

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Manila

34TH TESDA BOARD MEETING

February 21, 2002, Thursday, 8:30 a.m.
TESDA Board Room, 7/f TESDA Administration Building
East Service Road, Taguig, Metro Manila

RESOLUTION NO. 2002 - 04

**AUTHORIZING THE CHAIRMAN OF THE BOARD TO SIGN THE SERVICE AGREEMENT FOR
THE DEVELOPMENT OF CENTERS OF EXCELLENCE IN MODERN MANUFACTURING
TECHNOLOGY (CEMMT) PROJECT**

WHEREAS, Section 8, paragraph 3 of the Republic Act No. 7796, otherwise known as the "Technical Education and Skills Development Act of 1994" grants the TESDA Board power to enter into, make, execute, perform and carry-out domestic and foreign contracts subject to existing laws, rules and regulations;

WHEREAS, in the exercise of this power, the TESDA Board shall approve all contracts, both local and foreign, of the Technical Education and Skills Development Authority (TESDA);

WHEREAS, during the during the 32nd TESDA Board Meeting, 6 July 2001 the TESDA Board approved the Board Resolution No. 2001-01 "Defining the Power of the Chairperson of the TESDA Board and the Director-General of the TESDA Secretariat" to enter into, make and execute domestic and foreign contracts in behalf of the TESDA Board;

WHEREAS, the TESDA Secretariat was able to source and mobilize development funds (soft loan) from the Austrian Financing Authorities to enhance the generation of foreign investments in the country and improve the quality of products and services in the manufacturing sector through the development of high quality, productive, and globally competitive trainors and workforce;

WHEREAS, the project has the specific goal of developing seven (7) sustainable Centers of Excellence in Modern Manufacturing Technology, supportive of and accessible to industry and other technical vocational institutions;

WHEREAS, the project was approved by the NEDA Board last December 11, 2001 and presented to the TESDA Board - Finance Committee last January 24, 2002;

WHEREAS, the project's cost is P992.354 million, P750.000 million of which will come from loan proceeds and P242.354 million as GOP counterpart;

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Manila

WHEREAS, the project is supported by industry associations, foundations and relevant government agencies such as the Metalworking Industries Association of the Philippines (MIAP), the Metals and Engineering Industry Foundation, Incorporated (MEIFI), and the Metals Industry Research and Development Center (MIRDC) of the Department of Science and Technology;

WHEREAS, a Service Agreement must be entered into between TESDA, as the Philippine Project Implementing Agency, and EMCO Maier Gesellschaft MBH, as the Austrian service provider selected by the Austrian government following a competitive selection process;

WHEREAS, this Service Agreement will be the basis for the Soft Loan Agreement to be entered into by the Philippine and Austrian governments;

WHEREAS, the said Service Agreement must be finalized before the end of February 2002, the deadline given by the Austrian Financing Authorities for the Government of the Philippines to access the soft loan facility which is being tapped to finance this project;

WHEREAS, in recognition of these conditions, the TESDA Board - Finance Committee, represented by its Chairperson, after studying the matter, favorably endorsed to the members of the TESDA Board, the authorization for the Chairman of the TESDA Board to sign the Service Agreement in behalf of the organization and for the Director-General of the TESDA Secretariat to be the Alternate Signatory;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Board approves and authorizes the Chairman of the Board to sign the Service Agreement for the development of Centers of Excellence in Modern Manufacturing Technology (CEMMT) Project;

BE IT RESOLVED FINALLY, that copies of this Resolution and Agreements be furnished to concerned parties for their information and implementation and earnestly soliciting their support in the implementation of the Project.

Adopted this 21st day of February 2002.


MA. ADORINDA DE JESUS-FORRO
Board Secretary VI

Attested By:

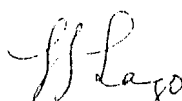



PATRICIA A. STO. TOMAS

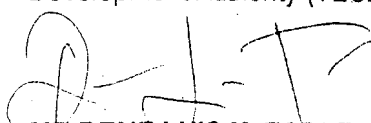
Secretary, Department of Labor and Employment
Chair, TESDA Board



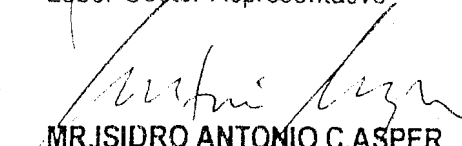
ATTY. IBARRA A. MALONZO
Labor Sector Representative



LUCITA S. LAZO
Director General, Technical Education and Skills
Development Authority (TESDA)



MR. RENE LUIS M. TADLE
Labor Sector Representative



MR. ISIDRO ANTONIO C. ASPER
Labor Sector Representative




MS. CONCEPCION G. DODD
Labor Sector Representative



TERESITA M. BORDOÑOS
Labor Sector Representative




DR. TERESITA U. QUIRINO
TVET Sector Representative



DR. JOSELITO S. SANDEJAS
Employer Sector Representative




DR. ALBERTO VICTOR P. FENIX, JR.
Employer Sector Representative



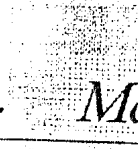
ATTY. RANULFO P. PAYOS
Employer Sector Representative




PROJECT OVERVIEW



*Development of
Centers of Excellence
in Modern Manufacturing Technology*



Manufacturing



Process of producing, converting or transforming raw materials to finished products through one or a combination of processes such as machining, molding, joining, and assembling, with the use of various machines, equipment and tools.

Trends in Manufacturing

- Global shifts from conventional to modern methods in the manufacture of products
- Shift in local industry hampered by high cost of machines & lack of skilled labor

Skills Required in Modern Manufacturing

- Computer-Aided Design (CAD)
- Operation of CNC machines (in various types of control system)
- Production, Planning & Control (PPC)
- Quality Control/Assurance (QA/C)
- Industrial Automation
- Product Classification and Evaluation
- Logistics
- Computer-Aided Machining (CAM)
- CNC Programming (in various types of control system)
- Preventive Maintenance and Repair
- Cost Calculation & Analysis (CCA)
- Research & Development (R&D)
- Computer-Integrated Manufacturing (CIM)
- Prototyping

SK
Si



SK
M

- [illegible]

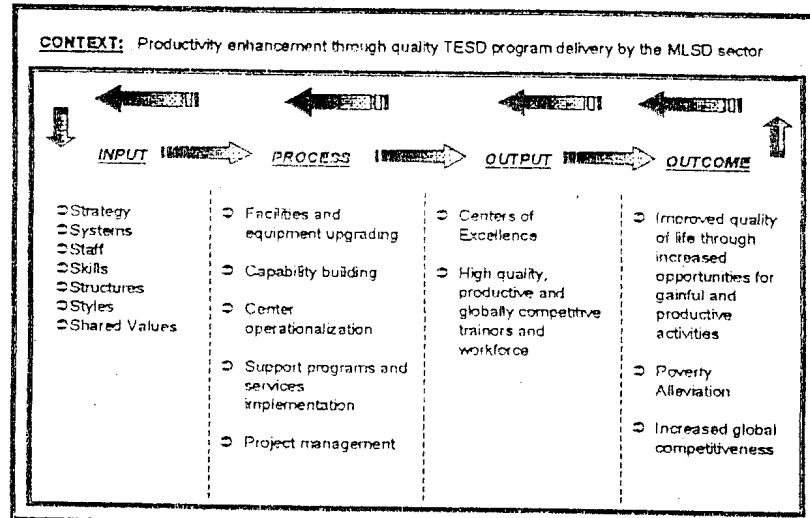
Proposed Intervention

- Contribute to strategic positioning of country in world market for both goods and skilled services
- Address need to increase efficiency & productivity in manufacturing sector by providing industry with a "common service facility"
- Address need for high level of qualification of workers & their trainers as shift from conventional to modern manufacturing is going on
- Promote public-private collaboration in the design and execution of such interventions

Guiding Principles for the Intervention


- Consolidate Resources
- Build Partnerships and Complement Programs
- Sustain Efforts

Project Framework

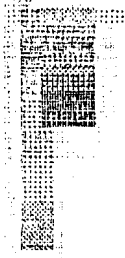


Development Goal


Enhance the generation of foreign investments in the country and improve the quality of products & services in the manufacturing sector through the development of high quality, productive, and globally competitive trainors and workforce.




Project Goal



Develop sustainable Centers of Excellence in modern manufacturing technology, supportive of and accessible to industry and other technical vocational institutions.



Project Objectives



In the area of modern manufacturing technology:

- *Develop a network of model TESD centers focussed on delivering programs and services supportive of the manufacturing sector*
 - *Improve the capability of trainors and their industry counterparts*
 - *Develop occupational qualification standards and competency assessment instruments*
-

Project Objectives (continued)

- *Develop, adopt, or adapt a competency-based curriculum for different training delivery modes*
- *Develop quality workers for the manufacturing sector*
- *Provide technical assistance to industry and other TVIs*
- *Enhance capability in of trainors, industry counterparts and workers in the development and prototyping of manufactured products and prototypes of industrial and agricultural applications*

Project Sites

- *One (1) National Center at the NITVET, Marikina Campus*
- *Six (6) Zonal Centers at the TESDA Regional Training Centers in:*
 - ◆ *CAR - Baguio City*
 - ◆ *R IV - Batangas City*
 - ◆ *R VI - Talisay City*
 - ◆ *R VII - Cebu City*
 - ◆ *R X - Cagayan de Oro City*
 - ◆ *R XI - Davao City*

Project Components

- Facilities and Equipment Upgrading
- Capability-Building
- Center Operationalization
- Support Programs and Services
- Project Management

Project Logframe

Design Summary / Project Goal	Indicators and Targets	Monitoring Mechanisms	Targets	Assumption and Risks
Development Goal: Enhance the generation of investments in the country and improve the quality of products and services in the manufacturing sector through the development of high quality, productive and globally competitive trainors and workforce.	At the end of the project: Students in project institutions increase pass rates on national certification competency exams from 45% to 80% Employment rate of graduates in project institutions increase from 45% to 75%		TESDA MIS Reports Project Benefits Monitoring System Reports Project Impact Study	Continued economic growth and envisaged internal and external demand for skilled workers and trainors
Project Goal: Develop sustainable Centers of Excellence in modern manufacturing technology supportive of and accessible to industry and other technical vocational institutions.	Number of sustainable Centers established	7 institutional cost-recovery schemes showing increasing revenue generated	TESDA MIS Reports Project Benefits Monitoring System Reports Project Impact Study	Willingness of the private sector to take on an increasing active role in the education and training of workers and trainors

Project Logframe (continued)

Overall Project Purposes (Project Components):

Design Summary / Project Goal	Indicators and Targets	Monitoring Mechanisms	Targets	Assumption and Risks
Component 1: Facilities and Equipment Upgrading	Number of institutions refurbished Number of institutions equipped with the required basic, intermediate and advance training program facilities	7 institutions refurbished and equipped with the required basic, intermediate and advance training program facilities	TESDA MIS Reports Project Benefits Monitoring System Reports Progress Reports	Peace and order situation in project sites
Component 2: Capability Building	Number of sector officials/ policy-makers undergone Study Tour in Austria Number of center chiefs trained in Austria	14 sector officials/policy-makers undergone Study Tour in Austria 7 Center chiefs trained	TESDA MIS Reports Project Benefits Monitoring System Reports Progress Reports	Turn-over of trained personnel

Project Logframe (continued)

Overall Project Purposes (Project Components):

Design Summary / Project Goal	Indicators and Targets	Monitoring Mechanisms	Targets	Assumption and Risks
Component 2: Capability Building	Number of centers instructors trained Number of industrial coordinators trained	7 Technology Instructor trained in Austria 20 Instructors trained in country 7 industrial coordinators trained		
Component 3: Center Operationalization	Number of Occupational Skills Standards developed Number of Training Regulations developed Number of Competency and Assessment Instruments developed	10 Occupational Skills Standards developed 10 Training Regulations developed 10 Competency and Assessment Instruments developed	TESDA MIS Reports Project Benefits Monitoring System Reports Progress Reports	Peace and order situation in project sites

Project Logframe (continued)

Overall Project Purposes (Project Components):

Design Summary / Project Goal	Indicators and Targets	Monitoring Mechanisms	Targets	Assumption and Risks
Component 3: Center Operationalization	Number of Training Materials developed	Training Materials in 10 areas developed		
	Number of Didactic Materials reproduced and distributed	Didactic Materials in 10 areas reproduced and distributed		
	Number of Institution Heads/Managers trained	261 Institution Heads/Managers trained		
	Number of trainers trained	261 trainers trained		
	Number of workers/would-be workers trained	Between 3826 - 7652 workers/would-be workers trained		

Project Logframe (continued)

Overall Project Purposes (Project Components):

Design Summary / Project Goal	Indicators and Targets	Monitoring Mechanisms	Targets	Assumption and Risks
Component 3: Center Operationalization	Number of Training Delivery Modes for Modern Manufacturing Technology developed/adapted/adopted (including dual system)	3 Training Delivery Modes for Modern Manufacturing Technology developed/adapted/adopted (including dual system)		
Component 4: Support Programs and Services	Number of advocacy activities conducted	1 Social Marketing and Advocacy Plan	TESDA MIS Reports	Commitment of all stakeholders to sustain the initiatives under the project
	Number of networks and linkages developed or strengthened	5 industry Workshop Dialogues	Project Benefits Monitoring System Reports	
	Number of sustainability measures developed and implemented	7 cost-recovery models/schemes showing increasing revenue generated	Progress Reports	

Project Logframe (continued)

Overall Project Purposes (Project Components):

Design Summary / Project Goal	Indicators and Targets	Monitoring Mechanisms	Targets	Assumption and Risks
Component 4: Support Programs and Services	Number of prototyping/ research and development activities conducted	7 prototyping/research and development activities conducted		
Component 5: Project Management	Number of development planning and programming activities conducted Number of implementation support mechanisms developed and implemented	7 Institutional Implementation Plans developed 1 development planning and 4 programming activities conducted Project Benefits Monitoring System developed and implemented Study on the development of sustainability mechanisms conducted	TESDA MIS Reports Project Benefits Monitoring System Reports Progress Reports	Commitment of all stakeholders to sustain the initiatives under the project

Project Cost

■ Loan Proceeds	AtS 250.0 M (approx. US\$ 17.5 M or PhP 750.0 M)
■ GOP Counterpart	AtS 80.785 M (approx. US\$ 5.65 M or PhP 242.354 M)
■ Total	AtS 330.785 M (approx. US\$ 23.13 M or PhP 992.354 M)

Project Milestones

- | | |
|-------------------|--|
| ■ 15 Feb '00 | ➤ Initial (Project Indicative Report) Proposal Submission to NEDA |
| ■ Feb/Mar '00 | ➤ Site Surveys by Austrian Experts |
| ■ 12 May '00 | ➤ 1st Project Proposal Submitted to NEDA |
| ■ 8 Aug '00 | ➤ Confirmation of Austrian Project Financing |
| ■ 19 - 21 Oct '00 | ➤ Technical Detailing Workshop |
| ■ 31 Oct. '00 | ➤ Confirmation of Austrian Project Financier & Austrian Service Provider |
| ■ 3 Aug '01 | ➤ Submission of Updated Proposal to NEDA |