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Centre of Excellence for
Leather Bangladesh Limited
(COEL)



Mid Term Review of the Industry-led Apprenticeship Project at COEL, Dhaka - Bangladesh

Final Report

submitted to

**Swiss Agency for
Development and
Cooperation SDC**

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List of Abbreviation

ADB	Asian Development Bank
BTEB	Bangladesh Technical Education Board
BMET	Bureau of Manpower, Employment & Training
BDT	Bangladeshi Taka
COEL	Centre of Excellence for Leather Skill Bangladesh Limited
CIDA	Canadian International Development Agency
DTE	Directorate of Technical Education
DFID	Department for International Development
DITF	Dhaka International Trade Fair
EU	European Union
EPB	Export Promotion Bureau
FDFA	Federal Department of Foreign Affairs
FDDI	Footwear Design & Development Institute
GUK	Gono Unnoyon Kendra
HRD	Human Resource Development
ILET	Institute of Leather & Engineering Technology
ILO	International Labor Organization
ISC	Industry Skills Council
KPI	Key Performance Indicator
LFMEAB	Leather Goods, Footwear Manufacturers & Exporters Association of Bangladesh
LDC	Least Development Country
LSBPC	Leather Sector Business Promotion Council
LTSE	Leather Technologists Small Entrepreneurs
MDG	Millennium Development Goals
MTR	Mid Term Review
MOU	Memorandum of Understanding
MOE	Ministry of Education
MOL	Ministry of Labor
MWP	Minimum Wages Policy
NGO	Non Government Organization
NSDP	National Skill Development Policy
NSDC	National Skill Development Council
NTVQF	National Technical Vocational Qualification Framework
PRICE	Poverty Reduction by Increasing the Competitiveness of Enterprises
PRSP	Poverty Reduction Strategy Paper
PPP	Public Private partnership
RMG	Ready Made Garments
SD	Skill Development
SDC	The Swiss Agency for Development and Cooperation
SME	Small & Medium Enterprises
TOT	Training of the Trainers
TVET	Technical Vocational Education & Training
USAID	United States Agency for International Development

Executive Summary

With an estimated population of 160 million, Bangladesh considers over-population as a prominent barrier in its economic growth. However, it also recognizes that this brings along potential of contributing to national development by participating in local and global labour markets through skilled human resources. In order to do so, it is necessary for the nation to ensure that sufficient focus and effort is given on skills development. Thus, in Bangladesh's 6th Five Year Plan (FY2011-FY2015) titled "Accelerating Growth and Reducing Poverty", it is envisioned that Bangladesh will achieve Middle Income Status by 2021, by increasing the proportion of higher value added manufacturing from 18% to 25% of the gross domestic product (GDP). Three factors which are to primarily contribute to this are increased investment, improved labour productivity through increased skills, and increased trade.

From its status as Least Development Country (LDC), Bangladesh is gaining recognition for making considerable economic strides. The economy has grown at the rate of 6-7% per annum over the past few years and the leather sector has had a significant part to play in this rapid growth scenario. The sector which has been reformed and promoted as an export and priority sector, now contributes about 4% of the nation's total export. The sector is likely to expand even greater in the coming years as global demand for leather and leather goods rises and countries like China, Korea, and Taiwan make substantial investment in Bangladesh.

However, there are several constraints that impede the growth of this sector. One of them is lack of skilled workers at different levels of the industry. Furthermore, most of the factories are suffering from resource underutilization, low productivity and low quality due to this dearth of skilled workers. To overcome these problems the Industrial Skills Council in the leather sector implemented in 2009 the Centre of Excellence for Leather Skills Bangladesh Limited (COEL). The centre acts as one point resource centre as well as service provider, to develop, support and strengthen the workforce in the leather sector.

COEL was established with support from the TVET Reform Project (funded by EU and implemented by ILO) to assist in the development of competency standards and curricula, TOT programme and development of the apprenticeship model. The industry, who also benefits from the manpower trained, contributes to this enterprise as well. Since its inception, other development partners, such as the Swiss Agency for Development and Cooperation (SDC) and USAID (through its PRICE project) have joined hands to support this unique initiative.

The Industry-led Apprenticeship Project supported by SDC proposes the pilot introduction of a large-scale workers apprenticeship scheme for the leather industry. This is an innovative approach with high relevance from the Government of Bangladesh's recently adopted Skills Development Policy. The project is designed as a private-public-partnership, where the concerned industry also contributes towards the cost.

In the above context the SDC has called for a Mid Term Review which outcome will assist the SDC and other development partners to review their commitment to the project and may relate to the redesign of the programme as well as its implementation including its budget.

The findings and recommendations of the MTR are detailed out in the report, the Way Forward (some major recommendations) for the remaining years of the programme as well as medium-long term possibilities for developing COEL as a strong organization are summarized below:

Remaining years of programme:

- Review and redesign log frame
- Reprogramme budget according to market demand
- Expand and strengthen COEL centre at Gazipur
- Increase number of sub-centres
- Branch out into other districts

Medium-long term

- Diversify COEL's focus area
- Set up a Corpus Fund
- Implement a performance oriented Incentive Scheme
- Go up the value ladder chain and offer higher priced services and training
- Cooperate with Institute of Leather and Engineering Technology
- Associate with international institutions
- Develop COEL into an accredited assessment centre
- Expand to master craftsmen and instructors training
- Replicate, adapt and upscale the apprenticeship model by the National Skills Development Project and the TVET Reform Project

Overall the consultants appreciate the implementation of COEL and the Industry-led Apprenticeship Project. It is a unique initiative by the Industry Skills Council-Leather and could be a role model for other ISC's. Furthermore it has the potential for becoming a nucleus for an up scaled apprenticeship programme in the formal sector of the economy.

The programme should utilize the remaining period of the SDC funded project to develop COEL as a strong organization operationally rooted in the leather sector and set the path to become self sustainable from 2017 onwards. Till this date it is anticipated that COEL requires donors support to play an important role in the TVET Reform Project and leather sector of Bangladesh.

1 Background

1.1 Centre of Excellence for Leather Skill Bangladesh Limited (COEL)

Driven by the needs of enormous skilled labour force and increased growth of the leather industry, a group of industry stakeholders formed a formal committee as Industry Skill Council (ISC) with the facilitation of TVET Reform Project (funded by EU and implemented by ILO). The members of the ISC participated in a sector strategy formulation workshop to discuss and identify the ways to develop a skills development system for the leather sector. Centre of Excellence for Leather Skills Bangladesh, known as COEL is one of the major outcomes of that workshop in an attempt to work for the improvement of labour skills of the workforce in leather sector.

COEL is registered under section 29 of the companies act, 1994 as a not for profit organization in January 2010, which operates as a one stop solution for the leather industry offering a variety of services with core focus on skills development of the workforce, while building its own capacity through international accreditation. This is an industry led public private partnership (PPP) in order to enhance work place learning and productivity through improved skills of the employees.

Vision: To become a worldwide reputed centre of excellence in order to serve as a one stop solution centre for Bangladesh Leather & Leather Goods Sector by providing all-out technical support for skills development, product designing, product development , production and other services.

Mission: The mission of COEL is to sustain as a central source of standardized technical products & services with expertise and best practices so as to providing quality services aligned with the industry needs of the leather & leather goods sector.

COEL was established to assist in the development of competency standards and curricula, TOT programme and development of the apprenticeship model

1.2 Industry-led Apprenticeship Project

COEL began the implementation of the Apprenticeship Pilot Project in June 2011. EU/ILO and USAID-PRICE came forward to support the establishment and operation of this initiative. In this early time COEL realized the need for more funding to accelerate the project proceedings. SDC with the experience of implementing apprenticeship programmes in other countries showed keen interest and agreed to fund the project in specific heads for three years, commencing from 1st of January 2012.

The Industry-led Apprenticeship Project supported by SDC proposes the pilot introduction of a large-scale workers apprenticeship scheme for the leather industry. This is an innovative approach with high relevance from the Government of Bangladesh's recently adopted Skills Development Policy. The project is designed as a private-public-

partnership, where the concerned industry also contributes towards the cost. Apprenticeship could be a key instrument of developing the leather sector's workforce and facilitate economic growth in the process. By participating in the project, the trainees will benefit from having sustainable employment opportunities and income. This will lead to higher consumption of goods and better services (i.e. food, education, housing and healthcare), higher standard of living, and greater social security.

After supporting the project for eighteen months SDC has called for a Mid Term Review which outcome will assist the SDC and other development partners to review their commitment to the project and may relate to the redesign of the programme as well as its implementation including its budget.

The MTR report is mainly structured according to the ToR. The consultants hope that this approach makes it easy to compare the outcome of the assignment with SDC's information needs as a basis for further decision making.

2 Major objectives of the Mid Term Review

The following expected project results form the basis of this review:

- An apprenticeship model has been introduced and tested in the leather industry and is ready for up-scaling and replication
- The skills and employability of selected workers in the leather industry have increased
- Cooperation between key stakeholders in the field of skills development in the leather industry is institutionalized and synergetic

2.1 Analysis of existence and application of economic and effective use of resources

For the initial set up of COEL the shareholders of the centre invested 38 million BDT and EU/ILO injected 15 million BDT. The support of USAID-PRICE at the volume of 12 million BDT for training and HRD comes to an end in August 2013. In general COEL has utilized these resources effectively. More details will be explained in chapter 4 and can also be found in the Financial Review of the Industry-led Apprenticeship Project, February 2013.

Available Resources:

Particulars	Participants	Amount	Total BDT
1. Income against placement fee and training fee till 30.06.2013:			
Placement fee (Machine Operator)	1,802	3,000	5,406,000
Placement fee (Supervisor)	43	8000	344,000
FDDI training fee (Productivity)	34	5000	170,000
FDDI training fee (Designing)	23	5000	115,000
Management trainee program	18	2700	48,600
Supervisor skill development	86	2000	172,000
2. Leather Industry (for initial investment)			38,000,000
3. TVET Reform Project (EU/ILO)			15,000,000
4. USAID-PRICE			12,000,000
5. SDC			85,300,000

The main income of COEL is at present the placement fee from the leather industry for the semi-skilled machine operators (sewing). These funds are fully utilized for operational cost of the centre (rent, salaries, and logistics). **There remains no surplus for saving!**

It is expected that COEL gradually focuses on higher value income, like middle management training, special seminars conducted by national and international experts. Supervisor skill development training is a step in the right direction. But the training fee of 2000 BDT covers just the expenditure for food. The management has to review the fee structure.

The ineffective use of SDC's resources is a matter of concern. Against 18.8 million BDT advance only 14.5 million were spent so far. As per SDC's advanced payment schedule 41.2 million were expected to be utilized. The gap of 26 million unspent budget will steeply increase in next quarter when 18.5 million are adding up to this gap.

2.2 Assessment of progress towards the programme objectives (effectiveness) in the context of National Skills Development agenda

Programme objective: Sustainable employment opportunities for the unskilled and unemployed labour force in the leather industry have increased.

COEL's programme objective is in line with the National Skills Development Policy – 2011, especially with the NSDP's major objective: *Improve access to skills development for various groups of citizen including women and people with disabilities, encourage*

participation in skills development by industry organizations employers and workers and improve skills acquisition in communities.

Approx. 50% of the enrolled trainees drop out of the training course, mostly in the first days. Those who complete their apprenticeship programme gain sustainable employment (more than 90%) and majority (74%) are women. But to make a significant impact, the number of trainees has to be enhanced steeply and motivation sessions should be part of the curriculum to reduce the dropout rate. COEL is a unique initiative by the Industry Skills Council-Leather and could be a role model for other ISC's. Also the LFMEAB is a strong supporter of the Industry-led Apprenticeship Project. In the Annual Report 2012 it is stated: "LFMEAB is actively promoting vocational training and skill development programs". Furthermore the leading members of the association play an important role in the ISC-L and on the Board of COEL. The leather industry is aware that the present shortage of skilled manpower will increase in the coming years. The export performance as reported by EPB shows an annual growth for the leather sector by 30 % and for Footwear by 25.14 %. A well established COEL will definitely ease the situation and the sustainable employment opportunities for COEL pass outs will increase.

COEL has the potential for becoming a nucleus for an up scaled apprenticeship programme in the formal sector of the economy and could play a pivotal role in NSDP.

2.3 Analysis of prospects for Industry Skills Council (Leather) and COEL for further development and indication of the strategic direction for its future in the next ten years, keeping in view national goals and priorities, related MDGs, etc.

The Industry Skills Council- Leather is the first ISC who came forward and implemented industry-led apprenticeship training project. This unique experience could make the ISC-L a role model for others in the NSDP. Apprenticeship, a revitalized mode of delivery in both formal and informal industries, is one of the priorities of the NSDP.

ISC-L can become a player in several important ways: standard-setting, delivery (apprenticeship), competency based training & assessment, and the training of master craftsmen as instructors. The ISC-L is a self-asserted industry-driven body. Central European practice demonstrates the leading role of industry bodies in design, delivery and certification of apprenticeship, with Government playing a subsidiary and not a dominating role.

ISC as a new body created under national skills policy can play in future an important role in:

- **Overall capacity building** of ISCs: involving, strengthening such bodies in all schemes of enterprise-based training, apprenticeships (non-formal and informal);

- **Develop qualifications** for the Bangladesh Technical Education Board as an authorized body (profiles, competency based training & assessment tools)
- Development of **skills standards**
- **Replication** of delivery approaches (as developed and tested under ISC-L) in new sectors and areas with selected emerging ISCs and partner NGOs
- **supplementing SDC, ILO, DFID, ADB programmes**

The present model of apprenticeship applied at COEL (3 months training under supervision of the centre and 9 months training at industry) is the most effective for the remaining period of the project. However there have to be clear criteria for conducting apprenticeship training in sub-centres (class room lay out, furniture, teaching aids, number of trainees per batch, qualification of trainers, etc) to reach the anticipated targets.

COEL is the first PPP within the ISC-leather. With its experience in implementing apprenticeship training, curricula development and delivering services to industry, government and society it can play in future a leading role in the national skills policy.

- With the NTVQF in place COEL should professionalise and thus become an **accredited assessment centre**, where formative and summative assessment as well as RPL services can be provided.
- Develop COEL into a **knowledge centre** as a central source of standardized technical products and services
- For apprenticeship to work out well, a new breed of on-the-job instructors will be required. In the long run there could be a dedicated instructor training institute where **master craftsmen** are trained (probably on level 4 of the framework) and a specialisation module for them to become instructors (possibly level 5). Such master craftsmen will be needed as instructors industry-wide in increasing numbers
- COEL can turn their present approach into a more **company-driven “dual” training**, with clearer corporate funding; after the transition of regulatory responsibilities from BMET (under MoL) to BTEB also new national funding models may be explored and tested.
- **Work for poverty alleviation** and continued national development through skill development, social compliance, empowerment of the workforce, and knowledge dissemination

The project also correlates to the Millennium Development Goals (MDG), particularly with Goal 1 (Eradicate Extreme Poverty and Hunger) and Goal 3 (Promote Gender Equality & Empower Women) by providing employment opportunities for poor people in rural areas focusing on women and disadvantaged groups.

2.4 Analysis of the Development Partners' Country Cooperation Strategy and identify how COEL, as an strategic organization, fits into the country cooperation strategy

Several donors are engaged in the skills development sector and the new SD policy could provide a conducive framework. The three major players in the field are:

- DFID will embark on a large support to enterprise-based training
- CIDA will support the MoE with SD policy implementation and involve ILO
- ADB with a large loan (500 million USD over the next 10 years)

COEL fits well into SDC's country cooperation strategy and could be a deliberate partner for:

- Providing access to employment and/or income opportunities for poor people in rural areas to get them out of poverty
- The centre can help strengthen the qualifications framework and its implementation structures, assist industry to play a more prominent role and revive and expand apprenticeship as a long neglected mode of SD delivery with high employment potential
- Scaling-up of successful innovations and approaches through policy dialogue based on field experience as well as through alliances, networking and dissemination. Here COEL within the ISC-L can become a platform and nucleus to bring up quantity and quality of apprenticeship. ADB shows keen interest to use the COEL model as a platform for up-scaling SD.
- Alliances with like-minded, strategic partners would leverage the impact of SDC's country cooperation strategy.
- To enhance opportunities in local economic development and sustainability in favour of the poor and poorest, skills and capacity development are major enabling factors. By branching out into other districts and implementing COEL sub-centres the work can be brought to the people and provide sustainable income (see chapter 5). These actions are aligned with the Bangladesh Government's 'Poverty Reduction Strategy'.
- Supporting capacity development i.e. organizational and human resource development.

3 Specific objectives - effectiveness and relevancy of COEL

It is important to note that this project started off with the objective of implementing apprenticeship through:

- 1) Short term courses
- 2) CBT (Competency Based Training)

So far the short term courses are being offered and thus conducted. On the other hand the CBT has not yet taken off. One of the reasons for this to lag behind is the formalities required in the process of getting approval of CBT from the concerned authorities. BTEB

is primarily responsible for this and till date they could not finish everything they need to do including assessing trainers; industry assessors, trained trainees working in the industry etc. COEL authority is expecting the final approval of going ahead with CBT from BTEB anytime during September, 2013.

The MTR focused more specifically on the following questions/issues/areas:

3.1 Achievements against performance indicators, annual plan targets and mid-term benchmarks: to what extent is the program on track?

One of the biggest flaws of this project is the absence of proper logical framework (attached documents) and the annual work plan. The base line data are missing for most of the indicators and targets. It was found that no survey has actually been conducted and therefore the targets and indicators in many of the cases are vague, especially for the project objective.

For outcomes and even more for outputs, the MTR team considers the project on the right way, but lagging considerably behind the annual targets. There is no mid-term benchmark and no milestone mentioned in the project documents. This would have made M&E easier for the donor and COEL's management.

3.2 Which outcomes (intended and unintended) have been achieved and what impact has become visible? Have policy and practice changes occurred to which outcomes have contributed?

There are three outcomes set in this log frame-

1. An apprenticeship model has been introduced and tested in the leather industry and is ready for up-scaling and replication
2. The skills and employability of selected workers in the leather industry have increased
3. Cooperation between key stakeholders in the field of skills development in the leather industry is institutionalized and synergistic

As far as the activities are concerned to achieve these outcomes, COEL is going in desired direction. The apprenticeship model for skill development has been introduced and tested in the leather sector through COEL and it is expected that other sectors including food processing, construction, light engineering, transport, readymade garments etc. will replicate this model as BTEB has already replicated the model in the food processing industry. The training programme is targeting unskilled workforce based on some specific selection criteria to get required, demand driven (industry focused) training/skills and hence getting job opportunities in the leather industry. The other expected outcome of building cooperation between stakeholders in the leather industry is also showing some promise as COEL has already signed MoU with at least 10 enterprises

who agreed to be involved in the whole process where the recruitment of trainee is done jointly and after successful completion of the training they are placed on the job in the same company. See below a table of COEL's relevant activities till June, 2013.

Machine Operators in different Footwear Industries											
Sl No.	Company	Enrolled	Male	Female	Training completed	Male	Female	Placement Done	Male	Female	
1	Apex Adelchi Footwear Limited (Unit 01)	2,199	727	1,472	1,020	268	657	928	229	605	
2	Apex Adelchi Footwear Limited (Unit 02)	134	28	106	79	14	65	73	14	59	
3	Apex Adelchi Footwear Limited (Madina)	244	48	196	91	30	61	84	29	55	
4	Apex Adelchi Footwear Limited (Annex)	276	171	105	140	73	55	133	67	66	
5	The Shoemakers Limited	69	27	42	64	26	38	64	26	38	
6	FB Footwear Limited	90	16	74	78	16	62	78	16	62	
7	Landmark Footwear Limited	415	58	357	243	28	215	243	28	215	
8	Earth Footwear	154	20	134	129	11	118	128	11	117	
9	Jennys Shoe Limited	112	8	104	44	-	44	-	44	44	
10	Rimex Footwear Limited	100	40	60	-	-	-	-	-	-	
11	BRAC-COEL	43	30	13	20	11	9	9	4	5	
12	ADD	7	4	3							
		Total	3,843	1,177	2,666	1,908	477	1,324	1,740	468	1,266
		% (Reflection of Gender)		31%	69%		25%	69%		27%	73%

Trade wise Manpower Details										
Sl No.	Type of Graduates	Enrolled	Male	Female	Training completed	Male	Female	Placement Done	Male	Female
1	Machine Operator	3,843	1,177	2,666	1,908	477	1,324	1,740	468	1,266
			31%	69%		25%	69%		27%	73%
2	Trainee Supervisor	103	90	13	45	44	1	43	42	1
			87%	13%		98%	2%		98%	2%
3	Machine Maintenance Technician	51	51	-						
			100%	0%						

Besides these COEL has contracts with 3 NGOs for namely 1) Gono Unnyon Kendra (GUK), 2) Social Development Foundation (SDF) and 3) Practical Action where the NGOs send their beneficiary to COEL for training and subsequent placement. As a strategic partner of LFMEAB, COEL is working with ADD International to train the people with disability to support them with income generation activities.

MTR team did not find any evidence or document whatsoever that captured any unexpected or extraordinary outcome through COEL interventions. Even no interviews gave any sort of clues regarding this issue.

On the other hand MTR team believes that it is too early to comment on any tangible sustained impact that COEL may have already created. The absence of M & E activities in COEL also created a gap in understanding the impact if there as any at all. Despite these facts the MTR team sensed some implicit hints during conducting interviews with few COEL trained trainees at Landmark, Apex and FB footwear factories where few of them expressed their gratitude to COEL for all sorts of assistance they got from this centre that has contributed a lot in transforming their fortune.

A comprehensive evaluation should be conducted preferably in next year to track and capture the real impact.

3.3 Which expected outcomes are lagging behind, and why?

Out of their three outcomes, the log frame sets the target against the outcome number 2. This target says that COEL is training 20,000 unskilled people by the end of its project period which is December 2016. The result shows that this claim is significantly lagging behind from what COEL may achieve by the end of 2013. As reported by COEL in their progress report, they are going to train approximately 3000 trainees by December 2013. Therefore to achieve the target 20,000 they need to complete training for the rest 17000 in next three years. It means COEL has to train @ 5667 per year while current rate is 1500. On the other hand as per the log frame it is also mentioned that COEL is targeting to place 75% of 20,000 (15,000) for employment by December, 2016. Till June 2013 COEL has placed 1266 (@844 per year) trained trainees to industries. To achieve the target it has to place @ of 3925 per year (considering 15000 – 1266= 13734 trainees to be placed in 3.5 years times i.e. between June 2013 to December 2016). Considering the existing facilities and institutional capacities of COEL this seems to be really challenging. When the project started, many assumptions were made, all of which were not necessarily true. Moreover, there was no apprenticeship model in the formal sector in Bangladesh, which would be able to share experience/learning. As a result, the targets i.e. 20000 and 15000 by Dec 2016 were perhaps a bit too ambitious.

3.4 Which of the achieved outcomes are sustainable? If the outcomes are not sustainable, what factors should be taken into consideration and adjusted, to make it sustainable?

The leather sector in Bangladesh, the 4th largest export earning sector with consistency in significant growth gets in attention by the government due to its enormous potential for value addition. In leather sector, Bangladesh can do 90% of value addition which is one of the highest in any sector in the country. As per the analysis of EPB (Export Promotion Bureau) Bangladesh leather sector increased the value of its exports over the first three quarters of the current financial year (July 2012 to March 2013) by 23.5%, and during the last three years it was 30%+.

Beside the international and the domestic market demand of leather goods as well as leather footwear have been increased significantly during the last couple of years. The perception of local brands among the consumers has also been positively changed not only due to the marketing campaigns of the companies but due to quality and newly incorporated designs in this fashion era. On one side many local visionary entrepreneurs

are coming up and on the other side many international manufacturers from Taiwan, Korea etc. are also coming to set up their units in Bangladesh. In this world of sear competition, all local and international manufacturing units need to improve productivity and quality of products to sustain. Availability of adequate skilled workforce and management has become a prerequisite for the industries as to compete both locally and internally. Unfortunately there is no dedicated institution in Bangladesh for developing skills of workforce particularly the workers and floor supervisors. So there is a clear demand for the skilled/semi skilled human resource as the industry is growing.

As far as the demand for the skilled workforce is concerned, following outcomes should not face serious challenge to be sustained-

- Up scaling of apprenticeship model (Outcome 1) and increasing of skills (Outcome 2). This model is unique in leather sector and already taken up by BTEB for replicating in other sectors, this apparently gives some signals of the sustainability of this model in leather and other sectors. On the other hand skills are an area which now a days is indispensable for any growing sector. So it can be expected that demand for increasing skills will continue and good news is more donor programs (ADB etc.) are coming up to address this one.
- On the other hand, outcomes i.e. employability in Leather Sector (Outcome 2) and institutional synergies (Outcome 3) may face challenges as migration of skilled workers (sewing) from COEL to other sectors particularly RMG is easy and to some extent profitable while probability of having institutional synergies among the stakeholders particularly among the enterprises may not be consolidated as still the practice of "*skill stealing*" is on in the industry. Though it is true that this trend of *skill stealing* will be gradually reduced with the continuous supply of trained workers from COEL but until and unless some trust or consensus is established among the industries the chance of institutional synergies will always be a question mark.
- It can also be mentioned here that MTR team observe a mixed overall attitude and behavioural pattern from various stakeholders toward this initiative. Most important aspect came from the industry side as they clearly mentioned that the industry is getting benefits out of it. However in terms of commitment to spend more money on skill development the MTR team still found some lack of coordination and coherence among the industry. On the other hand the government is on the positive side as BTEB has already decided to replicate this model in other sectors and they are in the process of acknowledging COEL as an accredited training centre. The apprentices cannot compare their experience at COEL since this is a very new model in Bangladesh and they have not heard of or been able to avail similar opportunities – in any case, the apprentices are happy with the training and opportunities that they are receiving. They believe they are

learning something which would help them upgrade their skills and enhance their incomes in the future.

Strong promotional/motivational/compliance works needed to be done to make the Leather Sector more attractive and progressive cooperation and understanding among industries against *skill stealing* must be reinforced.

3.5 Quality and appropriateness of the outcomes in relation to national requirements.

Two national level requirements include National Skills Development Policy and Minimum Wage Policy of Bangladesh.

National Skills Development Policy (NSDP)

The vision, mission and the key target groups under NSDP:

Vision:

Skills development in Bangladesh will be recognized and supported by government and industry as a coordinated and well planned strategy for national and enterprise development. The reformed skills development system will empower all individuals to access decent employment and ensure Bangladesh's competitiveness in the global market through improved skills, knowledge and qualifications that are recognized for quality across the globe.

Mission:

To support rapid and inclusive economic growth through-

- Enhancing individual's employability (in wage/self employment) and ability to adapt to changing technologies and labour markets
- Improving productivity and profitability of enterprises
- Strengthening national competitiveness and reduce poverty

Key Target Groups:

- Access to education, training and lifelong learning will be promoted for people with nationally identified specific needs such as youth, women, low skilled people, people with disabilities, migrants and internally displaced people, older workers, indigenous people, ethnic minority groups and the socially excluded and for workers in small and medium sized enterprises, the informal economy, in the rural sector and self employment.

Minimum Wages Policy (MWP):

MWP classified Leather Sector (Footwear) operations into six grades. The minimum wage recommended for the grade six categories is Tk.3600.

From the above information framed as vision, mission and key targets of NSDP and minimum wages for the leather sector trained people it is evident that COEL's outcomes are relevant. NSDP's goal is to increase skills of selected groups as mentioned in the key target group for creating employability and to reduce poverty in a coordinated manner that has to be recognized. While COEL's outcomes clearly say its way of doing it by testing/replicating the methods (Outcome 1), enhancing skills of selected people for employments (Outcome 2) and coordinating the effort (Outcome 3).

From the MWP perspective, MTR team found that the industry is complying with the conditions of minimum wages by paying minimum Taka 3600 to all COEL trained people. On the other hand COEL is still paying between 3000 to 3200 Taka to the trainees per month as stipend. This is in principle a good idea as MTR team believes there should be an incentive for the trainees to join the industry. If COEL pays the same amount (Minimum Wages as per recent MWP) then they may be demoralized after joining the industry that even after completing the training the industry is not acknowledging their competencies and not paying higher wages. It is to be kept in mind that COEL is not an industry and thus it should gradually reduce its stipend to zero (if possible) once it attains some level of reputation. Another aspect the MTR found that COEL is using money from different sources to pay the stipend of the trainees i.e. some money from PRICE, some from industry and the rest from SDC. This is complicated and MTR recommend streamlining the practice. COEL can think of taking 100% money from SDC fund for the stipend. For this they need to adjust the project budget.

Labour market participation, social inclusion and empowerment of disadvantaged groups fit in as integral component of Apprenticeship Pilot Project. These aims correlate to the ones of the nation's Poverty Reduction Strategy Paper (PRSP), making the Project's outcome consistent with the desired outcomes of the PRSP.

3.6 Relevance of program activities in light of the policy developments, COEL's mandate and strategic issues.

MTR team found that COEL's programme activities fit well in the countries NSDP, MWP, PRSP and also to some extent to the MDG to reflect COEL's mandate and strategies.

The project arms the apprentices with hands-on work experience as well as knowledge and training that are driven by the industrial know-how. Given that the leather sector is already experiencing an acute shortage of skilled human resource and is projected to experience a significant increase in its demand for human resource (fuelled by the plants

established by foreign firms such as Korea's Youngone Group as well as planned expansions of local firms), it is very likely that the apprentices can avail to an expanding arena of job opportunities with their skills.

The target group of the Apprenticeship Pilot Project is the poor, unskilled, unemployed portion of the labour force looking for employment. The Project expects to recruit approximately 20,000 marginalized and unskilled people as apprentices till end 2016. Assuming that each apprentice has on average a family of four members, approximately 80,000 dependents are indirectly affected as a result of implementing this Apprenticeship Project. The poor and the extreme are among the prime target group so they benefit directly from the Project's efforts to increase employable skills, thus creating sustainable employment and income for the marginalized population. In addition, the Project intends to hire a majority of women trainees, 70% specifically, so it acts as a tool to empower women as well. The COEL report till June, 2013 reveals that it trained 1908 (those who completed in different sub centres) trainees out of which 1324 (69%) are women. On the employment side a total of 1740 trained people are placed in different industries and 1266 (73%) of which are women.

COEL's strategy of social inclusion and empowerment of disadvantaged groups fit in as integral component of Apprenticeship Pilot Project. These aims correlate to the ones of the nation's Poverty Reduction Strategy Paper (PRSP), making the Project's outcome consistent with the desired outcomes of the PRSP.

The Project also correlates to the goals outlined in the Millennium Development Goals (MDG). While the enhanced income and standard of living will positively affect all eight goals of MDG, the Project particularly resonates well with Goal 1 (Eradicate Extreme Poverty and Hunger) & Goal 3 (Promote Gender Equality & Empower Women) through its contribution to enhanced earnings and living standards and efforts at inclusion of women.

In addition to that the interest of ADB to use COEL within ISC-L as a platform for up scaling apprenticeship model also signals the relevance of COEL's mandate to various policies.

3.7 What lessons can be learned about the effectiveness of the intervention strategies used in order to achieve outcomes and policy and practice changes?

One of the important intervention strategies taken by COEL to achieve its outcome particularly the number of trainees to be trained (Outcome 2) is branching out to different sub centres. They have already established 7 of this kind in different places/enterprises. This is a good approach as the capacity of COEL principal centre is limited and cannot train the required number of apprentices. More sub centres will be established.

One concern though cited by some of the sub centres (e.g. MD, Jenny's Shoes Ltd. and floor supervisor of sewing, FB Footwear) that COEL should be more critical in recruiting its junior trainers for these sub centres. It means the junior trainers should be more competent in terms of training technique, technical knowledge, people's handling etc. If the trainers are not qualified enough and not confident then both the trainers and the trainees would struggle in enjoying the job and hence lower motivation and frustration would be evident. Higher rate of turnover can be the consequence from both ends and one of the COEL's reports says that drop out ratio is very high. It is not only a short term concern but also a long term issue as it is related to reputational risks. Too much turnover of trainers/trainees can be taken as an institutional weakness by many and a result the expected intake of trainees may suffer.

Quality of Training Package:

The training that COEL is providing is market driven i.e. driven by industries' need. Therefore the contents of the curricula are basically reflecting the requirements of the industry and good thing are the curricula are customized and kind of collections from different sources used in the industry for years. MTR team found the following areas are covered heavily in the sewing training module:

- Types of basic materials including adhesives, leather, synthetic material, and fabrics.
- Types of sewing machines and tools including types of needles and thread
- Skiving machine and its operations for accuracy
- How to set up machines
- Basic trouble shooting and maintenance
- Controlling the machines as a beginner
- Practical session on different sewing including single needle, double needle, post bed etc.
- Lots of pictures are included for easy understanding

These all are very crucial subjects for any sewing operator. On the other hand some important machines are missing in the floor of COEL Gazipur centre includes splitting machines, punching machine, stamping machines, eyeleting machine, zigzag stitching, folding machines etc. The sub centres are not having these problems as they are located in a fully fledged factory and they have all kind of machines in their collections.

MTR team talked to some enterprises where the COEL graduates are working and they said that the knowledge they are bringing with them from COEL is more or less satisfactory as they know most of the things the industry want them to know at the beginning. This signals the appropriateness of the curricula though some more development can be made particularly by including some missing important machines.

The area that COEL should focus from now is the quality of trainers particularly the junior trainers. COEL should hire more competent trainers, train them well and afterwards give them the charge of training centres. Also gradually COEL should incorporate areas of cutting and lasting and other areas for leather goods.

In addition to these new areas, MTR team also recommend strongly to incorporate some more training modules on soft skills (such as communication, negotiations, time management, people management etc.) as those were clearly demanded by many stakeholders MTR team interviewed with.

It is too early to comment that COEL can be regarded as a centre of excellence right now. Only thing can be said that they are on right track and now have to diversify their areas.

Looking at the objective of COEL, it is also expected that COEL being the first private led skills development body it would be more market responsive and quickly delivering the short term courses for priority occupation.

COEL has signed a MOU with FDDI and this is one step in moving forward for becoming a one point service centre as mentioned in its objective, mission and vision. So far reported the cooperation agreement benefit with FDDI is still awaited as only two training programmes have been organized in association of FDDI. This has to go far and COEL has to take more strategic interventions in leveraging FDDI's experience in achieving its own objective.

4 Specific objectives - institutional and organizational capacity of COEL

4.1 Assess COEL's current direction, its conceptual underpinning, sectoral activities and current ways of working towards attaining its organizational goal and objectives

It is clear from the current activities of COEL that it is still focusing on the skill development only. This is good as it was the prime requirement of the industry when COEL started its journey. All its activities are toward training people and getting them jobs in the industry. Not to mention that this is one of their main targets but becoming the one stop solution point (conceptual underpinning) is its ultimate destination. For that it has to expand its areas and include more diversified activities other than only skill training. This is also important as the organizational sustainability is a concern for COEL in the long run. Over dependency on donors support can be a killer if COEL does not act quickly on its sustainability. Generating more revenues through offering varieties of services should be strongly adopted by COEL. As of today USAID – PRICE is wrapping up its support, EU may terminate its programme with ILO and therefore the SDC will be sole donor for the time being. The revenue that COEL is earning from placement fee is

not enough to run the show and so it has to act smartly to find a sustainable way before the support from SDC is dried up.

In addition to that, a bit extra dependency of COEL on Apex group may also turn as their own trap in near future. COEL management still believes that “It’s a blessing for COEL that Apex is continuing absorbing their batches on regular basis”. From Apex sub centre 22 batches are passed and placed in their lines, and 4 batches are continuing. The view point for skilled manpower is high from Apex. They are also closer to the COEL centre as well. When other companies will realize the same way like Apex, then it may balance the affiliation scenario. It should keep in mind that everything has a saturation point. It was great and credit goes to Apex for its extra ordinary support to COEL at the beginning but it is COEL’s responsibility to think of a smart solution to come out gradually from Apex dependency which MTR team could not trace clearly. Instead COEL anticipates that other companies will eventually realize the way Apex thinks to make a balance but no tangible initiative was found taken up by COEL to make it happen.

COEL should set up the targets in the log frame with annual projections till 2017 with estimated number of trainees, earnings from them; other income generating activities and its prospective earning and with clear responsibility and authority.

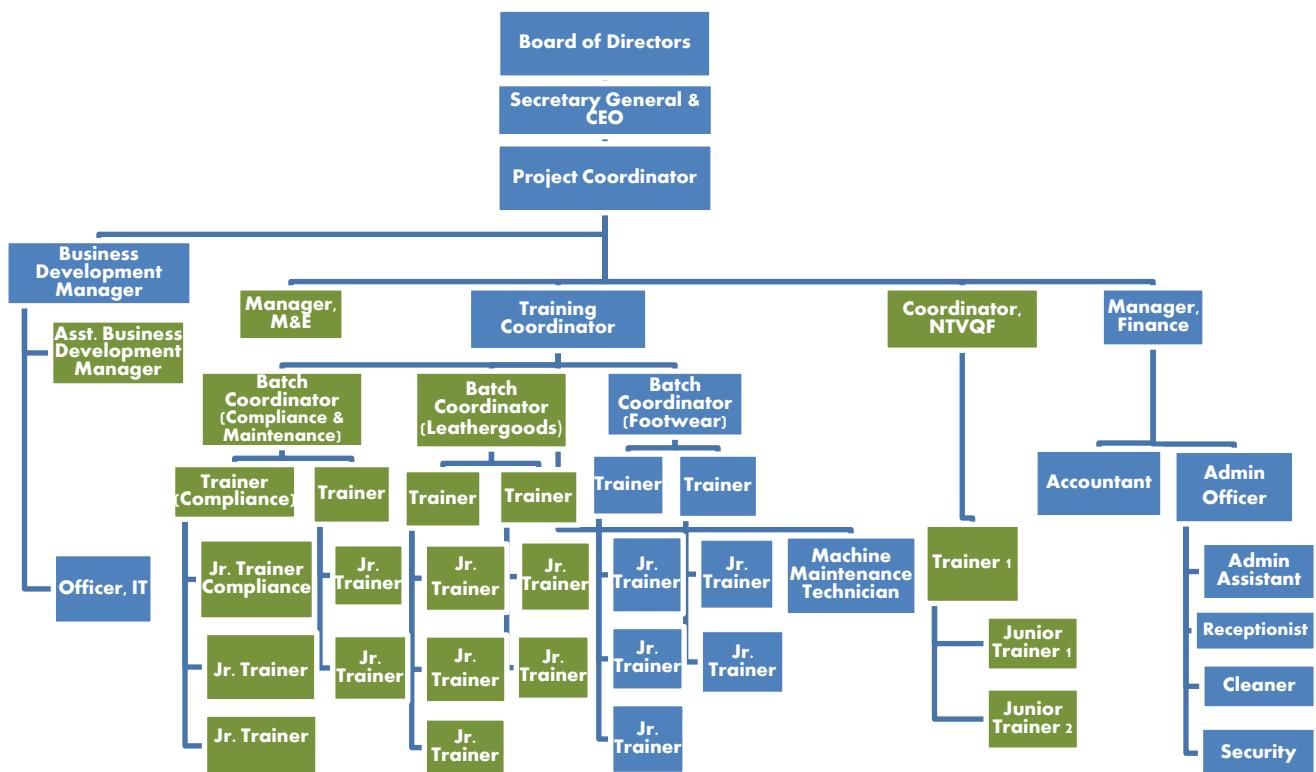
4.2 Assess effectiveness of organizations policy including; finance, accounting, procurement, HR, administration and other appropriate policies and procedures

From the organogram and the current staffing, it is found that COEL should act swiftly to fill up some very critical positions (particularly Finance/Admin Manager; Admin & IT officer etc) to run the project efficiently. This will also boost the overall moral of the team. To expedite the overall programme hiring people for all vacant positions is important. In addition to this comprehensive job descriptions are to be developed to eliminate any ambiguity in performance assessment of staffs. In future COEL must bring in someone to establish and run the M & E system. This is important because MTR team found some good achievements of COEL those are not documented and tracked at all. While tried to analyse some of the visible or tangible impacts those COEL has already created particularly in the living standards of many trained people, MTR team found no records of those stories. M & E team is responsible for capturing these impacts. Primarily they can think of one staff but it is to be adjusted once more and more trainees are placed.

MTR team found all relevant documents regarding finance, accounting, procurement, human resources and administration well drafted and available though the implementation is lagging behind. (See also Financial Review February 2013)

Board of Directors should meet twice a year to review the progress with top level management.

The proposed new organogram for COEL (new positions in green colour) reflects the necessary diversification of the centre into the four sections Footwear, Leathergoods, Maintenance & Compliance, and NTVQF Training. In addition there is also an M&E cell to monitor and document progress and shortcomings of the centre. COEL has to offer demand oriented training and services and therefore the structure of the organogram must be kept flexible, i.e. if the requirement in the Leathergoods section is more than anticipated and in Footwear it is less the positions should be filled accordingly.



4.3 Assess the organizational capacity (strength / weakness / opportunity / threats) as perceived by different levels of the organizational staff (junior level to senior management)

SWOT analysis of COEL is shown below:

<p>Strengths</p> <ul style="list-style-type: none"> • Good knowledge on leather footwear (sewing) • Good team work & trust among members • Self motivated team • Involvement of ISC with COEL for facilitations • Good linkage with large industries • Working with good business model 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Inconsistent services from finance and administration manager, business development manager • Shortage of manpower. As per original organogram staff including finance & administration manager, administration officers, IT officer etc have not been hired yet. • Lack of expertise in machine maintenance training (especially for Level 4) • Lack of budget flexibility to address market demand • Lack of transport facilities to supervise sub centres activities
<p>Opportunities</p> <ul style="list-style-type: none"> • COEL is the first of its kind & may be used as a platform for further expansion • Scope of contributing to skill development • High market demand for skilled manpower • Addressing compliance issues for sector 	<p>Threats</p> <ul style="list-style-type: none"> • Political instability • High turnover of personnel • Over dependency on Donor's support

4.4 Evaluate the effectiveness of partnership management procedures including; financial and operational management, monitoring, etc.

Following are the enlisted partners of COEL-

Bangladesh Government:

- BTEB (Bangladesh Technical Education Board)
- BMET (Bureau of Manpower Employment and Training)
- DTE (Directorate of Technical Education)
- NSDC (National Skill Development Council)

Different Industries for sub centres

- MoU for Apprenticeship programme and their placement : 11 Companies

Association

- LFMEAB (strategic partner)
- ADD International (to train people with disability and the victims of Rana Plaza Tragedy at 5 ADD centre)

Donor Parties:

- SDC (Swiss Agency for Development and Cooperation)
- ILO (International Labor Organization)
- USAID (United States Agency for International Development) – PRICE project
- EU (European Union)

As far as TOR are concerned between partners particularly donors, MTR team found those are going well in the area of finance and operations, exception is the ineffective financial management of SDC's advance payment (see recommendations). The LFMEAB and COEL are cooperating very closely, the project coordinator holds also the post of executive director LFMEAB. For the time being this arrangement has advantages for both organizations but as COEL expands further the project needs a fulltime top management.

COEL is in regular contact with BTEB, BMET, DTE, and ISC and enjoys a good reputation. The partnership management procedures with the industries, particularly with industries for sub-centres are well established for financial and operational management, but there is no functioning Monitoring & Evaluation (M & E) system. No concrete clue of mutual responsibilities of tracking the progress or success of interventions was found documented.

In addition to this the MTR team did not find any clear data base on whereabouts and quality of sub centres trainees. So it is difficult to mention the real placement scenario of COEL trained trainees in the leather sector.

4.5 Assess gender responsiveness of the organizational management and relevant capacity of the organization

Gender issue has not been spelled out anywhere in COEL's objective, vision or mission. The only trace of gender issue was found in the log frame and some of its indicators/targets against outcome 2 in the following way -

- 75% of the 20,000 trained people have found employment under fair and safe working conditions; 70% of which are women
- Women participation in the leather sector has increased to 70-80%
- Women participation in supervisor positions has increased to 25%

The base of this gender issue is clearly participative or quantitative for trainees in nature and not reflecting any factor related to equity and equality. It is obvious that most of the trainees those COEL select are women. There is no specific target or emphasis on gender oriented management system though interesting enough that COEL has more than 40% (4 in 9) Junior trainers in its staffing and by default its project coordinator is also a woman. This represents the favourable responsiveness of the organization toward gender.

COEL should incorporate some specific gender factors such as inclusion of trainers in COEL decision making process; provision of equal opportunities for men and women based on performance etc. in their revised log frame.

4.6 Assess the progress of ongoing efforts of establishing outcome focused monitoring, evaluation and reporting system within the organization

It is expected that COEL's Monitoring and Evaluation (M & E) will be an integral part of the Apprenticeship Pilot Project and will involve both internal and external monitoring bodies. COEL claimed that internal monitoring evaluation will be done by COEL and it has already developed its M & E Framework in this regard. In reality MTR team could not track any concrete M & E system in place. Instead some inconsistent and sporadic reporting and monitoring works have been done.

Most importantly the management is also not fully oriented with M & E tools and practice and COEL has to introduce not the system only but also arrange regular training programmes for its management staffs. Without a good M & E system COEL can lose some of its great achievements.

4.7 Assess the financial management system and process of the partners' contributions to COEL, which includes effectiveness of internal control system (ICS), adherence of contract condition, effectiveness of financial business conduction, and effectiveness of using financial resources.

There is a confusion regarding the project duration across the board particularly with COEL management in terms of the duration particularly in spending SDC money. However MTR team found it is clearly mentioned in the contract paper signed between FDFA and COEL that "The contract covers the period from 01.01.2012 to 31.12.2014" (Article 11 Duration).

The utilization of the advanced payment from SDC needs improvement from both partners. For that a clear plan must be developed (see recommendations). The internal control system must be improved. A comparative scenario is below:

Financial Management System & process of the partners contributions to COEL

Resources (BDT)	Effective Use
<ul style="list-style-type: none"> Leather Industry initial investment 38 million 	<ul style="list-style-type: none"> Utilized against investment in equipment and machines (source?)
<ul style="list-style-type: none"> Leather industry paid till 30.06.2013 for: placement fee 5.7 millions for training allowance 15.2 millions 	<ul style="list-style-type: none"> So far utilized for organizational expenditure (salary, rent, logistics etc.)
<ul style="list-style-type: none"> EU/ILO 15 millions 	<ul style="list-style-type: none"> Money was spent by ILO (sewing machines, generator, FDDI-trip). PLC training equipment lying idle; no documents found. No trainer!
<ul style="list-style-type: none"> USAID-PRICE 12 millions 	<ul style="list-style-type: none"> Utilized. Price reimbursed money against invoices.
<ul style="list-style-type: none"> SDC 85.3 millions 	<ul style="list-style-type: none"> Against 18.8 million advance only 14.5 millions spent. As per SDC's advanced payment schedule 41.2 millions were expected to be spent. The gap of 26 millions will steeply increase in next quarter 30.09.2013: 18.5 millions advance planned

The initial investment in equipment and machinery by the leather industry was well managed, but the MTR team found no sources (bills, invoices, handing over protocol). The procedures for placement fee and training allowance are well established and the funds fully utilized.

USAID-PRICE signed a MoU with COEL for assisting their initiative in developing skills of trainees to create job opportunities in the leather sector. Under that contract PRICE paid the stipend of the trainees and the honorarium of trainers. COEL recruited the trainees following some selection criteria and conducted the training program and then submitted the invoice to PRICE to reimburse their expenses against those two heads (Trainee stipend and trainer honorarium). PRICE only paid directly to trainees and trainers. The mode of payment was also controlled and monitored by PRICE team as at least one PRICE representative was always physically present during distributing stipend/money among the trainees and trainers. So COEL authority did not receive any money in their account from PRICE.

EU/ILO supported COEL by providing equipment and HRD. Unfortunately the programmable logic controller (PLC) training centre donated one year back has not been utilized at all. There is no trained manpower in COEL for operating the PLC equipment. The MTR team learned that COEL management is not clear who gave the requisition of those two PLC machines. Therefore no plan has been included in COEL's work plan (for the PLC equipment) and hence those remain idle. On the other side, availability of qualified PLC trainers in Bangladesh is a concern as it is not widely used in leather sector. So logically COEL could not develop its human resource on that. Therefore a good percentage of the EU/ILO budget remains unused. It is thus recommended that if possible COEL can talk to FDDI, bring their experts and train some local trainers and then can offer services to either leather or other industries where PLC is in use. This will also create a source of income for COEL.

5 Recommendations and Conclusion

The following recommendations shall assist SDC and other development partners to improve the implementation of the Industry-led Apprenticeship Project and strengthen COEL's institutional and organizational development to reach self sustainability by 2017.

This array of recommendations may not be implemented completely nor is the sequence mandatory, i.e. some medium/long-term suggestions could be put into practice within this phase like diversification of apprenticeship training into cutting and lasting of footwear or cooperation with ILET.

5.1 Recommendations for the remaining years of the project

Log Frame:

- **Review Log Frame:** For effectively monitoring the progress of the project the SDC and other development partners need a Log Frame (LF) with operational key performance indicators. The existing log frame cannot fulfil this. Some indicators are too vague and cannot be measured, others are quantified but there is no baseline defined.
Quantify the indicator either in the LF or in the work plan. Split up the final targets into annual goals and monitor whether you are on track or not. Set milestones for important activities and outputs.
SDC should initiate a review of the log frame and get the weak KPIs changed/improved. This would also help COEL improving their monitoring & evaluation as well as their reporting scheme.
- **Baseline Study:** At the end of this phase or with the beginning of a possible 2nd phase a baseline study is needed to measure the progress of the project and the

expected impact. The baseline study could also be a reference document for reporting, monitoring, evaluating in a possible next phase.

Budget:

- **Reprogramme Budget:** Utilization of SDC's advance payment as per agreed schedule is a problem for COEL. Some part of the advance could have been utilized for staff salary. A few key personnel positions are still vacant. But the main problems lay in the fixed structure of the SDC budget and in the optimistic training figures estimated by COEL. The centre as a PPP project has to react to market demand, if it wants to grow and reach sustainability. It has to offer training courses (apprenticeship training, NTVQF based long and short term courses, tailor made training courses), consultancy and services. All these activities are demand driven, not supply driven like a government training centre which may not care whether their students get gainful employment or not.

The main share of SDC's budget is planned for stipend support. As a new and unique institution in the ISC-L, COEL was not accelerating as anticipated. The number of trainees planned (20.000 till 12.2014) and trained (approx. 3000 till 12.2013) differ a lot. Part of this money could have been utilized for a massive awareness campaign and make COEL known in the leather sector as a competent service provider and to improve the training situation. This action requires the **flexibility to shift money from one SDC budget head to another.**

If this flexibility is not there COEL has to provide a **revised budget plan** for the period up to 12.2014 which reflects the present requirements, e.g.:

Present Budget	Revised Budget
	Increase budget for trainers (higher number)
	Increase budget for junior trainers (number of sub-centres will grow significantly)
Reduce total budget for operators training (stipend) till 12.2014	Equip two new class rooms / seminar rooms with learning aids (laptops, beamers, white boards). COEL has to go up the value chain and conduct seminars and training for supervisors and middle management.
	International expert to revitalize the PLC centre for maintenance supervisor's training.
	Offering workshops for design, seminars in compliance.
	Launch massive awareness campaign
Unspent budget	Support the launch of a Corpus Fund and inject unspent money at the end of project into the fund.

Expand and strengthen COEL Centre at Gazipur:

- **Fill up all vacant posts** as per organogram as a first step. The following positions are still vacant: Business Development Officer, IT Officer, Administration Officer

- **Provide transport** (example: motor bike) for improving coordination with sub-centres and enhance business. The numbers of sub-centres have increased to seven and they will grow further. At present the training coordinator has to use a rickshaw to visit customers and monitor sub-centres. This is a time killer too.
- **Expand to 2nd half of the floor** at COEL centre for additional business. Enhance operators and supervisors training but conduct also seminars and workshops. Utilize revised SDC budget for equipping new training / seminar rooms with teaching aids.
- Hire **additional qualified staff**. Train and certify them as junior trainers. The number of sub-centres is expected to grow significantly in the next months. Subsequently the number of trainers and also batch coordinator will increase. With the expansion of COEL there is a need for a M&E position. At present the Administration Manager could take the additional charge of M&E, supported by the IT Officer. The Project Coordinator and M&E in charge together with an expert should develop a M&E concept.
- The demand for skilled worker on level 1 to level 4 will further grow and with the expansion of the centre COEL could conduct **higher value training** for supervisors, technicians and middle management level.
- **Contract national and intl. experts** for conducting training, workshops and seminars in key areas and core subjects, like HRD, productivity enhancement, personnel management, soft skills, quality control, compliance, maintenance, design, etc.). Train COEL's own personnel to take over the subjects.
- **Attending at Dhaka International Trade Fair** (DITF) can be the first step for promoting COEL's services.
- Collaborate with **Leather Sector Business Promotion Council** (LSBPC) and other industry associations to raise awareness for reducing leather damage during Qurbani
- Launch massive **awareness campaign** to make COEL known to the leather sector and beyond. Make use of newspaper advertisement, radio- and TV spots, present COEL on association-, chamber- and ISC meetings. Engage the business development managers to launch the campaign.

Increase the number of sub-centres:

- At present COEL has signed MoUs for conducting machine operator training in 7 sub-centres, located in the industry premises. Involving sub-centres in the training process could increase business manifold.
- To ensure that the training conditions for the apprentices are following COEL standards, the centre has to develop **criteria for sub-centres** (lay-out, equipment, furniture) and monitor them regularly.
- A sub-centre needs an experienced and mature trainer, especially when monitoring cannot be done frequently. The MTR team got some complains in this regard.

- **RISK:** COEL has to take utmost care that the expansion of the sub-centres is in line with the quality of the newly recruited trainer workforce. Once reputation is damaged business will suffer.

Branch out into other districts:

For any branching out initiative, it needs machinery & equipment and hence capital investment or availability of machines from industry or from equipped centres. Due to shortage of funds COEL has to search for cooperation with NGOs, industry, and government to expand in other districts.

- **Chittagong** will become the main industrial area for international footwear industry. China, Korea, and Taiwan are investing on a large scale and there will be a shortage of skilled workforce. COEL started already branching out to Chittagong by collaborating with BRAC. This NGO provides the equipped training centre and COEL conducts apprenticeship training in Chittagong. Special care has to be taken to select the right trainer for this distant place which cannot be monitored so frequently. A junior trainer is not the right choice.

COEL should explore areas where unskilled and unemployed workforce can be trained and cooperation with a government training centre or a NGO/Service provider is possible. Two scenarios are described below:

- **Govt. training centre in Savar**, approx. 25 km from Dhaka, is an underutilized women training institute. A sub-centre could be established to run the apprenticeship scheme. As per CEO COEL land and building can be managed, equipment will be a problem. As Savar lies within the industrial belt of Dhaka, trained people can join the industry.

Bring work to the people. After receiving apprenticeship training in remote areas, the workforce has to migrate for job opportunities to already congested cities or industrial zones living under miserable conditions. Quite a number are returning to their home place or are not leaving at all after receiving training. Apexadelchi tried it out recently in Gaibanda district. There are suggestions how to avoid the migration and support the village people to live a decent life with a gainful employment.

- At **Gaibanda**, DFID supported the foundation of the NGO GUK. The training centre has building and the necessary equipment. On the other hand there are large numbers of unskilled and unemployed labour forces, available in Gaibanda district. COEL could start a sub-centre at GUK.
To avoid migration to industrial zones after training, the sub-centre could be converted into a production house. Register the sub-centre as social business (like Aarong , a subsidiary of BRAC is doing) and connect the production house with a

micro finance institute. Focus should be given first on waste leather business. The industry provides the waste leather material. The production house manufactures the leather goods on contract basis or as its own business. There is a win-win situation for the macro- and micro enterprises, the people in the district, and the environment:

- *lessen hazard to environment*
- *reduce poverty*
- *create employment for women and disadvantaged groups*
- *Develop skilled manpower*

- COEL can play a vital role in promoting that initiative. Through its excellent network in ISC-L it can connect with big business houses and act as their sub contracting agency.
- In a long run COEL could start its own brand by leveraging these sub centres productions featuring goods by made from waste material, produced by women & disadvantaged people.

5.2 Recommendations for medium-long term duration of the project

Diversify COEL's focus area:

- At present COEL is popular for being a good training school for sewing. To promote the apprenticeship scheme and create significant impact, to increase income for sustainability, **diversification** is required in other areas including cutting, prefabricating and lasting for footwear and also for leather goods, particularly small leather goods. The project has to explore which donors and industry houses may help procuring required machines in the next years.
- **Cooperate with renowned institutes** including ILET (Institute of Leather & Engineering Technology) for leveraging their laboratory facilities and human resources. Since 2013 the former Bangladesh College of Leather Technology is part of the University of Dhaka and renamed as ILET. It will enjoy now more administrative and financial flexibility. The Head of Department of Leather Engineering is keen to cooperate with the project. COEL will bring business in testing, specialised skill training including designing, seminars and workshops with national and international experts. Apart from sharing income this can be an excellent possibility for image building and awareness of the centre. COEL can act as a reliable broker between industry and ILET.
- **Association with international institutes** like Footwear Design & Development Institute, Noida India (FDDI), and ModaPelle Academy, Milan, Italy to be used for further skill development and business generation in footwear. COEL has already signed a MoU with FDDI and the later one showed their great interest in working with Bangladeshi counterpart. This is a good opportunity for COEL.

- COEL to be recognized as a **one point service centre**, offering training on all levels, consultancy services, testing products, maintaining data base of the Leather Sector, conducting seminars, advising ISC-L and government on apprenticeship training, curricula development, and offering research & development services.
- **Assessment Centre:** COEL should professionalize and thus become an accredited assessment centre including a RPL facility. It could develop qualifications, profiles, and assessment tools approved by BTEB.
- COEL should venture into the area of higher level training and conduct **master craftsman training** and certified instructors training (level 4 or 5 in the NTVQF). Such master craftsmen will be required as instructors industry-wide in increasing numbers.
- **Cluster support for SMEs.** The technology gap between SMEs and large industries is tremendous. One way to improve the situation of SMEs is clustering, form a group to leverage each other's resources. USAID-PRICE has supported Leather Technologists Small Entrepreneurs (LTSE) who formed a group which has grown up to 39 entrepreneurs. LTSE has built up its capacity as enterprise and its human resources. Recently they signed a MOU with COEL to further improve their manpower capability. COEL could facilitate the clustering in the leather sector on behalf of GOB and also offering training, consultancy services, and access to finance.

COEL should charge lesser fees from micro and small enterprises, This will encourage more SME customers to seek services from the centre and business will grow.

Develop personnel and organization:

- **Highly professional manpower** will be the key to success. Utilize donors' support for HRD (national/international training, participating in seminars, exposure to industry)
- Develop an **HRD plan** for every employee. Discuss annual targets and activities for his/her development. Monitor and evaluate the progress.
- The key positions of finance manager and business development manager remained vacant for some time due to frequent turn over. COEL should establish a **performance oriented Incentive Scheme** for staff motivation and to reduce turnover rate of personnel. At the beginning of the year each superior will discuss and set annual targets for his subordinates. If they reach or exceed targets a bonus will be paid according to an agreed system. This must be applied to all levels.
- Improve benefits for personnel to **boost motivation** (Provident Fund, extra income for extra work, welfare activities)
- Establish **Corpus Fund**. Creation could be done by shareholders and donors, e.g. through unspent SDC budget at the end of project phase. Injection may come from LFMEAB, ISC-L, GOB, COEL's earnings, donations, etc. Fund may be used for reinvestment of machinery and equipment, incentives, welfare activities.

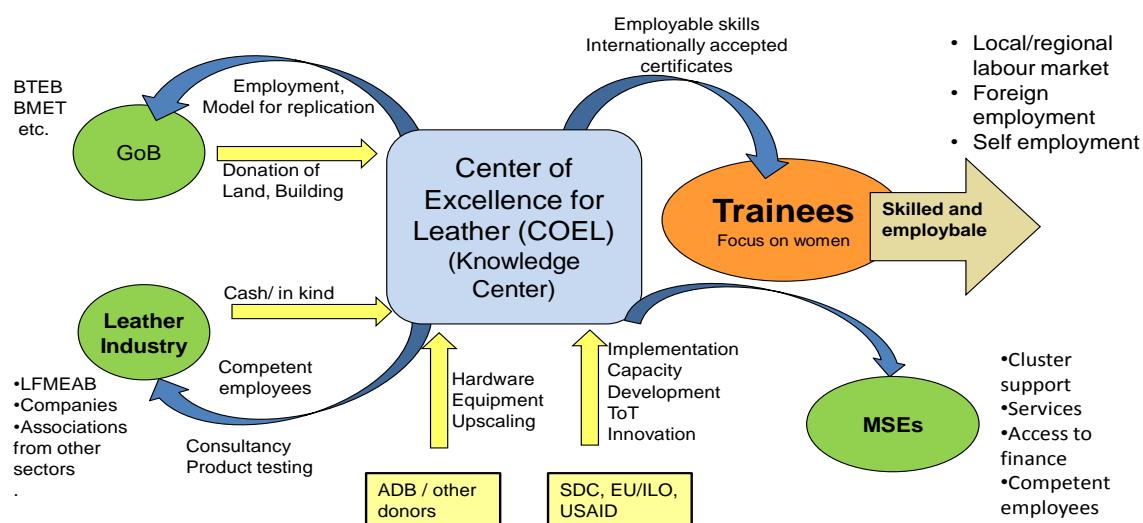
Permanent set up:

Within next 5 years COEL should try to have its own campus and building to fulfil its mission and objectives. At present there are two possibilities to set up a permanent centre:

- **Govt. training centre in Savar** is an underutilized women training centre. Initial discussions have been held (CEO COEL) and there is the possibility to establish a permanent centre on the campus. The capital investment for equipment and machines is still a problem.
- **RISK:** The centre will be established on government land and is therefore not own property of COEL limited.
- **Government donates land to LFMEAB:** As ISC-L and COEL are doing pioneer work in apprenticeship training and within the framework, the association should approach GOB and request for donation of land in their name to set up its own centre. With the combined support of GOB, LFMEAB, ISC-L, industry, and donors a permanent set up is realistic. The centre can grow and “operate as one stop solution for industry driven training, research, course curriculum development and other skills development events while building its own capacity through international accreditation, certification, public private partnership (PPP) and to look after the policy and procedures, advocacy, and monitor industry skill development practices”. (Objective of COEL).

The image below shows the possible development of COEL into a centre of excellence within the next 10 years.

Medium-long-term concept for COEL = One Stop Center



Affiliation with international institutions like ModaPelle Academy, Milan Italy
Footwear Design and Development Institut (FDDI), Noida India

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It is obvious that a project like COEL which has been implemented two years ago cannot fulfil all **criteria for a centre of excellence** (CoE) at once. However within a decade it should be possible. To give the project management an overview of what is expected from a CoE the criteria are listed below:

- In their field of competence the CoEs possess latest equipment and extensive knowledge. They use most modern technologies and techniques.
- The educational offer is of high standard in theory and practice. The know-how transfer uses advanced didactic methods and latest media.
- CoEs network with co-operation partners, e.g. universities, research institutes, industries and SMEs, vocational training institutes and national and international peer institutes/other CoEs.
- They develop, try out and improve educational and qualification procedures / measures.
- CoEs provide all-out technical support for skills development, product designing, product development, production and other services.
- CoEs act as a central source of standardized technical products & services with expertise and best practices
- CoEs using management techniques like: enterprise management, product variety, marketing, environment management, work safety, quality management, education controlling.
- CoEs have to prove sustainability after support of industry, government and/or donors ceases.
- As so called lighthouses they care for actual and future themes within their specific field of profession, work for educational oriented development and provide the dovetailing of consultancy-, advisory-, information- and technology transfer services.

5.3 Conclusion

The MTR team appreciates the implementation of COEL and the Industry-led Apprenticeship Project. It is a unique initiative by the Industry Skills Council-Leather and could be a role model for other ISC's. With its experience in implementing apprenticeship training, curricula development and delivering services to industry, government and society it can play in future a leading role in the national skills policy. Furthermore it has the potential for becoming a nucleus for an up scaled apprenticeship programme in the formal sector of the economy.

On the whole the consultants see the project on the right way. The present model of apprenticeship applied at COEL (3 months training under supervision of the centre and 9 months training at industry) is the most effective for the remaining period of the project. However there have to be clear criteria for conducting apprenticeship training in sub-

centres (class room lay out, furniture, teaching aids, number of trainees per batch, qualification of trainers, etc) to reach the anticipated targets.

The programme should utilize the remaining period of the SDC funded project to develop COEL as a strong organization operationally rooted in the leather sector and set the path to become self sustainable from 2017 onwards. Till this date it is anticipated that COEL requires donors support to play an important role in the TVET Reform Project and leather sector of Bangladesh.

6 Annexes

6.1 Consolidated Workplan for Mid Term Review of COEL 07.2013

Date	Time	Activity	Consultant Days		Organization	Remarks
			Iqbal (HI)	Hahn (DH)		
Fr. 05.07.	11:00	Arrival at Dhaka international airport on 06.07. at 05:00 hrs		1.0		Travel day DH
Sa. 06.07	10:00	Review of project documentation, preparing interview sets		1.0	Hotel	
Su. 07.07.	09:00	Approach of MTR	0.5	0.5	Hotel SDC	
	11:00	Clarification of assignment , definition of process and deadlines, handing over relevant documents				
	14:00	Review of project documentation				
Mo. 08.07.	09:00	Meeting with ILO, Mr. Francis Dillip de Silva	1.0	1.0	COEL	
	12:00	Meeting with COEL Project Coordinator, Ms. Kazi Roushan Ara. Assess progress towards the programme objectives.			COEL	
Tu. 09.07.	10:00	Meeting with Chairman BTEB, Prof. Abul Kashem	1.0	1.0	BTEB office	
	13:00	Meeting with ISC-L member Mr. Nair Khan			LFMEAB	
	14:00	Evaluate operational management on different levels of COEL			COEL	
We. 10.07.	09:00	Meeting with USAID-PRICE	1.0	1.0	PRICE office	
	14:00	Evaluate log frame			COEL	
Th. 11.07.	07:30	Assess effectiveness of COEL's training policy	1.0	1.0	Gazipur	
	07:30	Meetings / Field visit to industry partners and beneficiaries: Apexadelchi, Landmark, FD Footwear				
Fr. 12.07.	09:00	Review and analyse policy papers. Review and analyse project document. Prepare check list for COEL centre	1.0	1.0	Hotel	
Sa. 13.07.	09:00	Evaluate management procedures on different levels of COEL. Assess effectiveness of organization's policy including finance, accounting, procurement, human resources & administration at COEL	1.0	1.0	Gazipur	
Su. 14.07.	09:00	Meeting with Institute of Leather Engineering and Technology (ILET), Bangladesh	1.0	1.0	Dhaka	
	11:30	Meeting SME Cluster in Dhaka				
	14:00	Review Project Documents				
Mo. 15.07.	09:00	Meeting CEO COEL Mr. Ahsan	1.0	1.0	Apex HQs	
	12:00	Review policy paper, Prepare MTR draft			COEL	

Date	Time	Activity	HI	DH	Organization	Remarks
Tu. 16.07.	09:00	Meeting ISC-L Chairman Mr. Nasim Mansur		1.0	LFMEAB	
	14:00	Prepare MTR draft			COEL	
We. 17.07.	09:00	Tele con call ADB	1.0	1.0	SDC	
	11:00	Meeting BMET, SK AI-Ferubi			LFMEAB	
	13:00	Prepare MTR draft			COEL	
Th. 18.07	09:00	Presentation and discussion of MTR findings (temporary draft report) with SDC, COEL and stakeholders	1.0	1.0	SDC	
	12:00	Meeting MD PICARD Bang, Mr. Saiful Islam			LFMEAB	
	14:00	Wrap up and further activities MTR team			Hotel	
	19:30	Meeting Mr. Francis Dillip de Silva			Hotel	
Fr. 19.07.		Departure Dietmar Hahn		1.0		Travel day
Mo. 22.07.		3 days report writing	3.0	3.0		
		Coordination of draft report by email and Skype between HI / DH. Submission of MTR draft report				Skype and email HI/DH
27.07. -03.08.		Review of draft report by SDC, COEL and stakeholders				
Tu. 06.08.		Submission of final MTR report				
		Total consultant days	14	18		

6.2 De-briefing presentation



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

Center of Excellence for
Leather Bangladesh Limited
(COEL)



Mid Term Review (MTR)
The Industry-led
Apprenticeship Project at the Center of Excellence
for Leather Bangladesh Limited (COEL)

Structures

1. Specific Objectives
 - Effectiveness & Relevancy of Project
 - Institutional & Organizational Capacity
2. Recommendations & Way Forward

18.07.20113

Presenter: D. Hahn & H. Iqbal

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Mid Term Review (MTR) of the Industry-led Apprenticeship Project at COEL		
<u>Specific objectives : Effectiveness & relevance of the Project</u>		
SI	Specific Objectives	Findings/Observations
1	Achievements against performance indicators, annual plan targets	<ul style="list-style-type: none">• Some performance indicators are too vague, increasing by xy % or increased number of skilled workers. For others baseline missing.➢ Baseline study to be done for proper monitoring➢ Review & rewrite Logframe
2	Outcomes achieved and any visible impact? Have policy and practice changes occurred to which outcomes have contributed?	<ul style="list-style-type: none">• Outcomes seem to be in desired direction• Model introduced & tested• Unskilled trainees getting skills & jobs• At least 10 MoU signed• BTEB accepted COEL model to replicate in food processing
3	Which expected outcomes are lagging behind, and why?	<ul style="list-style-type: none">• Outcome 2 ; 20,000 to be trained lags significantly• By 2013 ; only 3000 will be trained; 17,000 in one year impossible➢ Target was un realistic

Mid Term Review (MTR) of the Industry-led Apprenticeship Project at COEL

Specific objectives : Effectiveness & relevance of the Project (Contd)

SI	Specific Objectives	Findings/Observations
4	Achieved outcomes are sustainable? If not, what to be done and adjusted, to make it sustainable?	<ul style="list-style-type: none"> Up scaling of model (OC 1) & increasing of skills(OC 2) should not face much challenge to be sustained Employability in LS (OC 2) & institutional synergies (OC 3) to face challenge as migration to other sectors easy & profitable while practice of "Skill Stealing" is on ➤ Strong promo/motivational/compliance works needed to make LS more attractive ➤ Progressive cooperation & understanding among LS industries against Skill Stealing
5	Quality & appropriateness of the outcomes in relation to national requirements.	<ul style="list-style-type: none"> Considering NSDP & MWP, outcomes are relevant NSDP's goal to increase skills for employability in a coordinated manner that has to be recognised Trainees getting MW from industry as per MWP Logframe indicators bear relevance with NPRSP target
6	Relevance of activities wrt policy developments, COEL's mandate and strategic issues.	<ul style="list-style-type: none"> COEL fits well in country's NSDP Interest from ADB to use COEL within ISC-L as a platform for upscaling COEL recruits trainees from poor, unskilled labor force, mainly women (Poverty Reduction Policy)

Mid Term Review (MTR) of the Industry-led Apprenticeship Project at COEL

Specific objectives : Effectiveness & relevance of the Project (Contd)

SI	Specific Objectives	Findings/Observations
7	Lessons learnt about the effectiveness of the intervention strategies used in order to achieve outcomes and policy and practice changes?	<ul style="list-style-type: none"> To achieve the planned targets COEL has branched out into 7 sub-centers . More will come. Well done. Threat: Junior trainers have to be systematically trained (methodology, content wise) before taken the charge of a sub-center. (Jenny's Shoes). • Reputation at stake • FDDI cooperation started. Benefit awaited

Mid Term Review (MTR) of the Industry-led Apprenticeship Project at COEL

Specific Objectives : Institutional & Organizational Capacity of COEL

SI	Specific Objectives	Findings/Observations
1	COEL's current direction and ways of working towards attaining its goal	<ul style="list-style-type: none"> • Current direction may lead to its overall objective but org. SUSTAINABILITY is a concern. ➢ Generating more money is the solution ➢ Clear target (with yearly projection) for # trainees & estimated earning from all sources till 2017 to be indicated in logframe
2	Effectiveness of organizations policy including; finance, accounting, procurement, HR, administration	<ul style="list-style-type: none"> • All manuals are available and well drafted • Implementation is lagging behind. ➢ Fill up vacant posts (finance /admin mgr, BD-admin-, IT officer). This will boost efficiency ➢ Comprehensive JD for all posts in organogram ➢ Special care taken for finance position ➢ BoG meeting to be held twice a year
3	Organizational capacity (SWOT) as perceived by different levels of the organizational staffs	<ul style="list-style-type: none"> • Ref: SWOT analysis next slide

Mid Term Review (MTR) of the Industry-led Apprenticeship Project at COEL

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good knowledge on leather footwear (sewing) • Good team work & trust among members • Self motivated team • Involvement of ISC with COEL for facilitations • Good linkage with large industries • Working with good business model 	<ul style="list-style-type: none"> • Inconsistent services from Finance and Admin Manager; Business development mgr • Shortage of manpower in operational level • Lack of expertise in machine maintenance training (especially for Level 4) • Lack of budget flexibility to address mkt. demand • Lack of transport facilities to supervise sub centers activities
Opportunities	Threats
<ul style="list-style-type: none"> • COEL is the first of its kind & may be used as a platform for further expansion • Scope of contributing to skill development • High market demand for skilled manpower • Addressing compliance issues for sector 	<ul style="list-style-type: none"> • Political instability • High Turn Over of personnel • Over dependency on Donor's support

Specific Objectives : Institutional & Organizational Capacity of COEL (contd)

SI	Specific Objectives	Findings/Observations
4	Effectiveness of partnership management procedures including; financial and operational management, monitoring, etc.	<ul style="list-style-type: none"> Partnership working well as far as TOR is concerned in financial & operational areas. No concrete clue of mutual responsibility to track success No clear data base on whereabouts & quality of sub centers trainees after completion
5	Gender responsiveness of the organizational management and it's relevant capacity	<ul style="list-style-type: none"> Gender issue not clearly spelled out in COEL's objective though log frame indicators emphasizes on women participation ; not on equity or quality 4 of 9 Junior trainers are women (>40%)
6	Progress of ongoing efforts of establishing outcome focused M & E system within the organization	<ul style="list-style-type: none"> Concrete M & E system is not in place Some inconsistent & sporadic reporting & monitoring works done Management not fully oriented with M & E tools & practice

Specific Objectives : Institutional & Organizational Capacity of COEL (Contd)

SI	Specific Objectives	Findings/Observations
7	Financial management system and process of the partners contributions to COEL, includes effectiveness of (ICS), effectiveness of financial business conduction, and effectiveness of using financial resources	<ul style="list-style-type: none"> Some confusion regarding project duration Utilizing the advanced payment of SDC needs improvement from both partners, see next slide.

Financial Management System and process of the partners contributions to COEL

Resources (BDT)	Effective use
<ul style="list-style-type: none"> • Leather Industry initial investment 38 million • Leather industry placement fee XX mio (Allowance till 2012: 7.2 mio) • EU/ILO 15 mio • USAID-Price 12 mio • SDC 85.3 mio <div style="border: 1px solid #ccc; padding: 5px; background-color: #f9f9f9; margin-top: 10px;"> <ul style="list-style-type: none"> ➤ Hire competent financial manager ➤ Train accountant ➤ Improve financial control ➤ SDC reprogrammes budget </div>	<ul style="list-style-type: none"> • Utilized against investment in equipment and machines (source?) • So far utilized for organizational expenditure (salary, rent, logistics etc.) • Money was spent by ILO (sewing m/c, generator, FDDI-trip). PLC training EQ lying idle; no documents found rgd. cost of EQ. No trainer! • Utilized. Price reimbursed money against vouchers. • Against 18.8 mio advance only 14.5 mio spent. As per SDC's advanced payment schedule 41.2 mio were expected to be spent. The gap of 26 mio will steeply increase in next Q. • 30.09.2013: 18.5 mio advance planned

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Recommendations: Short Term

Expand & strengthen COEL Center at Gazipur

- **Fill up all vacant posts** as per organogramm as a first step
- Establish a performance oriented **Incentive Scheme** for staff motivation and reduce Turn over rate
- **Provide transport** (example: motor bike) for improving coordination with sub centers & enhance business
- **Expand** to 2nd half of the floor at COEL center for additional business like: Training in compliance, quality control, productivity enhancement, soft skills, personnel, management, maintenance, etc
- Hire **additional qualified staffs** and train them as trainers.
- **Contract national and intl. experts** (HRD, productivity, personnel mgt., quality control, compliance, soft skills, maintenance, design, etc.)
- Attending at Dhaka International Trade Fair (DITF) can be the first step for promoting its services
- Can collaborate with Leather Sector Business Promotion Council (LSBPC) and other industry associations to raise awareness for reducing leather damage during Qurbani

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Branch out in other Districts

- For any branching out initiative, needs machine and hence capital investment or availability of machines from industry/equiped center.
- Chittagong will become main industrial area for intl. footwear industry (China, Korea, Taiwan). More focus to be given there.
- COEL should explore areas where unskilled and unemployed workforce can be trained. Cooperation with the govt. Training centers, NGO/Service proviers
- In case of industrial area, trained people can join the industry
- In case not, COEL can enter into contract with Govt. Underutilized training centers for establishing Sub-Centers, run apprenticeship scheme.
- Convert sub-center into a production house. Register production house as social business (like Aarong) and connect with micro finance institute. Focus first on waste leather business – create employment - reduce poverty – lessen hazard to environment
- COEL can play vital role in promoting that initiative; can connect with big business houses as their sub contracting agency;
- COEL can start it's own brand by leveraging these sub centers productions featuring products by made from waste mat, produced by women & disadvantaged people etc.

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Recommendations: Medium-Long Term

Diversify COEL's focus area:

- COEL to be recognized as a **one point service center**, not only the training school for sewing: Offering trg. on all levels, consultancy, testing products, maintain data base Leather Sector, conducting seminars, advice ISC and govt.
- **Diversification** required in other areas including cutting, prefabricating and lasting for footwear and also for leather goods particularly small leather goods (SLG). SDC can help in procuring required machines in the next phase
- Can **cooperate with renowned institute** including ILET (Institute of Leather & Engineering Technolgy) for leveraging their laboratory facilities and human resources. COEL will bring business in testing, specialised skill training including designing etc.
- **Association with** other institute including **FDDI, Moda Pelle**, Italy etc. to be used for further skill development and business generation
- Launch massive **awareness campaign** to make COEL known to the leather sector and beyond

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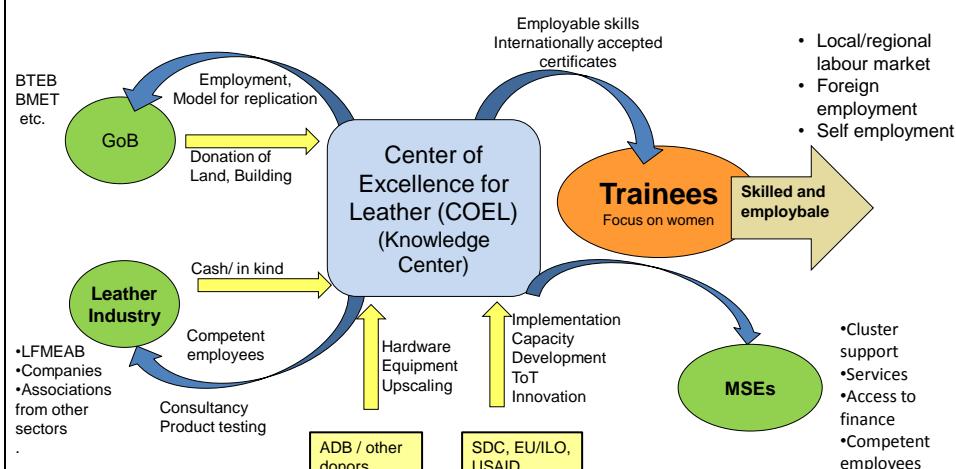
Recommendations: Medium-Long Term (ctd)

Develop personnel and organization

- Highly professional **manpower** will be the key to success. Utilize donors's support for HRD (national/international training, participating in seminars, exposure to industry)
- Develop an **HRD plan** for every employee. Discuss annual targets and activities for his/her development. Implement them.
- Establish performance related **Incentive Scheme**. Superior will set annual targets for his subordinates together with them. If they reach or exceed target a bonus will be paid according to agreed system. This must be applied to all levels
- Improve benefits for personnel to **boost motivation** (Provident Fund, extra income for extra work, welfare activities)
- Establish **Corpus Fund**. Creation could be done by Donors. Injection may come from LFMEAB, Govt., COEL's earnings, donations, etc. Fund may be used for reinvestment of machine and equipment, incentives, welfare activities

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Medium-long-term concept for COEL = One Stop Center



Affiliation with international institutions like ModaPelle Academy, Milan Italy
Footwear Design and Development Institut (FDDI), Noida India

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6.3 Terms of Reference

Industry-led Apprenticeship Project Mid Term Review (MTR) 2013

Terms of Reference

1. Background

i. Centre of Excellence for Leather (COEL)

The Centre of Excellence for Leather (COEL) was set up in 2009 by the Industrial Skills Council in the leather sector. COEL acts as one point resource centre as well as service provider, to develop, support and strengthen the workforce in the leather sector. While responding to industry driven demand for skilled labour, the centre also conducts research and Training of Trainers (TOT) to enhance capacity of the industry and promote on the job trainings.

COEL was established with support from the TVET Reform Project (funded by EU and implemented by ILO) to assist in the development of competency standards and curricula, TOT program and development of the apprenticeship model. The industry, who also benefits from the manpower trained, contributed towards this enterprise as well. Since its inception, other development partners, such as the Swiss Agency for Development and Cooperation and USAID (through its PRICE project) have joined hands to support this unique initiative.

COEL further works with the Bureau of Manpower, Employment and Training (BMET) and the Bangladesh Technical Education Board (BTEB). BTEB provides accreditation to the courses and curricula designed and developed for the apprenticeship programs. The Bangladesh College of Leather Technology (BCLT) in relation to the project will provide instructor support, organize off-job training when requested from COEL, and provide workplace assessment support in coordination with COEL.

ii. The Project

The Industry-led Apprenticeship Project proposes the pilot introduction of a large-scale workers apprenticeship scheme for the leather industry. This is an innovative approach with high relevance from the perspective of the government's recently adopted Skills

Development Policy. The project is designed as a private-public partnership, where the concerned industry also contributes towards the cost.

The impact logic for the project reads as follows: *if high quality skills development offers in Bangladesh are matching both the needs of poor people and those of the private sector/industry, and if these skills are certified and formally recognized, poor people will access these offers, be absorbed by the private sector and generate income in a sustainable manner which ultimately improves their livelihood situations.* While the overall objective of the project will be to increase sustainable employment opportunities for the unskilled and unemployed labor force in the leather industry, the expected outcomes at the end of the project phase are as follows:

- An apprenticeship model has been introduced and tested in the leather industry and is ready for up-scaling and replication
- The skills and employability of selected workers in the leather industry has increased
- Cooperation between key stakeholders in the field of skills development in the leather industry is institutionalized and synergetic.

SDC expects that if the intervention works successfully, other industrial associations – primarily in the 8 priority sectors¹ currently covered by the national Skills Development Project and TVET Reform Project – will recognize apprenticeship as a promising model and will start deliberations for replication and adaptation of the approach to their needs.

2. Major objectives of the MTR

The expected results (as defined in the proposal of Phase I Industry-led Apprenticeship Project with duration from 01 January 2011 to 31 January 2015) form the basis of this review.

The objectives of the Mid Term Review (MTR) are to:

- a) Analysis the existence and application of economic and effective use of resources
- b) Assess progress towards the program objectives (effectiveness) in the context of national skills development agenda;
- c) Analyze the prospects for Industry Skills Council (Leather) and COEL for further development and indicate the strategic direction for its future in the next ten years, keeping in view national goals and priorities, related MDGs, etc.
- d) Analyze the Development Partners' Country Cooperation Strategy and identify how COEL, as an strategic organization, fits into the country cooperation strategy

¹ Readymade garments; light engineering; construction; leather; transport; ITC; food- and agro processing; and the informal sector.

e) Formulate recommendations for the remaining years of the program

3. Specific Objectives

The MTR will focus more specifically on the following questions/issues/areas:

A. Effectiveness and relevancy of the project:

- Achievements against performance indicators, annual plan targets and mid-term benchmarks: to what extent is the program on track?
- Which outcomes (intended and unintended) have been achieved and what impact has become visible? Have policy and practice changes occurred to which outcomes have contributed?
- Which expected outcomes are lagging behind, and why?
- Which of the achieved outcomes are sustainable? If the outcomes are not sustainable, what factors should be taken into consideration and adjusted, to make it sustainable?
- Quality and appropriateness of the outcomes in relation to national requirements.
- Relevance of program activities in light of the policy developments, COEL's mandate and strategic issues.
- What lessons can be learned about the effectiveness of the intervention strategies used in order to achieve outcomes and policy and practice changes?

B. Institutional and organizational capacity of COEL:

- Assess COEL's current direction, its conceptual underpinning, sectoral activities and current ways of working towards attaining its organizational goal and objectives
- Assess the organizational capacity (strength / weakness / opportunity / threats) as perceived by different levels of the organizational staff (junior level to senior management)
- Assess effectiveness of organizations policy including; finance, accounting, procurement, HR, administration and other appropriate policies and procedures
- Evaluate the effectiveness of partnership management procedures including; financial and operational management, monitoring, etc.
- Assess gender responsiveness of the organizational management and relevant capacity of the organization
- Assess the progress of ongoing efforts of establishing outcome focused monitoring, evaluation and reporting system within the organization
- Assess the financial management system and process of the partners contributions to COEL, which includes effectiveness of internal control

system (ICS), adherence of contract condition, effectiveness of financial business conduction, and effectiveness of using financial resources

- Come up with recommendations regarding above-mentioned points (a-e), outlining (i) medium-long term possibilities for developing COEL as a strong organization operationally rooted in the leather sector of Bangladesh and (ii) short term recommendations for ensuring smooth management of SDC's project Phase.

4. Review process, Methodology and timeframe

The MTR mission is expected to take place between July - August 2013².

The methodology and the detailed program of the review will be worked out and finalized by the MTR team. The review team will share its plan with SDC and COEL, prior to finalization.

Activities	No. of days	
	Technical	Org. Dev
Travel		01
Briefing Meeting with SDC: Introduction to the assignment and workplan	0.5	0.5
Meeting with COEL management and staff, ISC - Leather	01	01
Meetings with other development partners: TVET Reform/ILO, PRICE/USAID	01	01
Meeting with relevant GoB agencies: BMET, BTEB, BCLT	01	02
Meetings/Field visit to industry partners and beneficiaries (in Dhaka and in Gazipur)	02	03
Report writing	05	05
Discussion (and presentation) of MTR draft report with SDC, COEL and stakeholders	0.5	0.5
Finalize report	03	03
Travel		01
Total (number of consultant days)	14	18

5. Team composition and coordination

The review team will comprise of 2 consultants, of which at least one will be an international consultant. The members should have excellent command over English language and experiences of working in a team. They must have knowledge and expertise about working in developing countries and some exposure to NGO programs and modalities particularly experience of evaluating/assessing public private development partnerships. Experience of working in Bangladesh/ South Asia will be an added qualification.

The team will include the following:

- An skills development specialist, preferably holding an advanced degree in education and with at least 5 years of experience working in the field of skills development and with experiences in Asian countries, especially in regard to public private development partnerships, apprenticeship models and national qualification frameworks.
- An institutional management/organizational development specialist, preferably holding an advanced degree in management and with at least 10 years of working experience in the field of institution and organization development along with experiences in Asian countries, especially in the field of institutional development and organizational behavior.
- The consultants will collaborate as a team and detail out specific tasks as per the ToR, specially taking into consideration the objectives and scope of the assignment.
- One of the consultants will be nominated, by the team, to be the team leader. S/he will lead the team in addition to specific tasks as per the ToR. This responsibility will include being responsible for coordination and planning of tasks with the team members, SDC and COEL synchronization of the three part of the review, maintaining task and report submission timelines.

6. Outputs

A MTR report of maximum 30 pages on achievements against expected results, an analysis of the constraints/challenges and the way forward (recommendations). The document will also include a two page executive summary (including the major recommendations from the mission). A **draft MTR report will be produced 18 July 2013**, to be finalized after discussions with SDC and COEL and the **final report is to be submitted to SDC by mid-August**.

The outcome of the MTR will assist the SDC and other development partners to review their commitment to the project, as the MTR will produce conclusions and recommendations for

the remaining duration of the program. These recommendations may relate to the design of the program as well as its implementation including its budget.

7. Reporting

The consultants will be collectively reportable to SDC and COEL. However, all reports and documents prepared during the assignment will be treated as the property of COEL. The reports and or documents or any part, therefore, cannot be sold, used /shared and reproduced in any manner without prior approval of COEL.

8. Administration and Coordination

COEL will assist the consultants in:

- Briefing, planning and debriefing discussions and developing plans for field trips and review activities
- Providing relevant written materials/documents/reports
- Providing necessary logistic support as necessary
- Making necessary contacts with stakeholders and field visits.

9. Budget

The review team will be contracted to SDC and the consultants fees will be defined as per SDC's norms and criteria. The budget has to be submitted by the consultants according to this Terms of Reference.

6.4 CoEL Log Frame

Objective/Outcome/Output	Indicators + Targets	Means of Verification	Assumptions
Project objective			
Sustainable employment opportunities for the unskilled and unemployed labor force in the leather industry have increased	<ul style="list-style-type: none"> The labor force growth in the leather sector is xy% and xy people, an increase of xy % compared to 2011 Average annual income increase for leather sector workers of 30% by the end of the pilot phase 80% of the 32'000 trained people have found employment under fair and safe working conditions Increased number of skilled workers in the occupations of Machine Operator (i.e. Sewing, Cutting & Lasting), Machine Maintenance Technician, and Floor Supervisor through the apprenticeship program of CoEL, Sustainable employment opportunities for disadvantaged groups such as women, rural communities, youth with low-literacy and disabled. Increased popularity of apprenticeship in the Leather sector. 	<ul style="list-style-type: none"> Follow Logbook in Evaluation System Quality assurance body comprising members from Institute, Industry, BMET & BTEB will assess the progress Certification as per National Technical Vocational Qualification Framework (NTVQF). End of phase evaluation 	<ul style="list-style-type: none"> Programs continue uninterrupted in the targeted geographical location. Will require more sub-centres in new locations close to the industrial areas.
Outcome 1			
An apprenticeship model has been introduced and tested in the leather industry and is ready for up-scaling and	<ul style="list-style-type: none"> 80% leather industry employers express satisfaction with improved skills and performance of CoEL graduated trainees 	<ul style="list-style-type: none"> Ensuring representation from all stakeholders to monitor the progress and ensure quality of the 	<ul style="list-style-type: none"> Demand for skilled labor force in leather sector is increasing and steady in local & international

replication	<ul style="list-style-type: none"> • 100% public and private partners in the validation workshop recommend the apprenticeship model for up-scaling • Training takes place according to business/work plan and is adjusted on a regular basis 	apprenticeship programs.	market.
Outputs 1			
1.1. Curricula for machine operators have been developed and validated	<ul style="list-style-type: none"> • Curricula for cutting, sewing and lasting • Validated document available for the functions of the machine operators in cutting, sewing and lasting 	<ul style="list-style-type: none"> • Representation from Industry, Institute, BTEB, DTE, BMET, TVET 	<ul style="list-style-type: none"> • Sharing experience of similar Centre of Excellence like FDDI
1.2. Financing by the private sector has been assured	<ul style="list-style-type: none"> • At least 60% and a total training program cost is covered by private sector by the end of the forth year and who will finance the 40 other %? • Pay-back model according to business plan • Curricula of different leather skills training providers reflect application of apprenticeship model 	<ul style="list-style-type: none"> • Ensuring industry involvement 	<ul style="list-style-type: none"> • Demand stability of leather industry.
1.3. The apprenticeship model is recognized and applied in the leather industry	<ul style="list-style-type: none"> • 100% of the trainers can competently inform about the apprenticeship model and its particularities • Meetings and planning workshops with representatives from at least 3 other trades have taken place 	<ul style="list-style-type: none"> • Offer from other industry and/or develop business plan for other industry. 	<ul style="list-style-type: none"> • Demand for similar program will not hamper the CoEL's apprenticeship activity.
1.4. The apprenticeship model is discussed and considered for application in other trades	<ul style="list-style-type: none"> • NTVQF to be followed prepared by the TVET Reform Project. • National Apprenticeship Conferences, Seminars workshops, etc. by the TVET 	<ul style="list-style-type: none"> • Survey among trainers • Survey among course participants 	

	<p>Reform project. Same model to be followed in other sectors by the TVET project.</p> <ul style="list-style-type: none"> • Demand for introducing similar program for other industry is expressed 		
Outcome 2			
The skills and employability of selected workers in the leather industry have increased	<ul style="list-style-type: none"> • 80% leather industry employers express satisfaction with improved skills and performance of CoEL graduated trainees • 75% of the 20'000 trained people have found employment under fair and safe working conditions (same as above), 70% of which are women • Women participation in the leather sector has increased to 70-80% • Women participation in supervisor positions has increased to 25% • 80% of the course participants are able to competently perform in and inform about their trade • 80% of the course participants manage to receive the course certificate 	<ul style="list-style-type: none"> • Survey among trainers • Survey among course participants 	
Outputs 2			
2.1. Young workers have been enrolled in a machine operator training 2.2. The enrolled trainees have acquired skills corresponding to agreed quality standards	<ul style="list-style-type: none"> • 28'000 people have been enrolled until the end of the pilot phase, 70% of which are women • 80% of the course participants are able to competently perform in and inform about their trade • 80% of the course participants manage to receive the course certificate 	<ul style="list-style-type: none"> • Follow the recruitment criteria • Certification as per National Technical Vocational Qualification Framework (NTVQF). 	<ul style="list-style-type: none"> • Demand stability of leather industry.

<p>2.3. The majority of trainees have stable employment</p> <p>2.4. Trainers are trained according to agreed standards</p>	<ul style="list-style-type: none"> 100% of the trainers expose necessary skills for an apprenticeship-based training program 100% of the trainers can competently inform about the apprenticeship model and its particularities (see above) 200 trainers, among which 30% women, are enrolled in supervisors training Recruitment of at least 20,000 workers according to transparent criteria, 70% female workers Trainees pass competency standard 75% of trainees retained by industry with increased salaries 200 trainers and supervisors trained; 25% female 	<ul style="list-style-type: none"> Survey among trainers Survey among course participants 	
Outcome 3			
<p>Cooperation between key stakeholders in the field of skills development in the leather industry is institutionalized and synergistic</p>	<ul style="list-style-type: none"> 80% of the key stakeholders in the leather sector express clear improvements in the collaboration and synergies between different actors MoUs and agreements between key stakeholders are signed 	<ul style="list-style-type: none"> End of phase evaluation Interviews with BTEB and other industry partners 	
Outputs 3			
<p>3.1. Cooperating industry partners adhere to ILO decent workplace policy</p> <p>3.2. COEL curricula are</p>	<ul style="list-style-type: none"> 80% of the industry partners have a workplace policy in place reflecting the ILO standards Accreditation documentation of BTEB 	<ul style="list-style-type: none"> Decent environment Certification as per National Technical 	<ul style="list-style-type: none"> Industry skills council (ISC) meeting to be conducted on regular basis.

<p>acknowledged by the BTEB and certificates are accredited as NTVQF level 2 or 3</p> <p>3.3. The apprenticeship model is self-financed and applied by the majority of companies in the leather industry</p> <p>3.4. The apprenticeship model is promoted by the BTEB for application in other trades</p>	<ul style="list-style-type: none"> includes the leather curricula for level 2 and 3 • Promotional events or documentation by BTEB • BTEB and NTVQF cooperation • Long-term financial commitments as per COEL business plan 	<p>Vocational Qualification Framework (NTVQF).</p> <ul style="list-style-type: none"> • Job guaranteed by the industries. • End of phase evaluation • Interviews with BTEB and other industry partners 	
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