

ADB to provide \$50m loan to help improve vocational education

Asian Development Bank (ADB) will provide a US\$ 50 million loan to help improve Bangladesh's technical skills training system and create better wage and employment prospects, reports UNB.

An agreement for the loan was signed at Economic Relations Division (ERD) on Wednesday. ERD secretary Aminul Islam Bhuiyan and ADB country director Hua Du signed the agreement. The Swiss Agency for Development and Cooperation (SDC) would co-finance the country's "skills Development Project" of US\$ 66.7 million with a grant of \$6 million, which is now under the process of approval.

The ADB loan from the concessional lending window of ADF will have a maturity of 32 years, including a grace period of 8 years, with one percent interest for the grace period and 1.5 percent after the grace period.

The loan aims at helping the Ministry of Education make technical and vocational education and training (TVET) programmes market-oriented, short-term, and relevant, especially for thousands of unemployed and underemployed adult poor, who were not able to finish the eighth grade.

"The project supports the government's plan to reduce poverty and promote economic growth by providing market-relevant skills training to more Bangladeshis, including the poor and the disadvantaged," Hua Du said while signing the loan agreement. The project targeted providing training to around 70,000 people over the five years to be completed by May 2013.

Under the project, experts in the three main employment sectors - RMG and textiles, light engineering and construction industries - would provide training.