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PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF

SDR 10.2 MILLION

(US\$16 MILLION EQUIVALENT)

TO THE

ISLAMIC REPUBLIC OF MAURITANIA

FOR THE

SKILLS DEVELOPMENT SUPPORT PROJECT

March 31, 2011

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 15, 2011)

Currency Unit = Ouguiya (MRO)
US\$1 = 284 MRO

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AAPB	Annual Action Plan and Budget
ADB	African Development Bank
AFD	<i>Agence Française de développement</i> (French Development Agency)
APL	Adaptable Program Lending
BEP	<i>Brevet d'études professionnelles</i>
BID	Islamic Development Bank
BT	<i>Brevet Technique</i>
BTS	<i>Brevet de technicien supérieur</i>
CAP	<i>Certificat d'aptitude professionnelle</i>
CAS	Country Assistance Strategy
CEM	Country Economic Memorandum
CFAA	Country Financial Accountability Assessment
CFSI	<i>Comité Français pour la Solidarité Internationale</i> (French Committee for International Solidarity)
CPAR	Country Procurement Assessment Review
CSR	Country Status Report
DA	Designated Account
DPEF	<i>Département des Projets Education et Formation</i> (Department for Training and Education Projects)
EFA	Education For All
ESSOR	<i>Association de Solidarité Internationale</i>
FAAF	<i>Fonds d'Appui aux Actions de Formation</i>
FAP-FTP	<i>Fonds Autonome de Promotion de la Formation Technique et Professionnelle</i> (Technical and Vocational Education Training Fund)
FM	Financial Management
GDP	Gross Domestic Product
GER	Gross Enrollment Rate
GPRSP	Growth and Poverty Reduction Strategy Paper
GRET	<i>Groupe de Recherche et d'Echanges Technologiques</i> (Research and Technologies Exchange Group)
ICS	Investment Climate Survey
IBRD	International Bank for Reconstruction and Development
IDA	International Development Agency
IDB	Islamic Development Bank

IFR	Interim Financial Report
INAP-FTP	<i>Institut National de Promotion de la Formation Technique et Professionnelle</i> (National Institute for the Promotion of Vocational and Technical Training)
M&E	Monitoring and Evaluation
MAED	Ministry of Development and Economic Affairs
MDEFPNT	Ministry of Employment Vocational Training and New Technologies (<i>Ministère Délégué à l'Emploi, à la Formation Professionnelle et aux Nouvelles Technologies</i>)
MDG	Millennium Development Goals
MOS-E	Ministry of State for National Education, Higher Education and Scientific Research (<i>Ministère d'Etat à l'Education Nationale, à l'Enseignement Supérieur, et à la Recherche Scientifique</i>)
MOU	Memorandum of Understanding
MTEF	Mid-Term Expenditure Framework
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
ORAF	Operational Risk Assessment Framework
PA	Project Account
PALAM	<i>Programme d'alphabétisation et d'apprentissage des métiers pour la réduction de la pauvreté</i>
PEFA	Public Expenditure and Financial Accountability
PNDSE	<i>Projet National du Développement du Système Educatif</i>
PRECASP	Public Sector Capacity Building Project
SIL	Specific Investment Lending
SME	Small and Medium Enterprise
SPIA	School Program Implementation Agreement
TTL	Task Team Leader
TVET	Technical and Vocational Education Training
UNICEF	United Nations Children's Fund

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Acting Country Director:	Kathryn Hollifield
Sector Director:	Ritva S. Reinikka
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PAD DATA SHEET

MAURITANIA

SKILLS DEVELOPMENT SUPPORT PROJECT

PROJECT APPRAISAL DOCUMENT

AFRICA

AFTED

Date: March 31, 2011 Acting Country Director: Kathryn Hollifield Sector Director: Ritva S. Reinikka Acting Sector Manager: Peter N. Materu Team Leader(s): Cherif Diallo Project ID: P118974 Lending Instrument: Specific Investment Loan	Sector(s): Vocational training (70%); Central Government administration (30%) Theme(s): Education for the knowledge economy (34%); Gender (33%); Social analysis and monitoring (33%) EA Category: C
Project Financing Data:	
Proposed terms: Standard IDA terms – 40 year maturity with 10 year grace period.	
[] Loan [X] Credit [] Grant [] Guarantee [] Other:	
Source	Total Amount US\$17.6 million
Cofinancing: Borrower: Islamic Republic of Mauritania IBRD: IDA:	US\$1.6 million US\$16 million
Borrower: Islamic Republic of Mauritania Responsible Agency: Direction des Projets Education et Formation (DPEF) Contact Person: Monsieur Mohamed Mahmoud Ould Chrif M'hamed, Directeur des Projets Education - Formation (DPEF), Ministère de l'Etat à l'Education Nationale, à l'Enseignement Supérieur et à la recherche Scientifique. Telephone No.: +222 525 20 63, BP.: 6541, Nouakchott – MAURITANIE. Fax No.: +222 525 15 13 Email: chrif@dpef.mr	

Estimated Disbursements (Bank FY/US\$ m)						
FY	2011	2012	2013	2014	2015	2016
Annual	0.6	2.75	4.25	6.00	2.50	0.50
Cumulative	0.6	2.75	7.00	13.00	15.50	16.00
Project Implementation Period: Start April 26, 2011 End: June 30, 2016						
Expected effectiveness date: July 26, 2011						
Expected closing date: June 30, 2016						
Does the project depart from the CAS in content or other significant respects?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
If yes, please explain:						
Does the project require any exceptions from Bank policies?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
Have these been approved/endorsed (as appropriate by Bank management)?				<input type="radio"/> Yes <input type="radio"/> No		
Is approval for any policy exception sought from the Board?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
If yes, please explain:						
Does the project meet the regional criteria for readiness for implementation?				<input checked="" type="radio"/> Yes <input type="radio"/> No		
If no, please explain:						
Project Development Objective The Development Objectives of the proposed operation are to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven Technical and Vocational Education Training System.						
Project description [<i>one-sentence summary of each component</i>] Component 1: Strengthening and diversifying Technical and Vocational Education Training (TVET) <ul style="list-style-type: none"> • Improving the quality, effectiveness and relevance of the training provided in eligible TVET institutions beneficiaries; and • Increasing apprenticeship and short-term training programs. Component 2: Improving the institutional environment of Technical Vocational Education Training <ul style="list-style-type: none"> • Enhancing the capacity of the Ministry of Employment Vocational Training and New Technologies (MDEFPNT) to create a more demand-driven TVET system; and • Strengthening the capacity of the National Institute for the Promotion of Vocational and Technical Training (INAP-FTP) to support the TVET system. 						

Safeguard policies triggered?		
Environmental Assessment (OP/BP 4.01)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Natural Habitats (OP/BP 4.04)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Forests (OP/BP 4.36)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Physical Cultural Resources (OP/BP 4.11)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OP/BP 4.10)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Safety of Dams (OP/BP 4.37)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects on International Waters (OP/BP 7.50)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP/BP 7.60)		<input type="radio"/> Yes <input checked="" type="radio"/> No
Conditions and Legal Covenants		
Financing Agreement Reference	Description of Condition/Covenant	Date Due
Section 4.01(a)	INAP-FTP to recruit a financial management specialist for the Project	Effectiveness
Section 4.01(b)	Updated the Project Implementation Manual and the Manual of Procedures of FAP-	Effectiveness
Section I.G Of Schedule 2	First disbursement of the Counterpart Funds	No later than two months after effectiveness
Section II.B.5	INAP-FTP to purchase a new software	No later than one month after effectiveness
Section II.B.5	Update the financial management software in DPEF	No later than one month after effectiveness
Section II.B.4	Engage independent auditors	No later than three months after effectiveness

I. Strategic Context

A. Country Context

1. Mauritania's economic growth has been relatively good in recent years, averaging 4.8 percent between 2001 and 2004, reaching 5.4 percent in 2005 and surging to 11.4 percent in 2006 due to the start of oil production. Non-oil real GDP growth increased from 4.1 percent in 2006 to 5.9 percent in 2007 before it sharply declined from 4.1 percent in 2008 to -0.9 percent in 2009 due to domestic and external shocks. Inflation is currently under control, averaging 5 percent in 2009. Agriculture contribution to growth has been low and shrinking, while the manufacturing sector has not grown substantially. The need and urgency to support Small and Medium Enterprises' (SMEs) development and improving competitiveness led to the prioritization of private sector development in the Government's Second Growth and Poverty Reduction Strategy (GPRSP-II). The 2010 Country Economic Memorandum (CEM) "*The Foundations of Growth and Competitiveness in Mauritania*" shows that Mauritania has the potential to develop a sustainable, diversified economy outside natural resource exploitation (i.e. service industry, fisheries, agriculture and infrastructure), but it needs to address critical constraints to growth that hamper private business development, including putting in place an adequate legal environment to boost the business climate and promote SME development and increasing the availability of skilled labor.

B. Sector and Institutional Context

2. With the ten-year Education Sector Development Program 2000-2010 (PNDSE), the education sector underwent a rapid expansion, putting Mauritania on track to reach the Education Millennium Development Goals (MDGs) related to gender equality and primary school enrollment. The Gross Enrollment Rate (GER) at the primary level increased from 82 percent in 1990/1991 to 98 percent in 2008/2009, and the primary completion rate, a key indicator for the Education for All (EFA) goals, increased from 46.9 percent in 2001/2002 to 69.4 percent in 2009/2010. Enrollment rate at the secondary level also increased by 62 percent (growing from 60,069 students in 1998/99 to 96,893 students in 2007/08), with girls representing 46.1 percent of the total. The number of students at the tertiary level also increased, from 10,359 in 2001/2002 to 14,368 in 2007/2008.

3. The technical and vocational training sector is facing serious challenges in its contribution to sustained economic growth and social development:

- **Low skills workforce and education level are major constraints to productivity growth:** Approximately 43.9 percent of the population has never attended school, resulting in an illiteracy rate of 42 percent and scarcity of qualified labor supply for the formal sector. According to the 2006 Investment Climate Survey (ICS), one in every five firms in Mauritania reported that worker's low skills and education were a major productivity constraint. A limited number of the larger firms, operating in technologically advanced sectors, have provided in-service training, but ultimately resorted to hiring foreign workers because the training did not adequately increase employees' skills levels.

- **Smaller and informal firms invest very little in job training.** Low skills lead to firms with low labor productivity and a low technological base. These firms, which provide the bulk of employment (more than 85 percent), find it difficult to invest in job training due to the high costs involved relative to their low financing capacities and lack of information and inability to capture the benefits.
- **Limited vocational training sector capacity:** The Technical and Vocational Education Training (TVET) sector with 4,983 students (20 percent in private training schools) represents only 3 percent of total secondary education enrolments. In 2005, only 1,136 students graduated from the TVET sector of which 69 percent at the CAP/BEP level (two or three years after primary education or skilled worker level 2), 28 percent at the BT level (six years after primary education or technician level 3) and 3 percent at the BTS level (eight years after primary or higher technician level 4). However, 34.5 percent of unemployed workers have a secondary school degree which is a pre-requisite to enter any TVET training program in Mauritania, making the expansion of TVET capacity a necessity (CEM, 2010).
- **Low quality and efficiency of the TVET sector:** The student-teacher ratio in TVET institutions in rural areas is low compared to international standards, leading to high training costs, while TVET schools in Nouakchott have more teachers than currently utilized. Also, skill levels provided are too low to have a strong impact on the diversification and productivity of the economy, while the high unemployment rate among young graduates at 50 percent suggests a mismatch between training programs offered and employers' expectations.
- **A growing number of out-of-school unskilled youth and unemployed.** There exist about 350,000 unemployed out-of-school youth (15-25 years of age) without any employable skills in addition to the 65,000 annual school leavers. The unemployment rate among the population younger than 25 is estimated to be 53 percent.
- **Insufficiently developed short-term job insertion training and apprenticeship programs:** The National Institute for the Promotion of Vocational and Technical Training (INAP-FTP)'s training fund (*Fonds Autonome de Promotion de la Formation Technique et Professionnelle – FAP-FTP*), established in 2002, focuses mainly on re-training adults already employed (90 percent of the training activities financed). Training programs for unemployed youth, essentially implemented by NGOs, train only about 600 students a year.

4. As of 2009, the new Government has made TVET, youth employment and training of a skilled labor force a priority and included them as such in the Third GPRSP¹. It created the Ministry of Employment Vocational Training and New Technologies (MDEFNT), and developed the TVET 2010-2020 Strategy to make the sector more responsive to labor market demands. The TVET strategy focuses on: (i) mechanisms to promote efficiency and improve the relevance of programs and the quality of graduates. This includes establishing School Program Implementation Agreements (SPIAs) between selected training institutions and INAP-FTP; (ii) strengthening public TVET institutions' financial and training management capacity to render them more flexible and efficient by updating the regulatory framework and creating legal and

¹ GPRSP-III has identified as a priority the need to “increase and diversify TVET training programs and improve their quality and relevance” (p. 37)

financial incentives which will also help to promote private investment in the TVET sector ; (iii) broadening the mandate of FAP-FTP to address the training needs of unskilled youth; and (iv) enabling employers’ participation with dual training and apprenticeship opportunities for trainees. The private sector already has a strong voice in decision-making in the FAP-FTP through financial contributions to the FAP-FTP and its membership on the FAP-FTP Selection Committee.

5. Donor collaboration is coordinated through a Memorandum of Understanding (MOU) signed in 2007 by all development partners. The table below lists the major donors in the sector, their activities, as well their implementation partners. In the case of this Project, dialogue and coordination have been maintained throughout project preparation with all donors. Additionally, an agreement is in place that ensures the proposed operation is complementary to these ongoing initiatives and fits into the government’s development strategy for the TVET sub-sector.

Table 1: List of donor activities in the TVET sub-sector in Mauritania

Donor	Major intervention	Description
The French Development Agency (AFD)	(i) a three-year project (2009-2012) for youth training and insertion	Managed by INAP-FTP and implemented by three NGOs: GRET (<i>Groupe de Recherche et d'Echanges Technologiques</i>), ESSOR and CFSI (<i>Comité Français pour la Solidarité Internationale</i>)
	(ii) technical assistance for teacher training and equipment of the public TVET institutions	Implemented through the C2D.
The Islamic Development Bank (IDB)	A project (PALAM) to train out-of-school youth (mostly illiterate)	Project currently under preparation.
The Spanish Cooperation	Financing a center (<i>Centre de Formation et d'Insertion Professionnelle CFIF</i>)	Project dedicated to the training and insertion of out-of-school youth (mostly illiterate), about 200 trainees per year

6. Ultimately the project’s implementation mechanisms create a more market-driven TVET system that will serve as a base for future alignment of donor interventions, in particular to expand: (i) the “School Program Implementation Agreement” (SPIA) approach to the remaining TVET institutions (not yet covered by this project); and (ii) the apprenticeship/short-term training programs financed through FAP-FTP.

Rationale for Bank involvement

7. The proposed project reflects the World Bank’s commitment to implement Mauritania’s GPRSP II, particularly in support of pillar three: to develop human resources and improve access

to basic services. The project also contributes to objectives set out at both the international and national levels, particularly the MDGs². In addition, the main objective of the Country Assistance Strategy is to support the Government in the implementation of the government's poverty reduction strategy.

8. The Bank is well placed to address the issues of quality, relevance, and institutional development, given its experience worldwide in education and in similar ongoing projects, serving as knowledge broker as well as financier. The Bank's financial involvement as a lender of last resort provides the encouragement and example of a new partnership, leveraging other lenders and donors, and complementing the decade-long priority accorded to primary, secondary education and vocational training.

C. Higher Level Objectives to which the Project Contributes

9. The 2007 CAS identifies weak human resource development as one of the major constraints to economic growth in Mauritania. The strategy includes human capital improvement and employment creation as major areas of intervention. The conditions necessary for achieving these goals include improving the quality and relevance of technical and vocational training. In addition, the 2010 CEM demonstrated that skill mismatches negatively impact SME development in Mauritania.

10. By contributing to the development of an appropriate skilled labor force, the project supports the CAS priorities of supporting economic growth by increasing the pool of a skilled and more productive labor force for the private and public sectors. The project is also aligned with the Government's GPRSP-III objectives of poverty reduction. The 3rd Pillar of the GPRSP-III prioritizes improving the quality and relevance of TVET training programs, and diversifying the kinds of training being offered as a means to tackle poverty reduction. It also proposes implementing a skills development support project as one of its strategic options.

11. The objectives of the proposed Skills Development Support Project are all congruent with the strategies identified in the CAS, particularly improving the quality and relevance of the education system and the strengthening of job-oriented technical and vocational training. The proposed project does not depart from the CAS in content or other significant respects and does not require any exceptions from Bank policies.

II. Project Development Objectives

PDO

12. The Development Objectives of the proposed operation are to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven Technical and Vocational Education Training system.

² i.e. Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day
Target 1.B: "Achieve full and productive employment and decent work for all, including women and young people"; Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

1. PROJECT BENEFICIARIES

13. The direct beneficiaries of this project are expected to total 9,941 (of which 24 percent female), and comprised of: (i) 4,780 unemployed, out of school youth (14-25 years of age) enrolled in apprenticeship and short-term training programs linked to sectors with high employment demand; and (ii) 5,161 graduates from eligible TVET institutions selected on the basis of pre-determined criteria. Indirect beneficiaries will include: (i) public and private sector employers which will have a better-skilled workforce; (ii) government institutions which will be able to more accurately identify the needs of the labor market and respond to its demands; and (iii) public training institutions through better curriculum, teacher and management training, purchase of equipment and increased financial management capacity.

2. PDO LEVEL RESULTS INDICATORS

14. Major outcome indicators, as agreed with the Government, include the following:

Table 2: List of PDO & Project Outcome Indicators

PDO	Project Outcome Indicators	Use of Project Outcome Information
The Development Objectives of the proposed operation is to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven Technical and Vocational Education Training (TVET) system.	<ol style="list-style-type: none"> 1. Direct project beneficiaries (number) of which are female (%)* 2. Reduced drop-out rate in participating TVET institutions (%) (<i>Quality</i>) 3. Annual graduates in TVET institutions supported by the project (number) (<i>Quality and Efficiency and GPRSP-III Indicator</i>) 4. Student unit cost in TVET institutions supported by the project (US\$) (<i>Efficiency</i>) 5. Youth enrolled in short term training programs finding employment in field related to training within 6 months of completion of training/apprenticeship (%) (<i>Quality</i>) 6. Regulatory framework provides legal protection and status to private sector training institutions (Yes/No) (<i>Enabling environment</i>) 	<p>Government and training institutions develop a performance-based funding and management culture.</p> <p>Improving sustainability of FAP-FTP for youth apprenticeship and short term training programs that are relevant to the labor market and which employees are willing to support financially.</p>

*as measured by the number of youth trained in apprenticeship and short term insertion training and number of youth graduating from selected TVET institutions.

15. The baseline and target values for these indicators as well as their definition and data collection responsibilities are detailed in Annex 1.

III. Project Description

16. The project supports the government's TVET strategy, which aims to adapt the training system to the specific qualitative and quantitative needs of productive sectors and link the TVET sector to labor market demand. To this end, the project is expected to: (i) provide financial and technical support to training institutions to adapt and improve the quality and relevance of training, and enhance management efficiency; (ii) increase the number of youth trained through short-term training; (iii) support the newly created MDEFPNT to create a legal framework for the sub-sector with incentives so that private sector training providers improve their training quality and relevance; and (iv) strengthen INAP-FTP's capacity to monitor and analyze skills demand and provide technical support to TVET training providers.

A. Project components

17. The Project's total investment cost is estimated at US\$17.6 million of which US\$16 million will be financed by IDA, and US\$1.6 million will be contributed by the Government of Mauritania. Activities to be supported fall under the following two components:

Component 1: Strengthening and diversifying Technical and Vocational Education Training - US\$13 million (US\$12 million from IDA)

- 1.1. Improving the quality, effectiveness and relevance of the training provided in eligible³ TVET institutions Beneficiaries through: (a) the provision of goods and technical assistance to eligible TVET Institutions Beneficiaries for the preparation and implementation of their respective School Program Implementation Agreement (SPIA) with INAP-FTP and the Directorate for Technical and Vocational Training (DFTP); and (b) the provision of sub-grants to eligible TVET Institutions Beneficiaries for the financing of their respective School Program Implementation Agreement with INAP-FTP. This will: (i) increase total enrollment in the participating institutions from 2,203 to an estimated 3,030; and (ii) improve the quality of training as measured by the insertion rate of short-term training graduates, qualification of teaching staff, dual training with internship in firms, training programs certification to meet internationally-recognized standards, financing of maintenance and equipment, and the participation of employers in training programs etc. The project supports the government's TVET strategy, which aims at successfully adapting the training system to the specific qualitative and quantitative needs of productive sectors, and making the TVET sector demand-driven. It targets youth with a minimum of two years of secondary education and provides different levels of degrees and certificates, depending on the training program (CAP, BEP, BT and Proficiency Certificates). Priority sectors will be those identified by the

³ The criteria for selection are the following: (i) a strong economic and social demand for the skills for which they are offering training; (ii) readiness to implement a SPIA as demonstrated by their leadership, the existence of a "mission statement" and an action plan with performance indicators; (iii) an evaluation/technical audit of each participating TVET institution; and (iv) the possibility to increase capacity and improve the quality of training without new construction. The selection criteria are based on institutional evaluations that were carried out as part of project preparation.

CEM as engines of growth: service industry (i.e. hotel industry, restaurants etc.), fisheries, agriculture and infrastructure.

- 1.2. Increasing apprenticeship and short-term training programs through the provision of goods, technical assistance and sub-grants for the preparation, implementation and the financing of the following activities: (i) the design and costing of Apprenticeship or short-term training subprojects; (ii) the appraisal and selection of proposals for apprenticeship or short-term training subprojects; (iii) the provision of sub-grants for the financing of apprenticeship or short-term training subprojects; and (iv) the monitoring and evaluation of the results of apprenticeship or short-term training subprojects. The apprenticeship and short-term training programs will be based on proposals submitted by training providers (i.e. public and private training providers, NGOs and prospective employers) that identify skills needed by a particular industry, and propose a costed training program to be financed through INAP-FTP's training fund (FAP-FTP).

Component 2: Improving the institutional environment of Technical and Vocational Education Training (US\$4.6 million of which US\$4 from IDA)

- 2.1. Enhancing the capacity of the MDEFPNT to create a more demand-driven TVET system. The project will assist the MDEFPNT with the following activities: (i) updating the TVET regulatory framework; (ii) defining the strategic vision for the TVET sector and building capacity in strategic planning and budgeting; (iii) monitoring and evaluating the performances of the TVET sector; (iv) designing a plan to develop human resources and teacher training; (v) implementing a communication strategy to increase demand for TVET; and (vi) conducting a survey to identify bottlenecks for women in terms of training and entering in the labor market, which will include focus groups with young women and families and proposed solutions. Eligible activities financed under this sub-component include technical assistance, training, study tours and equipment.
- 2.2. Strengthening the capacity of the National Institute for the Promotion of Vocational and Technical Training (INAP-FTP) to support the TVET system, including to: (i) supervise the expansion of mandate and diversification of the FAP-FTP; (ii) monitor and evaluate SPIAs; (iii) elaborate modular and competency-based curriculum content for TVET institutions and pedagogical support; (iv) elaborate a normative framework for the certification of skills; (v) design teacher training for short-term programs; (vi) strengthen the monitoring and evaluation (M&E) system and financial management capacity of INAP-FTP; and (vii) provide technical assistance to TVET institutions to carry out employment tracer studies of their graduates. The project will thus finance technical assistance, training and equipment.

B. Project Financing

1. LENDING INSTRUMENT

18. The project will be implemented as a five-year Specific Investment Lending (SIL) operation, in response to the Government of Mauritania's request to provide just-in-time support to a specific sub-sector, as spelled out in a Policy Letter sent to the World Bank dated February 28, 2010. Other instruments of support were considered, including a second-phase Adaptable

Program Lending (APL) to the Education Sector Support Program as well as the Budget Support modality, but ultimately rejected due to their inadequacy to respond to the need for targeted short-term investments and the lack of a strong public fiduciary system in the country.

2. PROJECT COST AND FINANCING

Total project costs and source of financing by component.

Table 3: Project cost

Project Components	Project cost (US\$ million)	IDA Financing (US\$ million)	% Financing⁴
1.Strengthening and Diversifying TVET	10.00	9.20	92
2.Improving the institutional environment of TVET	3.40	3.00	88
Total Baseline Costs			
Physical contingencies	0.70	0.60	
Price contingencies	3.50	3.20	
Total Project Costs			
Interest During Implementation			
Front-End Fees			
Total Financing Required	17.60	16.00	90

Counterpart funds

19. The government will provide, as counterpart funds for the Project, an amount of US\$1.6 million equivalent to be allocated for financing of Operating Costs and Sub-grants under Part 1.2(c) of the Project and will be disbursed quarterly on the basis of the Annual Work Plan and Budget for the corresponding calendar year. However, the first disbursement, in an amount equivalent to US\$160,000 will be made no later than two months after the effective date. Counterpart funds will be deposited into a separate account (“Project Account”) opened by the Directorate for Education and Training Projects (DPEF).

C. Lessons Learned and Reflected in Project Design

From other projects in Mauritania

20. The project gives particular attention to having a clear institutional framework to ensure smooth implementation and a sound coordination of the main actors in order to avoid implementation delays (a lesson learnt from implementation of the Higher Education Project – P087180). DPEF will be responsible for the coordination of the Project activities and the implementation of the fiduciary aspects of the Project. INAP-FTP serves as the coordinating body between actors involved in vocational training (MDEFPNT, TVET institutions, NGOs, private sector etc.), and as a supervising entity for SPIA implementation with TVET institutions and for the providers of apprenticeship/short-term training programs.

⁴ “% of Financing” refers to overall project cost, not eligible expenditures.

21. The implementation of the Mauritania Education Sector Development Project (P071308) demonstrated that the *Fonds d'Appui aux Actions de Formation (FAAF) later named FAP-FTP* and piloted under the IDA Education IV project, needed to have greater technical capacity, become a credible funding entity and engage training providers in order to be effective. Although FAP-FTP has been able to establish itself as a reliable source for technical and vocational training funding and to ensure private sector input, it has lacked the support to increase its interventions and level of funding. The current project thus strengthens the role and capacity of the FAP-FTP to make it a more efficient and sustainable entity.

From similar projects in other countries

22. The project design reflects key lessons learnt from Bank projects in Egypt, Yemen, the Dominican Republic, and Chile. It also builds on analytical work carried out by the Bank and AFD in the TVET sector. Key lessons include: (i) training contracts established with TVET institutions based on school development programs and results indicators have proven to create strong incentives for institutions to improve performance; (ii) short-term training/employment programs targeting a large number of disadvantaged and unskilled youth and focusing explicitly on enhancing social and behavioral skills have been successful in preparing them for jobs in the formal and informal sectors; (iii) training funds with managerial and financial autonomy to operate effectively should focus on intermediary services and not training delivery; (iv) competitive process to select training providers for short-term training/employment programs is important to improve the quality of services; (v) implementation of specific programs within TVET institutions has proven to be more advantageous than a complex and challenging TVET reform operation and (vi) projects should avoid including long-term objectives that cannot be achieved within the life time of the project (i.e. increase firm competitiveness and labor productivity in an economy).

IV. Implementation

A. Institutional and Implementation Arrangements

23. The Project will be under the auspices of the new Ministry of State for National Education, Higher Education and Scientific Research (MOS-E) which has the mandate to draft and implement the government's education policies, and coordinates all other ministries involved in the education sector. The fiduciary aspects of the project will be handled by the Directorate of Education and Training Projects (DPEF – previously under the Ministry of Economic Affairs and Development and now under MOS-E). DPEF has delegated to INAP-FTP the implementation of activities related to SPIAs and training programs. DPEF and INAP-FTP have entered into a subsidiary agreement that spells out their respective tasks and responsibilities to ensure smooth project implementation. A chart depicting the roles of each actor can be found in Annex 9.

1. ROLES AND RESPONSIBILITIES:

24. The Directorate of Education and Training Projects (DPEF) under the Ministry of State for National Education, Higher Education and Scientific Research (MOS-E) is already responsible for procurement and financial management for all education- and training-related

projects in Mauritania. The DPEF is in charge of the coordination of project activities and the implementation of fiduciary aspects of the project. In addition, it will ensure the coordination of the project with the government's National Program for the Development of the Education Sector (PNDSE).

25. The Ministry in charge of Employment, Vocational Training and New Technologies (MDEFPT):

a. Has the general mission of designing, implementing, coordinating, monitoring and evaluating the national policy for employment, technical and vocational training and new technologies. It is under the coordination of MOS-E and its mission and mandates are detailed in the Decree 070-2010 dated May 4, 2010.

b. The following activities of the project will be under the direct responsibility of MDEFPT: (i) updating the TVET regulatory framework in particular with regard to the development of the private sector, teacher status, dual training with internships, apprenticeships, and certification of skills; (ii) planning, budgeting, piloting and managing the TVET sector including the training of administrators; (iii) monitoring and evaluating the TVET sector; (iv) preparing a plan to develop human resources and teacher training; and (v) implementing a communication strategy to increase the demand for TVET and the participation of stakeholders.

26. The INAP-FTP:

a. Has the responsibility of ensuring that the provision of vocational training responds to the labor market demands and providing technical support to the vocational training sector. Its mission and mandates are detailed in Decree #2002-053 dated June 16, 2003.

b. More specifically, the following activities of the project will be under INAP-FTP's responsibility: (i) managing the Technical Vocational Training Fund (FAP-FTP), (ii) monitoring labor market demand and identifying training needs, (iii) designing TVET curriculum and programs; and (iv) providing technical support to training centers for the upgrading or renewal of their training programs. INAP-FTP has entered into a subsidiary agreement with the DPEF to: (i) approve and monitor implementation of SPIAs in selected TVET institutions; and (ii) supervise the implementation of apprenticeship and short-term training programs for out-of-school youth. The subsidiary agreement also includes provisions to ensure that DPEF will transfer funds in the form of grants to INAP-FTP as needed for the achievement of project objectives as well as permit INAP-FTP to provide sub-grants to training providers (through FAP-FTP) to finance SPIAs and short-term training and apprenticeship programs. INAP-FTP has a Board of directors that includes representatives from the private sector. The subsidiary agreement was signed with the DPEF because of its role (under the MOS-E) as the coordinating entity for overall development of the education sector, and because it has the fiduciary responsibility of the project.

27. **The FAP-FTP**, established by Decree #2002-053 of June 16, 2002 and supported through an earlier IDA project, is a demand-driven financing mechanism managed by INAP-FTP and dedicated to responding to training needs of enterprises and encouraging training institutes to meet these demands. The FAP-FTP has a Selection Committee that decides funds allocation and is composed equally of representatives of the administration and private sector employers. Since its creation, about 5,400 persons have been trained in 346 operations. Capitalizing on this experience, the subsidiary agreement between INAP-FTP and DPEF allows INAP-FTP to use FAP-FTP to provide sub-grants to finance the training activities (including the SPIAs). FAP-FTP already has an Operations Manual that spells out the procedures and responsibilities of each actor involved in the management and replenishment of the fund. The Manual is being updated as part of project preparation activities and will be validated prior to project effectiveness.

B. Results Monitoring and Evaluation

28. DPEF is in charge of producing project progress reports for all education projects in Mauritania (on the basis of their respective indicators which are supplied by the different education ministries, including INAP-FTP for the TVET-subsector). INAP-FTP on the other hand, has a Monitoring and Evaluation (M&E) unit, already in charge of collecting some data under the recently closed IDA operation (PNDSE) and thus has the experience to carry out M&E functions for the proposed operation. It is in charge of the design and implementation of TVET training activities as well as the collection and analysis of related data. However, INAP-FTP does not have an automated system and is thus required to collect data manually. MDEFPNT, having only been recently established, does not yet have M&E capacity and is thus not able to follow the implementation of the National TVET Strategy, which limits its ability to devise well-informed and viable interventions.

29. As part of INAP-FTP's capacity strengthening, the project supports the preparation of a M&E Manual as well as the development and installation of a simple automated M&E system, and training in its use and report production. Furthermore, INAP-FTP and the participating TVET institutions would conduct annual tracer studies nine months after each cohort's graduation to verify employment status of those graduates. The findings of these tracer studies will then serve to adjust/improve TVET institution curricula.

30. However, in order to avoid any disruption in the production of project progress reports during the life of the project, the current M&E arrangements of data collection and transfer between INAP-FTP and DPEF remain in place and will gradually be shifted to INAP-FTP once the capacity and systems are in place. DPEF will continue to produce project progress reports, as well as serve as the responsible entity for the consolidation of all education project indicators (supplied by the different education ministries) to produce reports for Joint Annual Reviews. MDEFPNT requires capacity building and acquisition of equipment and staff to take charge of analyzing and monitoring TVET sub-sector developments as a whole, including the implementation of the National TVET Strategy. As MDEFPNT's capacity increases, TVET sub-sector data outside of the scope of the project will become available (see Annex 3, para. E: Role of Partners).

C. Sustainability

31. The project benefits from the highest political backing and sufficient financing is expected to be provided by the Ministry of Finance. To that end, the government will share with the Bank its budget at the beginning of each fiscal year to ensure that adequate resources have been allocated. In addition, SPIAs would encourage training institutions to not only run their training programs more efficiently, but also adopt a more business-like approach that would allow them to re-invest part of their revenue into the functioning and upkeep of their training centers.

32. As INAP-FTP becomes more effective in organizing relevant training that meet labor market demands, the private sector is expected to increasingly participate in the replenishment of FAP-FTP. Increased financial participation can be easily achieved using the current set-up since employers are already represented in equal numbers with their public sector counterparts on FAP-FTP's Selection Committee. The willingness to increase financial support if the graduates possess skills relevant to the employers' needs has been confirmed by employers who are already contributing to the fund. Given the harmonized approach between different donors,⁵ it is expected that those wanting to invest in the TVET sector will use the same financial mechanism, hence increasing FAP-FTP's activities and visibility, and allowing the fund to become increasingly sustainable.

V. Key Risks and Mitigation Measures

33. The proposed project is relatively simple and implementation arrangements have been clarified and are relatively straight-forward. Potential risks are summarized in the Operational Risk Assessment Framework (ORAF) in Annex IV. Nevertheless, the overall project implementation risk has been rated "High" due to the country environment and the untested approach introducing SPIAs in Mauritania. Mitigation measures and guidelines have been identified and are listed in the ORAF.

VI. Appraisal Summary

A. Economic and Financial Analysis

34. The economic analysis focuses on three types of benefits associated with the project: (i) the reduction of the number of unemployed youth and the provision of skills that spur growth; (ii) the improvement of technical and vocational training institution performance to increase cost efficiency; and (iii) the strengthening of the TVET sector macro-management, leading to a more demand-driven system and optimize public resource allocation.

35. More than 58 percent of young Mauritians enter the labor market lacking necessary market-needed skills and 34 percent have not completed primary or secondary education. This project will increase the annual flow of skilled youth from 993 in 2010 to 1,322 in 2016 for a total of 9,941 during the duration of the project. This will include: (i) 4,780 people trained through apprenticeship and short-term training programs; and (ii) 5,161 students graduated from TVET institutions.

⁵ BID already expressed interest to use FAP-FTP to channel resources into the TVET sub-sector

36. The project is expected to improve the cost efficiency of training provided in selected TVET institutions through the introduction of School Program Implementation Agreement (SPIA). This should ensure that: (i) enrollment in TVET institutions increases by 38 percent without creating new facilities, but optimizing use of space and course reorganization; (ii) drop-out rate is reduced from 9 percent to 3 percent; (iii) students-teacher ratio improves from 9 students for one teacher in 2010 to 12 students to one teacher in 2016; (iv) all the new hiring will be contractual teachers and the number of civil servant teachers will not increase; and (v) resources generated by TVET institutions annually increases from US\$55,000 in 2010 to US\$246,000 in 2016, of which 40 percent would be dedicated to maintenance and amortization of training equipment.

37. These measures, once implemented, are expected to lead to an average annual cost reduction per student from US\$852 in 2010 to US\$762 in 2016 and thus an improvement in the efficiency and quality of trainings provided. The methodology to be implemented with the first set of institutions will be assessed and potentially extended to the rest of the TVET system. In addition, the project is expected to train 4,780 youth through short-term training programs and apprenticeships at an average unit cost of US\$715 which is substantially lower than the current cost per graduate in TVET institutions of US\$1,524.

38. The management of the TVET sector will be strengthened to help current Government plans and commitments with development partners and achieve two major GPRSP goals: (i) organizing a more demand-driven TVET sectors to optimize its contribution to growth by: (a) stimulating TVET private sector development; (b) analyzing labor markets in priority sectors and improving the information system to develop more occupationally oriented training programs; (c) developing apprenticeship and dual training programs; and (d) encouraging employers' participation in the planning of the sector and the management of TVET institutions; and (ii) improving resource allocation to the TVET sector to ensure a more sustainable growth path consistent with the macroeconomic scenario. The progress achieved through the project would support the objectives of the Government's GPRSP in developing human capital and give priority to access and quality improvement at the primary and secondary levels.

39. Simulations were carried out with the Government's planning services in order to analyze the impact of the project and ensure that its capital and operating budgets are sustainable, in line with the 2010-2020 education and training strategy and the MDGs.

40. **Financial:** Progress achieved through the project will help maintain the current GPRSP inter-sector allocation, which gives priority to access and quality improvement at the primary and secondary levels. Technical and Vocational Training's share of the overall education/training budget would be kept at 11 percent after 2017. The key assumptions underpinning this positive scenario are: (i) modest enrolment growth in the formal public sector while stimulating private sector provisions; (ii) measures to control of social expenditures, improve internal efficiency and ensure adequate spending for non-salary operating costs; and (iii) diversification of TVET provision through the development of more cost-effective apprenticeship and short-term training programs.

B. Technical

41. The project design meets specific needs of the country and is based on the findings of the following studies: (i) the Country Economic Memorandum “The Foundations of Growth and Competitiveness in Mauritania” (April 2010) and the Investment Climate Survey (2006) to identify the main issues and determine the development objective; (ii) the Education Country Status Report (March 2010) and the TVET Strategy (September 2010) which highlights the main characteristics and the strategic orientations of the technical and vocational training system; (iii) eight employment studies in the following sectors (Agriculture, Industry and Mine, Tourism, Civil works, Mechanic, Leather work, Administration and management, Cold Chain industry), (iv) Study on Apprenticeship Organization Framework; (v) Study on Jobs classification and contents and (vi) evaluation/technical audit in each participating TVET institution were carried out to assess the main challenges and prepare each institution’s development plan.

42. In order to maximize the benefit of the different studies undertaken at the request of the MDEF/PNT, an analytical report was produced that pulled together the various recommendations. The report highlighted the required skills identified by the different sector studies as necessary to boost the national economy and concluded that: (i) the informal sector is active; (ii) employment opportunities exist predominantly in the informal sector; (iii) there has been a shift from the primary (agriculture, fisheries) to the tertiary (business, service industry, telecom) employment sector ; (iv) the majority of the labor force has insufficient skills to be effective workers because of the small number of TVET and higher education graduates; and (v) many employers are dissatisfied with the local labor force and thus prefers to hire foreign workers instead.

C. Financial Management

43. The financial management residual risk rating for the project is Medium–L. This is based on a financial management assessment of DPEF and INAP-FTP carried out during the project preparation phase. The mission determined whether having the DPEF in charge of the implementation of the project will continue to maintain an acceptable financial management system. The conclusion of the assessment was that the financial management system in place, subject to the reinforcement measures, satisfies the Bank’s minimum requirements under OP/BP10.02, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by World Bank. The financial management arrangements will be strengthened by implementing the action plan in Annex 3.

44. The fiduciary aspects of the current project will be handled by a qualified fiduciary team at of the DPEF, which has strong knowledge and experience in Bank fiduciary procedures, while the operational aspect will be handled by INAP-FTP, which will be strengthened on the fiduciary side to help it fulfill its duties.

45. Guidelines on Preventing and Combating Fraud and corruption in Projects financed by IBRD loans and IDA credits and Grants, dated October 15, 2006 and updated January 2011, shall apply to the project.

D. Procurement

46. Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006 and May 2010; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in May 2004 and revised in October 2006 and May 2010 as well as the provisions stipulated in the Financing Agreement. A general description of various items under the various expenditure categories is described below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, including the need for prequalification, assessment of estimated costs, prior reviews, and time frames for processing contracts will be agreed upon between the Government and the Bank and included in the Procurement Plan. The Procurement Plan will be updated every six months or as required to reflect actual project implementation needs and changes in institutional capacity.

1. PROCUREMENT IMPLEMENTATION ARRANGEMENTS

47. Procurement for the acquisition of goods and services will also be handled by DPEF, through the Departmental Tender Board for contracts above 5 million MRO and below 40 million MRO (US\$14,000 and US\$160,000 equivalent) for consultants, above 6 million MRO and below 50 million MRO (US\$18,000 and US\$200,000) for goods, and through the National Tender Board for amounts above these thresholds.

2. PROCUREMENT PLAN

48. The Borrower has developed a procurement plan for the first 18 months of project implementation prior to appraisal based on the adopted annual action plan, which provides the basis for determining the procurement methods. The plan has been transmitted to the Bank and approved during negotiation. The procurement plan is available in the project's database and made publicly available online and through ImageBank. The Procurement Plan will be updated every six months or as required to reflect actual project implementation needs and improvement in institutional capacity.

3. FREQUENCY OF PROCUREMENT SUPERVISION

49. In addition to the required prior reviews performed by the World Bank procurement specialist, at least one post-review mission of procurement actions will be carried out annually. All other non-procurement related arrangements will be handled by INAP-FTP.

E. Social (including safeguards)

50. This Project design does not trigger any social safeguards, including OP/BP 4.10 "Indigenous Peoples" as Mauritania does not have issues in regard to indigenous peoples. One of the expected positive effects of the project would be to increase the share of female unskilled workers being trained and subsequently finding employment. In this context, the project is expected to support at least one training institution which focuses on skills training in areas traditionally assigned to women in the context of Mauritanian society, and (through the

introduction of innovative training approaches) to skills still seen as men's work. Ideally, skills development for women would include diversification of the types of training available to women and the promotion of female participation in all areas of the labor force, but such an undertaking would require a larger investment and a multi-sector approach, which is beyond the scope of this operation. Therefore, the emphasis is on training unemployed/out-of-school youth (including women) in a socially-acceptable context in Mauritania, thus providing: (i) trainees a means to support themselves and/or their families; (ii) a reduced number of at-risk youth; and (iii) instilling a sense of purpose and empowerment (especially for women) in being a productive part of society. The project will also support a survey to identify bottlenecks hindering women's training and entering the labor market, which will include focus groups with young women and families and propose solutions.

51. The project will also support the engagement of the society at large (employers, unions, teachers, prospective trainees etc.) through its participation in assessing the skill needs of the labor market, and thus influence the alignment between the type of training offered and the needs of the market. A more detailed description of the proposed procurement arrangements can be found in Annex 3.

F. Environment (including safeguards)

52. This is a Category C project and does not include any civil works or rehabilitation.

Annex 1: Results Framework and Monitoring

Mauritania Skills Development Support Project

Project Development Objective (PDO): Improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven Technical and Vocational Education Training (TVET) system.												
PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Targets (if not indicated otherwise)					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				Jun 2012	Jun 2013	Jun 2014	Jun 2015	Apr 2016				
Indicator One: Direct project beneficiaries (i) Students graduating from TVET institutions supported by the project (ii) Youth in short term training programs provided by both NGOs and public/private training institutions (iii) of which are female	<input checked="" type="checkbox"/>	Number	(i) 0	(i) 683	(i) 1,721	(i) 2,606	(i) 3,839	(i) 5,161	Yearly	TVET Institutions INAP/FTP	INAP-FTP	As measured by the number of youth trained in apprenticeship and short term insertion training and number of youth graduating (cumulative) from selected TVET institutions
			(ii) 0	(ii) 420	(ii) 1,090	(ii) 2,070	(ii) 3,350	(ii) 4,780				
		Tot: 0	Tot: 1,103	Tot: 2,811	Tot: 4,676	Tot: 7,189	Tot: 9,941					
		%		23.7%	24.8%	25.1%	26.8%	27.6%				
Indicator Two: Reduced Drop-out rate in participating TVET institutions <i>(Quality)</i>	<input type="checkbox"/>	%	9%	9%	7%	5%	4%	3%	Yearly	TVET Institutions	INAP-FTP	Calculated as an average across institutions.
Indicator Three: Annual graduates in TVET institutions supported by the project <i>(Quality & Efficiency – GPRSP-III indicator)</i>	<input type="checkbox"/>	Number	993	683	1,038	885	1,233	1,322	Yearly	TVET Institutions	INAP-FTP	
Indicator Four: Student unit cost in TVET institutions supported by the project <i>(Efficiency)</i>	<input type="checkbox"/>	Cost per student	852	862	840	840	809	762	Yearly	TVET institutions	INAP-FTP	Budget allocated by the MEFTP plus budget corresponding to the number of teachers civil servants divided by the number of student in initial training

Indicator Five: Youth enrolled in short term training programs finding employment in field related to training within 6 months of completion of training/apprenticeship (<i>Quality</i>)	<input type="checkbox"/>	%	0	50%	50%	55%	60%	64%	Quarterly	Surveys/NGOs implementing training programs	NGOs/INAP-FTP	
Indicator Six: Regulatory framework provides legal protection and status to private sector training institutions (<i>Enabling Environment</i>)	<input type="checkbox"/>	Yes/No	No	No <i>Draft law prepared</i>	Yes <i>Law approved</i>	Yes <i>Decrees published</i>	Yes	Yes	Yearly	MAED	MAED	
INTERMEDIATE RESULTS												
Intermediate Result (Component One): Improved management and efficiency of TVET institutions												
1: Increase in enrollment in participating TVET institutions (annually)	<input type="checkbox"/>	%	0%	0%	9%	16%	25%	38%	Yearly	TVET institutions	DF	% increase in enrollment from base year (2,203) to end of project (3,030)
2: Training programs certified to meet international standards	<input type="checkbox"/>	Number	0	0	0	1	7	8	Yearly	TVET Institutions	INAP-FTP	Certification done by international certified institution
3: Resources generated from services provided by TVET institutions as part of recurrent budget	<input type="checkbox"/>	%	3%	6%	9%	10%	11%	12%	Yearly	TVET Institutions	INAP-FTP	Resources generated by TVET institutions as a percentage of overall budget allocated by the government.
4: Resources generated by TVET institutions invested in maintenance, learning materials and equipment amortization	<input type="checkbox"/>	%	28%	28%	30%	35%	35%	40%	Yearly	TVET Institutions	INAP-FTP	
5: Student: teacher ratio	<input type="checkbox"/>	Ratio	9: 1 <i>(225 teachers)</i>	9 : 1 <i>(225 teachers)</i>	10.2 : 1 <i>(236 teachers)</i>	10.5 : 1 <i>(243 teachers)</i>	11.2 : 1 <i>(247 teachers)</i>	12 : 1 <i>(249 teachers)</i>	Yearly	TVET Institutions	INAP-FTP	Full time teachers civil servants and contractual teachers divided

												by the number of students enrolled (average across supported institutions)
6: TVET institutions with an agreed SPIA	<input type="checkbox"/>	Number	0	4	6	6	6	6	Quarterly	Monitoring and evaluation of SPIA	INAP-FTP,	Number of SPIA signed by MDEFPNT and implemented in VT schools
7: TVET institutions providing a detailed report on time with information on agreed performance indicators	<input type="checkbox"/>	Number	0	4	6	6	6	6	Quarterly	TVET Institutions/ INAP-FTP	INAP-FTP	
8: TVET institutions have an operating management system (cumulative)		Number	0	0 Management system designed	1	2	4	6	Yearly	TVET Institutions INAP/FTP	INAP-FTP,	Operating management system (consisting of financial management & inventory tracking functions) to help track inventory and financial flows
Intermediate Result (Component One): Efficient and relevant apprenticeship and short term training programs designed and implemented												
9: Student unit cost in apprenticeship and training programs	<input type="checkbox"/>	US\$	n/a	715	715	715	715	715	Yearly	Providers	INAP-FTP	Budget allocated by INAP/FTP to apprenticeship and training programs divided by number of beneficiaries
10. Short-term/apprenticeships curriculum and programs developed (with technical specifications)	<input type="checkbox"/>	Number	0	3	5	7	10	12	Cumulative	Providers / NGOs	INAP-FTP	

Intermediate Result (Component Two): Improved monitoring of the TVET sector												
11: TVET institutions conducting tracer studies	<input type="checkbox"/>	Number	0	3	4	6	6	6	Yearly	TVET Institutions	INAP-FTP	Tracer studies of graduates 9 months after graduation once SPIA has been signed
12: MDEFPNT produces an annual statistical yearbook with updated information on key TVET indicators	<input type="checkbox"/>	Yes/No	No	No <i>Evaluation and monitoring indicators defined</i>	No <i>Testing M&E system and training</i>	Yes <i>Statistical yearbook published</i>	Yes <i>Statistical yearbook published</i>	Yes <i>Statistical yearbook published</i>	Yearly	Activity report	DEPC	
Intermediate Result (Component Two): Increased Government contribution to FAP-FTP												
13: Share of government contribution to FAP-FTP's budget (%)	<input type="checkbox"/>	%	20	20	21	22	24	25	Yearly	Budget	Ministry of Finance	Government contribution to FAP/FTP divided by total FAP/FTP budget
Intermediate Result (Component Two): Improved regulatory framework												
14: Number of new private TVET training providers	<input type="checkbox"/>	Number	0	0	0	1	6	10	Cumulative	Surveys	MDEFPNT	
15: Share of students enrolled in new private TVET training providers		%	0	0	0	15%	18%	25%	Yearly	Private training providers	INAP-FTP	

*Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)

**Target values should be entered for the years data will be available, not necessarily annually.

Annex 2: Detailed Project Description

Government strategy supported by the project

1. The project supports the government's Technical and Vocational Education Training (TVET) strategy, which aims to adapt the training system to the specific qualitative and quantitative needs of all productive sectors and make the TVET sector demand-driven. This is expected to be achieved through the implementation of institutional reforms that would make the provision of Technical and Vocational Training (TVET) more demand-driven, in particular: (i) the development of more flexible and shorter training modes based primarily on apprenticeship and school-to-job schemes; (ii) the use of innovative funding mechanisms to promote demand-driven training programs in TVET schools; (iii) establishment of an adequate institutional framework to develop a strategic vision, monitor and evaluate the sector, renovate training programs and certify competencies; and (iv) the provision of incentives (such as creating a legal framework that could foresee tax and legal status incentives) to promote private TVET institution participation.

Project Description

2. To support the government in the implementation of its strategy, the project will: (i) provide financial and technical support to training institutions to adapt and improve the quality and relevance of training and strengthen management efficiency; (ii) increase the number of youth trained through short-term trainings; (iii) support to the newly created MDEFNPNT to create a legal framework for the sub-sector to provide incentives to develop and improve the quality of private sector training providers and develop the TVET sub-sector; and (iv) strengthen INAP-FTP's capacity to monitor and analyze skills demand and provide technical support to TVET training providers.

3. **The Project Development Objectives** of the proposed operation are to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven Technical and Vocational Education Training system.

4. The project's total investment cost is estimated at US\$17.6 million of which US\$16 million will be financed by IDA, and is comprised of the following two components:

Component 1: Strengthening and diversifying Technical and Vocational Education Training (US\$13 million of which US\$12 million IDA)

Sub-Component 1.1: Improving the quality, effectiveness and relevance of training provided in eligible TVET institutions Beneficiaries (estimated cost US\$9 million)

5. This sub-component will receive support through: (a) the provision of goods and technical assistance to eligible TVET Institutions Beneficiaries for the preparation and implementation of their respective School Program Implementation Agreement (SPIA) with INAP-FTP and DFTP; and (b) the provision of Sub-grants to eligible TVET Institutions Beneficiaries for the financing of their respective School Program Implementation Agreement with INAP-FTP. This will: (i)

increase total enrollment in the participating institutions from 2,203 to an estimated 3,030 (38 percent increase over the life of the project); and (ii) improve the quality of training as measured by the insertion rate of graduates, qualification of teaching staff, dual training with internship in firms, certification of training programs to meet internationally-recognized standards, financing of maintenance and equipment, and the participation of employers etc. It is expected that successful implementation of SPIAs will also allow TVET institutions to increase and use their generated revenue, while making them more efficient and their training more relevant.

6. Each participating institution will have to first conduct an institutional assessment, which will be reviewed and approved by different actors at the TVET institutional level (including private sector representatives). Based on the assessment, the TVET institution prepares a “Mission Statement” (*Projet d’Ecole*) that is composed of the objectives of the “*Projet d’Ecole*” (which will be reviewed by the same actors who reviewed the assessment to ensure consistency) and a costed action plan. Each action plan includes: (i) the different activities to achieve the objective of the “*Projet d’Ecole*”, their cost, procurement method and timeline; (ii) a pedagogic framework; and (iii) a results and monitoring framework. A detailed description of SPIA preparation and processing is included under Annex 8.

7. The project supports the government’s TVET strategy, which aims at successfully adapting the training system to the specific qualitative and quantitative needs of all productive sectors and making the TVET sector demand-driven.

8. SPIAs are signed between INAP-FTP and eligible public TVET institutions, which are selected based on pre-determined criteria in high demand sectors such as construction, industry, services and fisheries. The criteria for selection are the following: (i) a strong economic and social demand for the skills for which they are offering training; (ii) readiness to implement a SPIA as demonstrated by their leadership, the existence of a “mission statement” and an action plan with performance indicators; (iii) an evaluation/technical audit of each participating TVET institution; and (iv) the possibility to increase capacity and improve the quality of training without new construction. The selection criteria are based on institutional evaluations that were carried out as part of project preparation and can be expanded to cover TVET institutions not currently included in the project. The SPIAs are a mutual commitment between INAP-FTP and the training institutions while Government would ensure financing of their recurrent costs.

9. The project will finance: sub-grants and equipment to improve student practice in workshops and technical assistance to renew the curriculum contents, to train teachers, to improve managerial capacities and set-up an evaluation system. It will also finance technical assistance to develop and implement a management system in TVET institutions to help monitor inventory and financial flows and train staff in the use of the system. The idea is that the system be flexible enough so that it can be adjusted to the specific needs of each TVET institution and eventually be expanded to all TVET institutions in the country. It targets youth with a minimum of two years of secondary education and provides different levels of degrees and certificates, depending on the training program (CAP, BEP, BT and Proficiency Certificates). Priority sectors would likely be the ones identified by the CEM as engines of growth: trade, service industry (i.e. hotel industry, restaurants etc.), fisheries, agriculture and infrastructure.

10. At the end of each school year, TVET institutions would provide INAP-FTP with a progress report that details the status of agreed indicators and implementation of their “mission statement” for review and comments. The progress report will allow INAP-FTP to evaluate SPIA implementation and discuss any remedies (if necessary) with the various stakeholders mentioned above. Information from these progress reports will also be included in the documentation prepared for the Joint Annual Reviews of the education sector.

11. Based on the capacity of each training institution to produce the elements forming the basis for a SPIA, there will be a phased approach to the roll-out of these agreements in line with each institution’s readiness. INAP-FTP will be in charge of finalizing the SPIA in collaboration with the participating training institutions.

Sub-component 1.2: Increasing apprenticeship and short-term training programs
(estimated cost US\$4 million)

12. Increasing apprenticeship and short-term training programs through the provision of goods, technical assistance and sub-grants for the preparation, implementation and the financing of the following activities: (i) the design and costing of apprenticeship or short-term training subprojects; (ii) the appraisal and selection of proposals for apprenticeship or short-term training subprojects; (iii) the provision of sub-grants for the financing of apprenticeship or short-term training subprojects; and (iv) the monitoring and evaluation of the results of apprenticeship or short-term training subprojects.

13. Short-term training programs are based on proposals submitted by training providers (i.e. public and private training providers, NGOs and prospective employers) to identify the skills needed by a particular industry, and propose a costed training program to be financed through INAP-FTP’s training fund (FAP-FTP). Once INAP-FTP has reviewed and approved the proposal, providers identify the unemployed youth, train and place them with employers having expressed a skills need. By introducing a funding window for unemployed youth, FAP-FTP’s mandate has been broadened and diversified, allowing INAP-FTP to use it more flexibly and effectively to achieve its training goals.

14. INAP-FTP will be in charge of: (i) managing the FAP-FTP; (ii) designing the short-term/apprenticeship training curriculum and programs, and preparing the technical specifications; and (iii) monitoring and evaluating the program. The beneficiaries of this training would be out of school unemployed youth aged 14-25. INAP-FTP would select, program, finance (through FAP-FTP) and evaluate these training programs annually. INAP-FTP can establish pluri-annual agreements with operators. Depending on the type of skills, the duration of the training is expected to be 300 hours over a three month period or 600 hours⁶ over a six month period, and would include on-site training organized with employers. Most of the training would be for skills in sectors with the lowest employment rate and where employers express high demand.

15. This sub-component is expected to support 4,780 out-of-school youth. The table below provides examples of these skills with their duration and unit cost.

⁶ Existing trainings vary between 300 and 600 hours and so the project will build on already established norms

Table 4: List of possible trainings, duration and cost

Type of training	Examples of jobs	Number of trainees	Unit cost by trainee
300 hours on three months	Metal worker, shoemaker, tiller, baker, butcher, painter, plumber, gardener, waiter etc.	3,000	US\$640 (MRO 180,000)
600 hours over six months	Dressmaker, mason, carpenter, cook, machine driver, electrician etc.	1,000	US\$1,000 (MRO 300,000)
Apprenticeship (6 month) (>50% on site)	All	780	US\$640 (MRO 180,000)

Component 2: Improving the institutional environment of Technical and Vocational Education Training (TVET) (US\$4.6 million of which US\$4 million IDA)

Sub-component 2.1: Enhancing the capacity of the MDEFPNT to create a more demand-driven TVET system

16. The project assists the MDEFPNT with the following activities: (i) updating the TVET regulatory framework; (ii) defining the strategic vision for the TVET sector and building capacity in strategic planning and budgeting; (iii) monitoring and evaluating the performances of the TVET sector; (iv) designing a plan to develop human resources and teacher training; (v) implementing a communication strategy to increase demand for TVET; and (vi) conducting a survey to identify bottlenecks for women in terms of training and entering the labor market, which would include focus groups with young women and families and propose solutions.

17. The development of the regulatory framework is crucial for private sector training providers as there is currently no legal regulation for them. An updated regulatory framework would thus provide legal protection and status and could include financial incentives (tax breaks, exemptions on school-related purchases etc.). Legal experts will be recruited and study tours organized to countries with successful TVET sub-sectors to support MDEFPNT in the drafting of the new legal texts.

Sub-component 2.2: Strengthening the capacity of INAP-FTP to manage the TVET system

18. Strengthening the capacity of INAP-FTP to support the TVET system, including to: (i) supervise the expansion of mandate and diversification of the FAP-FTP; (ii) monitor and evaluate SPIAs; (iii) elaborate modular and competencies-based curriculum content for TVET institutions and pedagogical support; (iv) elaborate a normative framework for the certification of skills; (v) design teacher training for short-term programs; (vi) strengthen the Monitoring and Evaluation (M&E) system and financial management capacity of INAP-FTP; and (vii) provide

technical assistance to TVET institutions to carry out employment tracer studies of their graduates. The elaboration of a normative framework for the certification of skills would be done for sectors with high unemployment rates (such as industrial sector, civil works and fisheries). The expansion of INAP-FTP's M&E capacity would be done through the introduction of a simple automated system and associated manual to monitor and evaluate SPIA implementation in participating TVET institutions, analyze labor market developments in priority sectors. The first tracer study is scheduled for the end of 2011/2012 to be carried out by INAP-FTP in collaboration with the participating TVET institutions. Subsequent tracer studies would be carried out yearly, 9 months after graduation by the TVET institutions with support from INAP-FTP to build capacity. The tracer studies will serve as the basis for adjusting training curriculum in participating TVET institutions should the majority of graduates not find a job in the field in which they were trained.

19. The project's capacity building interventions would help INAP-FTP become more adept in designing training programs that are relevant to the labor market and strengthen its capacity to monitor interventions and propose improvements. The strengthened M&E department would also provide MDEFNT with timely data about the insertion of graduates into the labor market that can serve the new ministry in future policy decisions.

Annex 3: Implementation Arrangements

A. Project institutional and implementation arrangements

1. The project will be under the auspices of the new Ministry of State for National Education, Higher Education and Scientific Research (MOS-E) who has the mandate to draft and implement the government's education policies and coordinate education-related activities, and supersedes all ministries involved in the education sector. The fiduciary aspects of the project will be handled by the Directorate of Education and Training Projects (DPEF – previously under the Ministry of Economic Affairs and Development and now under MOS-E). DPEF has delegated to INAP-FTP the implementation of activities related to SPIAs and training programs, which is captured (amongst other aspects) in the subsidiary agreement signed by the two institutions, and that spells out their respective roles and responsibilities. Both DPEF and INAP-FTP are existing structures and are experienced in handling projects financed by donors like the World Bank, Islamic Development Bank, and AFD.

B. Role and responsibilities:

2. The Directorate of Education and Training Projects (DPEF) under the Ministry of State for National Education, Higher Education and Scientific Research (MOS-E) is already responsible for procurement and financial management of all education- and training-related projects in Mauritania. In addition, DPEF is in charge of ensuring the coordination of the project within the National Program for the Development of the Education Sector (PNDSE). The DPEF's fiduciary responsibility include:

- a. Management of project accounts: DPEF will manage both the Designated Account (DA) and the Project Account (PA). The DA will receive project implementation funds and DPEF will ensure its timely replenishment based on Statements of Expenditures and Direct Payment of suppliers (or any other mechanism approved by IDA) according to the required withdrawal applications. The PA will be opened in local currency to receive counterpart funds from the Government, and DPEF will ensure that annual audits would be carried out and submitted in accordance with legal covenants.
- b. The procurement of goods and services financed by IDA: DPEF would work through the appropriate procurement channels at the national level for the evaluation and award of contracts. The DPEF will be responsible for preparing bidding documents, coordinating and monitoring bidding processes, and liaising with IDA on the basis of technical specifications prepared by INAP-FTP and the MDEFPNT.
- c. Other: The DPEF will also: (i) periodically prepare the project's financial reports in accordance with internationally accepted accounting standards; (ii) take the necessary measures to have these reports audited; (iii) ensure that disbursements are done in accordance with World Bank requirements; (iv) manage the material resources allocated for the preparation and coordination of the project; (v) provide the different institutions in charge of project implementation with the necessary support (including the resources needed for the provision of training and technical assistance in accordance with the

project's implementation plan); (vi) manage funds and ensure the regular review of commitments; and (vii) prepare the project progress report.

3. The Ministry in charge of Employment, Vocational Training and New Technologies (MDEFPNT) has the general mission of designing, implementing, coordinating, and monitoring and evaluating the national policy for employment, technical and vocational training and new technologies. It is placed under the coordination of MOS-E and its mission and mandate are detailed in the Decree 070-2010 dated May 4, 2010. More specifically, MDEFPNT will be responsible for:

- a. Updating the TVET regulatory framework in regard to the development of: (i) the private sector; (ii) teacher status; (iii) dual training with internships; (iv) apprenticeships; and (v) certification of skills.
- b. TVET sector management: (i) planning, budgeting piloting and managing the TVET sector including the training of administrators; and (ii) monitoring and evaluating the TVET sector;
- c. Human resource development and stakeholder participation: (i) preparing a plan to develop human resources and teacher training; and (ii) implementing a communication strategy to increase the demand for TVET and stimulate the participation of stakeholders.

4. The INAP-FTP under the MDEFPNT:

- a. Has the responsibility of ensuring that the provision of vocational training responds to the demand of the labor market and to provide technical support to the vocational training sector. Its missions and mandate are detailed in the decree 2002-053 dated June 16, 2003.
- b. More specifically, the following activities will be under its responsibility: (i) managing the Technical Vocational Training Fund (FAP-FTP), (ii) monitoring labor market demand and identifying training needs, (iii) designing TVET curricula and programs; and (iv) providing technical support to training centers for the upgrading or renewal of their training programs. INAP-FTP has entered into a subsidiary agreement with the DPEF for it to: (i) approve and monitor implementation of the SPIAs in selected TVET institutions; and (ii) implement apprenticeship and short-term training programs for out-of-school youth. The subsidiary agreement also includes provisions to ensure that DPEF will transfer funds in the form of grants to INAP-FTP as needed for the achievement of project objectives as well as permit INAP-FTP to provide sub-grants (through FAP-FTP) to finance SPIAs, and short-term training and apprenticeship programs. INAP-FTP has a board of directors that includes representatives from the private sector (including current and prospective employers). The subsidiary agreement was signed with the DPEF because of its role (under the MOS-E) as the coordinating entity for overall education- and training-related projects, and has the fiduciary responsibility of the project and specifies: (i) the flow of funds between INAP-FTP and DPEF; (ii) activities under the responsibility of INAP-FTP; (iii) results indicators to evaluate INAP-FTP's performance; (iv) roles and responsibilities of both parties; and (v) remuneration for INAP-FTP's services.

5. **The FAP-FTP**, established by Decree 2002-053 of June 16, 2002 and supported through a previous IDA project, is a demand-driven financing mechanism managed by INAP-FTP and dedicated to respond to the training needs of enterprises and to encourage training institutes to meet these demands. The FAP-FTP has a Selection Committee that decides the allocation of funds and is composed in equal parts of representatives of the administration and employers from the private sector. Since its creation, about 5,400 persons have been trained in 346 operations. By entering into a subsidiary agreement with the DPEF, INAP-FTP is able to use FAP-FTP to provide sub-grants to finance: (i) the SPIAs with selected TVET institutions; and (ii) the apprenticeship and short-term training programs for out-of-school youth in addition to its regular activities.

6. The Implementation Support Strategy (Annex 5) lists the Bank's planned interventions aimed at supporting the different actors who are in charge of the project's implementation and fiduciary aspects.

C. Financial Management, Disbursements and Procurement

FINANCIAL MANAGEMENT

Introduction

7. The Bank's financial management team conducted a financial management assessment of INAP-FTP and DPEF. The objective of the financial management assessment was to determine whether the financial management arrangements: (i) are sufficient to correctly and comprehensively record all transactions and balances related to the project; (ii) facilitate the preparation of regular, accurate, reliable and timely financial statements; (iii) safeguard the project's entity assets; and (iv) are subject to auditing arrangements acceptable to the Bank. The assessment complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 1, 2010 and the World Bank Africa Region's Financial Management Assessment and Risk Rating Principles.

8. The overall Financial Management risk rating for this project is Medium-L subject to DPEF and INAP-FTP implementing the mitigation measures associated with this operation. The Financial Management assessment carried out during project preparation determined that the financial management system in place (subject to the reinforcement measures mentioned in the FM Action Plan below) satisfies the Bank's minimum requirements under OP/BP10.02, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by the World Bank. Particular attention will be paid during supervision to SPIA management and physical inspection of project outputs as well as the follow-up of audit findings.

Country issues

9. The Public Expenditure and Financial Accountability (PEFA) Report of March 2008 shows that the Government of Mauritania has made progress in improving its Public Financial Management Systems since the last Country Financial Accountability Assessment (CFAA)

undertaken in 2002. Various improvements have recently been implemented to strengthen the credibility of the budget in terms of (i) aggregate revenue compared to original approved budget, (ii) multiyear perspective in fiscal planning and public expenditure policy, (iii) transparency of taxpayer obligations and liabilities, and (iv) monitoring and management of cash balances, debt, and guarantees. The fiduciary risks associated with poor budget formulation and budget preparation processes have been reduced.

10. However, several risks remain in terms of (i) comprehensiveness of information included in budget documentation, (ii) effectiveness in collection of tax payments and custom duties, (iii) effectiveness of internal audit, (iv) quality and timeliness of in-year budget reports and annual financial statements and (v) effectiveness of external audit and legislative scrutiny of the annual budget law.

11. The Public Financial Management System does not provide sufficient assurance that funds are being used for their intended purpose. The risk of waste, diversion, and misuse of funds was assessed as partially high. As the CFAA recommendations on financial accountability reforms have not been fully implemented yet, the country risk is still assessed as partially high.

12. However, the Government of Mauritania has prepared a public financial management reform program to address the weaknesses in its Public Financial Management System. The reform program is supported by some development partners including the World Bank through the Public Sector Capacity Building Project (PRECASP). With various measures taken at government level to mitigate these risks, the project risk from a financial management perspective is assessed as Medium L prior to risk mitigating measures implementation.

Risk Assessment and Mitigation Measures

13. FM arrangements were designed to ensure that funds are used for the purposes intended, information is produced on a timely basis for project management and government oversight, and the project is in compliance with Bank fiduciary requirements.

14. The main risks and mitigating measures of this project are listed in the ORAF table in Annex 4.

Strengths

15. The financial management arrangements would be built on the existing FM system set up within DPEF, which is currently staffed with qualified and experienced staff.

Table 5: Weakness and FM Action Plan

	Action	Responsible Body	Completion Date
1	•Recruit a qualified FM expert	•INAP	Before effectiveness
2	•Purchase a software •Update existing software to accommodate for the new project	• INAP •DPEF	1 month after effectiveness

Governance and anti-corruption considerations.

16. In the context of the project the effective implementation of the fiduciary mitigation measures should contribute to strengthen the control environment. Also, the appropriate representation and oversight of the steering committee in charge of implementing the overall PNDSE, as well as the transparency in both operation implementation and information dissemination to stakeholders and the general public, should constitute a strong starting point to tackle governance and corruption issues during project implementation. Particular attention needs to be paid during technical and financial audit missions to the quantity and quality of outputs, cost inflation in SPIAs and payment delays.

Overall Fiduciary implementation Arrangements staffing.

17. DPEF financial management unit will be responsible for the overall coordination and consolidation of financial management and disbursement information. DPEF has extensive experience in the implementation of the World Bank and other donor-financed projects (implementing the entire Education Sector program that includes AFD, ADB, IDB French cooperation, Spanish Cooperation and UNICEF). The Financial Division is fully staffed with experienced personnel (Senior Financial Officer, Accountants and Assistant Accountants). INAP will be strengthened with the recruitment of a qualified financial expert who will handle financial aspects at INAP-FTP level.

18. **Project Accounting and Financial Software.** The current accounting standards in use in Mauritania for on-going Bank-financed projects would be applied. DPEF will use the existing computerized and integrated financial management system, but would update the existing software to be able to process and capture the financial transactions under the new project. Furthermore, a new software will be acquired and installed at the INAP-FTP level to help manage their sub-account transactions if and when INAP-FTP’s capacity is deemed adequate to open such an account.

19. **Project Financial and Accounting Manual:** The existing Financial and Accounting Procedures Manual for DPEF and INAP-FTP will be updated as part of project preparation activities and will serve as basis to draft the fiduciary procedures relevant to the project. These manuals will be validated prior to project effectiveness.

20. **Reporting:** DPEF will prepare quarterly un-audited Interim Financial Report (IFRs) for the project in form and content satisfactory to the Bank, which would be submitted to the Bank

within 45 days after the end of the quarter to which they relate. DPEF will prepare and agree with the Bank on the format of the IFRs before negotiations.

21. **Internal Control and Internal Auditing:** The project Administrative and Financial Management procedures manual will be updated by project effectiveness and would provide a clear description of the approval and authorization processes in respect to the rule of separation of duties. The Bank will pay attention to the adequacy of internal controls during supervision mission.

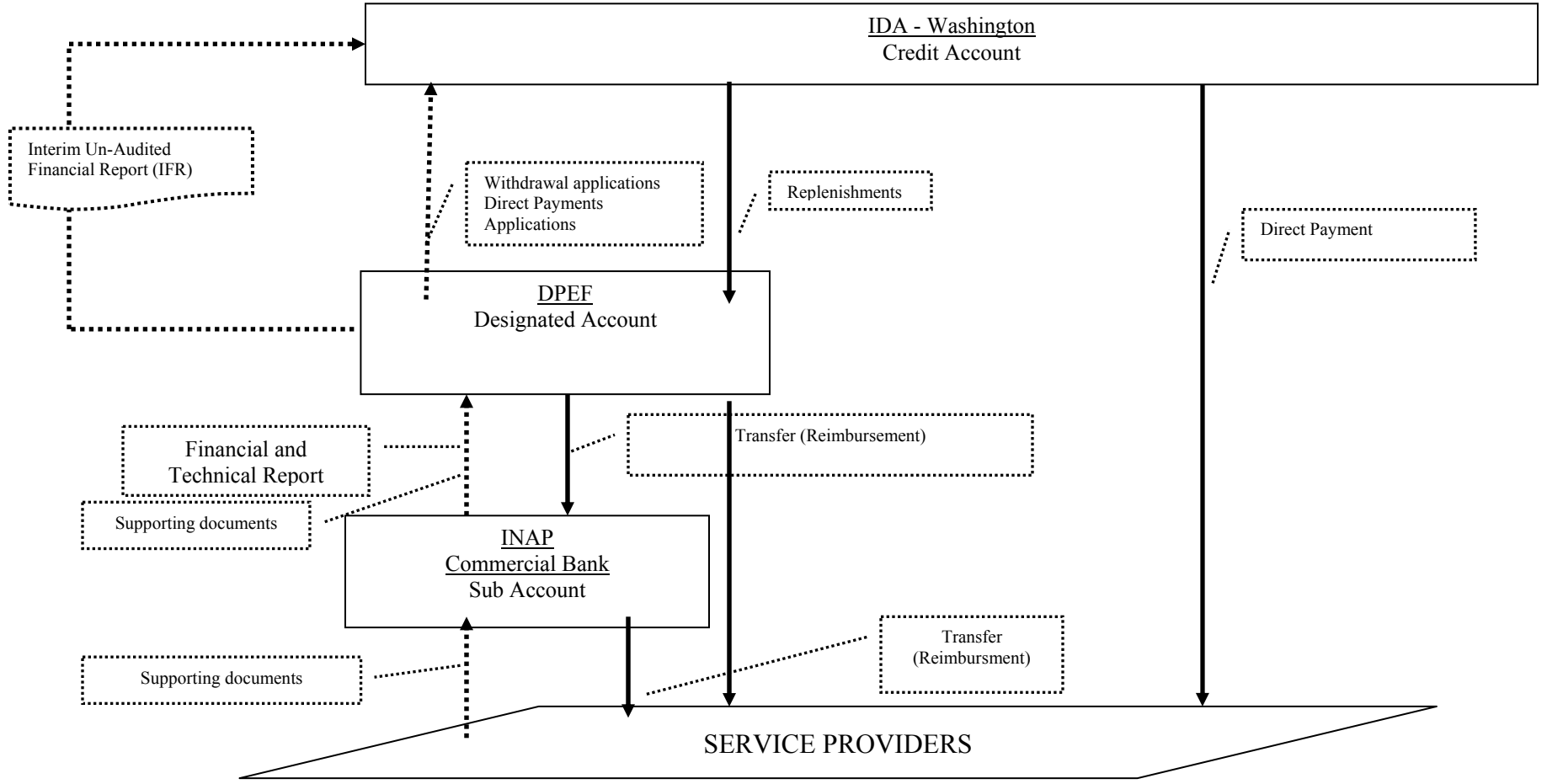
22. **External Auditing:** The audit report should reflect all the activities of the project and be submitted to IDA within six months after the end of each fiscal year. The selection of an external auditor of project financial statements should be presented to IDA for non-objection. Appropriate terms of reference (ToR) for the external auditor will be provided to the project team and the hiring process completed by DPEF no later than six months after project effectiveness. A single Auditor will audit the consolidated Financial Statements.

23. The audit reports that would be required to be submitted by DPEF and the due dates for submission are:

<i>Audit Report</i>	<i>Due Date</i>
Institutional Financial statements i.e. annual audited financial statements (including Statements of Sources and Uses of Funds with appropriate notes and disclosures) and Management Letter.	Submitted within six months after the end of each fiscal year.

24. **Flow of Funds Arrangement:** A Designated Account for the project will be opened in a commercial bank satisfactory to the Bank. Subject to strengthening the fiduciary team of INAP-FTP, a sub-account will be opened at the INAP-FTP level and will be replenished by DPEF. The sub-account will allow control and traceability of funds at INAP-FTP level. The replenishment of the sub-account will be made based on the financial and technical report provided by INAP-FTP on a quarterly basis. A separate account (“Project Account”) will be opened by DPEF into which the government’s counterpart funds will be deposited.

Overall Funds and Information Flow mechanism



Documents flow >

Funds flow ———>

DISBURSEMENT ARRANGEMENTS: USE OF STATEMENT OF EXPENDITURES (SOEs).

Disbursement Methods

25. DPEF will continue to use the transaction-based disbursement procedures, i.e., advances, direct payment, reimbursement, and special commitments. When project implementation begins, the quarterly IFRs produced by DPEF will be reviewed. If the reports are found to be well prepared and produced on a timely basis, and the Recipient requests conversion to report-based disbursements, a review would be undertaken to determine if the project is eligible for report-based disbursement.

Counterpart Funding:

26. The government will provide as counterpart funds for the Project an amount equivalent to US\$1.6 million to be allocated for financing of Operations Costs and Sub-grants under Part 1.2(c) of the Project and will be disbursed quarterly on the basis of the Annual Work Plan and Budget for the corresponding calendar year. However, the first disbursement in an amount equivalent to US\$160,000 will be made no later than two month after the effectiveness date. Counterpart funds will be deposited into a separate account “Project Account” opened by the DPEF.

Disbursements by category

27. The following table sets out the expenditure categories and percentages to be financed out of the credit proceeds.

Table 6: Expenditure categories and funding percentages

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods and consultants' services for Part 1 of the Project, including Training and audits, but expressly excluding Sub-grants and Operating Costs	6,652,000	100%
(2) Sub-grants		
a) Sub-grants for the purpose of Part 1.1(b) of the Project	1,335,000	100% of amount disbursed
b) Sub-grants for the purpose of Part 1.2(c) of the project	3,420,000	75% of amount disbursed
(3) Goods and consultants' services for Part 2 of the Project, including Training and audits, but expressly excluding Sub-grants and Operating Costs	3,743,000	100%
(4) Operating Costs for the Project:		50%
(a) for Part 1 of the Project	57,000	
(b) for Part 2 of the Project	193,000	
(5) Refund of Preparation Advance	600,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	16,000,000	

PROCUREMENT

28. Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006 and May 2010; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in May 2004 and revised in October 2006 and May 2010, and the provisions stipulated in the Financing Agreement. The general description of various items under the various expenditure categories is described below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, including the need for prequalification, assessment of

estimated costs, prior reviews, and time frames for processing contracts will be agreed between the Government and the Bank and included in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

Procurement Implementation Arrangements

29. Procurement for acquisition of goods and services will also be handled by the experienced DPEF, through the Departmental Tender Board for contracts above 5 million MRO and below 40 million MRO (US\$14,000 and US\$160,000 equivalent) for consultants, above 6 million MRO and below 50 million MRO (US\$18,000 and US\$200,000) for goods, and through the National Tender Board for amounts above these thresholds.

30. A Country Procurement Assessment Review (CPAR) was carried out in March 1999 and updated in June 2002. Furthermore, a participatory procurement capacity assessment of the DPEF was conducted for the Higher Education Credit 3970-MAU in May 2004 and reassessed during the appraisal of the EFA-FTI Grant in November 2007. The latest procurement assessment for the proposed operation was carried out prior to appraisal and its findings translated into mitigation measures. The risk rating was considered “Medium-I”.

31. The DPEF has gained extensive experience in IDA and other donor-specific procurement procedures under previous projects. It handled satisfactorily and simultaneously the implementation of IDA-supported Education III – Education Sector Restructuring Project (Cr. 1943-MAU) 1989-1995, Education V – General Education (Cr. 2706-MAU) 1995 – 2002, Education Sector Development Project (Cr. 3573-MAU) 2001-2010 and the Education For All-Fast Track Initiative (TF091822), which is still ongoing. The unit is well organized and has clearly defined procurement responsibilities and skilled staff. It has the capacity to manage the Procurement Cycle well and has a good record keeping system.

Procurement Plan

32. The Borrower has developed a procurement plan for the first 18 months of project implementation prior to appraisal based on the adopted annual action plan, which provides the basis for determining the procurement methods. The plan has been transmitted to the Bank and approved during negotiations. The procurement plan is available in the project’s database and made publicly available online and through ImageBank. The Procurement Plan will be updated every six months or as required to reflect actual project implementation needs and improvement in institutional capacity.

Frequency of Procurement Supervision

33. In addition to the required prior review performed by the World Bank field-office procurement specialist, at least one post-review mission of procurement actions will be carried out annually.

34. All other, non-procurement related arrangements will be handled by the autonomous INAP-FTP which is the coordination unit for project implementation.

Procurement of works: The project will not finance any works.

Prior Review Thresholds: Prior-review thresholds and procurement method thresholds for the project are indicated in the table below:

Table 7: Prior Review Threshold

	Prior Review Thresholds proposed (US\$ million)	Procurement Method Thresholds Proposed (US\$ million)							
		ICB	NCB	Shopping	QCBS	QBS	CQS	Least Cost	SSS
Goods	US\$500,000	> 0.5	< 0.5	< 0.05					
Consulting Services	US\$100,000 (firms) US\$50,000 (individual) SSS: all				default	TBD on a case by case basis: e.g for complex assign.	< 0.10	For standard and routine services	none (*)

Note: None (*): no threshold is predetermined for Single Source Selection

35. **Procurement of non-consulting service** (which includes training, capacity-building, sensitization campaigns) will be procured using NCB procedures for contracts above US\$50,000 , but below US\$500,000 and Shopping procedures for contracts costing less than US\$50,000.

D. Monitoring & Evaluation

36. INAP-FTP was already in charge of collecting some data under the recently closed IDA operation (PNDSE) and thus has the experience in carrying out M&E functions for the proposed operation. It is in charge of the design and implementation of TVET training activities as well as the collection and analysis of related data. Its current structure consists of an active board of directors and a full-time director and his deputy who oversee five Heads of Department in the following areas: (i) Training Design; (ii) Pedagogical Design; (iii) Standards and Quality; (iv) Monitoring and Evaluation; and (v) Financial Mechanisms⁷. Therefore, INAP-FTP is well placed to carry out the M&E functions for project-related activities and ensure that findings are being relayed to the different departments in charge of designing and administering training. DPEF, on the other hand, is in charge of producing project progress reports for all education projects on the basis of their respective indicators (which are supplied by the different education ministries, including INAP-FTP for training aspects in the TVET sub-sector). However, INAP-FTP does not have an automated system and is thus required to collect data manually, limiting its ability to produce analytical reports. MDEFNT, having only been established recently, does not yet have M&E capacity and is thus not able to follow the implementation of the National TVET Strategy, which limits its ability to devise well-informed and viable interventions.

⁷ This department is providing support to the Selection Committee of FAP-FTP as well as managing financial transactions of the training currently being organized by INAP-FTP

37. As part of INAP-FTP's capacity strengthening, the project will support the preparation of a M&E Manual as well as the development and installation of a simple automated M&E system, including training of its use and report production for the proposed operation. Furthermore, INAP-FTP and the participating TVET institutions will conduct annual tracer studies nine months after each cohort's graduation to verify employment status of those graduates. The findings of these tracer studies would then serve to adjust/improve TVET institution curricula.

38. However, in order to avoid any disruption in the production of project progress reports during the life of the project, the current M&E arrangements of data collection and transfer between INAP-FTP and DPEF remain in place and would only gradually be shifted to INAP-FTP if and when the capacity and systems are in place. DPEF will continue to produce project progress reports, as well as be the responsible entity for the consolidation of all education project indicators (supplied by the different education ministries) to produce progress reports for the Joint Annual Reviews. MDEFNT requires capacity building and acquisition of the necessary equipment and staff to be able to carry out its function as the ministry in charge of analyzing and monitoring TVET sub-sector developments as a whole, which includes monitoring the implementation of the National TVET Strategy. As MDEFNT's capacity increases, however, the project might be able to benefit from data that go beyond data specific to its interventions in the sub-sector. But, until MDEFNT has the capacity and structures to monitor and analyze sub-sector data, the project will rely on INAP-FTP and DPEF to collect/consolidate project-specific information to produce the necessary project progress reports.

E. Role of Partners

39. The Technical and Vocational Training Strategy enjoys the full support of the development partners, each of whom contributes to the program in its special area of interest and comparative advantage. The Government and the major donors, including IDA, AFD, BID and the Spanish Cooperation have decided to include their interventions within the TVET strategy framework. Donors mainly provide support to the TVET strategy through individual projects, but all interventions are being harmonized within the TVET framework. Donors share the same monitoring arrangements and carry out joint reviews, and one of the project's semi-annual supervision missions will coincide with the Annual Joint Review in September of each year to maximize harmonization and exchange of information. Although each project has a specific separate account, they are all implemented through the DPEF and INAP-FTP within the MAED and MDEFNT respectively. A joint mission report is sent to the Government following each joint review, containing main donor recommendations and suggestions.

40. There has been continued dialogue with the different developing partners (and with government counterparts or the private sector whenever appropriate) throughout the preparation of this project. Meetings were called to ensure that the project's activities do not overlap with that of other donors and to ensure that complementarities are being used to render each project implementation more efficient.

**Annex 4:
Operational Risk Assessment Framework (ORAF)**

Project Development Objective(s)							
The Development Objective of the proposed operation is to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven TVET system.							
PDO Level Results Indicators:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Indicator One: Direct project beneficiaries (number) of which are female (%)</td> </tr> <tr> <td style="padding: 2px;">Indicator Two: Reduced Drop-out rate in participating TVET institutions</td> </tr> <tr> <td style="padding: 2px;">Indicator Three: Annual graduates in TVET institutions supported by the project</td> </tr> <tr> <td style="padding: 2px;">Indicator Four: Student unit cost in TVET institutions supported by the project</td> </tr> <tr> <td style="padding: 2px;">Indicator Five: Youth enrolled in short term training programs finding employment in field related to training within 6 months of completion of training/apprenticeship</td> </tr> <tr> <td style="padding: 2px;">Indicator Six: Regulatory framework provides legal protection and status to private sector training institutions</td> </tr> </table>	Indicator One: Direct project beneficiaries (number) of which are female (%)	Indicator Two: Reduced Drop-out rate in participating TVET institutions	Indicator Three: Annual graduates in TVET institutions supported by the project	Indicator Four: Student unit cost in TVET institutions supported by the project	Indicator Five: Youth enrolled in short term training programs finding employment in field related to training within 6 months of completion of training/apprenticeship	Indicator Six: Regulatory framework provides legal protection and status to private sector training institutions
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Indicator Six: Regulatory framework provides legal protection and status to private sector training institutions							

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
Project Stakeholder Risks	Medium-I	<p>Teacher unions may not fully cooperate on implementation of core reforms regarding teacher recruitment and utilization policy, while government administration officials may not support the introduction of accountability measures due to fear of job-loss in case of non-performance.</p> <p>SPIAs will introduce accountability for the quality of training that graduates receive from these institutions, which is something these TVET structures had not experienced in the past.</p> <p>Given the quality of TVET graduates and the mismatch of their skills with private sector needs, private firms may be reluctant to participate and believe in improving the TVET system.</p> <p>It is expected that social pressure to increase intakes</p>	<p>Extensive consultations will be held with government administration officials, teachers unions and the private sector to discuss and devise new TVET programs and reforms for the whole sub-sector, that will benefit from wider support and instill a sense of ownership. Such consultations will be done through regional and national workshops to ensure extensive stakeholder participation and buy-in, and will be continued during project implementation.</p> <p>The establishment of a strong M&E system and unit to help evaluate the success of SPIAs will be an integral part of the institutional strengthening component. Furthermore, including the private sector on the Board of Directors of FAP-FTP will not only ensure trainees learn employable skills, but also give the private sector the sense that they do have a stake in this project and the reforms it tries to implement.</p>

		into vocational training will build up quickly into socio-political pressure, to a point where compliance with the macro-financial framework might weaken.	Consensus building and managing expectations through effective communication campaigns , but also by putting in place robust regulatory systems will help ensure TVET participant intake remains within realistic and sustainable levels. It is also expected that a portion of the trainees will be taken up by the private TVET institutions that will emerge as a result of the new regulatory framework. The private sector will also be involved to ensure their participation in the introduction of in-service vocational training reforms prepared by the project.
Implementing Agency Risks	Medium-I	MDEFPNT is the ministry in charge of TVET, but MOS-E has tutelage over all education-related ministries. MOS-E was only recently created and so the coordination and collaboration between the two ministries is yet untested. Therefore, initial confusion of the roles and responsibilities might arise. INAP-FTP has not implemented SPIAs before and is inexperienced in financial management. The new contracting arrangements between INAP-FTP and the participating TVET institutions for activities normally handled by the DPEF and the Directorate for TVET might require some fine-tuning as the project progresses.	Mitigation measures: a) Intensive supervision and frequent consultations with both ministries to reduce potential confusion and result in smooth implementation (as was already the case already during project preparation); b) All fiduciary aspects are handled by the experienced DPEF and in close collaboration with the different ministerial departments. INAP-FTP, experienced in technical aspects of TVET, will receive capacity-strengthening for the implementation of SPIAs; MOS-E and MDEFPNT will have oversight responsibility, so capacity building will be provided to MDEFPNT as the ministry in charge of TVET sector development; c) Support to government through the Bank’s public sector support project (PRECASP) to carry out public systems reform, public finance management, strengthening monitoring and evaluation capacity and harmonizing donor support. d) The detailed project implementation manual will facilitate DPEF’s and INAP-FTPs ability to execute and implement the project, as will the subsidiary agreement between these two entities. Capacity building and relevant systems (M&E, FMS etc.) will also help INAP-FTP carry out functions related to SPIA implementation.

Project Risks			
<ul style="list-style-type: none"> Design 	High	<p>SPIAs have not been tested in Mauritania and could represent a hurdle for their implementation as it requires a change of mentality for TVET institutions.</p> <p>External shocks/disasters could force government to adjust its budgetary allocations at the expense of the education sector.</p>	<p>INAP-FTP will also closely work with TVET institutions to ensure their buy-in to implement their respective SPIAs.</p> <p>Close collaboration between DPEF, INAP-FTP and the Bank's team on the ground will clarify each actor's role, ensure buy-in, facilitate project implementation and ensure proper information flow between different actors as appropriate.</p> <p>The country-based TTL will monitor project implementation on an ongoing basis, including monitor budget allocations for TVET institutions and the sub-sector as a whole during the AAPB reviews. Also, government always informs donors if it proposes changes to its budgetary allocations prior to implementing them.</p>
<ul style="list-style-type: none"> Social and Environmental 	Low	<p>Female participation may be lower than expected due to cultural barriers.</p>	<p>The project will explore innovative ways to encourage female participation, but given that the project's objective to train unemployed youth in general, the risk for PDO achievement is low.</p>
<ul style="list-style-type: none"> Program and Donor 	Low	<p>The National Education Strategy (PNDSE) is supported by five donors, which could lead to certain overlaps and uncoordinated interventions in the sector.</p>	<p>The Government seeks to lead and organize all donors to work in partnership amongst themselves and with the Government towards achieving the objectives of the PNDSE. The Government and the major donors have decided to include their interventions within the PNDSE framework, with the assistance of a coordination mechanism which is spelled out in Memorandum of Understanding. Annual joint reviews will further mitigate the risk of overlaps and non-coordination.</p>
<ul style="list-style-type: none"> Delivery Quality 	Medium-I	<p>INAP-FTP is in charge of monitoring SPIA implementation and analyze labor market development, for which it may have limited capacity. Shift in government priority is possible which could undermine to some extent the project's effectiveness.</p>	<p>INAP-FTP will be strengthened with an automated M&E system that will greatly facilitate data collection and analysis. Technical assistance is also available in case the ministerial M&E department needs support. Training on data collection methodology, analysis and interpretation of results could be organized in case that MDEFNT to facilitate the production of statistical reports on labor market, employment and training.</p>

			Both INAP-FTP and DPEF have continued implementing projects even in times of political instability, so a change in government is not considered a big risk to PDO achievement.
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Overall Risk Rating at Preparation	Overall Risk Rating During Implementation	Comments
Medium-I	High	Although the roles and responsibilities of the different actors involved in the project have been clarified and agreed with government, the implementation of SPIAs is new and carries a significant risk to the achievement of the PDO, as does the possibility of changing government priorities and support for the project due to external shocks.

Annex 5: Implementation Support Plan

Strategy and Approach for Implementation Support: The strategy for Implementation Support (IS) is based on the nature of the project and its risk profile.

1. **Overall TVET Strategy Support:** The government's overall TVET Strategy is the overall framework for any donor-supported interventions, including the proposed project. Donors active in the TVET sector in Mauritania are AFD, IDB and the Spanish Cooperation, and the Bank is playing an important role in assisting the government coordinate the different donor interventions, including helping organize the Annual Joint Reviews of the entire education sector (which includes the TVET sub-sector). These joint reviews include the participation of both private sector and civil society and serve as a platform to discuss the proposed Annual Action Plans and Budgets and to review progress made based on the government's performance indicators.

2. As part of the joint review, the Bank would be in a position to: (i) ensure coherence between other donor-financed activities and the proposed project; (ii) assess overall achievement of results set for a given year and adjust project interventions for the next year based on success or failures of the previous year; and (iii) actively partake in budgetary and action plan discussions for the next year, ensuring continued coherence between all donor-financed projects in the TVET sub-sector (including IDA's) and the government. The DPEF and INAP-FTP would produce quarterly progress reports, which will include procurement, financial management and physical progress for IDA's review, allowing the Bank's team to identify possible bottlenecks and propose corrective measures, but also ensure continued consistency with the overall TVET strategy.

3. The Bank's core team is based in Mauritania (Task Team Leader and Private Sector Development Specialist) and is expected to facilitate cooperation and coordination with the different actors involved in the project as well as the sub-sector. A strong partnership between the country-based Bank team, the government and the other developing partners has already been established as part of previous operations, which will help with the implementation of the proposed project.

4. **Procurement:** The Bank will support project implementation by: (i) reviewing procurement documents and providing clearances/comments (prior and post review); (ii) ensuring consistency of procurement activities with agreed procurement plan and make adjustments as necessary; (iii) maintaining a close collaboration between the fiduciary agency and the Bank's country-based procurement staff; and (iv) provide ad-hoc training to project procurement staff as needed. DPEF is very experienced in fiduciary aspects and Bank support will be adjusted accordingly, but will include at least two supervision missions per year (of which one will be in the context of joint review missions with other donors).

5. **Financial Management:** Based on the outcome of the financial management risk assessment, the following implementation support plan is proposed:

Implementation Support and Supervision Plan.

FM Activity	Frequency
Desk reviews	
Interim financial reports review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports.	Continuous as they become available
On site visits	
Review of overall operation of the FM system	Annually
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, internal audit and other reports	As needed
Transaction reviews (if needed)	As needed
Capacity building support	
FM training sessions	Before Project starts and thereafter as needed

6. The objective of the above implementation support plan is to ensure that the project maintains a satisfactory financial management system throughout the project's life.

7. **Anti-Corruption:** The government has prepared an anti-corruption Action Plan 2010-2012 which will help set the stage for training government employees in the use for project funds in accordance with IDA regulations. Regular supervision missions by the Bank's fiduciary team as well as the procurement staff's presence in the field will help leverage the government's anti-corruption plan.

Table 8: Implementation Support Plan

I. Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate	Partner Role
Year 1	Monitoring implementation of SPIAs	Education Specialist/TVET; Implementation Specialist Operations	US\$20,000	
	Monitor Private Sector involvement	Private Sector Dev. Specialist	US\$3,500	
	Monitoring of project action and procurement Plan	Procurement Specialist FM Specialist Operations	US\$5,000	
	Annual Joint Review of the TVET sector	Education Specialist Implementation Specialist	US\$8,000	Work with government and IDA on a coherent approach
	Monitor MDEFPNT's	Legal	US\$4,500	

	review of the institutional and legal framework			
Year 2 - 5	Monitor implementation of SPIAs	Education Specialist/TVET ; Implementation Specialist Operations	US\$20,000	
	Monitoring of project action and procurement plan	Procurement Specialist FM Specialist Operations	US\$5,000	
	Annual Joint Review of the TVET sector		US\$8,000	Work with government and IDA on a coherent approach
	Monitor Private Sector involvement and satisfaction	Private Sector Dev. Specialist	US\$4,000	
	Monitor implantation of sectoral studies	Implementation Specialist	US\$5,000	

II. Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips
Procurement	4 weeks	n/a
Financial Management	2 weeks	2
Operations/M&E	4 weeks	2
Private Sector Dev. Spec.	2 weeks	n/a
Education Specialist	4 weeks	2
Task Team Leader	8 weeks	n/a

III. Partners

Name	Institution/Country	Role
	Islamic Development Bank	Developing Partner
	AFD, France	Developing Partner
Mme Ruth Jaramillo	Spanish Cooperation, Spain	Implementation Support

Annex 6: Team Composition

World Bank staff and consultants who worked on the project:

Name	Title	Unit
Cherif Diallo	Task Team Leader	AFTED
Franco Russo	Operations Analyst	AFTED
Haround Ould Sidatt	Private Sector Dev. Specialist	AFTFW
Hélène Bertaud	Sr. Counsel	LEGAf
Wolfgang Chadab	Sr. Finance Officer	CTRFC
Saidou Diop	Financial Management Specialist	AFTFM
Moustapha Ould El Bechir	Sr. Procurement Specialist	AFTPC
Rose-Claire Pakabomba	Language Program Assistant	AFTED
Fatima Cherif	Program Assistant	AFMMR
William Experton	Consultant	AFTED
Salamata Bal	Sr. Social Development Specialist	AFTCS
Africa Eshogba Olojoba	Sr. Social Environment Specialist	AFTEN
Victoria Gyllerup	Sr. Operations Officer	AFTDE

Annex 7: Economic and financial analysis of the technical and vocational training sector in Mauritania

Analysis of Public Expenditure of the TVET sector

Composition of the education budget

1. In 2009, public expenditure in the education sector represented 15.8 percent of total government expenditure (out of debt), which remained constant over the last five years, and roughly 4.2 percent of GDP⁸.

2. Although MDEFPNT's share of the education budget increased from 3 percent to 6 percent between 2009 to 2010, it underestimates the total public expenditure in favor of the TVET sector since some sectoral Ministries (fisheries, agriculture, health and women affairs) finance their own TVET institutions.

Table 9: Distribution of the education budget by levels and programs in 2009-2010 (millions MRO)

	Executed Budget 2009*	Budget 2010	Executed budget 2009	% Budget 2010
Pre-School	190	187	0,5%	0,4%
Alphabetization	5	38	0.10%	0,1%
Primary Education	16 913	18 854	43%	45%
General Secondary	8 471	8 829	22%	21%
Technical and Vocational Training (TVET)	1 260	2 631	3%	6%
Higher education	8 183	6 975	21%	17%
Management and Governance	4 307	4 470	11%	11%
School Health	18	0	0,0%	0,0%
Total	39,348	41,984	100%	100%

Composition of the MDEFPNT budget

3. The budget of the MDEFPNT is characterized by: (i) low investment (7 percent); (ii) a significant share dedicated to scholarships (16 percent) since most of the students come from low income families; and (iii) high current expenditures because equipments particularly in industrial programs require a lot of maintenance and consumables. Public expenditure is complemented by

⁸ a percentage which is close to the average for developing countries and within the range of the Education for All-Fast Track Initiative

resources generated by training institutions through the contracting of services (essentially for adult/continuing education), which are estimated to represent 7 % of budget of the public TVET institutions.

Table 10: Composition of MDEFPNT budget

Ouguyias (MRO) million	Staff	Scholarships	Recurrent	Investment	Total
Executed Budget 2009	782	191	201	85	1,259
%	60	16	17	7	100

Unit cost in TVET institutions within the MDEFPNT

4. The average annual cost per student in the TVET sector is estimated to be MRO 276,609 (US\$995) in 2008. This cost represents about twice the unit cost in general secondary education and is roughly similar to the unit cost in higher education in Mauritania. This is due to the low student:teacher ratio in the TVET sector (13 students per teacher) and some industry-specific requirements of a certain training. However, there are significant cost variances within the same TVET disciplines/industry and between training institutions which suggests suboptimal budget allocation and pockets of inefficiencies.

Table 11: Number of students and unit cost by education level in 2008 (in 000 MRO)

2008	Preschool	Primary education	Lower Secondary	Upper Secondary	TVET	Teacher Training (ENI)	Teacher Training (ENS)	Higher Education (Mauritania)	Higher Education (scholarship abroad)
Number of students	2,948	427,804	51,984	22,914	3,983	699	310	14,368	2,303
Unit costs	51,764	39,388	103,712	121,735	276,609	689,267	915,841	238,917	728,770

The macro-economic framework for the development of the TVET sector

Main priorities of the education sector

5. The Government of Mauritania has a holistic vision, which embraces the development of all levels of the education system. The 2009 Country Status Report (CSR) identified the issues of the education sector and ways to improve the policy. The CSR served as a basis for the projection model and development scenarios. The results of this work were used to prepare the Policy Framework (2010) and the Medium Term Expenditure Framework (2011-2013). In its Policy Letter (dated January 2011), the Government outlines the main priorities of the Education Sector Policy. The policy has three main orientations (i) to pursue efforts to reach universal primary education at by the end of 2020; (ii) to improve quality at all levels; and (iii) to strengthen the management and governance of the education sector.

6. At the primary education level, the main objective is to ensure six years of basic education for all Mauritanian children by 2020, which means that the completion rate would have to increase from 58 percent in 2008 to 81 percent in 2015 and 100 percent in 2020. This objective would be reached through: (i) the strengthening of the learning process quality; and (ii) the improvement of resource management and allocation to better respond to the demand.

7. With regard to general secondary education, the strategy is to: (i) progressively increase the transition rate from primary to lower secondary from 47.7 percent in 2008 to 55 percent in 2020 and improving the completion rate from 58 percent to 70 percent during the same period; and (ii) regulate access to upper secondary education through the reduction of the transition rate from 99.3 percent in 2008 to 50 percent in 2020. With regard to quality, the repetition rate in lower secondary needs to be reduced from 8 to 5 percent and in upper secondary from 19 percent to 10 percent. The *Baccalauréat* success rate would need to increase from 16 percent in 2008 to 55 percent in 2020.

8. In higher education, the objective is to improve the quality of instruction to help support the development of the country in a sustainable way through: (i) the increase of the relevance of training and research, adapting the program contents to the needs of the economy; (ii) the regulation of the growth of enrollment to maintain the size of the student body in public universities in 2020; (iii) the reduction of the number of students benefiting of scholarships to study in foreign countries from 12 percent in 2008 to 6 percent in 2020; (iv) the optimization of the allocation and use of resources to prioritize pedagogic and research expenditures; and (v) the diversification of resources with an increase of student contributions and the growth of the private sector from 1.6 percent of enrollment in 2008 to 14 percent in 2020.

Main priorities of the TVET policy

9. The priorities of the TVET policy consist of: (i) improving the quality and relevance of training to better respond to the economic demand for skills and competencies; (ii) expanding and diversifying the provision of TVET; and (iii) strengthening management to increase consistency and efficiency of the sector.

- The improvement of the quality and relevance of the training through: (i) the renewal of programs and pedagogic equipment on the basis of a competencies approach; (ii) training to improve teaching staff skills; (iii) the strengthening of the relationship between TVET institutions and businesses, and the participation of professionals as defined by the training policy; (iv) the monitoring of graduates of TVET institutions to improve labor market information; and (v) the development of apprenticeship and dual-training schemes.
- The expansion and diversification of the provision of training to be able to absorb a growing number of youth completing primary education by: (i) increasing enrollment in existing TVET disciplines that respond to a strong labor market demand like civil works, and expand training in high potential sectors such as tourism, mining, information technology etc.; (ii) establishing an apprenticeship system and developing short term training to benefit out-of-school youth to respond to the needs of the informal sector; and (iii) promoting the provision of private training to increase total enrollment from 20 percent in 2010 to 25 percent in 2020.
- The improvement of the management and governance of the TVET sector by clarifying roles and responsibilities, involving professionals and businesses, establishing a central administration and developing management capacities at all levels. More specifically, the strategy should: (i) put in place a consultation framework with businesses and professionals and strengthen capacity to define and program the policy; (ii) harmonize training programs and diplomas, selection process at entry and monitoring procedures; (iii) strengthen the flow

of information on skills demand through employer advisory councils, qualifications framework, and a strengthened relationship between TVET institutions and employers; (iv) define a legal and administrative framework for the private training sector and for apprenticeship; (v) establish training standards and a normative framework to help manage the improvement of resource allocation and efficiency; and (vi) develop an accreditation system and a certification mechanism for skills and professional experience.

The choice of a sustainable 2020 development scenario

10. Following the CSR, a Strategic Framework 2010-2020 has been prepared. From the different scenarios which have been tested, the more sustainable has been selected to prepare the Medium-Term Expenditure Framework 2010-2015 (MTEF).

11. The sustainable 2020 scenario is based on the following main parameters: (i) universal primary education by 2020 as a priority; (ii) reaching transition rates of 55 percent between primary education and lower secondary, 50 percent between lower and upper secondary and 54 percent between upper secondary and higher education; (iii) the share of the education budget within the total Government budget would grow from 15.6 percent in 2010 to 20 percent in 2015 and would remain stable at this level until 2020; (iv) a stabilization of unit costs through a control of teachers salaries (4.5 percent of GDP in primary education, from 5.9 percent to 4.9 percent of GDP in secondary education and from 13.8 percent to 10.5 percent of GDP in higher education) and an improvement of student staff ratio at all levels (38 students per teacher in primary education, 28 in secondary education); (v) the expansion/development of private education particularly at secondary education level (from 23 to 28 percent of enrollment in secondary education and from 4 percent to 14 percent in higher education).

12. In this scenario, with a transition rate of 50 percent of students completing primary education and 30 percent of students in lower secondary education, the TVET sector should grow from 4,300 students in 2010 to 17,000 in 2015. This growth would be ensured through two modalities: (i) the increase of enrollment in TVET institutions from 4,300 to 5,400 students; and (ii) the development of apprenticeship and short-term training programs to train 11,600 out-of-schools youth in 2015. Consequently, the budget should grow from MRO 1.2 billion (without investment) in 2010 to MRO 1.7 billion in 2015. The budget growth should be contained through cost-efficiency measures such as: (i) the students:teacher ratio to increase from 13:1 to 16:1 in TVET institutions; (ii) student unit cost to decrease from MRO 273,000 to MRO 261,000 in TVET institutions; and (iii) a lower student unit costs (MRO 186,000) established for short-term training and apprenticeship programs.

Table 12: Sustainable scenario 2010-2020 for the TVET sector

	Projected						
	2009	2010	2011	2012	2013	2015	2020
Enrollment							
Short term training programs and apprenticeship	0	0	1 770	3 801	6 103	11 631	32 882
TVET institutions							
Level skilled worker (CAP-BEP)	3 020	3 378	3 614	3 787	3 948	4 263	5 027
Level Technician (BT)	1 144	1 213	1 290	1 371	1 454	1 623	2 017
Baccalaureate	138	134	190	228	258	313	455
Total Enrollment in TVET institutions	4 302	4 725	5 093	5 386	5 660	6 200	7 499
Total enrollment in Public TVET	4 302	4 725	6 863	9 187	11 763	17 831	40 381
Enrollment in Private TVET	1 100	1 284	1 410	1 519	1 627	1 855	2 484
% of private in TVET	20%	21%	22%	22%	22%	23%	25%
TVET enrollment as a percentage of enrollment at secondary education level	5%	5%	5%	5%	5%	5%	5%
Student teacher ratio							
Short Term Training Programs	0	0	15	15	15	15	15
Level skilled worker (CAP-BEP)	14	9	16	17	17	18	17
Baccalaureate	10	17	17	17	18	18	19
TVET sector	13	10	15	15	15	16	16
Budget							
Staff	782	775	705	731	757	848	1 124
Scholarship	191	211	228	241	254	280	342
Recurrent	201	225	282	336	394	523	921

Benefits associated to the project⁹

13. The economic analysis focuses on three types of benefits associated with the project: (i) the reduction of youth unemployment and the provision of skills that spur growth; (ii) the improvement of technical and vocational training institution performance to increase cost efficiency of training; and (iii) the strengthening of the TVET sector macro-management, leading to a more demand-driven system and the optimization of public resource allocation.

Skills development and Youth employment

14. More than 58 percent of young Mauritians enter the labor market without skills and 34 percent have not completed primary or secondary education.

⁹ Benefits are calculated on five eligible TVET institutions: CFPP Nouakchott, LFPTI Nouakchott, LFTPC Nouakchott, LFPT Nouadibou and CFPM Nema representing 47% of 2010 total enrollment in the public TVET sector.

Table 13: Level of education of young Mauritians

Education level	Percentage
Without education or incomplete primary education	58%
Primary education	10%
Incomplete Secondary education	9%
Lower secondary education	5%
Incomplete Upper Secondary education	10%
Upper secondary education	8%
Total	100%

* Household Survey, 2007

15. The project should increase the annual flow of skilled youth from 993 in 2010 to 1,322 in 2016 for a total of 9,941 during the duration of the project: (i) 4,780 trained through apprenticeship and short-term training programs; and (ii) 5,161 graduates of the TVET institutions.

16. Youth unemployment rate is particularly high with 53 percent among individuals with less than 25 years of age (compared to 28 percent for those between 24 and 35 years and 9.9 percent for those between 35 and 45 years - see Household Survey).

Cost efficiency of training

17. The project would improve the cost efficiency of training provided in the selected TVET institutions through the introduction of School Program Implementation Agreement (SPIA).

- Enrollment in TVET institutions should increase by 38 percent without creating new facilities , but optimizing use of space and course reorganization;
- Drop-out rate should be reduced from 9 percent to 3 percent;
- The student: teacher ratio should improve from 9 students for one teacher in 2010 to 12 students to one teacher in 2016, all the new hiring would be contractual teachers and the number of teachers civil servant will not increase.
- An increase of the resources generated by TVET institutions annually from US\$55,000 in 2010 to US\$246,000 in 2016 from which 40 percent should be dedicated to maintenance and amortization of equipment which, in turn, would improve their durability.

18. As a result, the average annual cost per student should drop from US\$852 in 2010 to US\$762 in 2016 while the efficiency and quality of training provided should improve. The methodology that would be implemented with the first set of institutions could be extended to the rest of the TVET system, if satisfactory.

19. In addition the project would train 4,780 youth through short term training programs and apprenticeships at an average unit cost of US\$715 which is substantially lower than the cost per graduates in TVET institutions to be estimated at US\$1,524.

Management of the sector

20. The macro management of the TVET sector would be strengthened in order to achieve two major GPRSP goals, and reflect current Government plans and commitments with development partners:

- Organizing a more demand-driven TVET sectors to optimize its contribution to growth by: (i) stimulating TVET private sector development; (ii) analyzing labor markets in priority sectors and improving the information system to develop more occupationally oriented training programs; (iii) developing apprenticeship and dual training programs; and (iv) encouraging employers' participation in the planning of the sector and the management of TVET institutions; and
- Improving resource allocation to the TVET sector to ensure a more sustainable growth path consistent with the macroeconomic scenario.

21. Simulations were carried out with the planning services of the government to analyze the impact of the project and ensure that its capital and operating budgets are sustainable, in line with the 2010-2020 education and training strategy and the MDG's goals. The progress achieved through the project would support the objectives of the Government's GPRSP in developing human capital and give priority to access and quality improvement at the primary and secondary levels. The technical and vocational training's share of the overall education/training budget should remain at 11 percent until 2017. The key assumptions underpinning this positive scenario are: (i) a modest enrolment growth in the formal public sector and stimulation of private sector provisions; (ii) introduction of measures to control social expenditures, improve internal efficiency and ensure adequate spending for non-salary operating costs; and (iii) the diversification of TVET provisions through the development of more cost-effective apprenticeship and short-term training programs.

Sustainability

22. The project benefits from political support at the highest level, will receive adequate financing from the Ministry of Finance and is within the parameters established by the Government in the MTEF. To that end, the government shares its budget with the Bank at the beginning of each fiscal year to verify resources allocation to the TVET sector. In addition, the SPIA would encourage training institutions to not only run their trainings more efficiently, but also adopt a more business-like approach that would allow them to re-invest part of their revenue into the functioning and upkeep of their training centers.

23. It is also expected that the Government and donors would increasingly participate in the replenishment of training fund (FAP-FTP). Given the harmonized approach between the different donors, it is expected that donors investing in the TVET sector would use the same financial mechanism, hence increasing FAP-FTP's activities and visibility, and allowing the fund to become sustainable. Furthermore, increased financial participation of the private sector can be achieved using the current set-up since employers are already represented in equal numbers with their public sector counterparts on the Selection Committee of the FAP-FTP. The willingness to

increase financial support if the graduates possess skills relevant to the employers' needs has been confirmed by employers who are already contributing to the fund.

Annex 8: Procedures for preparing and approving of “School Program Implementation Agreements” (SPIA)

Summary of main steps to prepare and approve SPIAs

1. The process of preparing SPIAs is spelled out below and is also included in the updated version of INAP-FTP's training fund (FAP-FTP).

Assessment of TVET Institution

2. The first stage in the process of preparing a SPIA is to conduct an assessment of the participating TVET institution with the help of INAP-FTP. The assessment would focus on each institution's material and human resources capacity, its business objectives and area of specialization, target groups and potential beneficiaries, types of activities as well as management capacity. The assessment would be conducted by the school and includes the school directorate, students and teachers. Once a draft assessment has been prepared, the school directorate organizes a meeting and invites its Board of Directors, which includes private sector representatives, to review and validate the assessment.

Mission statement (*Projet d'Ecole*)

3. Once the assessment has been discussed and validated, it is used to prepare the TVET Institution's "Mission Statement" (*Projet d'Ecole*), which is comprised of: (i) the objectives of the "*Projet d'Ecole*" and its related pieces; and (ii) the Costed Action Plan.

Objectives

4. In order to help TVET institutions define the direction into which they want to evolve, each institution is asked to prepare an overall mission objective. It defines the priorities and provides an overview of the "*Projet d'Ecole*" and includes: (i) overall objective; (ii) expected outcomes; (iii) results indicators; (iv) means of verification of identified indicators; and (v) the background scenario of each TVET institution (i.e. location, national budget allocations etc.). Once prepared, the school directorate will organize a review meeting with the same actors who validated the assessment (Board of Directors, students and professors) to review the objectives of the "*Projet d'Ecole*" to ensure cohesion between the assessment and the objective of the "*Projet d'Ecole*" and avoid any disconnects.

Costed Action Plan

5. Once the objectives of the "*Projet d'Ecole*" have been agreed on, the TVET institution moves forward with the preparation of a costed action plan, which will include the different activities needed to achieve the "*Projet d'Ecole*" objectives in chronological order. Each activity will be broken down into individual tasks and linked to a specific objective and expected result. Each task will have a timeframe for execution and a list of investments needed to carry out these tasks (including type of equipment and mode of procurement) and associated costs. The Action

Plan will also define the roles and responsibilities for each entity involved in the execution of the “*Projet d’Ecole*”, include a pedagogical framework and a Monitoring and Results Framework.

Approval process and financing of “School Program Implementation Agreement” (SPIA)

Technical evaluation of SPIAs

6. After having finalized the two sections of the “*Projet d’Ecole*” (Objectives and Costed Action Plan), the TVET Institution would, in collaboration with INAP-FTP and the National Directorate for Technical and Vocation Training, draft a “School Program Implementation Agreement”. The SPIA will be the legal framework between INAP-FTP and the participating TVET institution, spelling out each others’ obligations and commitments. Each SPIA will then be reviewed by a committee composed of: (i) the Directorate for Technical and Vocational Training; (ii) INAP-FTP; and (iii) the Directorate for Private Training.

7. INAP-FTP will be able to verify the technical soundness of the SPIA (and hence the “*Projet d’Ecole*” since that is an integral part of each SPIA), while the Directorate for Technical and Vocation Training would be in charge of reviewing the pedagogical framework and consistency with the National TVET Policy, while the Directorate for Private Training would verify the appropriate link to private sector needs (based on employment data). Together, they would thus ensure that: (i) the SPIA is feasible, matches the skills needs of the private and public sector and is in line with the government’s policy; and (ii) the participating TVET institution has the implementation capacity and infrastructure needed to carry out the “*Projet d’Ecole*”. If the review committee finds the SPIA satisfactory, it will be formally submitted for funding consideration.

Funding consideration and financing of SPIAs

8. The *Fond d’Appui à l’Enseignement Technique et à la Formation Professionnelle* (FAP-FTP) is INAP-FTP’s funding arm through which it does all financial training transaction. FAP-FTP receives financial contributions from both the public and private sector, and Development Partners. INAP-FTP is also the Fund’s Executive Directorate, hence ensuring a strong link between the technical evaluations and financial aspects of each training proposal.

9. FAP-FTP has a Secretariat which is in charge of, amongst other things, organizing the Funds Appropriations Review Meetings, which will be held monthly or as often as is required. SPIAs are submitted to FAP-FTP (through INAP-FTP) for funding consideration and reviewed by the Funds Appropriation Committee, which is composed in equal parts of representatives from the public and private sector. This parity ensures private sector interests are taken into consideration when reviewing training proposals. Since technical aspects of each SPIA were already reviewed prior to funding consideration submission, the Funds Appropriations Committee focuses solely on the financial soundness of each SPIA and relevance to the needs of the private sector. Should the SPIA be judged relevant and financially sound, its associated budget envelope would be approved.

Implementation of SPIAs

10. Once approved, the SPIA will be signed between the participating TVET institution and INAP-FTP. The SPIA becomes a legally binding document that spells out each actor's mandates, roles and responsibilities. INAP-FTP will be in charge of following and supporting the TVET institutions in the implementation of their SPIAs, data collection and Monitoring and Evaluation to measure progress towards achieving the objectives of the "*Projet d'Etablissement*".

Annex 9: Organizational Chart

