

Institutional Assessment of Strategic Institutions in the Skills Development Sector

SDC – Bangladesh



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Abbreviations and acronyms

ADB	Asian Development Bank
AG	Auditor General
BDT	Bangladesh Taka
BEI	Bangladesh Enterprise Institute
BEHTRUWC	Basic Education for Hard-to-Reach Urban Working Class Children
BMET	Bureau for Manpower, Employment and Training
BNFE	Bureau for Non-formal Education
BRAC	Bangladesh Rural Advancement Committee
BTEB	Bangladesh Technical Education Board
CAMPE	Campaign for Popular Education
CBT	Competency Based Training
CIDA	Canadian International Development Agency
CEO	Chief Executive Officer
COE	Centre of Excellence
COEL	Center for Excellence for Leather Skill Bangladesh Limited
DD	Deputy Director
DFID	Department for International Development
DG	Director General
DNFE	Directorate of Non-formal Education
DTE	Directorate of Technical Education
EC NSDC	Executive Committee of the National Skills Development Council
EFA	Education For All
EU	European Union
FAPAD	Foreign Aided Project Audit Directorate
GDP	Gross Domestic product
GOB	Government of Bangladesh
ICT	Information and Communication Technology
ILO	International Labor Organization
IOM	International Organization for Migration
ISC	Industry Skills Council

NGO	Non-governmental Organization
MFF	Multiple Framework Financing
MIS	Management Information System
MOE	Ministry of Education
MOEWOE	Ministry of Expatriate Welfare and Overseas Employment
MOI	Ministry of Industries
MOLE	Ministry of Labor and Employment
MOPME	Ministry of Primary and Mass Education
MOYS	Ministry of Youth and Sports
NFE	Non-formal Education
NSDA	National Skill Development Agency
NSDC	National Skill Development Council
NSDP	National Skill Development Policy
NTVQF	National Technical and Vocational Qualification Framework
PEDP	Primary Education Development Project
PPR	Public Procurement Rules
RPL	Recognition of Prior Learning
RTO	Registered Training Organization
SD	Skills Development
SDC	Swiss Agency for Development and Cooperation
SEIP	Skills for Employment Investment Program
STEP	Skills Training Enhancement Project
SWG	Sector Working Group
TAFE	Technical And Further Education
TESDA	Technical Education and Skills Development Authority
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
USD	United States Dollars
WB	World Bank

Acknowledgements

This assessment seeks to engage various stakeholders in further strengthening the skills sector in Bangladesh, with a focus on strengthening certain key institutions such as the NSDC, ISCs, BTEB and BNFE. It attempts to do so by focusing on positive and constructive improvements and coordinated efforts.

First a word of thanks to Ms. Tahsinah Ahmed of SDC for making this mission possible and for her untiring efforts towards the Skills Development sector in her role as co-chair to the subgroup on skills development under the donor coordination group of education. These words of thanks extend also to her colleague Ms. Bipasha d' Cruze for making the many appointments and coordinating our busy and ever-changing visit schedule. It is impossible to individually name all the persons we met during this assignment, but our thanks extend to all of you. In general there was a great deal of openness and interest in the discussions. It is clear that there is a lot of interest in the TVET and the ongoing reforms which easily spark discussions and debate. That is a good sign. This engagement and involvement are a precondition for a continuous dialogue and steady progress. These words of thanks I convey also on behalf of my fellow team members.

Thanks also to my fellow team members for their major contributions towards content. Dr. Michael Mechtold-Jin for sharing his insights in the skills sector as a whole, Mr. Nurul Wahab helped with assessing systems and practices related to finance and administration and Mr. Zia Us Zabur shared his insights in non-formal education. The tasks related to the assessments and interviews were shared among the team, with Michael and myself sharing the work of transcribing the interview notes. I took responsibility as team-leader for design of the assessment tools, workshop facilitation, synthesizing the information, organization development related recommendations and report writing.

It is our sincere wish that our recommendations contribute to the development of the institutions we assessed and the skills development sector of Bangladesh as a whole; ultimately towards improved quality of life for the men, women and children of the country.

At heart I am a skills-teacher and my first assignment abroad was as a manager of a village polytechnic in Nairobi. Here I also piloted an apprenticeship program in the informal sector of the economy. Later I moved on to Institutional Development and Public Governance, but first loves cut deepest. I was therefore delighted when SDC offered me the opportunity to lead this assessment of key institutions in the TVET sector in Bangladesh. The simultaneous call of three loves: the one for TVET sector, for Institutional Development and for Bangladesh was difficult to resist.

Dhaka, 30th September 2013

Dr. Martien van Asseldonk (PhD), team-leader,

On behalf of the team.

Photo front-page: Michael Mechtold-Jin

1. Summary of conclusions and recommendations

1.1 General observations on the assessed organizations

1. The interviews of the data collection part of the assignment were done in a relatively short timeframe of 3 weeks. In this period over 20 organizations were visited. A workshop was conducted with the ISCs. The other core-institutions were visited 3 to 5 times to do a rapid assessment of their organizational capacity. This allowed the team to develop a fairly good understanding of the Skills Development sector as a whole, and of the key issues to be addressed in the various institutes.

2. Time was not sufficient to translate these key organizational issues into detailed plans, for instance on staffing needs. Neither did the consultancy team consider it wise to do so. To create ownership, findings must first be validated through discussions within the institutions. This takes time.

3. Many of the recommendations in this report need engagement and decision making within the institutions concerned. We advise to engage the institutions in an ongoing process of organizational development. This would include regular coaching and other expert interventions in the needed areas of organizational development.

4. Time is an important factor. High priority has to be given to the further clarification of the tasks and building an organogram and job-descriptions for the CBT cell of BTEB and the NSDC secretariat.

5. We scored the institutions we assessed as follows:

	NSDC	ISCs (average)	BTEB	BNFE
Relevance	Very High	Very High	Very High	High
Effectiveness	Low-medium	Low-medium	High (old tasks) Very low (CBT)	Low-medium
Efficiency	Low-medium	Low-medium	Medium	Low-medium
Sustainability	Weak	Weak	Strong (Legally and financially)	Weak

Table 1 Assessment overview

The main conclusions are:

- 6. All the assessed institutions are relevant for the skills development sector.

- 7. Only the financial sustainability of BTEB is on firm footing. BNFE suffers from a lack of financial support from GoB and its Development Partners, while NSDC and the ISCs are too young and new to have ensured their sustainability. The NSDC is vulnerable in the event of political changes.
- 8. In terms of efficiency, the established institutions (BTEB and BNFE) score medium and low, with BTEB faring better than BNFE due to better access to resources. The efficiency of NSDC and the ISCs is also low (because they are in the process of establishing themselves), with the NSDC secretariat a bit ahead of most ISCs. There are also differences between the ISCs, but they all lack a secretariat which would enable them to work more efficiently.
- 9. Effectiveness follows the same pattern as efficiency, though BTEB appears to be quite effective regarding its traditional tasks, but still finding its role in the CBT task.

10. Because of the high degree of relevance, we recommend that SDC makes an effort to strengthen all four institutions.

11. We advise starting with improvement of effectiveness, rather than improving efficiency. Effectiveness can be compared with walking in the right direction and efficiency with walking with bigger steps. Obviously one has to choose the right direction before one starts to walk fast. Still some general improvements in terms of efficiency are required regardless of the direction the organization takes. Those can be addressed sooner rather than later. Keeping these considerations in mind in the following paragraphs we cluster the recommendations into short-term, medium-term and long-term priorities.

12. Part of the proposed intervention for capacity building follows the “Systems Approach” (e.g. improved MIS, improved finance and admin systems, performance based contracts, quality assurance systems). In a few cases we also propose strengthening leadership to supplement this.

13. Regarding organizational culture: in BTEB and NFBE, as government institutions no formal values are formulated, discussed or promoted. Overall staff is not sufficiently result-oriented, which might compromise a market-responsive approach towards the skills development sector.

14. It is recommended to introduce and encourage an achievement and market-oriented culture, which should also be reflected in the reward system.

1.2 General observations on the skills development sector

15. The National Skills Development Policy was agreed upon after appropriate consultation and consensus building among many stakeholders. Initiatives are taken within the context of one project which sometimes have major implications for the Skills Development sector as a whole. We therefore advise sufficiently broad consultation and consensus building as in efforts related to the NSDC Act and the establishment and management of the Human Resources Development Fund for example.

16. The consultants were not explicitly asked to comment on the new Skills for Employment project, though it covers a number of similar areas especially relating to NSDDC, EC NSDC, the EC

NSDC secretariat and the ISCs. We therefore take the liberty to pose a few recommendations for consideration.

17. The project recommends the establishment of a National Human Resource Development Fund (NHRDF) under NSDP and under the guidance of the Finance Division, and with a separate governing board and support from a project management unit.

18. The consultancy team welcomes this fund as a stimulating catalyst in the skills development sector in Bangladesh. The consultancy team encourages broader consultation on the management and use of this fund. Some reflections in this report might serve as a basis for such consultation.

1.3 NSDC

1.3.1 Short term priorities

NSDC and donor coordination

19. It is recommended that all Development Partners align their support to the Skills Development sector through the framework defined in the NSDP and NTVQF, keeping in mind that the implementation on NTVQF is a lengthy process.

20. In future all Skills Development related projects to be coordinated through the NSDC and to some extent through the National Human Resources Development Fund. Decide whether NSDC (secretariat or EC) will play an advisory role, or whether NSDC will have the power to veto a proposed project. Coordination with the mandate and work of the Planning commission and External Resources Division is necessary.

21. NSDC to co-chair the coordination subgroup on skills development of the development partners.

Clarify the governance structure

22. Regarding the NSDC Act, more consensus and consultation with major stakeholders is advised. However unless the achievements made so far are secured through an act, there is a risk that any achievements may be eroded in the event of a change of government. As a compromise we recommend to include only the core issues in the act and get it passed in the parliament as planned. Other supplementary details (as included in the present draft) could be incorporated later through rules and regulations which remain within the control of the ministry / department. This would provide greater flexibility to adapt to emerging needs.

23. It is recommended to make NSDC an autonomous body, this will enable adequate participation of the private sector, gives more flexibility and makes NSDC more resistant to political changes.

24. The term 'secretariat' suggests a body which provides secretarial support to an implementing agency. In this case however the secretariat is an implementing organization by itself, while the NSDC and EC NSDC act as a kind of board. This creates some confusion when it

comes to definition of a clear mandates and roles. We therefore recommend to change the name and legal status of the NSDC secretariat into NSDA, with A standing for Agency or Authority.

25. The legal status can be formalized through an act of parliament, which also can ensure a strong and adequate mandate for this new entity.

26. Furthermore to change the role of the EC NSDC to that of a board of the NSDA.

27. The NSDC proper, as a high level council which includes the Prime Minister, could continue in its current form. This apex body will address core issues, like major policy changes.

28. The NSDC Act could stipulate mechanisms that allow meetings and decision making on the highest level even when the Prime Minister is not available personally. For instance: NSDC (or Board) can decide issues within the framework of the NSDP, but all decisions going beyond this framework and all advice on new legislation need the approval of the Prime Minister

29. Change the representation, so that industry is adequately represented, also reserve seats for representatives of NGOs involved in non-formal TVET.

30. It is recommended to minimize frequent transfer of the leadership and have a professional permanent layer in the organogram with relevant experience and competence in the skills development sector.

Clarify the mission and strategy

31. The mission and strategy of NSDCs (including EC NSDC and the secretariat) are not very clear. It is recommended that the three organizations should have clear mission statements, which are developed through a participative process and included in the NSDC Act.

32. This mission statement could be derived from the Skills Development vision and mission formulated in the NSDP, for instance: *To empower all individuals to access decent employment and ensure Bangladesh's competitiveness in the global market through a skills development system that it will deliver improved skills, knowledge and qualifications that are recognized for quality across the globe.*

33. Possible strategies: a) ensuring optimal relevance of Government TVET policies, b) improving coordination among TVET providers, c) improving responsiveness to market demands for skilled labor, d) improving equity and access to TVET services, and e) engaging with the informal economy and improving the level of skills utilized in this sector.

34. Define clearly the mandate of the CEO of the NSDC secretariat. What can he/she decide him/herself, and what kind of decisions are to be made by the 'Board' or EC NSDC.

35. Strategic goals to be in line with the goals defined in the Sixth Five-year Plan of the GOB and other relevant policy documents.

36. Some practical suggestions will be given hereafter under 'Work plans'.

Clarify the coordinating role

37. Regarding NSDCs coordinating role there are two possible archetypes: 1) top-down or centralized coordination, and 2) market-oriented coordination, with the possibility of searching for a wise and effective mix of both models.

38. In the top-down model NSDC act as an all-knowing and powerful entity, which knows what needs to be done and makes it happen by giving directions to all TVET providers. To be able to play its role it needs high level backing (for instance from the Prime Minister), and be able to control the money flow from the government to TVET to a large extent. It can only function as a government institution, probably eventually evolving into a Ministry of Skills Development.

39. In the market-oriented model, institutions providing training and education respond to market forces. TVET providers coordinate by being informed on what is needed and what other TVET providers are doing. This is need-based or market-oriented coordination. NSDC's role is to provide more of that information. In this model NSDC plays the role as a facilitator rather than as a decision making body. Elements of both models float at present in the discussions.

40. In our view, market-oriented coordination needs to be strongly incorporated in the *modus operandi* because it is:

- likely to be more responsive to market needs than the top down 'directive' model;
- likely gives better opportunities for involvement of the private sector;
- it is less vulnerable in terms of mismanagement and corruption;
- it is more likely to respect the TVET services currently provided.

Clarify the use of the National Human Resources Development Fund and the source of funding

41. According the NSDP an HRDF will be created to fund policy priorities. These priorities include funding of TVET providers. The following recommendations could act as a base for further discussion.

42. We support the introduction of a system of performance, or outcomes based funding with clear performance targets for TVET providers as stated in the NSDP.

43. This might include TVET providers affiliated with BTEB which depend on foreign donors, and where donors are withdrawing

44. We also recommend to utilize this fund to strengthen leadership and business and financial management skills in TVET training institutes as stated in the NSDP.

45. The model of a strong central government is one which enforce policy implementation and rewards good practices. It should avoid common pitfalls of planned economies such as creating new dependencies and by so doing eventually compromise initiative and creativity. We advise caution when funding TVET providers which are already funded by industry or have other stable sources of income; though new and innovative initiatives can be rewarded. By and large the industry is to be encouraged to invest more in skills training.

Possible other use of the fund:

46. Fund (to some extent) the running costs of the ISCs

47. Invest in a national system of training and certification for instructors and trainers

48. Invest in expanding and strengthening the apprenticeship system through the ISCs, the Ministry of Labor & Employment (MoLE) and the Bureau of Manpower, Employment & Training (BMET).

49. Invest in improving apprenticeship training in the informal sector

50. Invest in improving equity and access to TVET providers for disadvantaged groups.

51. In general support innovative ideas or high-risk initiatives, or initiatives which benefit the TVET sector as a whole.

To reduce the risk of mismanagement:

52. Develop an effective monitoring system to monitor outcomes of TVET providers with the necessary checks and balances. This is one of the tasks of the NSDC secretariat.

53. It is conceivable that for some specific parts of the fund, interested parties will be invited to submit proposals. In that case we advise a scoring system with transparent criteria, involvement of independent external experts to score the various proposals, and adequate transparency on the scoring procedure and results.

1.3.2 Short to medium term priorities

Work plans

54. After the mission and strategy are clarified, the NSDC secretariat needs to develop a clear work plan. Hereafter the need for human resources can be decided (number and competencies). In par 3.4 a number of specific suggestions for a work plan are given.

55. The NSDC secretariat needs to engage as well in a reflection on the sector planning, involving the ministries and other TVET providers.

System development

56. Set up a proper MIS and knowledge management system

57. The financial management and administration of donor funds needs better checks and balances. Introduce a ledger system and accounting software. Employ better qualified financial staff.

58. Discuss with Ministry of Finance the possibility of putting money into an interest-bearing bank account.

59. Donors to insist on following PPR rules if not already doing so.

60. Fixed Asset Management to be improved.

1.3.3 Medium term priorities

Resources

61. Suitably large and representative facilities should be made available for the NSDC.

62. The NSDC Secretariat needs more staff continuity and more professionalism. An organogram with proper job descriptions needs to be developed. On 30-31 August a start was made with an inventory of required functions and competencies grouped under four directorates (Monitoring and Evaluation, Policy and Research, Corporate services and Corporate Communication). This needs to be translated in required staffing and a decision what is to be outsourced and what not.

63. NSDC has to decide which tasks it will take on itself, and which tasks will be outsourced or subcontracted.

64. Outsourcing needs to follow proper procurement procedures have adequate checks and balances and a proper performance monitoring system.

65. At least 50% of the NSDC Secretariat's staff should consist out of permanent professionals with relevant experience. These persons should be selected or appointed in collaboration with the private sector.

66. Employ more female staff, especially in the area of enhancing participation of women in TVET and the labor market. It is much more credible if women convey this message to the TVET managers.

1.3.4 Long term priorities

67. Establish public relations policy, including a website, which could eventually serve as a tool for supplying data and publishing survey reports.

1.4 Industry Skill Councils (ISCs)

1.4.1 Short term priorities

68. Reactivate the SWGs established under the Skills Development Project as ISCs.

69. Register the ISCs as legal entities with a common legal framework as is being developed by ILO.

72. Keep the ISCs and Centre of Excellences as separate legal entities.

The informal economy

70. The ISC for the informal economy doesn't fit the pattern of one ISC per industry, as the informal economy has many industries. The NSDP recognizes the importance of the informal economy in terms of its contribution to the national economy and employment.

71. The SWG for the informal economy to be abandoned and the current ISCs to broaden their perspective to the informal economy.

72. A committee on skills development in the informal economy to be established with representatives of NGOS involved in non-formal skills development.

73. This committee to collaborate with the ISCs to ensure that the non-formal skill development needs are addressed and strengthened.

Mission and strategies

74. The NSDP mentions tasks for the ISCs, but not a mission and strategies. Formulate clear mission statements for the ISCs. A possible mission statement could be: to facilitate the fulfillment of actual skilled labor needs in their sector.

75. Strategies could be: a) ensure adequate skills standards within the NTVQF b) policy advice on demand for skills and c) Facilitate the training provision. See par. 5.3 for some more specific recommendations.

76. Providing training is not mentioned as a recommended strategy of the ISCs in the NSDP. For doing training a separate legal entity could be formed. The question whether an additional training centre (COE) is needed, has to be decided on a case by case basis.

77. It is not possible to start out as a 'Centre of Excellence' one can only aspire to become a 'Centre of Excellence' over time. It is recommended to reflect on the criteria of a COE (see par. 5.2.3). It is recommended to keep ambition to become a 'Centre of Excellence' in the mission statement.

78. To justify the term CO, there should be a well-defined roadmap towards these aims within a reasonable period of time. For this purpose COEs could also have a twinning arrangement with a renowned institute.

79. It is recognized that it is necessary to register the ISCs as legal entities. A model should be proposed with a model constitution; a set of operational guidelines – operational manual; minimum requirements for governance, financial management, decision making and administration.

Secretariats

80. ISCs could be housed in existing offices of Industrial Associations or Chambers of Commerce.

81. Subsidize the secretariats (partly) from the (future) National Human Resources Development Fund. Specific contracts of service and performance agreements need to be developed. The ISCs to report to the EC NSDC.

1.4.2 Short to medium term priorities

82. The ISCs have a broad understanding of their roles, but it is necessary to work out these roles in much more specific operational plans, and procedures. See par. 5.4 for specific suggestions.

83. After setting up offices a proper structure and systems have to be put in place.

1.4.3 Medium-term priorities

84. ISCs need to develop a strategy to increase membership in order to boost representation and legitimacy. One possibility is to agree with the industry associations on a system of formal presentation of high level officials in the ISCs. In sectors without associations other solutions can be discussed.

85. The industries contribute a certain percentage of the costs of the secretariats, for instance by housing them in offices of industry associations.

1.5 BTEB

1.5.1 Short term priorities

The CBT cell

86. BTEB is not yet able to deliver the required services emerging from the new NTVQF (CBT/RPL). This requires a system of assessors and assessment centers. There is a severe shortage of assessors who are competent in Competency Based Assessment.

87. Competency Standards still have to be created for many more sectors, occupations and qualification levels. For the time being BTEB only permits time based certification. Provisions for RPL and recognition of current competencies have not yet been established.

88. There are other unresolved issues such as lack of understanding of the NTVQF among TVET providers in general and integrating non-formal training (mainly short courses provided by NGOs) and informal training (small enterprises and farms) in the NTVQF. There is a need to clarify what role, if any, BTEB will and can play in the non- and informal skill training sector.

89. BTEB is advised to develop a clear timeframe and plan for establishing competency standards, a pool of trained assessors, involving the industries and ISCs.

90. Competency standards are about learning objectives. Often these curricula need to be further developed into more detailed objectives, lesson plans, learning material, trainer guidelines, and assessment tools. This task is not mentioned in the NSDP and apparently left to the training institutes.

91. A discussion is needed to determine the extent to which BTEB and the ISCs can be meaningfully involved in this task (for example, by creating a network of content experts who can assist in further develop curriculum and related material based on competency standards set or endorsed by the industry).

92. Staffing of the new CBT cell has highest priority in this process.

93. Simultaneously BTEB needs to develop a clear idea of the functioning of the CBT cell, tasks ahead, and the required competencies. Based on this understanding an adequate organogram needs to be agreed upon.

94. Clear agreed job-descriptions and competency requirement of the persons in the new CBT cell need to be drawn up.

95. BTEB has considerable financial resources of its own as it made about 4.4 million US\$ profit in 2012.

96. BTEB needs targeted technical assistance, in the first place in developing a more specific plan for the CBT cell and establishment of the necessary competencies.

97. Consider an exposure visit to TAFE (Australia), and/or TESDA (Philippines). Use this visit to assess the value of twinning arrangement (essential elements could be standards, learning materials, assessment tools, MIS, governance systems, etc.).

98. As stated in the NSDP: over time change the public service recruitment rules so that all BTEB staff can be appointed as full-time employees of that agency rather than only being posted on secondment from other departments.

99. It is recommended to minimize frequent transfer of the leadership and have a professional permanent layer in the organogram with relevant experience and competence in the skills development sector.

1.5.2 Short to medium term priorities

MIS system

100. BTEB needs to upgrade its Data Center. The MIS reporting system needs improvement.

101. When redesigning and improving the MIS BTEB should include its new role on CBT.

102. There is no proper archive, hard or soft copy of texts available of for instance research papers.

Finance and administration systems

103. BTEB is advised to introduce accounting software

104. Employ qualified finance staff

105. Allow for audits assessing the accuracy of financial statements

106. Introduce a system of internal audits

107. Improve the management and administration of fixed assets.

HRM and HRD systems and staff motivation

108. Expand need-based training of staff members.

109. Make values specific and agreed upon and make them work (something like a service charter).

110. Give stronger mandates to department heads matching their responsibilities.

111. Fill existing vacancies

Gender

112. Employ more female staff

113. Develop a gender policy and make it work, towards gender equity and equality.

1.5.3 Medium term priorities

Mission and strategy

114. BTEB could be a pro-active player in the SD playing field reflecting its future role.

115. BTEB to consider engaging in a mission development and strategic planning exercise, during which they develop a 5-year plan for their institute with a view to the current changes in the SD sector.

116. BTEB is advised to engage in a dialogue with other key stakeholders in the sector on how to extend the NTVQF to the formal and informal SD sector.

117. BTEB is advised to develop a promotion plan for NTVQF in general, based on a proper understanding of recurring bottlenecks.

1.5.4 Long term priorities

118. BTEB can improve its public profile. Many informants mentioned that BTEB is understaffed.

119. BTEB is advised to develop a visibility and public image improvement plan.

1.6 BNFE

120. BNFE is the mandatory coordination government body for non-formal education, including non-formal skills training. It therefore has a high degree of relevance.

121. BNFE has experience of implementing more than 5 large NFE literacy and PLCE projects serving more than 18 million learners. A large number of NFE officials were trained in various aspects of NFE and had also developed a functional MIS system. BNFE has engaged in experience sharing exercises with a number of NGOs who have provided practical insights in developing viable and replicable NFE models.

122. In spite of lack of financial support from government and development partners BNFE still has the potential to become the NFE sector leader provided it improves its leadership, organizational culture and financial management.

123. We advise to engage in a process of strengthening the management and implementation capacities of the bureau, with a focus on the non-formal skills development sector.

124. Besides working with the BNFE, NSDC can also maintain its working relationship with CAMPE for data flow from the NGOs to their database and for dissemination of information to the NGOs.

1.6.1 Short term priorities

Mission

125. The NFE policy is almost ten years old and in need of updating. We advise that BNFE engages in revising it together with key stakeholders through a participatory process.

126. The mission can be 'branded' and made much more visible, it is something BNFE staff members should be proud of.

Expanded role in non-formal skill development

127. It is advised to broaden the mission of BNFE to explicitly mention non-formal skills development.

128. BNFE with support of NGOs can develop an explicit strategy for improving skills development in the informal sector, integrating these trainings into the NTVQF (prevoc 1 or 2). This could include skill training by NGOs and integrating this training into the NTVQF (mostly prevoc 1 and 2). For example, this could be done through the logbooks developed in the TVET Reform project a system of coaching and organizing 1 day/evening a week theory classes for the students.

Working through NGOs

129. By subcontracting NGOs, the BNFE changed its role from direct to indirect service provider. BNFE's direct clients are no longer the students but the subcontracted NGOs, who need monitoring and sometimes capacity building.

130. Coaching and capacity building of the implementing NGOs by BNFE is done through orientation training, which is largely insufficient. Direct results should be understood in terms of increased capacity of NGOs, which is not the case.

131. It is recommended to coordinate the work through NGOs by providing information, research, an updated database, and workshops and seminars.

132. The flow and control of related funds needs careful consideration as there have been newspaper- and audit reports of mismanagement in the recent past. If BNFE wants to work through NGOs for the time being well-established NGOs could be involved to monitor and coach smaller NGOs.

1.6.2 Short to medium term priorities

Public image

133. BNFE lacks sufficient support from donors. This is not easily resolved, but the issue needs to be addressed.

134. Provide quality services. This of course takes time to develop and verify.

135. The system of fund flow and control of funds needs review to ensure better management.

136. "Sell" the work of the office through leaflets, publications, and mass media

137. Ensure a clean and professional working environment.

Organogram

138. The DG of BNFE or his deputy should have at least 5 years experience in NFE sector on a managerial level.

139. It is recommended to minimize frequent transfer of the leadership and have a professional permanent layer in the organogram with relevant experience and competence in the skills development sector.

140. Activate the Advisory Council

1.6.3 Medium term priority

141. It is advised to address the medium and long term priorities after the short term priorities are addressed.

Human resources

142. The DG and DD are on deputation. The rest of the staff is permanent staff funded from the revenue budget. Insufficient staff members have extensive experience in NFE.

143. It is recommended that at least 11 key staff members of BNFE in Dhaka should have or gain proper experience in NFE. See fig. 6 the green boxes in the organogram of BNFE.

144. Fill vacancies

145. Make job descriptions for all posts.

146. Employ more female staff.

Material resources

147. BNFE has a building which is under-utilized.

148. BNFE to plan for a proper use of the building as part its re-orientation. For instance eventually establish a training centre on NFE, (e.g. for training on quality assurance, assessments and certification).

149. Alternatively let NSDC use part of the building.

ICT, MIS and monitoring system

150. The information available on literacy education is limited and not frequently updated. It cannot generate information on learners' progress within the period of a certain project.

151. BNFE can play a crucial role in transfer of information from the informal sector to and from NSDSC. It's knowledge management and MIS can be adjusted accordingly.

152. What is lacking is a vision on the role of BNFE versus the roles of the implementing NGOs. Who is responsible for what and who should know what and how to fulfill that role. BNFE for instance, needs to be informed of the capacity of the implementing NGOs and progress made in this regard.

153. It is advised to redesign the MIS in line with a reflection on the role of BNFE.

Finance and admin systems

154. Employ qualified staff in the finance team.

155. Introduce accounting software.

156. All the audit objections are replied to the Government Audit Authority office through DG, BNFE and the Secretary of MoPME. In addition to this, a bilateral audit objection meeting is held regularly under the chair of DG BNFE and tripartite audit objection meet up under the chairmanship of secretary of MoPME

157. Discuss with Ministry of Finance the possibility of putting money in an interest-bearing bank account.

158. Update the Fixed Assets Register regularly and attach ID number to assets.

HRM & HRD systems and staff motivation

159. Train staff in appropriate fields.

160. Staff feels that the ACR does not sufficiently lead to awards or career development.

2 Introduction

2.1 Background

Skills Development is recognized in Bangladesh as one of the key strategic tools for human resource development and poverty alleviation. The introduction of the Skills Development Policy paved the way for coordinated interventions. The National Skills Development Council (NSDC) was reinstated for this purpose.

In the absence of necessary capacity, projects are heavily dependent on external technical assistance. Training has been largely focused on project requirements and not sufficiently based on sound institutional and organizational assessments, nor structured in a way to ensure transfer of knowledge and skills of external specialists aimed towards building national thematic and technical resource pools or sustainable national institutions. Leadership and coordination in the Skill Development sector needs strengthening, while it is also not yet clear which agency

should be responsible for the coordination of overall fund flow to the sector, what mechanism and modality should be used, and what may be the role of the NSDC, Ministry of Finance (MoF) and the Economic Relations Division (ERD) in this regard.

Against this backdrop, SDC decided to offer support to the GoB to assess the strength and weaknesses of key institutions (NSDC, BTEB, the ISCs and BNFE), and to explore possible funding modalities. This report describes the results of that effort.

2.2 Methodology

According to the ToR the consultancy team was requested to develop organizational and institutional development plans (which include short term, medium term and long term perspectives), and hereby focus on efficiency, effectiveness, relevance, and sustainability of the institutions. The ToR specified a number of sub-questions under each heading. The team was asked to gather the needed information through:

- Meetings and workshops with relevant stakeholders, both from within the institutes as well as relevant outsiders
- Review of existing literature and documents

Information on efficiency, effectiveness, relevance, and sustainability can be obtained indirectly by collecting more basic information. This can be explained with the Integrated Organizational Model.

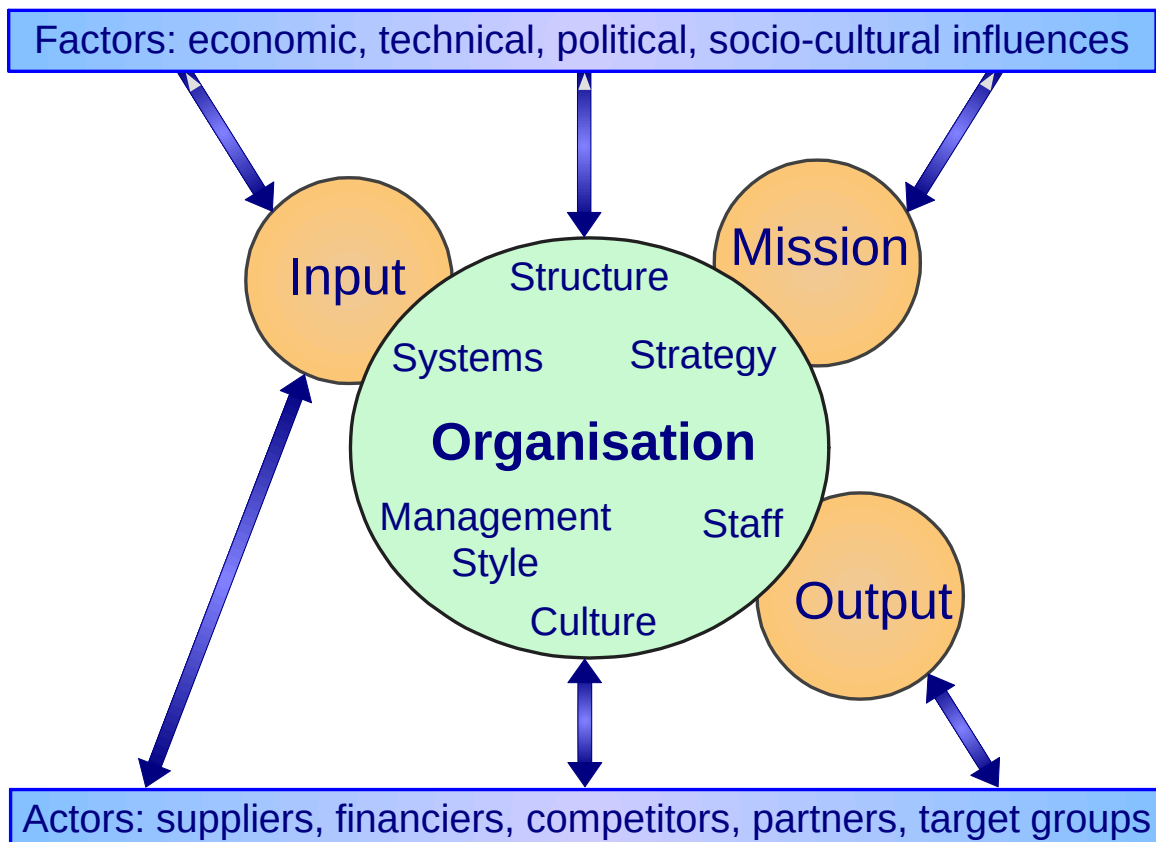


Fig. 1 the Integrated Organizational model

- Efficiency is understood as the ratio between output and input, in other words the amount of services which are produced for a given input. This is influenced by proper systems, structure (quality and quantity of staff and proper coordination among them), organizational culture, management style, staff motivation. In short: efficiency is “doing things rightly”.
- Effectiveness is understood as “doing the right things”. In other words having the right mission and strategy and doing the right activities to produce outputs and outcomes (use of outputs) which contribute to achieving the mission.
- Relevance has to be answered in the context of broader sectoral mapping. Does the organization have an added value in the skills development sector? Are its mission and output relevant for Bangladesh’ citizens’ at this moment in time?
- Sustainability basically is of a comprehensive nature. An organization has to be efficient, effective and relevant in order to be sustainable. Sustainable financing is of special interest, while one can also differentiate between sustainability of outcomes/results and sustainability of the organization itself.

The team designed rapid organizational assessment tools (annexes 3 and 4) based on the IOM and inspired by the sub questions in the ToR (annex 1). In annex 2 the elements of the IOM are related to the sub questions in the ToR. The focus in this report remains largely on the organizational elements underlying efficiency, effectiveness, relevance and sustainability, as this allows for more specific recommendations.

2.3 Limitations

The interviews of the data collection part of the assignment were done in a relatively short time frame of 3 weeks. In this period over 20 organizations were visited. A workshop was conducted with the ISCs. The other core-institutions were visited 3 to 5 times to assess their capacity. This allowed the team to develop a fairly good understanding of the Skills Development sector as a whole, and of the key issues to be addressed in the various institutes.

Time was not sufficient to translate these key organizational issues into detailed plans; neither did the consultancy team consider it wise to do so. To encourage ownership findings have to be validated and discussed internally within the institutions first. This takes some time. Hereafter a consultative process approach is proposed to facilitate and guide the formulation of organizational development plans by the institutions. Whenever needed adequate technical assistance can also be provided during this process.

2.4 Structure of this report

In chapters 4-7 the main findings of the assessment of the NSDC, ISCs, BTEB and BNFE are represented, together with a wide range of recommendations. We have structured the information as follow:

1. Introduction
2. Aspects of Effectiveness (“doing the right thing”)

- a. Mission
 - b. Strategy
 - c. Activities, Outputs, Outcomes
- 3. Aspects of Efficiency (“doing things rightly”)
 - a. Structure (governance, organogram)
 - b. Input (financial, human and material resources)
 - c. Systems (MIS, HRM, Finance, etc.)
 - d. Values and culture
 - e. Gender
- 4. Public image and external relationships

The attention we gave to the different elements in this report varies for each organization depending on relevance and availability of information. For those who are less familiar, we have annexed a short description of the SD sector in Bangladesh (annex 7).

The mandate and scope of work of the institutions we assessed provides a broad umbrella for the presentation of our findings. There is one exception: the recommendations related to the SD sector as a whole from the perspective of the Development Partners, which we present separately in chapter 3.

3 General observations on the Skills Development sector

3.1 Lack of qualified human resources

The NSDP is still relatively new and its implementation will take some time. It is good to notice that the delays and bottlenecks in the NSDP are not the result of a shortage of financial resources. The Bangladesh Enterprise Institute (BEI) reports that a Skills-Development-Fund exists with 500 million BDT (1 USD = about 80 BDT), which cannot be spent because the NSDC does not have the capacity to use it. BEI also points out that MoEWOE has an "Expatriate Welfare Fund", which creates 160 million BDT in annual interest alone, but the money is not used effectively. The Skills Development Project had a total budget of almost 60 million USD, which had to be reduced because only a fraction could be spent (7 million US\$ as of March 2012). The key bottleneck is not money, but rather lack of dynamic leadership and lack of competent staff for implementing the NSP and NTVQF. We will deal with issues of leadership and Human Resource Development when we deal with the individual institutions.

Recommendations:

- *Recommendations will be given under the respective institutions.*

3.2 Sustainability of TVET reform

Before the NSDP produces significant numbers of skilled people that match the demand of employers there is a risk that conservative TVET stakeholders are reluctant to face the challenges of reform, and even pioneers of the policy may fall back into conservative practices due to the current weaknesses of the organizational framework. The key institutions of the NSDP (NSDC, ISCs, and BTEB) are still weak, understaffed and underfunded. Some informants believed that there is a risk that the NSDP will not survive if the government changes after the elections scheduled for later in 2013. To reduce or mitigate these risks various strategies are followed:

- Having the NSDC Act approved by parliament before elections. Some observers have remarked that the NSDC Act needs more consultation with key stakeholders. The final draft will still be shared with relevant ministries and NSDC. It is work in progress.
- Continuous strong involvement of Development Partners in the sector will provide certain and probably sufficient leverage to safeguard the results so far. Especially the TVET Reform Project has been important for supporting the GoB in formulating the policy, establishing and strengthening the key institutions (including the NSDC, BTEB and 5 ISCs), training responsible staff and developing the quality management mechanisms.

Recommendations:

- *Regarding the NSDC Act, more consensus and consultation with major stakeholders is advised. However unless the achievements made so far are secured through an act, there is the risk that any achievements may be eroded in the event of a change of government. As a compromise we recommend to include only the core issues in the act and get it passed in the parliament as planned. Other supplementary details (as included in the present draft) could be incorporated later through rules and regulations which remain within the control of the ministry / department. This would provide greater flexibility to adapt to emerging needs. If political changes are a serious concern for sustainability of NSDC then making the NSDC a more autonomous body will make it more invulnerable to such political changes.*

3.3 Need for coordination through the NSDP framework

Sectoral Working Groups (SWGs) were established under the Skills Development Project. Later project documents for the Skills Development were amended to form ISCs in 2011. Industry Sector Councils (ISCs) were established under the TVET Reform project. Under this project also the National Skills Development Policy (NSDP) was formulated.

Competency Standards developed with support of the Skills Development Project follow a different procedure and format – they have therefore not been approved by the BTEB. The outputs of the STEP project seem not to be aligned with the TVET Reform, and its strategy still seems to mainly support the old pre-NSDP policy. The STEP project has a financial capacity of about 80 million US\$ and its contributions to the NSDP are negligible. In general one can say that there is willingness to adapt to the NSDP, but that such changes take a few years due to commitments already made.

Recommendations:

- *It is recommended that all Development Partners to (continue to) align their support to the SD sector with the framework defined in the NSDP and NTVQF, keeping in mind that the implementation on NTVQF is a lengthy process.*
- *In future all SD related projects to be coordinated through the NSDC and to some extent through the National Human Resources Development Fund.*
- *NSDC to co-chair the coordination subgroup on skills development of the development partners.*

4 National Skills Development Council (NSDC)

4.1 Introduction

The NSDC has a predecessor in the Council for Skills Development and Training, which was founded in the 1980s and headed by the Deputy Vice President. Its function was similar to that of the NSDC. However, it only survived for a few years. In 2007 the GoB (together with the BEI and others) set up the "Better Business Forum" with four committees. One of them was responsible for skills development and made the recommendation regarding the foundation of the NSDC. The NSDC was created in 2008. The first NSDC meeting took place under the caretaker government. It has only met once since then, in 2011. At first BMET and BEI fulfilled secretarial tasks for the NSDC. In 2011 the NSDC Secretariat was established with Mr. Jiban Kumar Chowdhury as the CEO. Since then the number of staff of the Secretariat has been slowly increasing.

- The **National Skills Development Council (NSDC)** is headed by the Prime Minister and has the mandate to oversee the implementation of the National Skills Development Policy (NSDP). It co-coordinates between ministries and other government bodies that are involved in skills development as well as with the private sector. It has "the power to direct, co-ordinate, supervise, develop and recommend initiatives and policies relating to skills development".
- Because the NSDC was not able to meet sufficiently frequently it established an **Executive Committee (EC NSDC)** which meets more often and which "shall exercise the powers of the NSDC to organize advice, recommend, supervise, develop and implement all skills development initiatives and policies".
- To be able to cope with these tasks the **NSDC Secretariat** was established as "the administrative and the implementing body of EC NSDC and NSDC".

4.2 Aspects of Effectiveness

4.2.1 Mission

The National Skills Development Policy (2011) (NSDP) is the guiding document regarding the NSDC, EC NSDC and NSDC secretariat. The NSDP refers to the tasks of the NSDC as follows:

- **Policy** approval and implementation related to human resource development and training.
- Review and monitoring of the **implementation** of the NSDP and the work of TVET providers
- **Coordinate** the provision of skills development delivered by different government ministries and private providers. Ensure that public institutions are best utilized to maximize effective use of resources, and implement arrangements so that private training providers can access public facilities to increase the scope of skills training.
- **Overseeing** the work of the EC NSDC and NSDC **secretariat**

The task of the NSDC secretariat is to support the work of the NSDC and EC NSDC:

- To **monitor and evaluate** implementation of the NSDC Action Plan.
- Integrating and analyzing the **skills data** on both the supply and demand for skills so that the NSDC and EC NSDC can make appropriate planning and resourcing decisions.

Although the tasks are clearly defined in broad terms, there is no specific mission statement for NSDC

Recommendation:

- *It is recommended that NSDC EC NSDC and the NSDC secretariat develop clear mission statements, which should be developed in a participative way and included in the NSDC Act.*
- *In case the NSDC and EC NSDC act as a Board of the Secretariat as an implementing agency (see hereafter) then the three bodies become one organizational entity with one mission statement.*

This mission statement could be derived from the Skills Development vision and mission formulated in the NSDP, for instance:

To empower all individuals to access decent employment and ensure Bangladesh's competitiveness in the global market through a skills development system that will deliver improved skills, knowledge and qualifications that are recognized for quality across the globe.

(optional, followed by specific strategies like: ... by a) ensuring optimal relevance of Government TVET policies, b) improving coordination among TVET providers, c) improving responsiveness to market demands for skilled labor, and d) improving access to TVET services.)

4.2.2 Strategies

The NSDP does not specifically refer to strategies, but based on the information in the document these appear to be:

Strategies
Ensuring optimal relevance of Government TVET policies
Improving coordination among TVET providers and responsiveness to market demands for skilled labor
Improving access to TVET services
Engaging with the informal economy and improving the level of skills utilized in this sector

Table 2 Strategies of NSDC

The NSDP does not specify whether these are the strategies of the NSDC, EC NSDC or the NSDC secretariat. We propose the NSDC secretariat as implementing agency. At the moment the NSDC secretariat is busy establishing itself (procurement, employing staff, etc). Most of the strategy has been suggested by Development Partners, rather than being the result of internal discussions within NSDC, which is to be expected in a start-up phase.

Recommendation:

- *It is necessary that the secretariat develops a clear vision of how to make these strategies work. There are many different ways to influence policy (e.g. research, lobbying and advocacy, media, political alliances), to improve coordination (see hereafter), and to improve inclusiveness and access.*
- *Strategic goals to be in line with the goals defined in the Sixth Five-Year Plan of the GOB and other relevant policy documents.*

Strategy on Skills Development coordination

Skills Development coordination here is understood as “influencing who is doing what, in order to minimize gaps and overlaps, ensure synergy and maximize efficiency and effectiveness of the TVET system in Bangladesh as a whole.” This implies frequent communication with various stakeholders, including for instance the Cabinet Committee for Skills Development under the Ministry of Finance.

Regarding NSDCs coordinating role there are two possible archetypes: 1) top-down or centralized coordination, similar to a planned economy, and 2) market-driven coordination. The challenge is to define the most effective mix of these two archetypes. First a few words on the two archetypes.

In the top-down model NSDC acts as an all-knowing and powerful entity, (knowing what needs to be done and making it happen by giving directions to all Skills Development providers). To be

able to fulfill its role it needs high-level backing (for instance from the Prime Minister), and to be able to a large extent, control the flow of money from the government to the TVET. It can only function as a government institution, eventually evolving into a Ministry of Skills Development.

Top-down coordination

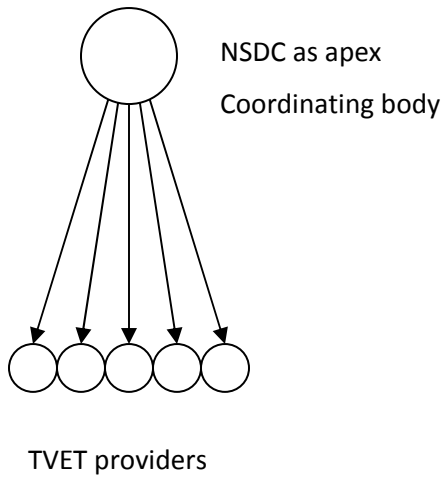


Fig. 2 Top-down coordination model

Market-oriented coordination

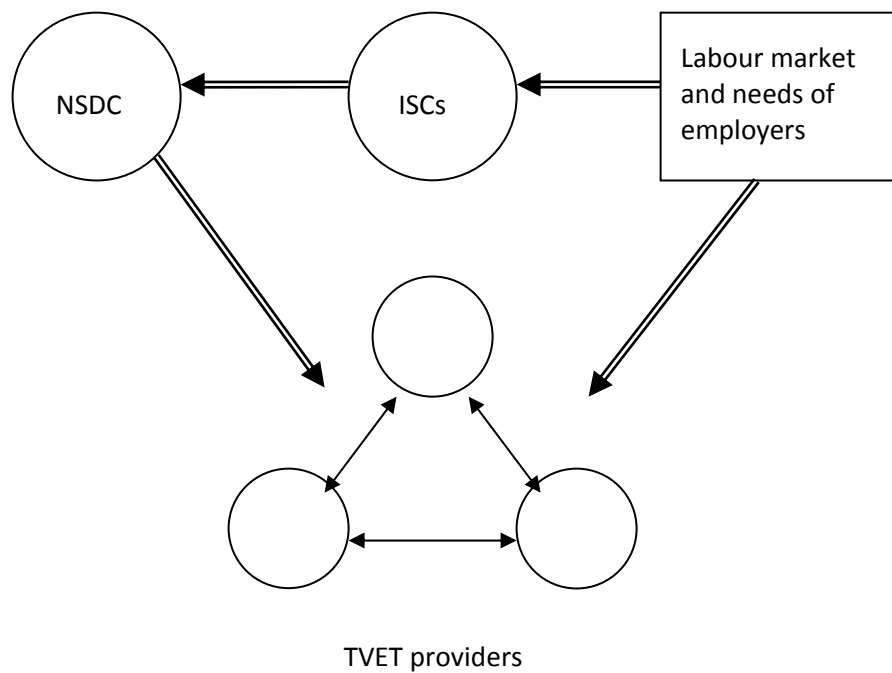


Fig. 3 Market-oriented coordination model

In this model institutions provide training and education in response to market forces. It is common in our world that certain training is stopped when there are no longer students lining up to subscribe to this training. On the other hand when no existing TVET provider is able to train in certain competencies, it is common that either the industry or some TVET providers start filling this gap. TVET providers coordinate by keeping informed on what is needed and on what the other TVET providers are doing. This is need-based or market-oriented coordination.

The information TVET providers have about what other providers are doing and what the market demands, is often incomplete. In this respect NSDC's role is to provide more comprehensive information. This will enable the TVET providers to respond better to changing needs of employers and of industry as a whole. In this model NSDC plays the role of facilitator rather than a decision-making body.

Elements of both models float at present in the discussions. The NSDC secretariat database on skills need and provision for example, fits with market-oriented co-ordination, whilst control of a National Human Resources Development Fund and the government taking a stronger directive role and NSDC evolving in a Ministry of Skills Development, clearly belong to the top-down domain.

Another unanswered related question is to what extent NSDC (secretariat or EC) will influence the investment of Development Partners in Skills Development in Bangladesh. Will it be an advisory role, or will NSDC have the power to veto a proposed project? Coordination with the mandate and work of the Planning commission and External Resources Division is necessary.

Recommendation:

We advise to maximize market-oriented coordination. In our view, market-oriented coordination is:

- *more responsive to market needs than the top-down 'directive' model*
- *gives better opportunities for involvement of the private sector*
- *is less vulnerable in terms of mismanagement and corruption.*
- *respects the TVET services currently provided by line ministries and does not attempt to relinquish their authority and control over resources.*

At the same time NSDC should maintain sufficient leverage and authority to be able to take meaningful actions for improving efficiency and effectiveness of the SD sector.

The market-oriented coordination mechanism will include many of the existing activities and strategies such as the establishment of the database and the establishment and relations with the ISCs, co-ordination between the ISCs, collecting information from the ISCs about employers' demand for occupations and skills, monitoring the implementation of the NSDP as well as donor co-ordination. Ultimately, the NSDC Secretariat's database should also include information about the overseas labor market.

The National Human Resources Development Fund

In various documents this fund is referred as 'Skills Development Fund'. We follow the terminology used in the NSDP: 'Human Resources Development Fund'. The NSDP states that the

government will establish the National Human Resources Development Fund with the target for government contributions of 1% of the value of remittances received by expatriate workers. The NSDP also suggests changes in the government accounting and budgeting practices so that a specific budgetary provision for skill development can be made in future GOB Budgets.

On the use of the fund the NSDP proposes:

- A system of performance, or outcomes-based funding with clear performance targets linked to the outputs of training, (e.g. numbers of graduates and employment outcomes), rather than the current system of training inputs, such as enrollment statistics and staff salaries.
- Strengthen the capacity of training institutions in strategic leadership and financial and business management.

Recommendations:

Funding of TVET providers:

- *We support the introduction of a system of performance, or outcomes-based funding with clear performance targets for TVET providers*
- *This might include TVET providers affiliated with BTEB which depend on foreign donors, and where donors are withdrawing*
- *We also support use of this fund to strengthen leadership and business and financial management skills in TVET training institutes.*

The model of a strong central government is one which enables enforcing policy implementation and rewards good practices. It should avoid common pitfalls of planned economies such as creating new dependencies and by so doing eventually compromise initiative and creativity. We advise caution when funding TVET providers which are already funded by industry or have other stable sources of income; though new and innovative initiatives can be rewarded. By and large the industry is to be encouraged to invest more in skills training.

Possible other use of the fund:

- *Fund (to some extent) the running costs of the ISCs*
- *Invest in a national system of training and certification for instructors and trainers*
- *Invest in expanding and strengthening the apprenticeship system through the ISCs, the Ministry of Labor & Employment (MoLE) and the Bureau of Manpower, Employment & Training (BMET).*
- *Invest in improving apprenticeship training in the informal sector*
- *Invest in improving equity and access to TVET providers for disadvantaged groups.*
- *Support innovative ideas or high-risk initiatives, or initiatives which benefit the TVET sector as a whole.*

To reduce the risk of mismanagement:

Recommendation:

- *Develop an effective monitoring system to monitor outcomes of TVET providers with the necessary checks and balances.*

- *It is conceivable that for some specific parts of the fund interested parties will be invited to submit proposals. In that case a system with transparent criteria and scoring system, at least three independent expert from outside NSDC scoring the various proposals, and adequate transparency on the scoring procedure and results.*

Possible sources of funds:

- Development partners wishing to invest on the SD sector
- Revenue budget
- Levy or tax
- Private Sector contributions

Recommendation:

- *Decide first on the purpose of the fund, then on the funding requirements, and thereafter on the source of funding.*

4.2.3 Outputs

After the mission and strategy are clarified, the NSDC secretariat (with EC NSDC and NSDC perceived as its Board), needs to develop a clear work plan. Thereafter the requirements for human resources can be decided (number and competencies). To some extent this has already been done, but there is need for improvement and clarification. In the following tables we suggest some outputs and activities for each strategy. The following serves to stimulate thinking and is not exhaustive.

Strategy 1	Ensuring optimal relevance of Government TVET policies
Output	Advice given to policy makers
Some questions to facilitate thinking on activities	- The National Skill Development Policy will be reviewed every five years. Who initiates and who will be involved and in what way? - How to we monitor and measure the progress in implementation and emerging trends in the national and international skill environment? - How to cooperate with research institutions and universities? - etc.

Strategy 2	Improving coordination among TVET providers and responsiveness to market
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	demands for skilled labor
Output	Data on skill needs disseminated on appropriate levels
Some questions to facilitate thinking on activities	According the NSDP the data base will: - Address domestic data needs related to the supply of skills, the demand for skills, and the matching of supply and demand; - Address international data needs related to the demand for skills in key international Labor markets for Bangladeshi workers; - Allow for the identification of both current skills shortages and potential future demands for skills, both at the regional and national level; - Increase the use of tracer studies to track the employability of graduates; - Identify and allocate responsibilities to institutions, bodies and agencies covering the collection, processing, management and reporting of skills data; - Provide for timely and broad dissemination of data so as to inform skills policy, program development and the choices of individuals; and - Take account of the impact of data collection on enterprises. The NSDP gives some guidance, but more detailed questions need to be answered, like: - How to receive data on TVET training from government providers? - How to receive data from Private Sector TVET providers (through ISCs, but these represent only some industries)? - How to receive data on TVET training from hundreds of NGOs? - How to establish a reliable overview of TVET training in the informal sector? - How to receive information on skilled labor needs from industry (through ISCs, but these represent only some industries)? - How to receive information on skilled labor needs abroad? - How to make reliable future projections on skilled labor needs? - How frequently do we need to update this data? - How to cooperate with Bangladesh Bureau of Statistics? - How to cooperate with research institutions and universities?

	- How to inform all these stakeholders about our work? - What will be our dissemination strategy? - What skill Development information is relevant for a limited geographical area and what information is relevant for a national audience. How do we differentiate between the two, and how do we come to targeted dissemination practices? - How to maximize use of ICT and e-governance tools? - What information should the database contain? - etc.
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Strategy 3	Improving access to TVET services
Output	TVET managers made aware on inclusiveness and accessibility issues
Some questions to facilitate thinking on activities	- How do we generate and update knowledge on inclusiveness and accessibility? - How do we address bottlenecks? - etc.

Strategy 4	Engage with the informal economy and improve the level of skills utilized in this sector
Output	Apprentices trained in the informal sector following NTVQF standards
Some questions to facilitate thinking on activities	- How to collect information on the informal sector (economic data, employment data, skills development needs)? - How to collaborate with universities and NGOs? - How frequently to update this data? - How to increase NGO involvement in non-formal skills development - How to engage the ISCs in the informal sector of the economy?

	- Etc.
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Recommendation:

- *Develop a detailed logical framework so that an agreed framework for M&E is in place with evidence of progress national and regional level to report on implementation progress.*

4.3 Aspects of Efficiency

4.3.1 Structure

Governance structure

The NSDP does not make much distinction between the NSDC and EC NSDC. It is generally understood that EC NSDC is able to meet more frequently because the Prime Minister is chairing the NSDC. With this understood one can read EC NSDC instead of NSDC in most places in the NSDP, except for major policy decisions. The NSDP also frequently refers to the EC NSDC and the secretariat as one entity, apparently assuming EC NSDC to be an implementing organization.

The term 'secretariat' is suggesting a body which provides secretarial support to an implementing agency. In this case however the secretariat is an implementing organization by itself, while the NSDC and EC NSDC act as a kind of board. This creates some confusion when it comes to definition of mandates and roles. It is recognized that the governance structure is already embedded in the NSDP, but probably it could be amended to some extent in the NSDC Act.

Recommendation:

- *Change the name and legal status of the NSDC secretariat into NSDA, with A standing for Agency.*
- *Change the role of the EC NSDC into that of a board of the NSDA*
- *It should be clarified whether there is a strategic necessity for having both an NSDC and an EC NSDC. If not, the two organizations should be merged into one.*
- *The "NSDC proper" as a high level council including the Prime Minister could continue as is. This apex body will address core issues like major policy changes.*
- *The position and role of the Committee on Skill Development headed by the finance minister also needs to be taken into consideration in view of the role of NSDC. Consider which tasks could be handed over to NSDC, and which tasks are specifically related to the Ministry of Finance and need to remain there.*
- *The legal status can be formalized through an act of parliament (NSDC act), which also can ensure a strong and adequate mandate for this new entity.*

Currently 2/3 of the members of the NSDC and EC NSDC are representatives from government ministries, while 1/3 are representatives from industries. Though the NSD Policy states that civil society actors are represented in the council, this is not the case.

Recommendation:

- *Change the representation numbers, so that industry is adequately represented, and also reserve seats for representatives of NGOs involved in non-formal TVET.*

The current CEO of the secretariat is on deputation from the government. To have a person from the government at the top helps the communication with ministries. The disadvantage is that CEOs are transferred after a while, and that the private sector is required to play a stronger role.

Recommendation:

- *It is recommended to minimize frequent transfer of the leadership of NSDC and have a professional permanent layer in the organogram with relevant experience and competence in the skills development sector.*

Whether NSDC and EC NSDC are the board of the NSDC secretariat, or whether the secretariat provides secretarial services to the EC NSDC as an implementing body, does not change the position of the CEO of the secretariat, being lower in hierarchy than the NSDC and EC NSDC.

Recommendation:

- *Clearly define the mandate of the CEO of the NSDC secretariat. What can he/she decide by him/herself, and what kind of decisions are to be made by the 'Board' or EC NSDC.*

4.3.2 Input

Financial Resources

The NSDC Secretariat's budget for the current year is about 21 million BDT, of which 18.6 million BDT comes from the government, 1.75 million from SDC and 0.8 million from the World Bank STEP project. This is a revised budget – a downward adjustment was necessary because the NSDC Secretariat was not able to utilise the previously budgeted amount of 30 million BDT (80 BDT = about 1 USD).

Assessment: For the time being the bottleneck is not a shortage of funds but the limited capacity of the Secretariat to spend it.

Recommendation:

- *In the long term a sustainable source of funding must be found, for which we recommend the National Human Resources Development Fund.*

Material Resources

The NSDC Secretariat is currently located in a Technical Training Centre for women in Mirpur, Dhaka. It is equipped with basic ICT equipment and a micro-bus. No data security feature has been enabled yet. A server, capable of managing the NSDC database, mail and webhosting, has been purchased but is not yet fully functional.

Assessment:

The NSDC Secretariat does not have enough office space to accommodate its current staff – let alone the larger team of civil servants and professionals which will be necessary when the Secretariat implements a more comprehensive strategy. The current facilities are not representative, considering the important role the Secretariat plays for the NSDP.

Recommendation:

- *Suitably large and representative facilities should be made available for the NSDC. The unused building on the campus of the BNFE could be considered as an alternative to the current location.*

Human Resources

There is an approved organization chart for the NSDC Secretariat, but most of the posts are vacant. The NSDC Secretariat is currently staffed by 5 deputized public servants through the Ministry of Public Administration; in addition there is 1 staff member from the private sector, 1 from BMET, 1 from DTE and 4 paid for by SDC. There are job descriptions for all positions, many of which are currently vacant.

Assessment:

The CEO shows genuine interest and commitment for his job and has acquired considerable knowledge about skills development. Most of the other staff members have no previous experience in skills development. These positions, including the CEO, are only temporary. The CEO admits that there is no "sense of belonging" in his team, because many are on deputation. Delays in staffing are mainly caused by lengthy bureaucratic recruitment procedures.

On 30-31 August a start was made with an inventory of required functions and competencies grouped under four directorates (Monitoring and Evaluation, Policy and Research, Corporate services and Corporate Communication).

Recommendations:

- *The NSDC Secretariat needs more staff continuity and more professionalism.*
- *A sustainable model should be established that ensures that at least 50% of the NSDC Secretariat's staff consists of permanent professionals with relevant experience and*

- competence in the skills development sector. These persons should be selected and/or appointed by the private sector.*
- *Translate the functional and competency analysis in required staffing needs and a decision what is to be outsourced and what not.*
 - *Proper checks & balances and safeguards are needed for the outsourcing procedures.*

4.3.3 Systems

The NSDC secretariat is a relatively new government department and setting up of proper systems is one of the first things for any new entity, to ensure proper compliance to government rules and regulations. What is the current situation at NSDC?

ICT systems

The NSDC secretariat has a server, but it is not yet set up properly. The server is capable of managing the NSDC database, mail server, and web hosting. No data security feature has been enabled. Data backup or mirroring is yet to be done. An ICT staff member in charge is working on it.

MIS and Monitoring system

No MIS exists yet. Outcomes are verified, but not in a systematic way, by receiving spontaneous feedback from stakeholders; which is very positive according to the CEO. He points out that the outputs have helped to raise the profile of the NSDC and the NSDP and build awareness among the stakeholders: "now everybody realizes the significance of the NSDC". However, the CEO admits that "we need to do more for quality assurance and we need experts to help us with this. We need a quality management system". The CEO recognizes a willingness of participating TVET school principals to enroll more women. This was expressed during a recent workshop and is an indicator of success – however, there is no mechanism to measure whether this has a real impact on the gender balance amongst students.

Recommendations:

- *Set up a proper MIS system*
 - o *Decide on a proper structure*
 - o *Decide who needs to know what to do his/her job well*
 - o *Decide how to organize the related information flow*
 - o *Decide how to conduct surveys on outcomes*
 - o *Set up a proper archive and knowledge management system*

Finance systems

The NSDC secretariat follows Government rules for financial administration of GOB funds. For donor funds there is no separate guideline from the donors and donor funds are not subject to GOB rules. Audit of donor funds are done by FAPAD.

No accounting software is used. Books of accounts are maintained manually. GOB funds are managed in traditional GOB system and ledger postings are not made; only cashbook postings are made. Donor funds are maintained in the same way. Without ledger, it is not possible to ascertain allocation of expenses as per budget line item. Also a statement of financial activities cannot be drawn without ledger posting. Separate books are kept for donor and GoB funds.

NSDC is subject to two audits. The GOB fund is audited by Auditor General's office and donor funds are audited by FAPAD (Foreign Aided Project Audit Directorate) under the AG office. These are expense verification audits and not financial statement audits. The auditor therefore does not express opinion on the accuracy of financial statements of the organization. NSDC has not had any of the above audits since its inception.

Regarding checks and balances, for GOB funds NSDC follows the Government system, i.e. bills are approved and forwarded to AG office for approval and issuing of cheques. AG office checks and verifies bills and issues a cheque. However, there are no checks and balances for donor funds. Funds are transferred to the CEO's account and he can issue cheques or spend as he deems appropriate without going through a verification process by any third party. In the finance team there is no segregation of functions for donor fund management.

The finance person is a commerce graduate, he is not a professionally qualified accountant.

All the money is in non-interest bearing current accounts.

Recommendations:

- *The financial management and administration of donor funds needs better checks and balances.*
- *Introduce accounting software*
- *Employ better qualified financial staff*
- *Introduce a ledger system*
- *Discuss with Ministry of Finance the possibility of putting money in an interest-bearing bank account.*

Procurement systems

PPR (Public Procurement Rule) is followed for GOB fund, which as follows:

- For expenditure up to 25,000 BDT can be procured directly from source;
- For expenditure up to 200,000 BDT quotations will be collected and evaluated;
- For expenditure above 200,000 BDT a tender process has to be followed

This is not mandatory for procurement under the donor funds. The CEO is the sole authority for approving payments.

Recommendations:

- *Donors to insist on following PPR rules if not already doing so.*

Fixed Assets management system

A Fixed Assets Register is in place but is not updated. Assets do not have identification numbers; also there is no audit trail for tracking back the assets to the invoices.

Recommendations:

- *Asset identification numbers should be assigned and affixed and the number should be recorded in the corresponding invoices to establish audit trail between the assets and the financial records.*
- *The Fixed Assets register should be updated where asset ID and voucher reference will be available.*

HRM and HRD systems

Annual staff appraisals and an Annual Confidential Report is mandatory for all GOB employees and therefore by March every year GOB employees are appraised.

Most of the staff have had training in general office management, procurement and record keeping. They also took part in an exposure visit abroad for TVET Training. Selection of staff for training is random, based on workload at the time of training.

Recommendation:

- *The NSDC secretariat needs to be transformed from a body with government staff on deputation, into a body with permanent professionals.*

Gender

There is currently no gender balance in the NSDC membership, the EC NSDC membership or in the NSDC Secretariat staff (the latter has only one female employee). The NSDC Secretariat follows government procedures, which include a gender equality policy and prohibit any discrimination.

The CEO of the NSDC Secretariat professes a credible awareness of gender issues. He is proud of the success of the skills development gender strategy that his organization implemented.

Recommendation:

- *Employ more female staff, especially in the area of enhancing participation of women in TVET and the labor market. It is much more credible if women convey this message to the TVET managers.*

- *Improve gender equity and equality in the NSDC secretariat.*

4.4 External Stakeholders and Public Image

The institutional assessment confirmed that the public image of the NSDC (including the EC NSDC and the Secretariat) is generally positive. The relevance of the institutions is not questioned, but the NSDC proper is considered ineffective because it rarely meets. The NSDC Secretariat is considered weak and disunited, mainly because its staff is only temporarily seconded and its material resources (equipment, facilities) are insufficient. Some organizations, particularly MOPME and BNFE and to a lesser extent MoEWOE, do not have a complete understanding of the NSDC and the NSDP. Mass media has not been used to strengthen the public image of the three institutions, but the NSDC Secretariat plans to publish a leaflet and newsletters.

Recommendations:

- *Develop an Information and Communication Strategy*
- *Establish a website, which could eventually also serve as a tool for supplying data and publishing survey reports.*

5 Industry Sector Councils (ISCs)

5.1 Introduction

The National Skill Development Policy states that ISCs (Industry Skill Committees) will be established by an industry under the Corporations Act and be endorsed by the NSDC as the recognized ISC for their sector with agreed terms of reference. The ISCs will be the primary point of contact for industry skill issues in Bangladesh.

At present ISCs have been started under the lead of the ILO and EU funded TVET Reform project. From an earlier period, Sector Working Groups which are similar, were started under the Skills Development Project. In the interests of simplicity we will use the term “ISC” in this report, to refer to both.

Initiated by:	Sectors
TVET Reform Project: ISCs	- Leather - Transport (ship building) - Tourism - Information and Communication Technology - Agriculture and food
	New ICS (not active yet) - Pharmaceutical

	- Ceramics - Furniture
Skills Development Project: SWGs	- Building and Construction - Light engineering - Garments and Textiles - Informal economy

Table 3 Overview of ISCs

The Sector Working Groups were never fully functional and are currently dormant.

Recommendation:

- *Re-activate the SWGs as ISCs*

5.2 Aspects of Effectiveness

5.2.1 Mission

The NSDP defines the following tasks for the ISCs, grouped in three thematic areas as follows: (N.B. The ToR for ISCs formulated in the TVET Reform project has the same thematic areas, though differs on details)

Thematic area	NSDP stated roles for the ISCs:
Advice on learning objectives for trainees	Contribute to the development and review of skills standards and qualifications and participate in the development and review of new training curriculum
Policy advice, especially on demand for skills	Develop industry specific skills development policies and practices Advise the NSDC on the industry sector demand for skills Provide strategic advice to the skills development needs and priorities for the sector Produce sector skills development plans as required on a regular basis
Facilitate the actual training provision	Monitor and review skills development practices in the sector and identify and overcome deficiencies

	Develop industry's capability to deliver the skills training to their employees Advocate and facilitate workforce development activities in industry Support strengthening of industrial apprenticeship programs Develop partnerships with training providers and support improvement of skills programs in schools, colleges, industry and enterprises. Support the delivery of industry relevant training and/or professional development programs for instructors and trainers.
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Table 4 ToR of ISCs according the NSDP

During a workshop with the ISCs, under the TVET Reform Project, they showed a fairly good understanding of their role. They mentioned frequently that ISCs are also training organizations; a task which is not reflected in the ToR developed under the TVET project, neither in the tasks mentioned in the NSDP, but is in line with the current practice in the TVET Reform Project to establish so-called 'Centers of Excellence' for each sector closely associated with the ISCs. The NSDP mentions specifically: "Income will be generated through membership fees and other commercial activities *excluding the delivery of training.*"

Although the tasks are broadly defined, there is no clear definition of a mission.

Recommendation:

- *Formulate clear mission statements for the ISCs.*

A possible **mission statement** could be: to ensure adequate skills standards within the NTVQF and facilitate the fulfillment of actual skilled Labour needs in their sector.

5.2.2 Strategies

The ToR defined in the TVET reform project gives very little in terms of **strategies**, in other words how the ISCs are going to fulfill their mission, apart from advising the government and partnering with TVET institutions. The thematic areas mentioned in table 4 are the basis for these strategies, and are elaborate further in the coming paragraphs.

Strategy for setting competency standards

The most important task of the ISCs is to define competency standards, in other words the learning objectives for trainees.

It is recommended that BTEB takes the lead in this effort and integrates the advice on standards of the ISCs in the NTVQF. BTEB can also develop the learning objectives further in curricula, learning material, trainer's guidelines and competency assessment tests. So basically the ISCs in this regard respond to information requests from the BTEB. At the moment most skill standards are "imported from abroad" and then endorsed by the ISCs and BTEB.

Recommendation:

- *In the event that ISCs are subsidized by the GOB, performance-based contracts are advised. In this contract the responsibility to define the skill-standards in the NTVQF framework based on needs coming from the industry can be specified.*
- *For the time being continue the practices of ISCs endorsing skills standards imported (and adapted) from other countries.*

Strategy for advising on skills needs

At the same time, NSDC takes the lead in compiling a data base on TVET services provided and skill needs. Data on skill needs necessarily comprises two elements: the number of skilled Labor needed and the related competencies or skill standards. So BTEB and NSDC share a common interest in collecting data on skill-standards; BTEB from the NTVQF perspective and NSDC from its data base perspective.

Recommendation:

- *In case ISCs are subsidized by the GOB performance based contracts are advised. In this contract the responsibility to collect information on skills needs can be specified.*

Strategy for facilitating relevant skill training for the sector

If there is a concrete felt need for certain skilled Labor in the sector the ISCs can facilitate the immediate fulfillment of these needs.

Recommended strategies are:

- *facilitate apprenticeship programmes within the NTVQF framework*
- *facilitate the opening of new training institutes (or COEs)*
- *facilitate technical teacher's training*
- *mediate the availability of assessors for the NTVQF*
- *Providing training is not mentioned as a recommended strategy of the ISCs, neither is it mentioned in the NSDP. The risk is that management time and energy will be almost exclusively focused on the training centre. For doing training a separate legal entity with dedicated staff members could be formed.*

Centers of Excellence

Two of the ISCs have established Centers of Excellence (CoEs) - the "Center of Excellence for Leather Skills" (COEL) and the "Centre of Excellence for Agro-Foods" – which are organizing on-the-job and off-the-job training for industry.

Recommendation:

- *The question of whether an additional training centre is needed has to be decided on a case by case basis.*

One does not really start as a Centre of Excellence, one can only become one over time. The term reflects ambition rather than reality. There are positive sides to that as it can spur enthusiasm and commitment. On the other hand it could also be perceived as a bit misleading 'donor jargon'.

Recommendation:

- *It is recommended to keep the ambition to become a 'centre of excellence' in the mission statement.*
- *It is recommended to reflect on the criteria of a COE, for instance:*
 - o *COEs are in line with the new NTVQF*
 - o *COEs provide high quality "state-of-the-art" skills training*
 - *COEs trainers are qualified*
 - *COE training methods use newest insights in the field*
 - *COE training equipment and material is of high quality and updated*
 - o *COEs do follow up surveys on past students and are "learning organizations", constantly improving their services.*

To justify the term COE also in the name there should be a well-defined roadmap towards these aims within a reasonable period of time. For this purpose COEs could also have a twinning arrangement with a renowned institute.

5.2.3 Outputs

The ISCs have a broad understanding of their roles, but it is necessary to work out these roles in much more specific outputs, operational plans, and procedures.

Strategy 1	Advising on competency standards
Output	BETB is timely advised on relevant competency standards

Some questions to facilitate thinking on activities	- <i>How do we define skill standards in line with the NTVQF?</i> - <i>How frequently do these standards need to be updated?</i> - <i>How to communicate with relevant stakeholders in the section, in order to be on top the need to adapt skill standards?</i> - <i>How to set skill standards for the informal sector?</i> - <i>How are we going to use the data?</i> - <i>How are we going to do a skills survey?</i> - <i>Are we streamlining this with the NSDC data flow or do we need a more focused and detailed (content or geographical area) data base?</i> - <i>How are we analyzing and storing the data?</i> - <i>What is our dissemination strategy?</i> - <i>How do we ensure a reliable database? Are we involving the whole trade sector, or do we sample? How do we sample?</i> - <i>Do we collaborate with the Bureau for Statistics or Universities or not?</i> - <i>How can we facilitate support to BTEB in developing training and other relevant material?</i> - <i>How can a website and ICT in a broader sense help us?</i> - <i>etc.</i>
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Strategy 2	Advising on skills needs
Output	NSDC is timely advised on skill needs
Some questions to facilitate thinking on activities	- <i>What are the immediate skills needs?</i> - <i>How frequently do the skill needs need to be updated?</i> - <i>How to communicate with relevant stakeholders in the section, in order to be on top of emerging skill needs?</i> - <i>How to define the needs of the informal sector?</i> - <i>See also under strategy 1</i>

Strategy 3	Facilitating relevant training in the sector
Output	Advice and assistance provided to relevant skills providers
Some questions to facilitate thinking on activities	- <i>What are the immediate skills needs?</i> - <i>How can we encourage apprenticeships in our sector?</i> - <i>How do we ensure that apprenticeship training meets the NTVQF requirements?</i> - <i>How can we facilitate training in other ways?</i> - <i>How can we facilitate technical teacher training?</i> - <i>How can we support existing training institutions?</i> - <i>How can we facilitate the availability of potential assessors for RPL?</i> - <i>etc.</i>

5.3 Aspects of Efficiency

5.3.1 Structure

Legal entity

The ILO is developing a common legal framework for all ISCs. It is suggested to register ISCs under the Companies Act, Section 29. The current proposal included the possibility that ISCs may start Centers of Excellence (CoEs). From a management perspective the ISCs and CoEs have a different mission and both require dedicated focus, so it makes more sense to keep them separate from an organizational management and legal point of view.

Recommendation:

- *It is recommended to make the CeOs separate legal entities.*

Membership and representation

Some observations and remarks:

- ISC-members have little time because they come from industry. They don't participate much in meetings. There is not enough time to "be together".

- One informant suggested abolishing ISCs and having SD cells in the industry associations. The associations however have a wider function (promote general interest of the sector), while most sectors have multiple associations (4 in leather, 5 in tourism for instance). So the idea of SD cells per association, would lead to an unfocused and fragmented structure.
- The word “council” raises the questions of representation, constituency and legitimacy, none of which is appropriately addressed at the moment. To boost their legitimacy the ISCs should eventually truly represent their sector in the field of skills development. The building up of this legitimacy needs time as well as a dedicated strategy.
- Employers, workers and government to be represented. So far we did come across representation of workers and government. It is unclear why the government and workers should be represented in the ISCs.
- To raise interest of the industry in the TVET Reform Project attention was focused on solving immediate skills needs, this particularly happened in the Leather, ISC, where COEL was established. This then became a default mode for the ILO supported ISCs. The current thinking is to combine the COEs and ISCs in one legal entity.

Recommendation:

- *ISCs need to develop a strategy to increase membership in order to boost representation and legitimacy. One possibility is to agree with the associations on a system of formal representation of high level officials in the ISCs. In sectors without associations other solutions can be discussed.*
- *Facilitating skill training is only one task of the ISCs, and engaging in it can distract the attention of the ISC from its whole range of tasks. It is therefore advised to make the COEs and ISCs separate legal entities. Representatives of the ISC and trade associations could be represented in the board of the COEs.*

The ISC for the informal economy

The SWG for the informal economy is an exception and does not fit the pattern of one ISC per industry, as the informal economy has many industries. Apparently this SWG has focused on tailoring. The NSDP recognizes the importance of the informal economy, its contribution to the national economy and employment is large.

Recommendations:

- *Right from the beginning the informal economic sector should be taken on board and given the same level of importance as the formal sector.*
- *The NGOs should play a significant role (under the leadership or in cooperation with a reorganized BNFE).*
- *The SWG for the informal economy to be abandoned and the ISCs to broaden their perspective to the informal economy*
- *A committee on skills development in the informal economy to be established with representatives of NGOS involved in non-formal skills development. This committee to collaborate with the ISCs to ensure that the non-formal skill development needs are*

- addressed and strengthened. NSDC can ‘purchase’ information from the ISCs on the informal sector on contract basis.*
- *Future initiatives in this sector ought to look into the following features informal/non-formal sector.*
 - o *Demand for training among micro and small enterprises in the informal sector is likely to be low and needs to be encouraged in order to demonstrate the benefits of skills development- CAMPE, BIDS, BRAC and other NGOs can undertake the task*
 - o *Informal sector associations can help to raise awareness of skills shortages among members as well as addressing other needs—CAMPE is in a position to pursue the matter.*
 - o *Training of the informal sector differs from that for the formal sector in its preference for merging technical skills with business management skills and in delivering courses with flexible schedule.*
 - o *Training must have immediate application*

5.3.2 Input

The secretariats

The NSDP states that the ISCs will be registered as legal entities, with a common legal framework. As members of the ISCs are unlikely to devote much time to implementing the tasks of the ISCs, permanent staff or secretaries are necessary.

Recommendations:

- *To enhance ownership the ISCs could be housed in the office of an existing Industry Association, or a Chamber of Commerce.*

Now the ISCs are funded by Development Partners (under the TVET Reform Project and Skills Development project). The NSDP states: “Income will be generated through membership fees and other commercial activities excluding the delivery of training.”

Recommendations:

- *Subsidize the secretariats partly from the future National Human Resources Development Fund.*
- *The industries contribute a certain percentage of the costs.*

6 Bangladesh Technical Education Board (BTEB)

6.1 Introduction

In the sixties to cope with increasing size and scope of technical education activities, the need for the establishment of a "Statutory Board" was felt. Hereafter The East Pakistan Technical Education Board" was established in 1967, which is now Bangladesh Technical Education Board (BTEB). The Bangladesh Technical Education Board came into existence with jurisdiction over the entire area of Bangladesh to organize, supervise, regulate, control and develop technical and vocational education. The Board in its present form became operative with effect from June 1969.

6.2 Aspects of Effectiveness

6.2.1 Mission and strategies

The defining documents for the BTEB are the Bangladesh Technical Education Act (1967) and Regulation (1975). The present roles or tasks of the BTEB are threefold:

- Setting examination and assessments standards for examination of students
- Curriculum development
- Registration and accreditation of TVET providers, which than become RTOs (Registered Training Providers).

Furthermore the NSDP states:

- The role of BTEB will be expanded to assume national quality assurance and regulatory responsibilities for all skills development programs including technical education, skills training and skills based non-formal education and training.
- BTEB will work with Industry Skill Councils to ensure that industry will have a clear role in the quality assurance of training delivery and assessment, including the registration of training organizations and validation of assessment;
- BTEB will involve MOLE and other key line Ministries are involved in the review and development of new skill standards and curriculum;
- BTEB will establish and support an Equity Advisory Committee to monitor and address issues related to under-represented and disadvantaged groups in the skills development system; and
- The curriculum, inspection and examination cells within BTEB will be substantially strengthened to enable BTEB to assume its national mandate within the skill development system.

To achieve these changes and provide for other requirements of this national policy, the Technical Education Act of 1967 and Technical Education Regulations of 1975 will be amended.

Regarding Quality Assurance the NSDP states: The new quality assurance system will deal with the following issues:

- the registration of public and private training providers;

- development of nationally recognized units of competency and qualifications;
- accreditation of learning and assessment programs;
- auditing of training providers for compliance against quality standards;
- validation of assessment tools against units of competency (e.g. standardized examinations and practical tests); and
- development and publication of quality procedures and manuals and its effective implementation.

For the new tasks related to Competency Based Training (CBT) and Recognition of Prior Learning (RPL) as part of the new National Vocational Training Qualifications Framework (NTVQF) a new “CBT cell” is being established. The objective of this cell is to monitor implementation of CBT in line with national policy on skills development. After the piloting stage, CBT will be implemented by BTEB similarly to other courses monitored by BTEB, although assessments will be of a different nature. BTEB has already started to define competency standards for level one for twelve occupations through standards curriculum development committees.

Assessment: BTEB staff including the present director, have a clear understanding of the traditional tasks and roles of BTEB, but when asked to mention the mission and strategy of BTEB only partly accurate answers were given. This might reflect the little attention for policy level issues, which could be partly attributed to system of leadership being on deputation. There is not yet a clear strategy on how to implement the CBT related goals.

Recommendation:

- *BTEB could be a more pro-active player in the SD playing field and more pro-actively reflect on its future role.*
- *Engage BTEB in a mission development and strategic planning exercise, during which they develop a 5-year plan for their institute in view of the current changes in the SD sector.*

Setting Competency standards is about defining learning objectives. Often these curricula need to be further developed into more detailed objectives, lesson plans, learning material, trainer guidelines, and assessment tools. This task is not mentioned in the NSDP and apparently left to the training institutes.

Recommendation:

- *A discussion is advised on to what extent BTEB and the ISCs can be meaningfully involved in this task for instance by creating a network of content experts who can assist in further develop curriculum and related material based on competency standards set or endorsed by the industry.*

6.2.2 Outputs

At the moment around 6,500 training providers are registered or affiliated with BTEB, from the government, private and NGO sectors. Together these institutes produce about 800,000 graduates annually. Tracer studies done in 1992 and 2002 on diploma level graduates showed that virtually all were employed within two years after completion of their Diploma training.

Curriculum development contains setting competency standards (endorsed) by the industry and fitting in the NTVQF, develop training material and training guidelines as well as assessment tools. BTEB can develop strong generic curriculum development competencies, but will need to collaborate with specific content experts for all its content related work.

Assessment:

- BTEB appears to implement its traditional role fairly well.
- It is not yet able to produce the required services emerging from the new NTVQF (CBT/RPL). This requires a pool of assessors. There is a severe shortage of assessors who are competent in Competency Based Assessment. There are only 13 assessors in 3 occupations, all for Level 1 (as of December 2012).
- Most teachers still do not have a proper understanding of Competency Based Training and are therefore unsure about implementing it. Even if they are ready and able to support the policy they are often limited due to inflexible and unreformed school management.
- Competency Standards still have to be created for many more sectors, occupations and qualification levels.
- For the time being BTEB only permits time based certification. Level 1 certification is only available for graduates who sat through 360 hours of accredited TVET courses. Level 2 certification is only available for candidates who already possess Level 1 plus more than 250 hours of additional training plus compulsory industry experience. Provisions for RPL and recognition of current competencies have not been established yet.
- There are other unresolved issues like integrating non-formal training (mainly short courses provided by NGOs) and informal training (small enterprises and farms) in the NTVQF. It is not clear what role, if any, BTEB will and can play in the non- and informal skill training sector. ILO has developed some material (like logbooks) for the informal sector training.

Recommendations:

- *BTEB to develop a clear timeframe and plan for establishing competency standards, a system of assessors, involving the industries and ISCs.*
- *Development partners can play a constructive role in facilitating the training of assessors coming from the industry.*
- *BTEB to engage in a dialogue with other key stakeholders in the sector on how to extend the NTVQF to the formal and informal SD sector.*
- *BTEB to develop a promotion and awareness enhancing plan for NTVQF in general, based on a proper understanding of recurring bottlenecks.*

- *BTEB to do a resource mapping and create a network of content experts who can assist in develop curriculum and related material based on competency standards set or endorsed by the industry.*

6.3 Aspects of Efficiency

6.3.1 Structure

BTEB has 156 positions in their organogram. A few key positions are on deputation, the other staff is permanently employed at BTEB. Out of these 156 posts only 96 are filled in. The Chairman of BTEB is on deputation and is accountable to the Secretary of Education. The current organogram will be expanded with a CBT cell. There will also be a new Director for liaison with industry. Proper job descriptions are available (except for the new CBT cell). Work is coordinated through regular departmental meetings.

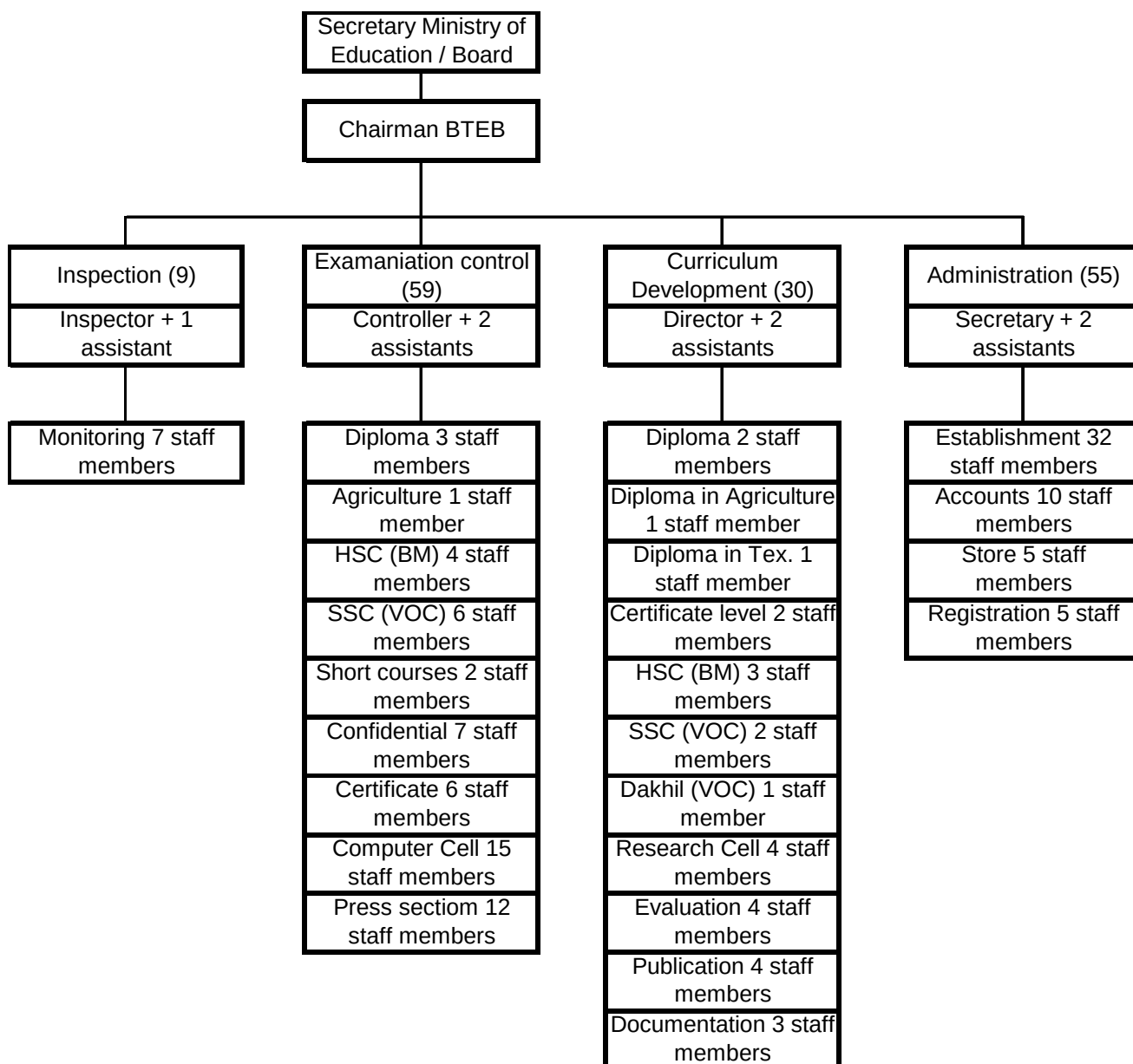


Fig. 4 Formal organogram of BTEB

Assessment:

- Of the 156 positions in the organogram only 96 are filled.
- The Board of BTEB is said to be active and engaged.

Recommendations:

- *It is recommended to minimize frequent transfer of the leadership and have a professional permanent layer in the organogram with relevant experience and competence in the skills development sector.*
- *It is recommended to either change the organogram or fill the existing vacancies.*

We support also the recommendations made in the NSDP:

- *Restructure the Board of BTEB to include additional representatives from industry, professional bodies, teacher representative, civil society and other key government Ministries so the operational autonomy of BTEB is strengthened*
- *Establish formal NSDC representation on the BTEB Board to improve communication and develop a shared understanding of issues between these two bodies.*

The NSDP states: BTEB will establish a regional presence to improve their inspection and monitoring of public and private training organizations.

Recommendation:

- *The authors of this report support the establishment of a regional presence,*
- *but do not consider the establishment of this a priority for the time being. The capacity bottlenecks of the central level must be resolved first.*

6.3.2 Input

Financial resources

In 2012 the expense of BTEB was 380 million Taka (USD 5 million) and their income was 710 million taka (9.34 million USD). The income came from affiliated institutions in the form of affiliation fee, and from students who pay registration and exam fees. The amount of the fees is decided based on GoB policy, which is a Board decision, and approved by the Finance Committee. There is no funding from the GoB except of the salaries from some key staff who are on deputation. Having a profit of over 4 million USD a year lead to a significant amount of deposits in fixed deposit accounts owned by BTEB.

Assessment: BTEB has a sustainable source of funding and is a financially sound institution.

Recommendation:

- *Development Partners and the Government of Bangladesh are engaging the BTEB in new roles, like employing assessors and establishing assessment centers for CBT/RPL under the NTVQF framework. It might be tempting to speed up this engagement by providing funds. This seems not necessary as BTEB could fund much of these from their own resources.*
- *Other support is required, like training, coaching and technical expertise.*

Human resources

BTEB has 96 permanent staff members and around 130 temporary staff members. These are part-time and full-time staff members. Some work throughout the year some only based on needs. Most of them are engaged in manual jobs like packing, sorting, OMR sheet counting,

moving boxes etc. There are some people who also are engaged before and after the exams. Some part time teachers work after 2 and during or after the exams.

There are currently 60 vacancies in the organogram. Some staff died or left and were never replaced. Recruitment procedures are lengthy and it is sometimes difficult to find suitable staff. Also space constraints were mentioned as a reason for these many vacancies. The organogram itself has also been subject of discussion between BTEB and related Ministries.

The new CBT cell of BTEB is said to have 94 staff members in its organogram, although there is no separate organogram for this cell at the moment. There is a team of 3 people who are engaged at the piloting stage of the cell. The recruitment of 56 staff members for the CBT cell is ongoing. BTEB is planning to produce 200,000 graduates in the first tranche of the forthcoming ADB funded project in 5 sectors, but BTEB does not have the capacity to certify so many people according to the NTVQF system and it is unlikely that they will have the capacity any time soon. Expert staff is a weak & need improvement.

Recommendations

- *Fill the vacancies faster*
- *The CBT cell needs to develop a clear idea of their functioning, tasks ahead, the required competencies.*
- *Based on this understanding an adequate organogram needs to be agreed upon*
- *Clear job-descriptions and competency requirement of the persons in the new CBT cell needs to be made.*
- *Exposure visit to TAFE (Australia), and/or TESDA (Philippines). Use these visits to assess the value of twinning arrangement) essential elements could be standards, learning materials, assessment tools, MIS, governance systems, etc.).*
- *Training and preparing new staff in the CBT cell has a high priority.*
- *Over time change the public service recruitment rules so that all BTEB staff can be appointed as full-time employees of that agency rather than only being posted on secondment from other departments.*

Material resources

Observations:

- BTEB has 5 cars, and staff mentioned they would like a bus for transport of staff members.
- BTEB occupies a 10 storied office building. They need twice as much space to accommodate all. Another 10 storied building is proposed, but stalled for the moment.
- The CEO expressed the need for learning material, like books in skill areas

Recommendation:

- *As BTEB has considerable funds available to purchase what they need.*

6.3.3 Systems

ICT systems

Observations:

- Internet (4GB) is available for the 96 people staff members through LAN (Wired). A Generator, CCTV etc. is available. Server room has 12 hour cooling facility.
- All 6500 affiliated institutes registered through internet.
- The computer data is well secured, password protected. Data is mirrored in the backup, although the backup is in the same premises. BTEB is considering backup at a remote location. Also portable backup device is under consideration.
- Data is validated through Optical Mark Reader Data. Marks are entered online by institutes. Reports are generated in Crystal report and Oracle reporting format.

MIS and monitoring system

The MIS has information only on exams – like information on examinees, registration, grades etc. But areas like number of trades by institutions, course development, primary evaluation, final output, data update from institutions, Institute monitoring, program, attendance, whether they are in line with BTEB requirements etc are not known from the MIS.

Tracer studies on employability of past students were done in 1992 and 2002.

Recommendations:

- *BTEB needs to upgrade its Data Center. The MIS reporting system is not adequate.*
- *When redesigning and improving the MIS BTEB should include its new role on CBT.*
- *There is no proper archive, hard or soft copy of texts, research papers available.*

Finance systems

- BTEB has its own finance policy. There is no written manual and GoB Rules are not always followed since BTEB is an autonomous institution. There is no Accounting Software available. Books of accounts are maintained manually.
- The Head of Finance & Admin is the BTEB Secretary. He is not a professional accountant rather he comes from administration background. Desk Officers are Commerce Graduate – not professionals.
- There are proper checks and balances as there is adequate segregation of responsibilities.
- BTEB is subject to two audits. The GOB fund is audited by Auditor General's office and donor funds are audited by FAPAD (Foreign Aided Project Audit Directorate) under the AG office. These are expense verification audits and not financial statement audits. The auditors therefore do not express an opinion on the accuracy of financial statements of

- the organization. BTEB has these audits almost every year. There is no internal audit team, which would be very useful.
- BTEB can keep up to 25% in a private bank as per government policy; 96% of the funds is kept in a government bank. Investment is made by Committee Decision.

Recommendations:

- Introduce accounting software
- Employ qualified finance staff
- Allow for audits assessing the accuracy of financial statements
- Introduce a system of internal audits

Fixed assets management

The quantity of assets under each category is known but there is no identification mark or systematic record of assets with audit trail to connect asset to invoice and books of accounts as well as asset register or database. Assets are never physically verified or reconciled with existing records.

Recommendation:

- *Improve the management and administration of the fixed assets.*

Procurement system

The PPR (Public Procurement Rule) is followed, which as follows:

- Up to 25,000 Taka it can buy Directly
- Up to 200,000 Taka quotations have to be collected
- Above 200,000 Taka tender procedure has to be followed

Payment authorization policy:

- Joint Signatory – Chairman and Secretary
- Secretary can approve up to Tk. 250 and Chairman can approve up to Tk. 500 without approval. Most of the expenses have to be pre-approved by procurement Committee.

No formal system of petty cash is maintained. Sometimes advance is received, sometimes expense is incurred and voucher is submitted for reimbursement.

HRM & HRD systems and staff motivation

Observations:

- Vacancies are published in newspapers, candidates are (said to be) selected based on merit. The policy is that 50 % of vacancies are filled through promotion of existing staff.

Sometimes recruitment takes a long time. BTEB advertised for the position of Registration Officer but no suitable candidate was found.

- Staff is appraised annually. After appraisal an ACR (annual confidential report) is filed. It is mandatory and staff do not get promotion or an increment without ACR.
- Training is provided from different projects. Usually 3-4 people are on training. Training is given on the basis of Department and usually done in Bangladesh, in places like BIM and BIBM. No training need assessments are done. Decisions in this regard are taken by the Board; some staff members feel that decisions are taken arbitrarily. There is a need to train the new assessors in the new CBT cell, and training in curriculum development.
- Culture: There are no formal values formulated or promoted. Staff said that there is no informal culture in the organization. They probably mean that the culture is not made specific and not directive, rather BTEB has the common government bureaucracy culture.
- Factors influencing staff motivation positively; staff have permanent jobs; there is a good working atmosphere; reward is given by moving up in the salary scale grade; management style is characterized as consultative.
- Factors influencing staff motivation negatively: salaries follow government scales and are generally low; no appreciation such as a letter of recognition, for example, are given; staff does not get overseas training; there is little decentralization.

Recommendations:

- *Do TNAs and base training on needs.*
- *Make values specific and agreed upon and make them work (something like a service charter).*
- *Give stronger mandates to department heads matching their responsibilities.*

Gender

There are 13 female staff members among the permanent staff in the organogram, what is about 13 %. There is no formal gender policy.

Recommendations:

- *Employ more female staff*
- *Develop a gender policy and make it work.*
- *Ensure gender equity and equality.*

6.4 Relationship with external stakeholders and public image

Many informants mentioned that BTEB is understaffed and not capable enough. Probably the public image of BTEB is lower than it deserves to be.

Recommendations:

- *BTEB to develop a visibility and public image improvement plan.*

7 Bureau for Non-formal Education (BNFE)

7.1 Introduction

In 1990 as the signatory to the Jomtien EFA declaration, the government initiated a pilot literacy project known as INFEP. Following a rather successful piloting, the Directorate of Non-Formal Education was established in order to rapidly achieve the EFA targets by putting into operation the findings of INFEP. The development partners generously joined this initiative and a number of large literacy initiatives were undertaken in quick successions. The two main approaches were adopted by the former DNFE, one known as CBA (Centre Based Approach) through which literacy projects were implemented through NGOs and TLM (Total Literacy Movement) whereby DNFE implemented literacy initiatives through the district administration. DNFE fell into disrepute due to financial mismanagement. As a result, the DNFE was abolished in 2003. As a result 378 staff members lost their jobs. Following a litigation these staff has won their case and have now been reinstated in BNFE as permanent staff. This has somewhat restored institutional memory and efficacy.

As there was a continuous need for the government to play a role in non-formal education (which is also embedded in Bangladesh constitution) the Ministry of Primary and Mass Education (MOPME) formed a National Task Force (NTF) for the development of a National Policy Framework for NFE. In 2005 the Bureau for Non-Formal Education was established, basically with the task of implementing the Non-Formal Education (NFE) Policy.

BNFE has within its institution, the experience of implementing at least 5 large NFE literacy and PLCE projects covering more than 18 million learners. The GOB was also a contributor for all the projects mentioned. A large number of NFE officials, senior, mid level and grass roots level operators were trained in various aspects of NFE and also had developed a functional MIS system, which was mainly used during NGO selection and sub-contracting. A substantial number of experienced staff has now been retained in NFE excluding the top level officials. BNFE has engaged in experience sharing exercises with a number of NGOs who have provided practical insights in developing viable and replicable NFE models. BNFE still has the potential to become NFE sector leader provided it improves its leadership, organizational culture and financial management.

7.2 Aspects of Effectiveness

7.2.1 Mission

In the policy document the vision and mission for the NFE sector and BNFE are defined.

Mission: to provide access to life-long learning opportunities for improving the quality of life of children, youth and adults, including those with special needs and who have missed out formal education, and equip them with knowledge, productive skills and life-skills through relevant and

high quality learning opportunities, including literacy, basic education and continuing education programs, aimed at reducing illiteracy by at least 50 % by 2015.

Assessment: BNFE staff has a basic understanding of the mission but not very specific (they for instance said that according the mission BNFE wants to achieve 100 % literacy). The mission is not visible on a wall or communicated otherwise. It is written down in the policy document and project proposals. The policy was made by MOPME in 2004, and then BNFE was established. The policy has never been revised since then.

Recommendation:

- *The mission should be 'branded' and made much more visible, it is something BNFE staff members could be proud of.*
- *BNFE to lead the renewal of the NFE policy.*

The National Skill Development Policy takes a broad view on skills development, including also non-formal and informal skills. It recognizes that more people receive some form of (lower level) technical training through the non- and informal systems than the formal institutes. This audience is more or less the 60% of the working population who have not received illiterate or semi-literate. They need an assortment of a well-balanced interventions linking literacy with the skills development (in addition to the population who are targets of the TVET system). ILO has already some tools (like logbooks) which can be used in the informal sector of the economy. Much more needs to be done to strengthen the skills of overwhelming number of people who drive the economic engine of the country.

Recommendation:

- *Broaden the mission of BNFE to explicitly mention non-formal skills development.*

7.2.2 Strategy

Strategy on literacy

According the policy document the strategy is to facilitate and create a community-based network of learning centers, to ensure community ownership and sustainability of programs and facilities. BNFE also has provided the guidance in preparation some strategic papers.

- i) Strategic plan for implementing NFE policy;
- ii) Developing a meaningful NFE delivery system;
- iii) NFE equivalency framework;
- iv) NFE Act and regulation (which is in the process of finalization)
- v) Code of conduct and incentives for the NFE facilitators.

Assessment: According various informants the sustainability of the learning centers was very low and most of them do not operate anymore after external funding stopped. Lack of funding

and resources also has hampered the implementation of other strategic papers. There is also no explicit strategy on improving non- and informal skill development.

Recommendations:

- *The Policy paper is too old (2004) and needs renewal and rethinking.*

Strategy on non-formal skills development

Only since 2011 has the BNFE been actively involved in non-formal skills development through implementing NGOs. Of the overall budget only a small portion was dedicated to skills development.

Recently the NSDC requested the BNFE to develop an action plan for their non-formal skill development sector, which did not yielded fast results. NSDC asked also CAMPE to assist them. In March 2013 a committee was formed chaired by BNFE, and with CAMPE as organizing secretary and NSDC as a member, with CAMPE implementing most of the work through its NGO network.

NSDC needs to connect to a nation-wide network of NGOs to be able to maintain its database on non-formal education. CAMPE's network is much wider and much more sustainability than the network of BNFE.

Recommendations:

- *Besides working with BNFE NSDC can maintain its working relationship with CAMPE for data flowing from the NGOs to their database and for dissemination of information to the NGOs.*
- *We advice to engage in a serious process of strengthening the management and implementation capacities of the bureau, with a focus on the non-formal skills development sector.*
- *BNFE with the support of NGOs to develop an explicit strategy on non-formal skill development. This could include training by NGOs, integrating these training in the NTVQF (mostly prevoc 1 and 2).*
- *BNFE with support of NGOs to develop an explicit strategy on improving skills development in the informal sector, integrating these training in the NTVQF (prevoc 1 or 2). This could be done for instance through using ILO developed logbooks, a system of coaching and organizing 1 day/evening a week theory classes for the students.*

Strategy on coordination and implementation

The main task of the BNFE as defined in the NFE policy is to implement the NFE policy and strategy. In more detail:

1. Resource mobilization, implementation and project coordination:

- Mobilize funds from GOB and Development Partners
- Implement government funded projects

- Be the main coordinating body for NFE in Bangladesh, maintain a database for this purpose

2. Quality control and content coordination:

- Ensure quality of NFE (TNAs, curriculum development and assessments, training of teachers, monitoring system). Provide technical support to implementing agencies. Ensure equivalency with formal sector and mainstreaming of NFE graduates.

One important aspect is the understanding of BNFE's coordination role. BNFE has been implementing project through subcontracting NGOs to do the work. The lack of capacity within BNFE could become the pretext to sideline BNFE from its mandated role thereby depriving the NFE sector of a nationally coordinated NFE interventions

- BNFE understands this coordinating role as channeling and controlling all or a major part of the project funds in the NFE sector, and subcontracting NGOs for the actual work. This interpretation of coordination opens the door for kickbacks and other misuse of funds. The need to develop and strengthen GO-NGO relationship in the spirit of partnership and co-operation and its implications for DNFE's interaction with NGOs did not seem to be appreciated by GOB and DNFE.
- A common arrangement for selection of NGO for "outsourcing" implementation and maintaining DNFE's oversight over implementation was followed for both CBA and BEHTRUWC. A Subvention Committee headed by the Secretary of MOPME selected the NGOs based on the recommendation of the Subvention *Sub-Committee* headed by the DG/DNFE. This selection then was presented to an inter-ministerial committee for final approval. This multi-tiered procedure of NGO selection involving very high level government officials, rather than handling it as a technical decision based on established criteria, did not serve the projects' purposes well, as many questions and dissatisfaction about NGO selection testified.
- Because of weak DNFE leadership, many factors including outside pressure led to manipulations in NGO selection and contracting. Some selected NGOs lacked the required capacity to implement NFE programs and some selected NGOs were of questionable legal status. Some NGOs received contracts though they were not from the local community (or had no presence in the local community). They lacked an understanding of local contexts, perspectives, needs or politics and, more important, necessary contacts to facilitate their work - forming a representative and active CMC, conducting baseline survey and establishing and managing the learning centre.
- By subcontracting NGOs the BNFE changed its role from direct to indirect service provider. Its clients are no longer the illiterates but the subcontracted NGOs, who need monitoring and capacity building. Monitoring is done through monthly and quarterly reports and field visits.
- Coaching and capacity building of the implementing NGOs by BNFE is done through orientation training, which is insufficient. UNESCO has been working on improved service delivery on field level, but according informants this setting up of systems was to some extent a paperwork exercise only. It focused on improved coordination with

government and improved databases at local level, focusing on the work of the implementing NGOs.

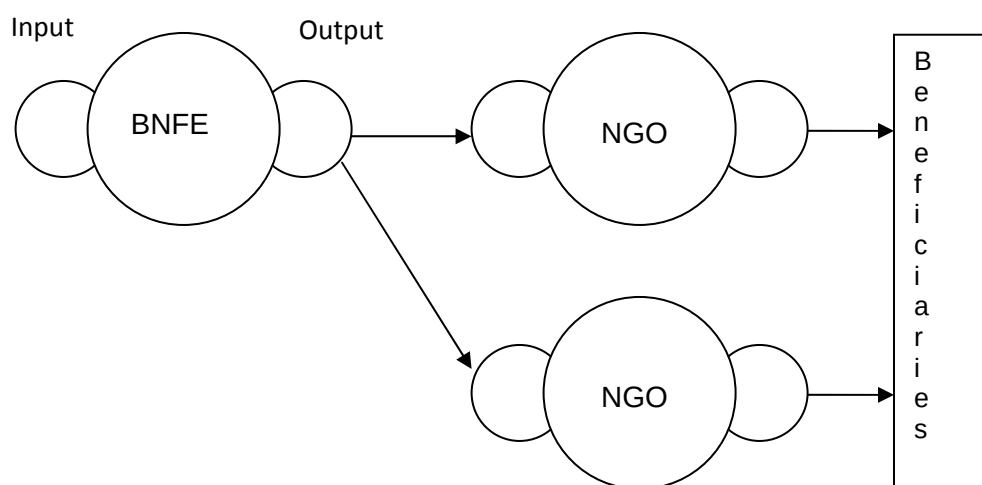


Fig. 5 Result chain BNFE

Recommendations:

- Results should be understood in terms of increased capacity of NGOs, which is not the case.
- BNFE needs to improve its capacity to play a meaningful role as intermediate service provider.
- The high turnover of teachers increases the need for continuous training.
- It is recommended to coordinate by providing information, research, an updated database, and workshops and seminars.
- Close partnership with CAMPE is recommended.
- If BNFE wants to work through NGOs large and trustworthy NGOs should be involved to monitor coach smaller NGOs.
- The flow and control of related funds needs reconsideration.

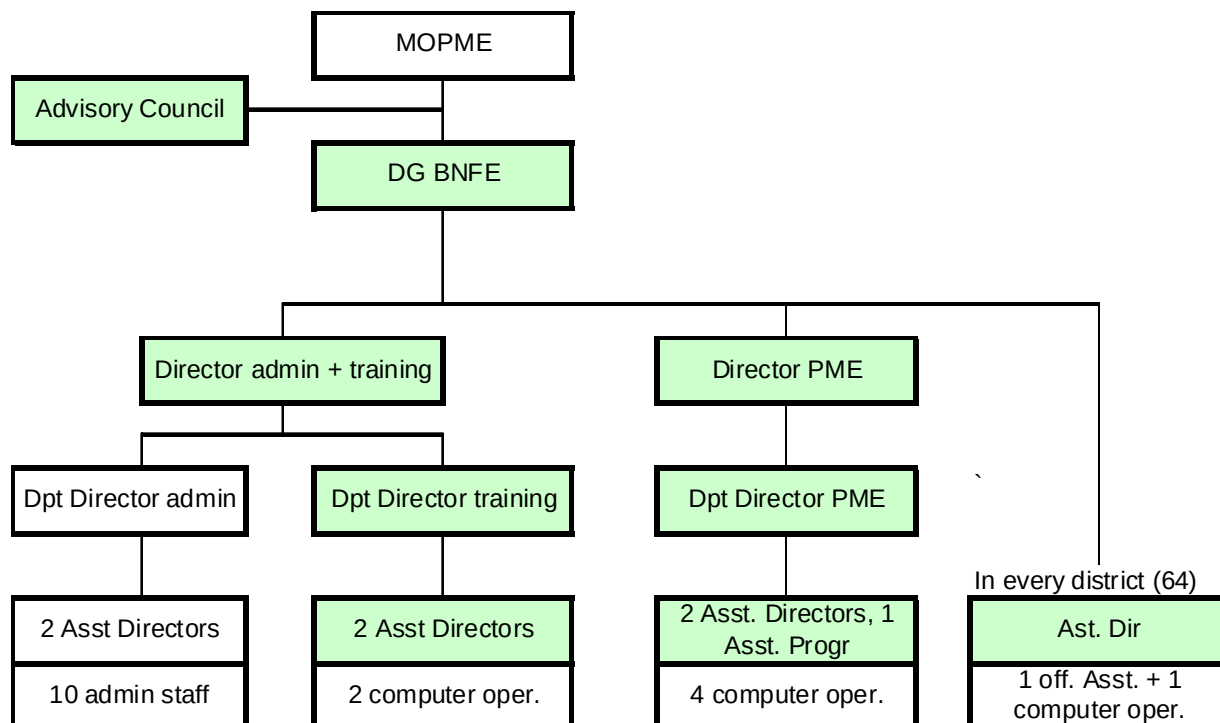
7.3 Aspects of Efficiency

7.3.1 Structure

To implement the policy the GoB established the BNFE, with a central office in Dhaka with 37 staff members, according the policy document “small core professional staff, slim and competent” and 64 district offices with three staff members each.

Assessment:

- There is a National Advisory Council as per Act, which is not very active.
- As such there is no board overseeing the DG Office
- Positions like Assistant Finance Officer and Program Officer (MIS) are vacant since long
- Job descriptions are not available for all posts.
- There is no proper internal coordination. Some staffs are over burdened while others are sitting idle
- BNFE has within its field level operators a number of experienced staff who can work effectively with grassroots level organizations
- BNFE as whole at present is facing a serious dearth of skills for running NFE based skills development activity due to rapid turnover of staff.



Green: should be technical experts in NFE

Fig 6 Formal organogram of BNFE

As per the guidelines of the APPEAL, the national NFE Organization should have two wings: (1) Management wing, and (2) Technical Wing. But, BNFE has only management wing. It has no Technical Wing to perform the activities of research, study, planning, curriculum & material development, training, orientation, etc.

Recommendations:

- No need for more staff but for improved quality of staff and making better use of existing staff.

- *It is recommended to minimize frequent transfer of the leadership and have a professional permanent layer in the organogram with relevant experience and competence in the skills development sector.*
- *Activate the Advisory Council*
- *Fill vacancies*
- *Make job descriptions for all posts*
- *Key posts to have proper technical (NFE) qualifications)*

7.3.2 Input

Financial resources

In the period 2004-2013 the BNFE implemented the PLCE (Post Literacy and Continuous Education) I and II projects, implemented through subcontracting the work to NGOs. PLCE II finishes in June 2013. Skill training came into focus in this project very late, in 2011 only.

Another project was BEHTRUWC (for hard to reach working children) run in 6 cities and funded by UNICEF, CIDA, SDC and to a small extent by the GoB. Also this project is implemented through NGOs. Skills training is a minor part of the project, focus is on basic education.

A project of 500 million USD was designed by DG of BNFE around 2008 to provide literacy to 37 million illiterate Bangladesh adults. By 2012 the Ministry of Finance did not allocate the money, as priority was given to formal education. BNFE hereafter developed a smaller project (12.5 million USD) as a pilot project on literacy. The Ministry of Finance again did not fund this, because the plan to implement the project in one year was considered to be unrealistic.

The donors in this period funded PEDP III (Primary Education Development Project III) and BNFE will implement a small portion of it, starting in July 2013.

Assessment:

- Staff in BNFE is paid by the GoB from the revenue budget. So the core staffing and operational capacity is not threatened by lack of funding. Lack of funds is no excuse for lack of professionalism at BNFE itself; it only affects the number of citizens that can be served.
- The capacity of the BNFE to mobilize funds is weak. The GoB does not allocate major funds for NFE but focuses on formal primary education instead. Also development partners have not been eager to implement projects through the BNFE infrastructure, partly because of weak implementing capacity of the BNFE, and partly because audit reports as well as public media have reported irregularities with the subcontracted NGOs.

Recommendations:

- *BNFE effort to mobilize funds need to focus on providing quality work (for which core-funding is available) in the first place.*

Human resources

The DG and DD are on deputation. The rest of the staff is permanent staff funded from the revenue budget. One task of BNFE is quality control and content coordination. A national professional body headed by a former secretary oversees the quality of the educational material produced by BNFE. Under PLCE material was developed for adult literacy. At the moment BNFE in Dhaka has insufficient extensive experience and knowledge in NFE. Other staff members have gathered experience in implementing NFE programmes at district and Upazila levels. The officers on deputation have their own strengths. They are very effective in policy advocacy and in making coordination with the high officials of ministry, district and Upazila administration since they have served in different positions at policy level and field levels like Ministries, District Administration, Upazila Administration in the field of education, non-formal education, health, sanitation and other development activities.

Because of limited in-house NFE technical experience BNFE therefore hired a consultant for that purpose, a retired professor. His work was criticized by the overseeing body. There was no proper pedagogy for adult literacy instead primary education material was used, which is a too different learning approach.

Assessment:

BNFE lacks the capacity to:

- develop adult literacy content
- monitor and ensure the technical quality of adult literacy practices
- train teachers in adult literacy
- train and build the capacity of literacy service providers.

Recommendations:

- *The DG of BNFE or his deputy should have at least 5 years experience in NFE sector on a managerial level.*
- *It is recommended that at least 11 key staff members of BNFE in Dhaka (green in the organogram), plus a considerable portion of the AD in the districts should have or gain proper experience in NFE.*

Material resources

Observations:

- BNFE has a building which is partly unused and under-utilized.
- Internet facilities are O.K. BNFE is planning Wi-Fi for the whole building.
- One (rather old) vehicle at Dhaka office, sufficient motorbikes at district level.

Recommendation:

- *Eventually establish a training centre on NFE, (for training on for instance quality assurance, assessments and certification). Eventually, because without considerable better technical qualified staff this idea doesn't make much sense.*
- *Alternatively let NSDC use part of the building.*

7.3.3 Systems

ICT, MIS and monitoring system

The project monitoring system is using online software and can generate report as needed. Most of the reports are on general information of learners by district and Upazila level. There is a list of learners with detailed personal information. The MIS generated 19 reports. Report includes list of graduating class, based on which livelihood skills trainees are selected. The data is provided through questionnaires on learners.

Software used ASP.net in the front end SQL server in back end, both servers are in the same location. Back ups are made through auto mirroring, hard copies are not available. Data is password protected.

Assessment: The information available on literacy is limited and not frequently updated. It cannot generate learners' progress within a certain project period.

What is lacking is also a vision on the role of BNFE versus the roles. Who is responsible for what and who should know what and when to be able to play that role well. BNFE for instance needs to be informed on the capacity of the implementing NGOs and progress made in this regard.

BNFE can play a crucial role in transfer of information from the informal sector to and from NSDSC. It's knowledge management and MIS can be adjusted accordingly.

Recommendation:

- *Redesign the MIS in line with a reflection on the role of BNFE.*

Finance systems

- The Finance team comprises of - DD (Finance, Admin & Logistics), – AD (Finance & Admin), Accountant (2) + Assistant Accountant (2) + Cashier (1) Store officer (1) + Cash Sarkar (1) to follow up on bills submitted to Auditor General's (AG) Office. None of the members of finance team has professional accounting certification or training.
- Being a government institute BNFE follow the financial rules and regulations of the Government. There is no accounting software used in the Bureau neither in the projects. It was tried in BEHTRUWC but this did not succeed.
- BNFE projects are audited as per donor requirements. Information from the audit reports is not known by the financial staff consulted.
- BNFE is being audited regularly and audit is updated up to 2012 . All the audit objections are replied to the Govt. Audit Authority office through DG, BNFE and the Secretary of MoPME. In addition to this as a rule, bilateral audit objection meeting is held regularly under the chair of DG BNFE and tripartite audit objection meet up under the chairmanship of secretary of MoPME

- Segregation of functions seems to be reasonable OK, but the question remains how segregation of function is ascertained as there are no specific job descriptions for all staffs.
- Petty cash management: Tk. 10,000 revolving fund – replenished as used up and bills are submitted.
- There are Separate accounts/books for separate projects. All bank accounts are non interest bearing.

Fixed assets management system

- Store in charge claims that Fixed Assets Register is available but it is not updated and assets do not have ID number and no database is maintained.

Procurement system

- Procurement procedures are followed following Public Procurement Rules (PPR). Procurement usually takes 1½ -2 months to be completed
- Payment authorization policy: Government process are followed > Bills received > approved by DG> sent to AG for approval>CHQ prepared at DG office and collected by Cash Sarker>distributed to payee.

Recommendations:

- *introduce accounting software*
- *improve professional qualifications of finance staff*
- *audit observations to be shared and followed up*
- *proper job descriptions for all staff (policy document gives these for key positions only)*
- *improve fixed assets management*
- *Discuss with Ministry of Finance the possibility of putting money on an interest-bearing bank account.*

HRM & HRD systems and staff motivation

Observations:

- Staff is appraised annually according government regulations. An Annual Confidential Report (ACR) for all officers and staff must be completed by March every year.
- Staff feels that the ACR does not sufficiently lead to awards or career development. It was remarked that ADs should be promoted to DDs.
- There is no standard conflict resolution mechanism. If a formal complaint is filed, an inquiry committee is formed and the issue resolved as per recommendation of the committee. It is also filed in ACR of the respective staff/officer.

- Salary is per Government scale, lower than in other projects.
- Job security (project or permanent): some are permanent cadre, and some are project staff.
- The management style at BNFE is described as mostly cordial approach and persuasive, and decision making as top down and sometimes arbitrary.
- Regarding organizational culture: no formal values are formulated, discussed or promoted at all. The informal culture can be described as a typical government bureaucracy. Overall staff is not result oriented and taking initiative is not rewarded. Bureaucratic values are based on predictability, conformity and power hierarchy, which is often not conducive for skills development process which is flexible, market-oriented and responsive

Recommendations:

- *Introduce an achievement and market-oriented culture, also reflected in the reward system*

Gender

Observations:

- There is a formal government gender policy, equality is promoted
- The DG + 2 Directors are male. On DD level 1 staff member is male and 2 are female. On officers level 5 are female and 65 are male (including project staff). Total number of females at BNFE Dhaka office is around 10 %, which is low.

Recommendation:

- *Employ more female staff*
- *Ensure Gender equity and equality*

7.4 External stakeholders and public image

During the period of implementation of NFE Projects, BNFE has taken legal action against some corrupted officials/staffs and implementing NGOs. This has compromised donor support. This is not easily solved, but the issue needs to be addressed.

Recommendations:

- *Provide quality services*
- *Continue to adopt a zero tolerance policy*
- *Sell the work of the office through leaflets, publications, mass media*

8. Annexes

8.1 Annex 1: ToR

8.2 Annex 2: Relating ToR to IOM

8.3 Annex 3: Interview guidelines effectiveness

8.4 Annex 4: Interview guidelines efficiency

8.5 Annex 5: List of interviewees

8.6 Annex 6: Literature

8.7 Annex 7: Skills Development sector in Bangladesh

8.8 Annex 8: NSDC, the Indian experience