXC records.	Check applicants name in the CXC database at the MOE.	Office of the Chief Planning Officer

[19] Participants who knowingly misrepresent information will be excluded from benefiting from the training scheme in the future. The operational manual will specify what this means, eg. Whether their training is discontinued right away or whether they will be allowed to finish the training. They will also forfeit their stipend if found to have knowingly misrepresented information.

[20] The NIS database for cross-checking will need to contain: records of payment for all persons between the ages of 16 and 30, for the past three years, including the sector or industry of occupation. For each course, the NTA will need to determine what are the industry codes in which experience will be counted towards "experience".

Eligibility Criteria	Means of verification	Procedures and timeline for verification	Responsible person or unit for verification
6. Functional Literacy	A test and/or evaluation module	Evaluated at the counseling session	NTA
Employers			
1. Formal firm	Registered in a National Database The operational manual will define which database.	Automatic link And/or Manual look-up as specified in the operational manual.	NTA
2. Belong to an eligible economic sector Non-members of the sector association must submit documentation that they belong to an eligible sector.	*Employers who are members of the sector association* are automatically eligible for participation in the training scheme (GHTA in the case of the hospitality sector).[21] *Employers who are not members of the sector association* must submit documentation that they belong to an eligible sector.	Manual cross-checking of the employers in each proposal against the list of members of the sector association. During the evaluation of the training proposals. Sufficiency of the documentation will be verified during the evaluation of the training proposals.	By technical evaluation committee and/or NTA as specified in the operational manual. By technical evaluation committee and/or NTA as specified in the operational manual.
3. Capacity and Commitment to Train	Designates a firm mentor to each group of trainees for the traineeship. Participates in mentor training. Maintains records on the training and trainees. Has committed to pay stipend to trainee. Signed proposal with Training Provider.		
Training providers			
1. Meet the pre-qualification criteria, by: (i) Completing the pre-qualification process in Grenada	The M&E system will permit the extraction of a list of pre-qualified providers at any point in time. The means of verification of the 3 criteria are noted below. The M&E system will keep track of the process of pre-qualification and accreditation of each training provider who applies for it.	Manual check of each proposal against the list of pre-qualified providers	By technical evaluation committee and/or NTA as specified in the operational manual.

[21] However, in exceptional cases, the evaluation committee can declare a member firm ineligible if it has a very weak link to the hospitality sector.

Eligibility Criteria	Means of verification	Procedures and timeline for verification	Responsible person or unit for verification
(ii) The training provider is pre-qualified in one of the other projects that are part of the OECS Skills for Inclusive Growth Program. (e.g. St. Lucia) (iii) The training provider is accredited by a recognized foreign training accreditation body.	The M&E system will also keep track of the process of pre-qualification and accreditation of each training provider who applies for it in The provider will submit proof of current accreditation with the foreign accreditation body. The list of acceptable foreign accreditation bodies will be included in the operational manual, and will be revised on a periodic basis by the GCTVET.		
There are no restrictions on the nationality of the trainers	N/A	N/A	N/A
Occupations			
Occupations for which standards have been adopted in the Caribbean Vocational Qualification (CVQ)	CARICOM database for adopted occupational standards		

II. Component 2: Establishing an Occupational Standards Framework to Improve the Quality and Value of Training (US$440,000)

121. This component will finance activities related to the adoption of an occupational standards framework that is regionally recognized and adapted to the local context. This will include the introduction of occupational standards, their vetting by local industries, and the establishment of quality assurance processes. The latter will include: training a cadre of assessors and inspectors, accreditation of training providers, and certification of trainees based on competencies. This framework will not only serve the training financed by the project's first component, but it will also serve the wider national training system including TVET at the secondary school level. The process will involve OECS-wide collaboration, as several OECS countries are moving towards the introduction of this type of framework on a comparable time line and in accordance with CARICOM recommendations. OECS-wide collaboration will allow countries to reap the benefits from economies of scale and will help prepare them for the CSME.

122. Technical consultancies with established regional training agencies will assist the government to administer the training of assessors and inspectors who will be responsible for conducting the facilities inspections of training providers and assessing their qualifications to be recognized as pre-qualified and eventually accredited training providers. The technical assistance will also assist the project to strengthen Grenadian personnel who have already completed initial training in the certification of trainees based on competencies.

III. Component 3: Institutional Strengthening and Project Management (US$1,950,000)

123. This component aims to strengthen institutional capacity of the implementing agency to plan, implement, monitor training, and manage the project.

124. *Subcomponent 3.1. Institutional Strengthening.* This subcomponent will support the Grenada Council for Technical and Vocational Education and Training (GCTVET) and the associated National Training Agency (NTA) in their role of establishing TVET policy and promoting the adoption of a regional, standards-based occupational framework. The GCTVET was approved by Cabinet in July 2007, and the NTA is currently being established. NTA would be a small operational arm of the GCTVET. The mandate of GCTVET is to function as a decision making body, which determines the national policy for technical and vocational training. The GCTVET is composed of TVET officials at the Ministry of Education and representatives of the main stakeholders. The GCTVET would direct the validation and ratification of standards, allocate financial resources made available, ensure the quality of the training and assessment processes, and monitor the performance of training assistance. The NTA would consist of a small core of technical professionals who would coordinate technical inputs for standards validation, training provider accreditation, the calls for training proposals, and trainee registration and certification. It would call upon trained professionals to carry out assessments, inspections and certifications, and to serve on training proposal evaluation committees. This core staff should include professional counselors and may draw upon MOE guidance counselors to help select and guide potential trainees.

125. While the government of Grenada has allocated a budget for both agencies, the project would help facilitate their mandates, structure, responsibilities, reporting, financing, and involvement throughout project implementation. The project will also facilitate the acquisition of technical assistance from organizations such as the Caribbean Association for National Training Agencies (CANTA), the Jamaica HEART Trust, and the Trinidad and Tobago NCTVET. The benefits from these investments in GCTVET and NTA are expected to accrue both during and beyond the project's life span. The MOE has been identified as the agency responsible for implementation of the project. The GCTVET and NTA are established semi-autonomously under the direction of the Ministry of Education.

126. *Subcomponent 3.2 Project Management.* This subcomponent would support the implementing agency and PCU to closely monitor and evaluate the implementation of the project. It would support the design and development of a management information system (MIS) that would be accessible to the project and multiple agencies requiring labor market data for evidence-based planning and decision-making.

127. The subcomponent would support process evaluations, longitudinal surveys, a tracking study of the trainees, and a variety of feedback mechanisms from the stakeholders involved in order to continually improve the outcomes of the training program. The project would also support staff for the National Training Agency and the Project Coordination Unit. Annual financial audits would be conducted.

128. *Subcomponent 3.3 Communications Campaign.* This subcomponent would support a targeted communications campaign focusing on the three main stakeholders: youth, training

providers, and employers. It would be instrumental in communicating information about the training scheme, call for proposals, and trainee registration under Component One and the dissemination of information regarding the roll out of the occupational standards framework for Component Two.

Annex 5: Project Costs

GRENADA: OECS (GD) Skills for Inclusive Growth

Table 5.1: Project Cost by Component / Subcomponent and Financier (US$)

Components by Financiers (US$)	Private Sector		Government		IDA		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
A. Skills Training for Unemployed Youth								
1. Skills Training	589,236	28.2	-	-	1,502,446	71.8	2,091,682	46.7
B. Establishing the Standards Framework for Training								
1. Intro of Standards, Accreditation & Quality Assurance, Certification	-	-	-	-	434,120	100.0	434,120	9.7
C. Institutional Strengthening, Project Management and Public Awareness								
1. Institutional Strengthening	-	-	156,589	34.7	294,996	65.3	451,585	10.1
2. Project Management	-	-	671,857	56.7	514,035	43.3	1,185,892	26.5
3. Public Awareness	-	-	69,517	21.9	248,214	78.1	317,731	7.1
Subtotal Institutional Strengthening, Project Mngmnt and Public Awareness	-	-	897,963	45.9	1,057,245	54.1	1,955,208	43.6
Total PROJECT COSTS	589,236	13.1	897,963	20.0	2,993,812	66.8	4,481,010	100.0

Table 5.2: Project Cost Summary by Component in EC$ and US$

Components Project Cost Summary	(EC$) Total	(US$) Total
A. Skills Training for Unemployed Youth		
1. Skills Training	5,591,139	2,079,882
Subtotal Skills Training for Unemployed Youth	5,591,139	2,079,882
B. Establishing the Standards Framework for Training		
1. Intro of Standards, Accreditation & Quality Assurance, Certification	1,084,767	403,529
Subtotal Establishing the Standards Framework for Training	1,084,767	403,529
C. Institutional Strengthening, Project Management and Public Awareness		
1. Institutional Strengthening	1,136,437	422,750
2. Project Management	2,823,051	1,050,164
3. Public Awareness	768,825	286,000
Subtotal Institutional Strengthening, Project Management and Public Awareness	4,728,313	1,758,914
Total BASELINE COSTS	11,404,218	4,242,325
Physical Contingencies	12,423	4,621
Price Contingencies	629,211	234,064
Total PROJECT COSTS	12,045,852	4,481,010

Table 5.3: Project Components by Year (US$)

(US$)	Totals Including Contingencies				
	2009	2010	2011	2012	Total
A. Skills Training for Unemployed Youth					
1. Skills Training	442,247	520,924	521,432	607,079	2,091,682
Subtotal Skills Training for Unemployed Youth	442,247	520,924	521,432	607,079	2,091,682
B. Establishing the Standards Framework for Training					
1. Intro of Standards, Accreditation & Quality Assurance, Certification	223,135	90,548	75,179	45,258	434,120
Subtotal Establishing the Standards Framework for Training	223,135	90,548	75,179	45,258	434,120
C. Institutional Strengthening, Project Management and Public Awareness					
1. Institutional Strengthening	225,828	164,316	59,601	1,840	451,585
2. Project Management	285,723	255,639	312,640	331,890	1,185,892
3. Public Awareness	109,180	65,508	69,438	73,605	317,731
Subtotal Institutional Strengthening, Project Managmnt &Public Awareness	620,730	485,463	441,680	407,334	1,955,208
Total PROJECT COSTS	1,286,112	1,096,935	1,038,292	1,059,671	4,481,010

Table 5.4: Disbursement Accounts by Financiers (US$)

Disbursement Accounts by Financiers (US$)	Private Sector		The Government		IDA		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
A. Goods, Works, Services, & Op Costs								
2. Computer Equipment	-	-	-	-	21,747	100.0	21,747	0.5
3. Office Equipment	-	-	-	-	5,043	100.0	5,043	0.1
4. Furniture	-	-	-	-	7,384	100.0	7,384	0.2
5. Materials and Supplies	-	-	-	-	23,869	100.0	23,869	0.5
6. Standards & Licenses	-	-	-	-	27,695	100.0	27,695	0.6
7. International Technical Assistance	-	-	-	-	75,354	100.0	75,354	1.7
8. Regional Technical Assistance	-	-	-	-	147,943	100.0	147,943	3.3
9. National Technical Assistance	-	-	69,517	9.4	672,452	90.6	741,969	16.6
10. Studies and Research	-	-	-	-	164,409	100.0	164,409	3.7
11. Training - Admin & logistics	-	-	-	-	136,145	100.0	136,145	3.0
12. Fellowships	-	-	156,589	55.0	127,877	45.0	284,465	6.3
13. Study Tour	-	-	-	-	50,933	100.0	50,933	1.1
14. Fees for assessors and inspectors	-	-	-	-	132,947	100.0	132,947	3.0
Subtotal Goods, Works, Services, & Op Costs	-	-	226,106	12.4	1,593,796	87.6	1,819,902	40.6
B. Skills Training								
2. Lifeskills & Tech Training	589,236	29.6	-	-	1,400,016	70.4	1,989,252	44.4
Subtotal Skills Training	589,236	29.6	-	-	1,400,016	70.4	1,989,252	44.4
C. Incremental Recurrent Costs								
1. Incremental Salaries	-	-	521,090	100.0	-	-	521,090	11.6
2. Operating Costs	-	-	150,767	100.0	-	-	150,767	3.4
Subtotal Incremental Recurrent Costs	-	-	671,857	100.0	-	-	671,857	15.0
Total PROJECT COSTS	589,236	13.1	897,963	20.0	2,993,812	66.8	4,481,010	100.0

Table 5.5: Expenditure Accounts by Components /Subcomponents (US$)

	Totals Including Contingencies				
	2009	2010	2011	2012	Total
I. Investment Costs					
B. Goods					
1. Computer Equipment	21,747	-	-	-	21,747
2. Office Equipment	5,043	-	-	-	5,043
3. Furniture	7,384	-	-	-	7,384
4. Materials and Supplies	22,044	573	608	644	23,869
5. Standards & Licenses	19,874	2,457	2,604	2,760	27,695
Subtotal Goods	76,092	3,030	3,212	3,404	85,738
C. Consultant Services					
1. International Technical Assitance	57,680	10,045	3,703	3,926	75,354
2. Regional Technical Assistance	68,608	37,831	27,145	14,359	147,943
3. National Technical Assistance	282,884	121,605	163,967	160,380	728,836
4. Studies and Research	72,100	21,836	57,865	-	151,801
Subtotal Consultant Services	481,273	191,316	252,681	178,665	1,103,934
D. Non Consultant Services					
1. Training - Administration & Logistics	23,476	12,944	17,441	14,696	68,557
2. Fellowships	165,624	150,668	17,360	18,401	352,053
3. Study Tour	63,540	-	-	-	63,540
4. Honorariums/Fees	14,538	13,080	7,986	6,978	42,582
Subtotal Non Consultant Services	267,178	176,692	42,787	40,075	526,732
E. Skills Training					
1. Lifeskills & Technical Training Y1&Y2	291,670	350,004	350,004	408,338	1,400,016
3. Apprenticeship Stipend	122,758	147,309	147,309	171,861	589,236
Subtotal Skills Training	414,428	497,313	497,313	580,199	1,989,252
Total Investment Costs	1,238,970	868,351	795,992	802,343	3,705,657
II. Recurrent Costs					
A. Incremental Salaries	13,802	191,699	203,201	215,884	624,587
B. Operating Costs	33,341	36,885	39,098	41,444	150,767
Total Recurrent Costs	47,143	228,584	242,299	257,328	775,354
Total PROJECT COSTS	1,286,112	1,096,935	1,038,292	1,059,671	4,481,010

Table 5.6: Unit Cost Per Trainee

Stipend per participant	hours per day	total hours	No.of days	No. of months	Stipend per day	Total stipend EC	Total stipend USD
upfront life skills	4	60	15	0.68	15	225	83.70
technical training	4	340	85	3.86	15	1275	474.30
apprenticeship	8	528	66	3.00	20	1320	491.03
total		**928**	**166**	**7.55**		**2820**	**1049**
	Unit	**Quantity**	**Unit cost in EC**	**Unit Cost in USD**	**Base Cost in EC**	**Base Cost in USD**	**Base cost in USD per student**
Life skills training (upfront part)					**7,400**	**2,753**	**137.64**
- Tutor's fee	Hrs	60	45	17	2,700	1,004	50.22
- Classroom rental	Per session	1	200	74	200	74	3.72
- Student Stipend during upfront life skills	Per day/studnt	15	15	6	4,500	1,674	83.70
Technical training					**55,325**	**20,581**	**1,029.03**
- Tutor's Fee	Hrs	340	45	17	15,300	5,692	284.58
- Student Materials	Per Student	20	60	22	1,200	446	22.32
- Consumables	Per course	1	12,500	4,650	12,500	4,650	232.50
- Classroom utilities	Per Session	43	5	2	213	79	3.95
- Lab Equipment room utilities	Per Session	43	5	2	213	79	3.95
- Classroom Rental	Per course	1	200	74	200	74	3.72
- Lab Equipment and Room Rental	Per course	1	200	74	200	74	3.72
- Student Stipend during the training	Per day/studnt	85	15	6	25,500	9,486	474.30
Apprenticeship					**26,400**	**9,821**	**491.03**
- Student Stipend during the internship	Per day/studnt	66	20	7	26,400	9,821	491.03
Cost per course					89,125	33,154	1,657.71
Cost per student					4,456	1,658	1,657.71
course (technical + life)							608.68
stipend during technical + life course							557.99
stipend during apprenticeship							491.03

Annex 6: Implementation Arrangements

GRENADA: OECS (GD) Skills for Inclusive Growth

Background: Current TVET training situation in Grenada

129. Diagnostic of the current situation. In 2007, the GoG commissioned three survey studies: (i) a review of Current Skills Training Programmes in Grenada; (ii) an Employers Needs Assessment Survey; and (iii) a review of Labour Market Data and Information Systems in Grenada. A summary analysis of the three reports identified the following weaknesses in the delivery of TVET in Grenada:

a. Absence of reliable labour market information or a comprehensive manpower needs analysis,
b. Inadequate levels of literacy and numeracy in the majority of entrants to TVET,
c. Deficiencies among teachers in their own specialist areas, basic communication, interpersonal skills and pedagogical competencies,
d. Inadequate equipment and facilities for training,
e. Acute shortage of consumables for training in practical skills,
f. An assessment process that is overly theoretical,
g. Questionable validity of the learning assessment system,
h. The absence of career guidance and counselling,
i. The absence of a well-organized apprenticeship programme, and
j. Extremely limited display in personal skills by trainees.

130. Current TVET context: At present, technical and vocational education occurs at Secondary, Post-Secondary and Tertiary levels in the educational system. Grenada has a total of 19 secondary schools which provide Technical and Vocational Education and Training (TVET) in one or more areas.

131. At the Post-Secondary level TVET is concerned with occupational training. Each institution is co-funded or fully funded by the Government and has its own emphasis, with programmes at different levels. Among these institutions there is a wide range of certification and qualifications but, as yet, no system of articulation and accreditation is in place. However, work has started on establishing such a system based on the Regional Qualifications Framework.

132. TAMCC is the main provider in the post-secondary TVET training sector. Its School of Applied Arts and Technology provides several types of technician training at the Certificate and Associate Degree levels in areas including Building Technology, Mechanical Engineering, Hospitality Studies and Electrical/Electronic Technology. These departments offer seventeen (17) programs, namely Building Technology, Consumer Electronic Technology, Micro-Computer Repair, Industrial Engineering Technology, Hospitality Studies, Food and Beverage Operations, Nutrition & Food Management, Nutrition & Food Management with Teacher Education, Plumbing Technology, Electrical Engineering Technology, Refrigeration & Air Conditioning, Automotive Technology, Auto Collision Repair, Welding, Machine Shop Technology, Food and Beverage Operations, and Front Office Operations. The institution is reviewing its TVET provisions to improve on its quality of delivery.

133. There is a wide *range of private institutions* which provide technical and vocational training, mainly in the areas of computer studies and crafts. No standards or guidelines exist for these training providers. The public service and some private sector organizations provide training relevant to managers and supervisors.

The National Qualification Framework

134. *The proposed National Qualifications Framework would have six functions*: (i) quality assurance of TVET through accreditation; (ii) regulating the delivery of TVET making use of existing structures; (iii) producing National Occupational Standards of Competence; (iv) awarding Grenadians with National Vocational Qualifications (NVQs & CVQ's); (v) organizing the National Apprenticeship Programme; (vi) organizing the implementation of a Labour Market Survey system that links demand for and supply of occupational skills; (vii) providing a link between industry and training providers regarding occupational roles.

135. *The proposed National Qualifications Framework would target the following groups of beneficiaries*: (i) participants of the general education system at primary, secondary and tertiary levels; (ii) unemployed youth; (iii) adults who seek further training and re-training opportunities; (iv) adults with prior learning or training who seek certification/qualifications.

Institutional arrangements for Grenada's national training system

136. The Government of Grenada has decided that the institutional TVET infrastructure would include:

(iv) *The Grenada Council for Technical and Vocational Education and Training (GCTVET)*, which would function as an advisory body to the Minister of Education with regard to policies, strategies and programmes for the management of TVET. *Where appropriate, the Council shall have executive authority to decide and direct with regard to overall TVET strategy and specific programmes and projects.*

(v) *A National Training Agency (NTA)*, (consisting of technical professionals) which would be responsible for, among other things, general co-ordination, planning, supervision, standard setting and validation, training provider accreditation, programme accreditation and trainee certification, quality assurance etc.

(vi) *Lead Industry Advisory Committees* would take the lead on adapting and vetting the occupational standards for each industry.

The Grenada Council for Technical and Vocational Education and Training (GCTVET)

137. Council members shall include: the Chief Technical Officers or equivalent from the Ministries of Labour, Economic Development and Planning, Education and Human Resources, and Youth Empowerment; the Chief Executive Officer of the National Training Agency; one representative from the Trade Union Council; the Grenada Employers Federation (GEF); TAMCC; a CBO/NGO, the Technical unit in the Ministry of Education and human resource and four other members from lead industry sectors. The lead industry representative shall be changed/rotated based on labour market needs and emerging industries.

138. The Minister of Education shall name a Chairman and Deputy-Chairman from among the members of the Council. The responsibilities of the Chairman shall include: the convening of meetings; the causing of minutes to be kept; the presentation of reports to the Minister in accordance with established timeframes; facilitating a process of ongoing engagement between the Council (and/or its subsidiary and subordinate bodies) and stakeholder groups and organizations, particularly the private sector and training providers.

139. The general mandate of the GCTVET is to oversee the design, monitoring, coordination and promotion of technical and vocational education and training, to meet the skill development needs in Grenada, under the line Ministry of Education and according to provisions in the Education Act. Oversight will be guided by the following principles:

- Improvement in quality of training provision in Grenada
- Training that is consistent with local, regional and international demands
- Implementation of regional occupational standards
- Functioning of a well-established and organized training system
- Coordination of training providers, employers and lead industry bodies
- Coordination between technical education provided by the Education system and training provided by National Training Agency
- Use of labour market research to initiate training

140. The duties and responsibilities of the GCTVET are related to the following functions:

i) The GCTVET shall be accountable: The GCTVET shall be accountable to the laws of Grenada.

ii) **The GCTVET shall be an Advisory Body:** The GCTVET shall serve as an advisory body to the Minister for Education with regard to policies and strategies required for an efficient and effective system of technical and vocational education and training, suited to the needs of Grenada.

iii) **The GCTVET shall be a Policy Making and Strategic Development Body:** Within the general framework established by the Minister, the GCTVET shall establish a policy and strategic framework to guide the design, delivery and evaluation of technical and vocational education programmes and projects. The GCTVET shall prepare plans for technical and vocational training in accordance with national policies and economic needs and ensure that agreed plans are implemented.

iv) **The GCTVET shall make decisions concerning the utilization** and allocation of resources for training following established financial procedures for the usage of said resources.

v) **The GCTVET shall be a Monitoring and Evaluation Body:** The GCTVET shall monitor and evaluate technical and vocational educational programmes and projects within the context of the above-mentioned policy and strategic framework and within the framework of periodic reviews of policies and strategies. In this regard, The GCTVET shall receive and consider evaluated reports and training proposals submitted by agencies through the NTA.

vi) **The GCTVET shall ensure that regulations, guidelines and procedures are followed:** Under the general direction and in accordance with specific directives given by the Minister, the GCTVET shall establish a system of regulations including guidelines and procedures relating to: the design and delivery of training courses; qualification criteria for participation in courses; the certification and accreditation of persons successfully completing training courses or passing qualification examinations in respect of any specified occupation; governance of the training and generation of funds; decisions on funding proposals based on evaluations and recommendations of proposals by the NTA; quality assurance methods; registration, certification and regulation of other training providers.

vii) **The GCTVET shall Report to the Minister for Education:** The GCTVET shall present reports to the Minister for Education in accordance with schedules agreed to between the Minister and the Chairman of the GCTVET.

viii) **Length of Tenure and Conditions of Service:** The members of the GCTVET shall be appointed to serve for a period of three (3) years in the first instance, with membership subject to renewal by the Minister.

ix) **Legal Status:** The GCTVET shall be a semi-autonomous body which shall derive its powers from relevant legal provisions and the directives of the Minister of Education until such time as Parliament enacts a law to regulate technical and vocational education and training.

x) **General Powers:** The GCTVET shall have oversight for the design and delivery, and the monitoring and evaluation of TVET within the formal as well as non-formal and informal arrangements including programmes offered by private sector training institutions and NGO's. The GCTVET shall also reserve the right to engage or co-opt any organization or individual in its deliberations in cases in which, in the opinion of the GCTVET, such involvement will contribute to the work of the GCTVET.

xi) **Organisation of Work:** The GCTVET shall meet once every calendar month. Special meetings may be called by the Chairman as and when required to address issues of special concern or importance.

xii) **Secretarial Services:** The Ministry of Education shall provide secretarial services to the GCTVET through the Secretariat of the National Training Agency (NTA). Prior to the establishment of the NTA, the Ministry shall provide such services by assigning to the GCTVET a secretary selected from its existing staff.

xiii) **Financing:** The operations of the GCTVET shall be financed by the Government of Grenada through budgetary allocation of the Ministry of Education.

The National Training Agency (NTA)

141. *General Mandate and Responsibilities of the National Training Agency:* The NTA shall be an executive body working under the general supervision of the Council for Technical and Vocational Education and Training, and shall consist of technical professionals with the qualification and experience required for the effective administration and management (planning, project management, delivery and evaluation) of the National TVET Programme. It shall have a legal mandate and shall be subject to the regulations made by Government.

142. *The Agency shall be staffed with technical professionals* who will be responsible for coordinating the following three departments and related functions:

(i) Training Support
(ii) Quality Assurance
(iii) Standards and Learning Management

143. New departments may be established on an as-needed basis. The staff of the Grenada National Training Agency (GNTA) shall be selected through a competitive hiring process based on established terms of reference and detailed job description for each post. The hiring process shall be coordinated by the Ministry of Education and the Grenada Council for Technical Vocational Education and Training.

144. *Legal Status of the Agency:* The Agency shall be incorporated under the Laws of Grenada. It shall derive its authority from the provisions of the relevant legislation and associated regulations and from the authority vested in the Grenada Council for Technical and Vocational Education and Training, its parent body.

(i) Working in accordance with its mandate, the NTA will be required to work with the Public Sector, the Private Sector, the Education System, and other stakeholders to ensure that the nation has an adequate supply of the skills and competencies required for sustainable development. In fulfilling this purpose, the NTA will ensure and coordinate quality assurance (accreditation, prequalification, (assessment of certification)
(ii) Manage validation and development of competency standards
(iii) Coordinate the competitive and demand-driven delivery of training
(iv) Manage the registration of trainees, employers and training providers
(v) Maintain the management information systems, ensure monitoring and evaluation, and analyze labour market research
(vi) Manage communication and outreach to stakeholders

145. The Agency shall have the following specific responsibilities:

(i) *The Agency shall co-ordinate national-level planning, implementation and evaluation of TVET Programmes:* Within the relevant legal and regulatory framework and under the guidance of the GCTVET, the Agency shall co-ordinate the technical and vocational education and training activities of the Government of Grenada (including the Minister of Education) the private sector, training institutions, employment agencies etc. In this regard, the Agency shall have direct responsibility for the following:
   (a) ensuring that agreed plans developed by the NTA in consultation with relevant stakeholders, including representation from the Ministry of Finance for technical and vocational education and training, are implemented;
   (b) recommending standards for technical and vocational education and training;
   (c) approving the design and delivery of training courses;
   (d) prequalifying, accrediting and registering training providers, and providing quality services to such training providers;
   (e) establishing a system of National Vocational Qualifications, course-entry qualifications and job-related qualifications;
   (f) developing and implementing a mechanism for certification and accreditation in accordance to NVQs and regional standards;
   (g) developing and applying a quality assurance mechanism and;

(h) establishing processes for registration, certification and regulation of training providers;
(i) manage calls for training proposals, evaluate proposals, and submit recommendations to GCTVET for approval and award of contract for services;
(j) manage process for trainee registration, including matching with courses and traineeships;
(k) manage issuance of certificates (NVQs);
(l) manage information systems including monitoring and evaluation of training provision;
(m) ensure timely collection and analysis of labour market information (employers' needs assessment) to facilitate planning and forecasting of training needs to satisfy the current and future demand in the marketplace.
(n) market and promote the NTA's mission and programmes;

(ii) *The Agency shall provide advice to the GCTVET:* Taking into consideration the state of the economy, current market conditions and projected developments in Grenada as well as regional and international conditions and developments, the Agency shall advise the GCTVET on matters pertaining to:
(a) TVET policies, strategies, programmes and projects;
(b) policies and strategies relating to technical and vocational education standards, qualifications accreditation and certification; and
(c) allocation and use of resources to ensure satisfactory standards of technical and vocational education and training and the welfare of students, trainees and staff of training institutions.

146. **The Training Support Department** will be the overall coordinator for effective training programmes that lead to certification and employment of the learners. The department is responsible for the recruitment and selection of learners. A career Development Specialist will provide career guidance and counselling to individuals and groups to match learners with training opportunities, as well as to prepare learners for employment through job preparation seminars for development of job seeking skills including applying for jobs, and interviewing for employment. The department will:

(i) Undertakes recruitment activities aimed at prospective trainees.
(ii) Coordinates closely with the Project Manager to ensure timely implementation of recruiting trainees and providing training programmes, collection of trainee data, and preparation of instructors and assessors.
(iii) Works closely with the SSSU, matching trainees to training opportunities based on interests, aptitudes and aspirations of trainees and requirements of training providers and Calls for Proposals. Provides career development programmes including individual and group career guidance and counselling, and seminars and workshops in job seeking skills and interviewing skills.
(iv) Works in cooperation with the Ministry of Youth Empowerment, who will play a role in application, registration, communications, data entry and survey work.
(v) Maintains an adequate system for registration of trainees and ensures capture of learner bio data for data entry in the information system.
(vi) Markets and promotes the products and services of the National Training Agency.

(vii) Co-ordinates the arrangements for training for Industry in relation to the following components: (a) traineeship; b) accelerated training; c) upgrading; d) retraining; e) training for promotion; and f) training for instructors.
(viii) Organizes orientation to standards-based training and NVQs for the following institutions: Ministry of Education; Ministry of Economics and Planning; Ministry of Works; Ministry of Housing Lands and Community Development; Ministry of Social Development and Labour; Professional bodies; other organs.
(ix) Organizes and coordinates training and professional development for instructors, facilitators, industry traineeship supervisors, assessors and training providers, and
(x) Any other activity deemed necessary for the effective functioning of the NTA.

147. **The Quality Assurance Department** will work in partnership with Lead bodies and will form a Lead Industry Committee. The main function of this department is to implement mechanisms that will ensure quality and standards of its training courses, delivery of training, training providers and centres, assessment and certification. The Quality Assurance Coordinator will be responsible for the development and implementation of a quality plan for the NTA. Thus the department will:

(i) develop clear guidelines on registration and certification and will evaluate such guidelines to ensure it meet both centre and stakeholders' needs;
(ii) ensure that certificates meet the regulatory requirements/design principles as set out by the Ministry of Education in accordance with the Education Act 2002;
(iii) evaluate proposal submitted for funding;
(iv) ensure the security and integrity of assessments and results at all times.;
(v) develop an established process to monitor and evaluate qualifications to ensure that they continue to meet stakeholders need;
(vi) spearhead qualification; and
(vii) implements a Monitoring and Evaluation System supported by a Management Information System, which maintains all trainee records.
(viii) coordinate activities with CANTA for accreditation of programmes.

148. **The Standards and Learning Management Department** will be the body responsible for the development of National Standards of competence. In addition it coordinates the activities of the Lead Industry Committee. All standards used locally shall be either developed or procured but must involve the specific industry Lead Group Committee and technical experts in the specific area of technical and vocational education. To ensure relevance and responsiveness to industry needs there must be a mechanism for obtaining regular feedback from industry and sector. One such mechanism is sector study research data. The department will thus:

(i) establish a process to design and develop qualifications which meets CANTA requirements and which is continually evaluated;
(ii) procure existing standards for further validation and verification;
(iii) work with Lead Industry Committee to develop occupational standards for every sector;
(iv) procure relevant curriculum materials and resources to facilitate learning and teaching;
(v) work with technical experts and industry representatives to formulate competence statements;
(vi) develop a policy and procedures for promoting equal opportunities in assessment;

(vii) prepare and up-date a list of companies/industries that use standards and the particular standards used by each company/industry,
(viii) maintain adequate system for registration of learners;
(ix) coordinate training for facilitators, assessors and training providers; and
(x) procure Booklet/Brochures of guidelines for use of NVQ.

Lead Industry Bodies

149. The lead body of a sector takes the lead in drawing up Occupational Standards. The Industry bodies drive the occupational standards and therefore set the framework for the competencies at each level. The lead body of each sector/industry is made up of experts (employers, unions and professional organizations) drawn from industry brought together and given orientation in occupational standards that are relevant to their industry, which have already been developed and are available. The facilitator of such meetings is employed by the NTA. Lead group members must demonstrate understanding of the methodology of standard formulation as well as job analysis.

150. *The Lead Bodies are responsible for:*

(i) defining, maintaining and improving national standards of performance for National Vocational Qualifications (NVQ);
(ii) representing their sector of employment;
(iii) developing standards that are widely acceptable to every employee; and
(iv) working with the GCTVET / NTA in the formation and structuring of NVQs.

Annex 7: Financial Management and Disbursement Arrangements

GRENADA: OECS (GD) Skills for Inclusive Growth

151. An assessment of the financial management arrangements of the Project Coordination Unit (PCU), currently located within the Ministry of Economic Development and Planning was undertaken in June 2008. These arrangements include systems of budgeting, accounting, financial reporting, auditing, and internal controls. The PCU is currently responsible for the implementation of four World Bank-funded projects, the Hurricane Ivan Emergency Recovery Project, the HIV/AIDS Project, the Education Development project and the Public Sector Modernization project. In the past few years the PCU has accumulated significant experience with the implementation of the WB-financed projects. It has already established a well-functioning financial management system, and following the completion of the actions plan proposed in this assessment, it will have in place adequate financial management arrangements, meeting the World Bank fiduciary requirements.

Financial Management Implementation Arrangements

152. Annex 6 details the project's implementation arrangements. The PCU which will be responsible for the project's financial management is currently located in the Ministry of Economic Development and Planning and will act in coordination with the Ministry of Education, including the National Training Agency.

153. The use of the existing PCU is designed around the recognition of its experience in managing the fiduciary aspects of various World-Bank and other donors-financed projects through its involvement with the Hurricane Ivan Emergency Recovery Project, the HIV/AIDS Project, the Education Development Project and the Public Sector Modernization Project. Proposed arrangements allow utilize the existing resources, to assure consistency of approach across the projects, and to achieve economies of scope and scale in the funding of the units.

154. The credit disbursement aspects of the proposed project will also be managed centrally by the PCU, as detailed in the flow of funds section below.

155. Keeping in line with the recommendations of the OECS Fiduciary Policy Note, published in November 2007, proposed fiduciary arrangements will fully utilize the potential offered by the currently existing government systems and institutions, and will be flexible enough to incorporate additional opportunities, as soon as they will arise. Detailed descriptions of such arrangements are included in the respective sections of this Annex.

Risk assessment

156. Table 7.1 summarizes the financial management assessment and risk ratings:

Table 7.1: Financial Management Assessment and Risk Ratings

	Risk Assessment	***Risk Mitigating Measures***	***Residual Risk***
INHERENT RISKS			
Country level			
Grenada is a middle income country. There are existing country public financial management systems in place, supporting certain level of accountability and internal controls.	M		M
Entity level			
The proposed PCU has experience working with external donor-financed projects. Its performance in the past was satisfactory.	M		M
Project level			
OVERALL INHERENT RISK			
CONTROL RISKS			
Budget	M		M
Accounting	M		M
Internal Controls	M		M
Funds flow	S	The project will be using the report-based disbursements. While performance of the PCU fiduciary team has been consistently satisfactory, it will be one of the first times that the report-based disbursement will be used, as such, adequate training will need to be conducted by the WB disbursement team.	M
Financial Reporting	S	The PCU will assume responsibilities for entering financial information directly to the government's accounting software (Smart Stream). While this will allow a savings of time and eliminate duplication of work, the project accountant will need to be adequately trained on how to use the SmartStream to be able to effectively perform her/his duties. This effort should be undertaken in coordination with office of the Accountant General.	M
Auditing	M		M
OVERALL CONTROL RISK	**M**		**M**
RESIDUAL RISK RATING			

Staffing

157. The PCU FM function is currently fully staffed with the Financial Management specialist and two project accountants. The financial management specialist is a civil servant seconded to the PCU. She is responsible for the financial reporting and overall management of the PCU FM function. One of the project accountants is an internationally qualified accountant, another is currently undergoing studies to reach qualification. Their responsibilities include various supporting tasks as well as financial reporting for their respectively assigned projects. In addition to assisting various WB-financed projects, the PCU also works with the Caribbean Development Bank (CDB) and European Union (EU) financed projects.

158. In the past year, performance of the PCU FM function has been consistently satisfactory. It is expected that to satisfy additional needs of the project a new accountant will be hired, based on the shared arrangements with the new technical assistance project.

Budgeting

159. The project's share of the counterpart funding will be US$900,000. This contribution is expected to be received over four fiscal years. Project annual budgeting will be based on the cost tables and procurement plan, and will be regularly updated as the implementation will roll-out. The annual budgets will be prepared by the PCU and submitted to the Department of Economic Affairs in the Ministry of Finance. The approved annual budget will then be entered into the accounting system and used for periodic comparison with actual results as part of the interim reporting.

Accounting System and Records

160. As the government's financial management system (SmartStream) still does not have sufficient capacity to support the entirety of the projects reporting requirements, the project will continue using the existing accounting software (Quickbooks). The software will allow the tracking of inflows by funding source, and outflows by: (i) project component; (ii) funding source; (iii) disbursement category. Based on this information, relevant financial reports can be prepared. The Chart of Accounts will be finalized before the project effectiveness. While preparing accounting and financial information, transactions will be recorded as incurred (cash basis), and all primary supporting documentation will be maintained to facilitate ex post reviews and the external annual audits. Such documents should be maintained for at least one year following receipt by the World Bank of the final audited financial statements required in accordance with the financing agreement or two years after the closing date, whichever is later.

161. It is agreed that once the reporting capacity of SmartStream is sufficiently improved, an opportunity to move the project account directly to its books will be considered.

162. In the immediate future, the project accountant will be provided with access to SmartStream, to enable a direct entering of the project's expenditures to the general ledger. This should be done in coordination with the Accountant General Department, which will also be responsible for providing the project accountant with the needed training.

Internal Controls and Safeguard of Assets

163. The project will adapt the Financial Management manual currently utilized by the PCU. Financial Management Manual reflects the structure of the PCU, administrative arrangements, internal control procedures, including procedures for authorization of expenditures, maintenance of records, safeguard of assets (including cash), segregation of duties to avoid conflict of interest, regular reconciliation of bank account statements, bank signing mandate (to include at least two signatories), regular reporting to ensure close monitoring of project activities, as well as the flow of funds to support project activities. The project specific information, i.e. the Chart of Accounts, the formats of the reports, etc., will be added as part of the annexes to the manual at the same time as its overall accuracy will be verified.

164. Assets acquired by the project will be in the custody of the respective institutional departments, which will also keep copies of the supporting documentation. The PCU will maintain supporting records and balances. At least one annual physical inspection will be undertaken by the implementing agency and PCU staff, preferably with the participation of the external auditors.

Interim and Annual Reporting

165. The PCU will be responsible for producing the Interim Unaudited Financial Reports (IFRs) on a quarterly basis to be submitted to the Bank. The IFRs will provide required monitoring information and will be used for disbursement purposes. The IFRs will include a narrative outlining the major project achievements for the quarter, the project's sources and uses of funds, a detailed analysis of expenditures, project cash forecast, and bank accounts reconciliations. IFRs should be submitted to the Bank no later than 45 days after the end of each reporting period.

166. The annual financial statements will be consistent in format with the IFRs. In addition, they will include notes to the financial information and management representation letter. These reports will be prepared by the PCU and made available to the auditors after the end of each fiscal year.

External Audit Arrangements

167. Project financial statements will be audited annually. As in most OECS countries, the Director of Audit is responsible for auditing and reporting on the public accounts of the country, including projects funded by international organizations, however, the existing (insufficient) capacity of this institution still prevents it from being used as a single external auditor of the project's accounts. As such, a private sector audit firm will be hired on a competitive basis. The annual project financial statements will be audited in accordance with International Standards on Auditing and the World Bank's guidelines on auditing as stated in the guidelines: Financial Management Practices in World Bank-financed Investment Operations (November 2005). The auditors' terms of reference (TORs) will be prepared by the project and cleared by the World Bank before the engagement of the auditor. The TORs will require the audit of financial

transactions as well as a review of the internal control mechanisms and project's compliance with the requirements of the credit agreement.

168. The annual audit report will be prepared in a format in accordance with ISA and World Bank guidelines, and will include an opinion on the project financial statements, including Designated Account Reconciliation, review of the internal controls, opinion on the project's compliance with the terms of the credit agreement, and a management letter. The project's annual audit report will be required to be submitted to the World Bank for review no later than four months following the end of the fiscal year (December-January).

169. As part of the broader effort aimed to improve capacity of the Director of Audit Office of Grenada, it is expected that the representative will be invited to participate as an observer in the external audit of the project conducted by the selected private firm. This requirement will be specified in the external audit TORs.

Disbursement Arrangements and Flow of Funds

170. Project funds will be channelled to the project through a Designated Account denominated in US Dollars, which will be opened by the PCU in a commercial bank. The PCU will operate a local currency account, to finance project expenditures in local currency, where funds from the US Dollars Designated Account will be periodically transferred. This account will be operated in accordance with the procedures and guidelines set forth in the Bank's Disbursement Handbook.

171. Proceeds of the credit would be disbursed to the US Dollar denominated designated account managed by the PCU following effectiveness. Disbursements will be made based on report based disbursement procedures (IFR applications) submitted to the Bank on a quarterly basis (no later than 45 days after the end of each quarter). As this will be one of the first times that the PCU will be applying the report-based disbursement method, a special training will need to be provided by the World Bank disbursement department.

172. As eligible expenditures are incurred, the PCU will withdraw the amount to be financed by IDA from the Designated Account (US$) in accordance with the financing percentage agreed.

173. Direct Payments, Reimbursements and Applications for Special Commitments. The Minimum Application Size for Direct Payments, Reimbursements and Special Commitment Issuances will be communicated to the Borrower in the Disbursement Letter. All withdrawal applications for direct payment or for issuance of special commitments will be supported by full documentation.

174. Payments to the Training Providers and Stipend Payments. The sequence and organization of the training process is described in detail in Annex 4. According to the proposed arrangements the Ministry of Education's National Training Agency is responsible for the selection and "matching" of the eligible trainees with the training providers. Once this is done, the GCTVET will pass the detailed instructions to the PCU, which will make payments to the training providers from the project account.

175. Selection and "matching" process will take place approximately once or twice a year. Payments to each training provider will be done in three instalments: 40 percent advance upon the initiation of the training course, 30 percent upon completing delivery of the four-month life skills and technical training, and the final 30 percent payment, upon the successful graduation and certification of the trainees. Once the training program is completed, achieved results, (number of successful graduates), will be verified by the NTA and, on a sample basis by the technical audit. Once the results' validation is completed, the NTA will issue instructions to the PCU, authorizing second and third payments.

176. Stipend payments will be transferred to the eligible trainees on a monthly basis. Such payments will normally cover a 4.5 month training period and additional 3.5 months of the following apprenticeship. The stipends should never be paid for more than nine months. The PCU will be responsible for the calculations and distributions of the stipends to the program participants, based on the eligibility information presented by the NTA.

177. *Technical audit.* External auditors will on a sample basis review that implementation is carried out according to the rules and guidelines described in the Operational Manual. In particular the technical review will verify the reported performance on a periodic basis. The technical audit will be submitted to the IDA four months after the end of the period under review. The Terms of reference will be submitted for comments and no objection to the IDA prior to request for proposal.

Supervision arrangements

178. As part of its project supervision missions, IDA will conduct risk-based financial management supervisions, at appropriate intervals. These will pay particular attention to: (i) project accounting and internal control systems; (ii) budgeting and financial planning arrangements; (iii) review of the Interim Un-audited Financial reports; (iv) review of audit reports, including financial statements and remedial actions recommended in the auditor's Management Letters; (v) disbursement management and financial flows, including counterpart funds, as applicable; and (vi) any incidences of corrupt practices involving project resources.

179. Since the Project's financial management risk is medium, the proposed FM supervision interval is once a year.

Financial Management Action Plan

#	Proposed Action	Responsible Party	Date of Completion
1	Prepare a project-specific Chart of Accounts	PCU	Signing
2	Update the Financial Management manual	PCU	Signing
3	Grant access to the SmartStream to the PCU and provide a basic user training to the project accountant	Accountant General	Signing
4	Design project reporting formats	PCU	Negotiations
5	Train the project accountant in the report-based disbursement procedures	PCU/WB loans department	Effectiveness
6	Prepare the external auditors TORs, ensuring that the auditor general representative is granted access to the project audit process.	PCU	Signing
7	Hire an external auditor.	PCU	Three months after effectiveness
8	Prepare TORs for the technical audit	PCU	Signing

Annex 8: Procurement Arrangements

GRENADA: OECS (GD) Skills for Inclusive Growth

A. General

180. Procurement for the proposed project is expected to be relatively simple, as more than half the expenditures will be transfers to training providers and stipends to trainees. No construction is foreseen and procurement will consist mainly of consultancies, minor equipment and operating costs.

181. Procurement would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006, and the provisions stipulated in the Legal Agreement. The various items under different expenditure categories are described in general below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

182. **Procurement of Works**: Although not expected, works procured under this project could include office space for the NTA and minor rehabilitation of training facilities. Should need be, the procurement would be done using the Bank's Standard Bidding Documents (SBD) for all ICB and National SBD agreed with or satisfactory to the Bank for NCB and Shopping.

183. **Procurement of Goods:** Goods procured under this project would include computer and office equipment, as well as occupational and facility standards. The procurement will be done using the Bank's SBD for all ICB and National SBD agreed with or satisfactory to the Bank for NCB and Shopping.

184. **Selection of Consultants:** Consulting services would be needed for the development and execution of a communications campaign, the design of a monitoring and evaluation framework, and for technical assistance from a training organization.

185. **Selection of Training Providers:** Training providers can be individual trainers/consultants, NGOs, public training institutions (other than NTA), and training firms. They will go through a pre-qualification process ensuring a minimum level of quality. The firm(s) and the training providers will jointly submit a competitive training proposal for funding. A technical evaluation committee will review the quality of the proposal based on defined criteria (eligibility criteria, curriculum, prior training experience and performance, training facilities, and training needs) set out in the Operational Manual. Once selected, training providers will be paid 40 percent of their portion of the fixed per trainee unit cost (i.e., minus the stipend) upon proof of initiation of training, 30 percent upon completion of the pre-service training, and the remaining 30 percent upon certification of the trainee. The certification will be subject to an independent verification on a sample basis. In summary, the selection of the

training providers will be based on identified training needs and the providers' qualifications and capacity to deliver, in accordance with Chapter V of the Consultant Guidelines (in the case of individuals) and the Consultants Qualifications Selection method (in the case of firms, NGOs or other training institutions). The contracting will be done using a standard contract agreed with or satisfactory to the Bank.

186. **Operating Costs**: Operational costs such as expenditures for project administration, i.e., office rental and utilities/communications, bank charges, stationery and consumables, training for staff in Bank procedures, will be financed by the Credit during the Project in accordance with the annual plan agreed with the Bank.

187. The procurement procedures and SBDs to be used for each procurement method, as well as model contracts for works and goods procured, are presented in the Operations Manual.

B. Assessment of the agency's capacity to implement procurement

188. Procurement activities will be carried out by the Project Coordinating Unit in the Ministry of Finance, acting in coordination with the Ministry of Education, including the National Training Agency. The PCU is staffed by a Project Coordinator, a Financial Management Specialist, a Planner/Programmer, two Accountants, an Administrative Assistant, and a Trainee. The procurement function is staffed by a Procurement Officer who is also responsible for procurement under four other Bank-funded projects. A Procurement Assistant is scheduled to be hired. The Bank has already cleared the Terms of Reference for this position.

An assessment of the capacity of the PCU to implement procurement actions for the project was carried out by Judith Morroy on September 11, 2008. The assessment reviewed the organizational structure for implementing the project and the interaction between the project's staff responsible for procurement and agencies that will be responsible for implementation of the proposed project, such as the Ministry of Education and the GCTVET/NTA.

189. The key issues and risks concerning procurement for implementation of the project have been identified and include, among others, the absence of a Procurement Assistant to assist the Procurement Officer with the expected increased workload as a result of the new project. The corrective measures which have been agreed are: (a) the PCU should hire an additional procurement staff; (b) additional donor-administered, or other external training should be provided in particular in the area of contract management as the country lacks capacity building opportunities for procurement professionals; (c) the PCU should develop a database of current unit prices for goods and daily rates for consultants in order to facilitate the development of cost estimates; (d) the consultant to be assigned to improve the records management system is being selected and is scheduled to be on board by mid-November 2008. The terms of reference for the assignment have already received the Bank's no objection.

190. The overall project risk for procurement is Average.

C. Procurement Plan

191. The Borrower, at appraisal, developed a procurement plan for project implementation which provides the basis for the procurement methods. This plan has been agreed between the Borrower and the Project Team on November 19, 2008 and is available at the Project Coordination Unit located at the ARD Building, Ministerial Complex. It will also be available in the project's database and in the Bank's external website. The Procurement Plan will be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

D. Frequency of Procurement Supervision

192. Prior review supervision will be carried out in accordance with the procurement thresholds. In addition, in compliance with the results of the procurement capacity assessment of the Implementing Agency, there will be two supervision missions to conduct post reviews of procurement actions during the first year of implementation and one mission per year afterwards.

E. Details of the Procurement Arrangements Involving International Competition

1. Goods, Works, and Non Consulting Services

(a) List of contract packages to be procured following ICB and direct contracting:

Not envisaged.

(b) All ICB contracts for works and goods and all direct contracts will be subject to prior review by the Bank.

2. Consulting Services

(a) List of consulting assignments with short-list of international firms.

1	2	3	4	5	6	7
Ref. No.	**Description of Assignment**	**Estimated Cost**	**Selection Method**	**Review by Bank (Prior / Post)**	**Expected Proposals Submission Date**	**Comments**
SIG/QCBS/03-09	Development and execution of communications campaigns	82,400	QCBS	Post		
SIG/QCBS/02-09	Consultancy for Labor Market Assessment	50,000	QCBS	Prior (TOR Only)		
SIG/QCBS/01-09	Consultancy for Feasibility Study on Strengthening Labor Market Coordination	40,000	QCBS	Prior (TOR Only)		

(b) Consultancy services estimated to cost above US$100,000 equivalent per contract (firms) and US$50,000 equivalent per contract (individuals) and all single source selection of consultants (firms and individuals) will be subject to prior review by the Bank. The Procurement Plan specifies procurement methods and prior review thresholds, as outlined in the table below.

(c) Short lists composed entirely of national consultants: Short lists of consultants for services estimated to cost less than US$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Thresholds for Procurement Methods and Prior Review (in US$ thousands)

Expenditure Category	Contract Value (Threshold)	Procurement Method	Contract Subject to Prior Review
1. Works			
	>1,500	ICB	All
	100 – 1,500	NCB	First two
	<100	3 Quotations (Shopping)	None
	Regardless of value	Direct Contracting	All
2. Goods			
	>150	ICB	All
	25 – 150	NCB	First two
	<25	Shopping	None
	Regardless of value	Direct Contracting	All
3. Consulting Services			
3.A Firms	>100	QCBS,QBS,FBS,LCS,CQS	All
	<100	QCBS,QBS,FBS,LCS,CQS	TOR only (by TTL)
	Regardless of value	Single Source	All
3.B Individuals	>50	Comparison of 3 CVs in accordance with Chapter V of Guidelines	All (by TTL)
	<50	"	TOR only (by TTL)
	Regardless of value	Sole Source	All (by TTL)

Note:
QCBS = Quality and Cost Based Selection
QBS = Quality Based Selection
FBS = Fixed Budget Selection
LCS = Least Cost Selection
CQS = Selection based on Consultants' Qualifications

Annex 9: Economic and Financial Analysis

GRENADA: OECS (GD) Skills for Inclusive Growth

193. The youth training program through the training fund is expected to affect youth employment outcomes on two dimensions: the probability of employment and wages for employed youth. The following economic analysis computes the combinations of employment probability and wage increases that will lead to positive returns for the project. The analysis then compares the necessary employment probability and wage increases to those that were attained in similar projects in Latin America. Finally, the analysis compares the results from those projects to the results that are required to attain a positive return to investment in Grenada, and evaluates the Grenada project from the economic return point of view.

Assumptions in the economic analysis

Table 9.1: Assumptions in the economic analysis (all amounts in XCD[22])

General assumptions	Assumption	Symbol /Formula
monthly wage of non-trained school leaver with program requisites	830	w
probability of employment at 12 months from registration, if not participating	40%	E
probability of employment at 6 months from registration, if not participating	25%	e
probability of employment at registration	0%	
years of benefit to the program	10	n
average wage in absence of training program	332	=w*E
benefits		
monthly value of trainees work to employer	100	I
costs	**5753**	C=c1+c2+c3+c4+c5+c6+c7
monthly stipend to trainees during classroom training	330	st1
monthly stipend to trainees during apprenticeship	440	st2
months of classroom training	4.5	m1
months of traineeship	3.0	m2
private out-of-pocket cost of training	200	c1
government cost of training: stipend during training	1500	c2=m1*st1
government cost of training: payment to training providers	1636	c3
employer cost of stipend during the traineeship	1320	c4=m2*st2
displacement effect	0	c5
private opportunity cost of training	783	c6=m*w*e*0.5
per trainee administrative cost	314	c7=0.1*(c2+c3)

[22] The rate of exchange on 09/22/2006 was 2.67 XCD/1USD.

194. Table 9.1 summarizes the assumptions that are made in the economic analysis. A number of assumptions merit further explanation. The following two questions are essential to the economic analysis: (i) Ceteris paribus, what is the probability that a young person, who is unemployed today, will be employed within six months from now? (ii) Ceteris paribus, what is the probability that a young person, who is unemployed today, will be unemployed twelve months from now? The first question is important because it determines the opportunity costs of participating in the training program. The second question is important because it provides the benchmark for comparing employment outcomes for youth that do not participate in the training fund.

195. Transition probabilities from unemployment to employment are traditionally not available from household surveys, because those surveys typically collect static cross-sectional data that do not provide employment statistics over time. Instead, we use a 2006 survey of secondary school graduates from St Vincent, which did provide historic employment information, to estimate transition probabilities between employment and unemployment. (Vermeersch 2006)

Table 9.2: Probability of transition to employment, by time of unemployment

Employment at month...	Conditional on being unemployed at month ... after graduation					
	1	7	13	19	25	31
7	32%	--	--	--	--	--
13	43%	21%	--	--	--	--
19	51%	37%	33%	--	--	--
25	55%	44%	46%	29%	--	--
31	66%	62%	62%	43%	56%	--
37	65%	64%	68%	58%	64%	41%

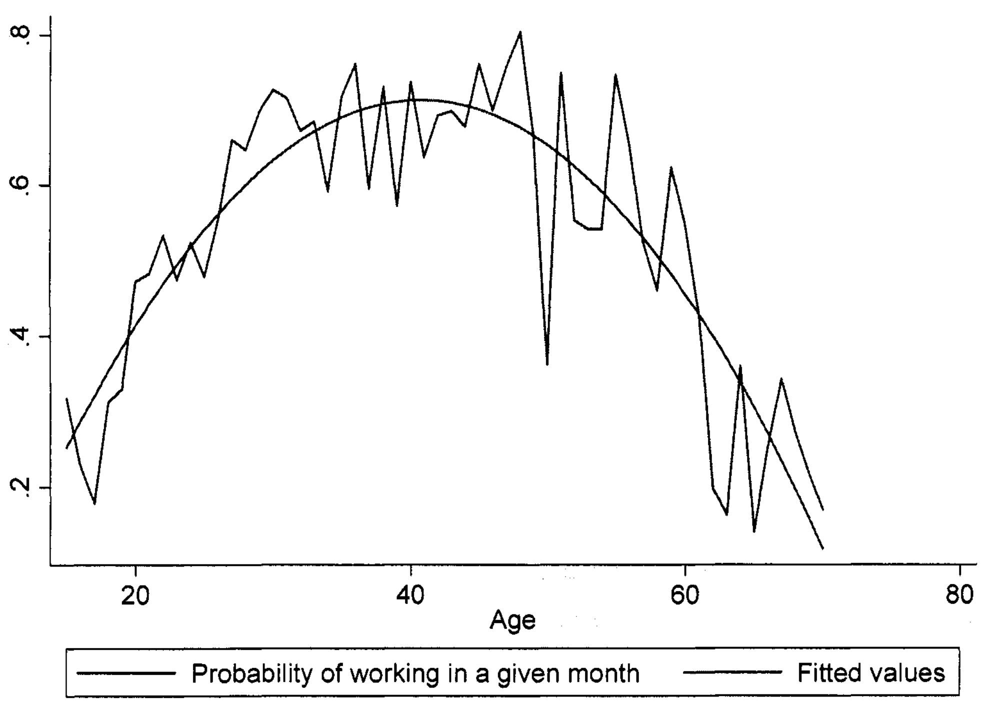
196. Table 9.2 reports the probability that a young person will be employed at particular points in time, given that this person was unemployed 1 month after graduation, 7 months after graduation, etc. The top number in each column gives the probability that the person will be employed, if unemployed six months earlier. The probability of employment after 6 months ranges from 31 to 56 percent, with an average of **35 percent.** The second number from the top in each column reports the probability that the person will be observed to be employed, if unemployed twelve months earlier. The probability of employment after 12 months ranges from 37 to 64 percent (**47 percent** on average).

197. Given these numbers for St. Vincent, the economic analysis will assume that the probability of employment during the training (first 6 months after registration of unemployed persons for the training program) is **25 percent**. The 35 percent figure was adjusted downwards to reflect (1) lower levels of education among Grenada training candidates than among St Vincent respondents; (2) the fact that average employment level during the first 6 months is lower than the final employment at 6 months.

198. We will also assume that the probability of employment 12 months after observation of unemployment is **40 percent**, lower than the 47 percent in St Vincent respondent, because Grenada training candidates have lower education levels than St Vincent respondents.

199. Unfortunately, the latest survey of the labor force in Grenada was done in 1997, and the last population and housing census dates back to 2001. There are no household survey data available for the country. As a substitute, we use data from St Lucia [23] to compute the probabilities of employment change according to age. Graph 9.1 plots the cross-sectional probability of employment by age, where the probability of employment for each person is defined as the number of months that the person worked for pay in the past 12 months. If we assumed that the training only increases wages when the trainee finds a job shortly after completion of the training (i.e. the training has no influence on wages if there is a large time gap between training and employment), then the economic analysis does not need to take into account the interaction between higher wages and higher probability of employment as trainees get older.

Graph 9.1: Probability of employment amongst low-educated population, St. Lucia[24]



[23] World Bank calculations, using the 2005 St. Lucia household survey (LSMS).

[24] The probability of employment is calculated as the number of months that each person worked for pay in the last 12 months. The graph plots this probability, averaged by age group. The sample excludes any persons that have more than 4 secondary school exam leaving qualifications, as well as persons with tertiary education qualifications. The calculations include persons who are unemployed and not looking for work.

200. *Monthly wage and employment probability change in absence of training:* The wage income data in the 2005 St Lucia household survey could not be used to estimate the average wage of young persons. Instead, we use the St Vincent data to estimate the average wage. Vincentian secondary school graduates earned an average of 830 ECD per month during the first 3 years after graduation. Wages among the target group in Grenada were assumed to be 830 ECD because: (1) Vincentian graduates had a higher level of education than Grenadians in the target group; (2) Per capita GDP in St Vincent was EC$10,139 in 2004, while it was EC$10,611 in Grenada.

Rate of return of the project

201. We now use the proposed assumptions and various scenarios of employment and wage impacts to compute the Net Present Value and Rate of Return of Project investments. Assume that x is the percentage point change in the probability of employment at 12 months from registration if a young person is assigned to the training program. Assume that y is the percentage increase in wage for young people who have employment 12 months after training, compared to young people who have employment without training. The ensuing percentage increase in wage mass for the target group which can be attributed to the training program is reported in Table 9.3. This percentage increase in wage mass is also the percentage increase in the average wage of the target group, when taking into account both unemployed persons (who have wage 0) and employed persons.

Table 9.3: Increases in wage mass as a result of changes in wages and employment probability

Formula: $B = [(1+y)*x]/E + y$

		x=percentage point increase in probability of employment					
		0%	2.5%	5%	7.5%	10%	12.5%
y=percentage increase in wage mass for constant population	1%	*1%*	*7%*	*14%*	*20%*	***26%***	***33%***
	5%	*5%*	*12%*	*18%*	***25%***	***31%***	***38%***
	10%	*10%*	*17%*	*24%*	***31%***	***38%***	***44%***
	15%	*15%*	*22%*	***29%***	*37%*	***44%***	***51%***
	20%	*20%*	***28%***	***35%***	***43%***	***50%***	***58%***

202. The percentage increase in wage mass, together with the status quo level of wages, can then be used to compute the present value of training (Table 9.4), the net present value of training (Table 9.5), and the Rate of Return to investment[25] (Table 9.6).

[25] Rate of Return or Return on Investment (ROI) is the ratio of money gained or lost on an investment to the amount of money invested. (Wikipedia)

Table 9.4: Present value of training under several discount rate and wage mass increase scenarios

Formula: PV = w*12*E*B*(1/d)*(1-1/(1+d)^n)+3.5*I		d=discount rate		
		5%	7.50%	10%
B = Increase in wage mass or average wage for target group	*1%*	608	573	545
	5%	1838	1667	1524
	10%	3376	3035	2748
	15%	4915	4402	3972
	20%	6453	5769	5196
	25%	7991	7137	6420
	30%	9529	8504	7644
	35%	11067	9871	8868
	40%	12605	11239	10092

Table 9.5: Net present value of training under several discount rate and wage increase scenarios

Formula: NPV = PV - C		d=discount rate		
		5%	7.5%	10%
B = Increase in wage mass	*1%*	-5145	-5179	-5208
	5%	-3915	-4085	-4229
	10%	-2376	-2718	-3005
	15%	-838	-1351	-1781
	20%	700	17	-557
	25%	2238	1384	667
	30%	3776	2751	1891
	35%	5314	4119	3115
	40%	6853	5486	4339

Table 9.6: Rate of return of training under several discount rate and wage increase scenarios

Formula: RR = NPV/C		d=discount rate		
		5%	7.5%	10%
B = Increase in wage mass	*1%*	-89.44%	-90.03%	-90.53%
	5%	-68.05%	-71.02%	-73.51%
	10%	-41.31%	-47.25%	-52.23%
	15%	-14.57%	-23.48%	-30.95%
	20%	12.17%	0.29%	-9.68%
	25%	38.91%	24.06%	11.60%
	30%	65.64%	47.82%	32.88%
	35%	92.38%	71.59%	54.15%
	40%	119.12%	95.36%	75.43%

203. As appears from Table 9.6, an increase in average wage income of 20 percent is needed to ensure a positive rate of return with a discount rate of five percent, while an increase in average wage income of 25 percent is needed to ensure a positive rate of return with a discount rate of 10 percent. Combinations of changes in the employment rate and changes in wages that

will lead to at least 20 (25) percent increase in average wage rates, are highlighted (resp. bolded) in Table 9.3.

Summary of impacts of other job training programs

204. Two review papers by Dar and Tzannatos (1999) and Betcherman, Olivas and Dar (2004) survey the results of impact evaluations of active labor market policies, including training programs for the unemployed, and youth training programs.

205. *Training for the general population of unemployed:* For general training for the unemployed, Dar and Tzannatos (1999) showed that the interventions with the most positive returns were smaller-scale, on-the-job-training programs that directly met labor market needs and were well targeted, especially for women and other disadvantaged groups among the long-term unemployed. Martin and Grubb (2001) find that most programs that demonstrated gains for participants did so through improved employment opportunities rather than through higher hourly wages. Betcherman, Olivas and Dar (2004) mention that 28 our of 39 studies of training for the unemployed showed a positive impact on future employment, while only 15 out of 29 studies showed positive impact on earnings. Outcomes in developing countries seem to be less encouraging than in developed countries.

206. Youth training programs: Dar and Tzannatos (1999) concluded that youth training programs in developed countries had the poorest track record, when compared with training programs for the long-term unemployed and those displaced through mass layoffs. Social rates of return were typically negative, both in the short-and the long run. Between 1999 and 2004, results from new impact evaluations in developed countries maintained this general conclusion Betcherman, Olivas and Dar (2004). However, results from youth training programs appeared to be different in the case of the "Jovenes" programs in Latin America. Of the 5 new evaluations of youth training programs in Latin America between 1999 and 2004, all showed positive employment impacts and two of the three computing earning effects demonstrated positive impacts on that indicator. The Jovenes programs in Argentina, Chile, Peru and Uruguay have the following common features[26]: they are targeted at disadvantaged youth, combine training and work experience with other services including psychological development, conventional assessment, etc. Implementation involves important roles for civil society and the private sector, and flexible, competitive and decentralized service delivery. Questions on the programs include long-term impacts, costs and potential coverage of these kinds of programs. (Betcherman, Olivas and Dar (2004)). Among the studies of "Jovenes" programs, the Dominican Republic study is the only one that uses experimental assignment to training to construct the control group. This is clearly a weakness and therefore the results of the studies must be interpreted with caution.

Assessment

207. With interventions that were similar to the planned intervention in Grenada, two out of the five projects (Peru, Chile) achieved results which, if attained in Grenada, would yield positive rates to the Grenada project. If the Grenada project impact were similar to those in the Argentina project, the rate of return to investment would be positive only for adult females, but

[26] Note that those features are also common to the St. Lucia project.

not for the other groups of beneficiaries. The Brazil project yielded only small impacts overall. Were the results of the Grenada project similar to those in the Brazil project, the rate of return would be negative. Were the results of the Grenada project similar to those in the Dominican Republic project, the rate of return would be borderline negative. The results from Uruguay cannot be interpreted because the original paper was not available at the time of writing. It is important to note that the economic analysis does not take into account the positive externalities of the project that are associated with reduced crime and violence. At this point, there is insufficient evidence to estimate the potential impact of this type of project on youth risky behavior, though an evaluation is currently under way in the Dominican Republic.

208. It is important to note that the following returns and costs are omitted from the analysis: (i) Positive spillovers on firm productivity; (ii) Reduced social costs related to reduced risky behavior and crime; (iii) Crowding-out effects: trainees that are "subsidized" by the training program may crowd out other trainees which are not subsidized; (iv) Economic returns to the introduction of occupational standards in the Grenadian economy and sub-regionally.

Table 9.7: Summary of results from youth training programs in Latin America[27]

	Intervention design	Type of Evaluation	Impact on wages	Impact on employment	Total impact (B)
Argentina "Programa Joven"	Training program for 16-29 year olds in lower socioeconomic levels, 1996-1997, technical knowledge phase and internship phase. Labor Ministry hired educational institutions through bidding process	Propensity score matching (Aedo and Nuñez 2001)	Impacts on monthly earnings were stat significant for young males (USD 17-23) and adult females (USD 26-32). Percentage?	Impact on employment was statistically significant for adult females only. (10-13 percentage points)	
Brazil PLANFOR	Training for marginalized youth, 1996-1998	Paez de Barros 2002	Small impact	Small impact	
Chile "Chile Joven"	Training and occupational practice package of 6 months	Ex-post, no baseline, control group = neighbors of beneficiaries (Santiago Consultores Asociados, 1999)	Negative 8.8 percent	Positive 25.2 perc. points	
		Impact of a supplemental financial incentive, matching Bravo and Contreras (2000)	--	Employment increased by 8-13 percent, 50 percent of trained youth found jobs after employment	
Peru "Projoven"	Marginalized young urban populations	Matching and diff-in-diff (Ñopo, Robles and Saavedra, 2002)	Positive 18 % on hourly wages	5.5 % additional hours per week 6% percentage points more employment Increase in employment in medium and large size companies, less micro-entreprise employment	
Uruguay	Short term training and in-firm subsidized	Bucheli and Gonzalez (1997)	Earnings higher by 18-20 percent.	Probability of employment	

[27] This section draws on Betcherman, Olivas and Dar (2004)

"Uruguay Pro Joven"	employment for 6-12 months	*Paper not available*	*Paper not available*	increased by 60 percent. *Paper not available*	
Dominican Republic "Programa Juventud y Empleo"	Young persons 16-29 years High school dropouts from 4 poorest deciles	Experimental Card et al. (2006)	Wage increase of 10-15 percent of base wage	No change in probability of employment (56-57 %)	10-15 %
Colombia ""		ILO paper not available			

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Annex 10: Safeguard Policy Issues

GRENADA: OECS (GD) Skills for Inclusive Growth

209. No safeguard policy issues are triggered for this project.

Annex 11: Project Preparation and Supervision

GRENADA: OECS (GD) Skills for Inclusive Growth

	Planned	Actual
PCN review	04/17/2008	04/18/2008
Initial PID to PIC	04/23/2008	04/23/2008
Initial ISDS to PIC	05/01/2008	05/01/2008
Appraisal	09/08/2008 – 09/16/2008	09/08/2008 – 09/16/2008
Negotiations	11/18/2008 – 11/19/2008	11/18/2008 – 11/19/2008
Board/RVP approval	01/15/2009	
Planned date of effectiveness	03/01/2009	
Planned date of mid-term review	03/01/2011	
Planned closing date	09/01/2013	

Key institutions responsible for preparation of the project:

The Ministry of Education (MOE)
(The Grenada Council for Technical and Vocational Education and Training (GCTVET) and National Training Agency (NTA) are established semi-autonomously under the direction of the Ministry of Education.)

Bank staff and consultants who worked on the project included:

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Norma Rodriguez	Procurement Analyst	LCSPT
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Peer Reviewers:

- Andreas Blom, Sr. Education Economist, SASHD
- Amit Dar, Lead Education Economist, SASHD
- Cornelia Tesliuc, Social Protection Specialist, LCSHD

Bank funds expended to date on project preparation:

1. Bank resources: US$215,588.45
2. Trust funds: US$124,014.27
3. Total: US$339,602.72

Estimated Approval and Supervision costs:

1. Remaining costs to approval: US$8,000
2. Estimated annual supervision cost: US$80,000

Annex 12: Documents in the Project File

GRENADA: OECS (GD) Skills for Inclusive Growth

Aedo, C and Nuñez, S. May 2001. *The Impact of Training Policies in Latin America and the Caribbean: The Case of 'Programa Joven'.* ILADES/Georgetown University, Washington, DC.

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Thomas, S. November 30, 2007. *Review of Labour Market Data and Information Systems:* Grenada.

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Annex 13: Statement of Loans and Credits

GRENADA: OECS (GD) Skills for Inclusive Growth
As of December 8, 2008

			Original Amount in US$ Millions						Difference between expected and actual disbursements	
Project ID	FY	Purpose	IBRD	IDA	SF	GEF	Cancel.	Undisb.	Orig.	Frm. Rev'd
P076715	2003	GD 2nd Phase APL HIV/AIDS rev.&Control	3.00	3.04	0.00	0.00	1.38	3.16	6.04	3.85
P077759	2003	GD EDUCATION DEV (2nd APL)	4.00	4.00	0.00	0.00	1.08	1.41	8.00	0.00
P082392	2006	GD Public Sector Modernization TAC	0.00	3.50	0.00	0.00	0.00	3.13	1.03	0.00
P092692	2005	GD (4APL) Hurricane Ivan Emerg. Rec.	5.00	5.00	0.00	0.00	0.00	0.35	10.00	0.00
P101322	2008	GD TAC	0.00	1.86	0.00	0.00	0.00	1.97	0.40	0.00
P113342	2009	GD (AF) Education Dev -2nd APL (not effective yet)	0.00	1.90	0.00	0.00	0.00	0.00	1.90	0.00
		Total:	12.00	19.30	0.00	0.00	2.46	10.02	27.38	3.85

GRENADA
STATEMENT OF IFC's
Committed and Disbursed Outstanding Investment Portfolio
As of September 30, 2008
In Millions of US Dollars

		Committed					Disbursed				
		IFC					IFC				
FY Approval	Company	Loan	Equity	**Quasi	*GT/RM	Partic.	Loan	Equity	**Quasi	*GT/RM	Partic.
2002	Bel air	0.88	0	1	0	0	0.88	0	1	0	0
					0					0	
	Total portfolio:	0.88	0.00	1	0	0	0.88	0	1	0	0

* Denotes Guarantee and Risk Management Products.
** Quasi Equity includes both loan and equity types.

Annex 14: Country at a Glance

GRENADA: OECS (GD) Skills for Inclusive Growth

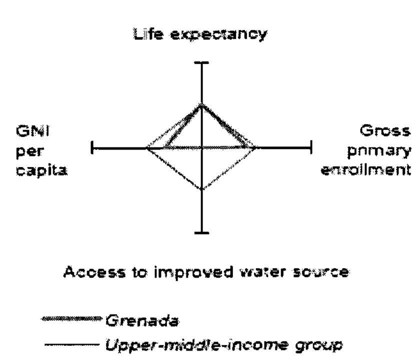
Grenada at a glance

9/24/08

POVERTY and SOCIAL

	Grenada	Latin America & Carib.	Upper-middle-income
2007			
Population, mid-year *(millions)*	0.11	563	823
GNI per capita *(Atlas method, US$)*	4,670	5,540	6,987
GNI *(Atlas method, US$ billions)*	0.51	3,118	5,750
Average annual growth, 2001-07			
Population *(%)*	0.9	1.3	0.7
Labor force *(%)*	..	2.1	1.3
Most recent estimate (latest year available, 2001-07)			
Poverty *(% of population below national poverty line)*	..	..	..
Urban population *(% of total population)*	31	78	75
Life expectancy at birth *(years)*	73	73	71
Infant mortality *(per 1,000 live births)*	16	22	22
Child malnutrition *(% of children under 5)*	..	5	..
Access to an improved water source *(% of population)*	..	91	95
Literacy *(% of population age 15+)*	..	90	93
Gross primary enrollment *(% of school-age population)*	93	118	111
Male	94	120	112
Female	91	116	109

Development diamond*

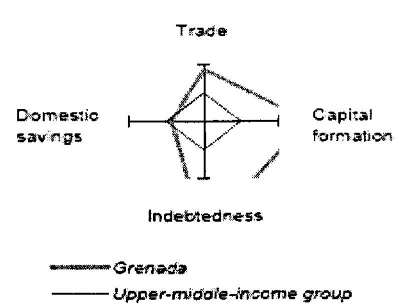


KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1987	1997	2006	2007
GDP *(US$ billions)*	0.17	0.30	0.52	0.55
Gross capital formation/GDP	33.2	37.8	..	..
Exports of goods and services/GDP	48.0	44.0	..	..
Gross domestic savings/GDP	12.4	11.6	..	..
Gross national savings/GDP	19.9	12.8	..	..
Current account balance/GDP	-13.6	-25.5	-23.9	..
Interest payments/GDP	1.2	0.6	1.3	..
Total debt/GDP	46.0	37.9	93.8	..
Total debt service/exports	6.7	4.3	9.4	..
Present value of debt/GDP	..	..	105.1	..
Present value of debt/exports	..	..	337.4	..

	1987-97	1997-07	2006	2007	2007-11
(average annual growth)					
GDP	2.2	3.2	0.7	3.0	..
GDP per capita	1.3	2.2	-0.8	3.0	..
Exports of goods and services	2.6	..	..	..	..

Economic ratios*

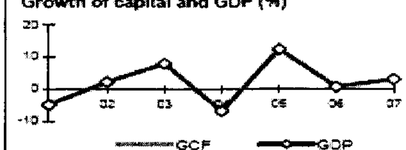


STRUCTURE of the ECONOMY

	1987	1997	2006	2007
(% of GDP)				
Agriculture	18.7	8.4	6.7	..
Industry	18.9	21.6	29.0	..
Manufacturing	5.9	6.9	5.9	..
Services	62.4	70.0	64.3	..
Household final consumption expenditure	67.2	74.9	..	..
General gov't final consumption expenditure	20.4	16.7	..	..
Imports of goods and services	68.8	69.7	..	..

	1987-97	1997-07	2006	2007
(average annual growth)				
Agriculture	-1.6	-1.5	29.6	..
Industry	3.9	6.9	-5.4	..
Manufacturing	5.1	1.1	1.1	..
Services	3.3	1.9	1.6	..
Household final consumption expenditure	2.6	..	..	..
General gov't final consumption expenditure	-0.5	..	..	..
Gross capital formation	2.5	..	..	..
Imports of goods and services	2.4	..	..	..

Growth of capital and GDP (%)



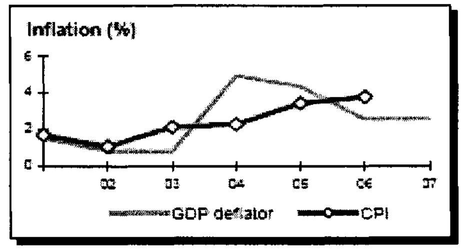
Note: 2007 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

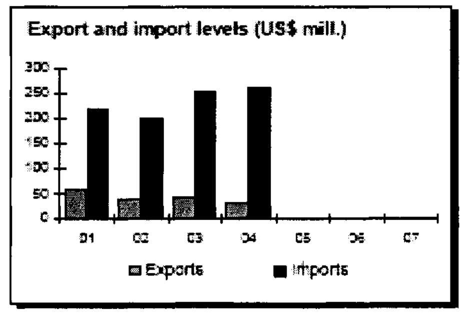
PRICES and GOVERNMENT FINANCE

	1987	1997	2006	2007
Domestic prices				
(% change)				
Consumer prices	-0.8	1.3	3.8	..
Implicit GDP deflator	4.5	-1.1	2.6	2.6
Government finance				
(% of GDP, includes current grants)				
Current revenue	..	24.9	36.1	..
Current budget balance	..	-0.3	13.3	..
Overall surplus/deficit	..	-9.1	-6.9	..


Inflation (%)

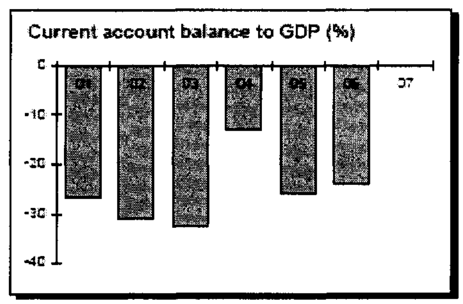
TRADE

	1987	1997	2006	2007
(US$ millions)				
Total exports (fob)	32	33	..	..
Nutmeg	..	7	..	..
Fish	..	4	..	..
Manufactures	..	18	..	..
Total imports (cif)	103	173	..	..
Food	24	37	..	..
Fuel and energy	5	14	..	..
Capital goods	21	46	..	..
Export price index *(2000=100)*	..	81	..	..
Import price index *(2000=100)*	..	110	..	..
Terms of trade *(2000=100)*	..	74	..	..


Export and import levels (US$ mill.)

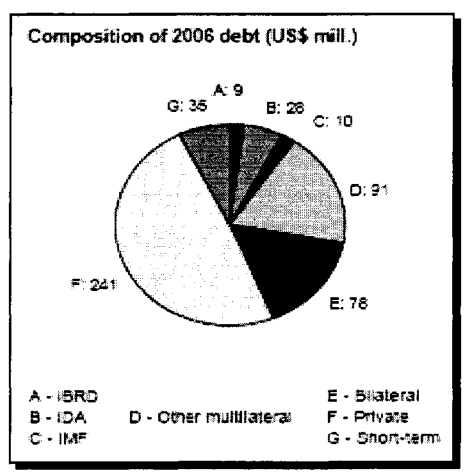
BALANCE of PAYMENTS

	1987	1997	2006	2007
(US$ millions)				
Exports of goods and services	85	142	163	..
Imports of goods and services	121	223	355	..
Resource balance	-35	-81	-192	..
Net income	-7	-16	-26	..
Net current transfers	19	20	..	..
Current account balance	-23	-78	-126	..
Financing items (net)	26	85	134	..
Changes in net reserves	-3	-7	-8	..
Memo:				
Reserves including gold *(US$ millions)*	..	43	..	..
Conversion rate *(DEC, local/US$)*	2.7	2.7	2.7	2.7

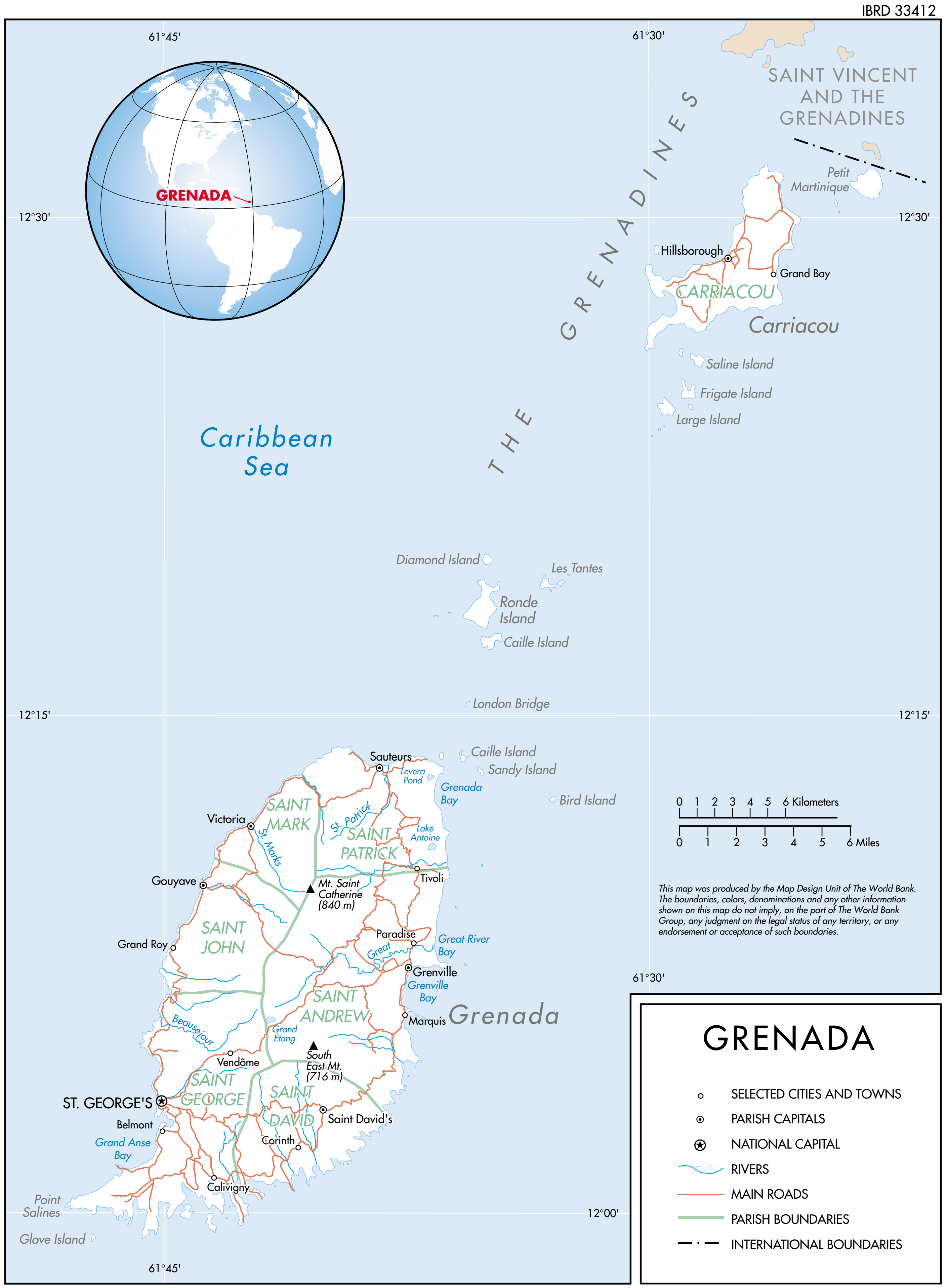

Current account balance to GDP (%)

EXTERNAL DEBT and RESOURCE FLOWS

	1987	1997	2006	2007
(US$ millions)				
Total debt outstanding and disbursed	77	116	492	..
IBRD	0	0	9	12
IDA	3	7	28	35
Total debt service	6	7	15	..
IBRD	0	0	2	2
IDA	0	0	1	1
Composition of net resource flows				
Official grants	6	4	4	..
Official creditors	9	10	20	..
Private creditors	-1	-1	0	..
Foreign direct investment (net inflows)	15	34	119	..
Portfolio equity (net inflows)	0	0	0	..
World Bank program				
Commitments	0	0	4	4
Disbursements	1	0	4	10
Principal repayments	0	0	1	2
Net flows	1	0	3	9
Interest payments	0	0	1	1
Net transfers	1	0	2	8


Composition of 2006 debt (US$ mill.)

Map Section


IBRD 33412
GRENADA
Caribbean Sea
THE GRENADINES
SAINT VINCENT AND THE GRENADINES
Petit Martinique
Hillsborough
Grand Bay
CARRIACOU
Carriacou
Saline Island
Frigate Island
Large Island
Diamond Island
Les Tantes
Ronde Island
Caille Island
London Bridge
Sandy Island
Bird Island
Sauteurs
Levera Pond
Grenada Bay
Victoria
SAINT MARK
St. Marks
St. Patrick
SAINT PATRICK
Lake Antoine
Tivoli
Gouyave
Mt. Saint Catherine (840 m)
SAINT JOHN
Grand Roy
Paradise
Great River Bay
Great
Grenville
Grenville Bay
SAINT ANDREW
Marquis
Grenada
Beausejour
Grand Etang
South East Mt. (716 m)
Vendôme
ST. GEORGE'S
SAINT GEORGE
SAINT DAVID
Saint David's
Belmont
Grand Anse Bay
Corinth
Calivigny
Point Salines
Glove Island
61°45'
61°30'
12°30'
12°15'
12°00'
0 1 2 3 4 5 6 Kilometers
0 1 2 3 4 5 6 Miles
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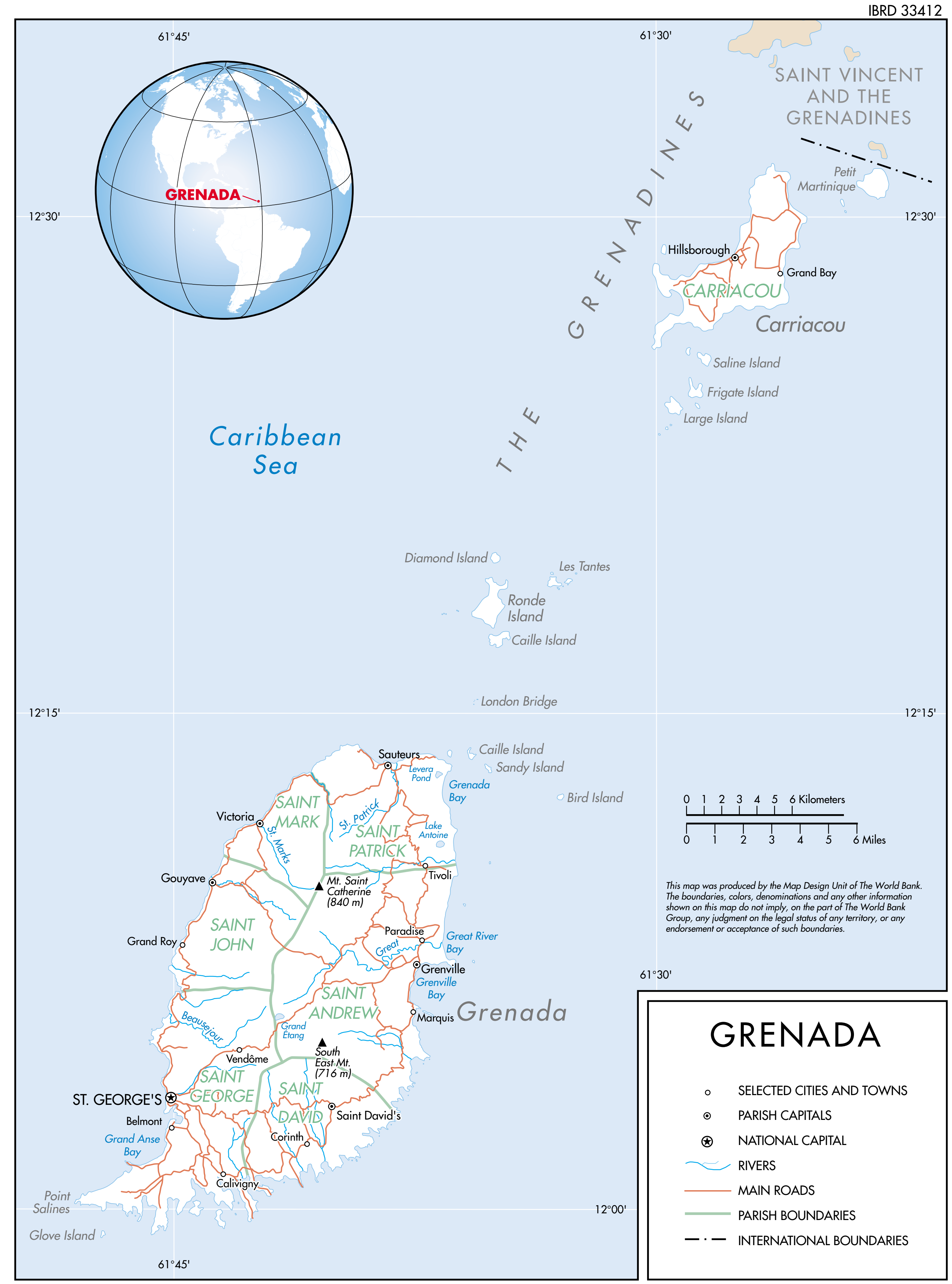
GRENADA
SELECTED CITIES AND TOWNS
PARISH CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
PARISH BOUNDARIES
INTERNATIONAL BOUNDARIES
DECEMBER 2004


IBRD 33412
GRENADA
Caribbean Sea
THE GRENADINES
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Mt. Saint Catherine (840 m)
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Grenville
Grenville Bay
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