PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA829

Project Name	Skills Development for Growth Project (P126049)
Region	AFRICA
Country	Niger
Sector(s)	General information and communications sector (10%), Secondary education (20%), Tertiary education (20%), Vocational training (50%)
Lending Instrument	Specific Investment Loan
Project ID	P126049
Borrower(s)	Government of the Republic of Niger
Implementing Agency	Ministry of Labor and Professional Training
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	14-Mar-2013
Date PID Approved/Disclosed	19-Mar-2013
Estimated Date of Appraisal Completion	07-Mar-2013
Estimated Date of Board Approval	30-Apr-2013
Decision	

I. Project Context

Country Context

Niger is a large landlocked country with a territory of 1.27 million km2, of which three-quarters is desert. It is situated in the West-Central part of the African continent, and located between Mali, Algeria, Libya, Chad, Nigeria, Benin and Burkina Faso. It has a population of about 16 million, with the vast majority (about 90%) concentrated on one-third of the territory, mainly in the southern and western regions of the country. The population density is 12.5 inhabitants per square kilometer and is growing rapidly (3.3% per annum) with almost one-half (47%) under the age of 15. At this current growth rate, the population is estimated to reach about 54 million by 2050. Women make up 50.1% of the total population. According to official projections (National Institute of Statistics (INS), 2010), the number of youth ages 7 to 12 rose from 1.84 million in 2001 to 2.35 million in 2008, and is expected to reach 3.37 million in 2020. In view of this increase of 1.02 million children between 2008 and 2020 (+43% in 12 years) the potential demand for social services in general, including education and the related increasing demand for education inputs will put significant pressure on the Niger educational system in the coming years.

Niger is a poor country with a limited natural and human resource base. It ranks 186th out of 187 countries on the UN Development Programme (UNDP) Human Development Index (HDI), with a Gross Domestic Product (GDP) per capita of US$720 in 2010 in Parity Purchasing Power terms—

making it one of the lowest in the world. The country remains relatively fragile and continues to be affected by several adverse weather conditions and other factors, which represent real obstacles to its development (59.5% of its population lives below the poverty level) which include: (a) adverse weather conditions lead to recurrent drought in the northwestern and western areas where for several years there have been successive famines and an increase in vulnerability. This insecurity is a major hindrance to schooling and learning achievement; (b) instability in countries of the sub-region and in the Sudano-Sahelian strip which affects the border areas (exposure to violent incidents: conflicts and terrorism) and undermines the Government's development efforts. Nonetheless, the exploitation of Niger‘s significant mineral and oil resources could provide important economic opportunities, if well managed.

Macro-economic management remains sound in 2012 but severe external shocks have resulted in unanticipated financing needs. GDP substantially increased over the considered period (from 2007 to 2011), in nominal terms from FCFA 2052 billion to FCFA 3.0 billion in 2010 (an average growth of about 8% per year). However, when this growth is evaluated in real terms (CFA Francs in 2006), the performance is lower, increasing from FCFA 1.97 billion in 2007 to FCFA 2.4 billion in 2011. Based on growth in real terms, the average economic growth rate from 2007 to 2011 would be brought to 4.2% per year. Agriculture and mining sectors' performance remain the main drivers of growth.

At present short term economic development efforts might be threatened by three parallel severe external shocks – the lingering effects of the Libyan crisis, the security crisis in Mali and the European debt crisis. Insecurity in Mali has led to an influx of refugees and might result in increased military expenditures to counter the threat posed by the proliferation of heavy weapons in the sub region, the activities of Islamist movements in the Sahel and potential recurrence of insurgency in the North. In addition, the Libyan and Cote d'Ivoire crises led to significant dwindling of remittances, while the Government had to request the donor community to provide emergency assistance to returnees fleeing insecurity in the two countries. These external shocks are diverting attention and resources from long term development to crisis management.

International Aid finances about 40% of Niger‘s budget. Much of the Government‘s revenues come from trade (especially uranium and beginning in 2012/2013, oil), investment (especially in the mining and petroleum sector), and remittances, albeit gross ly reduced because of the political crisis in Libya which was the main source of remittances. The European Union (EU) and France are among Niger‘s principal donors, providing about 33% of annual development assistance. Current events in the developed world and especially in Europe have significantly dampened the outlook for significant aid increases. Nevertheless, Niger is hoping to mobilize a significant amount of concessional finance to help fund its ambitious development plans, owing to political stabilization and successful transition to an elected Government in 2011.

There are different entry points for Niger to support faster economic development and job creation. About two-thirds of the country's labor force is working in low skill agricultural activities and 80% of the workforce is employed in an informal sector characterized by unproductive, uncertain, and unregulated underemployment. Unemployment is particularly high in urban areas. Niger's economy needs to grow faster and further diversify itself. The first and most obvious entry point to support faster economic development and job creation is its growing mining and oil sector. The mining and oil sectors account for 3% of the GDP and 40% of exports. As a result of recent Foreign Direct Investment (FDI) , oil and mining exports are projected to triple between 2012 and 2016 and to

accelerate GDP growth from less than 4% in 2011 to about 13.4% in 2012. Leveraging the mining and petroleum sectors as points of entry and through forward and backwards linkages could increase both growth and job creation. In particular, significant potential for private sector development, spin-off growth and job creation (with an increase in the number of jobs in mining by a factor of two to ten) exists through local content development and direct procurement of goods and services from local suppliers. For instance, the construction phase of the various planned and in execution projects has the potential to create new jobs, and in fact is already requiring the recruitment of manpower in the construction sector, including semi-skilled workers such as carpenters, woodsmen, masons, electrical fitters, pipefitters, etc. Other jobs, at different skill levels, are typically created in the operation phase.

Second, the non-mineral private sector could also serve as an important engine of growth and job creation for the growing working age population. Agriculture and livestock account for over 40% of GDP and over 70% of the employment. Within those sectors, there are several value chains which have strong economic potential and for which Niger has a proven comparative advantage. They include onions, Arabic gum, the meat and the butchery industry, cowpeas, sesame, souchet, etc. Some efforts would be useful in better exploiting these value chains, for example, by formalizing/ modernizing the sector to increase performance and productivity, increasing the potential for exports and by developing complementary services. There is, for instance, significant potential in the formalization of the butchery industry and the development of a formal private sector in meat production given the large number of small and informal butchers and the abundant availability of livestock. If Niger can reach an agreement with Nigeria to export meat as opposed to live animals and increase its capacity for marketing its products Niger can take advantage of the large Nigerian neighboring market and export processed livestock products like meat and leather to this untapped market.

Third, there is also a growing non-tradable/service sector which holds promise for growth and, significant job creation were it better exploited. The non-tradable/service sector now represents about 45% of GDP and over 20% of the employment (the services sector is the second biggest in terms of employment). Non-tradable sectors with further scope for productivity improvements and the potential to absorb more people include, among others, crafts, construction, information and communication technology (ICT), hospitality and other banking and financial services. Beyond its support to the mining and petroleum sectors, the construction sector has a natural domestic market in private and public civil works, including large infrastructure and housing, with important employment potential.

Importantly, Niger's private sector is small and mostly composed of micro and small enterprises. According to 2011 data, about 70% of Niger's economic activity takes place in the informal sector and almost 9 in 10 jobs is in the informal sector. These facts indicate that any economic strategy for Niger needs to support improvements in productivity in both the formal and informal sector.

Skills are already a constraint. Strengthening and diversifying the economy and creating jobs will require many conditions to be in place or stepped-up, including domestic reforms, improving the investment climate, more regional integration, better infrastructure, better governance, continuous FDI flows, higher security and skilled workforce. While jobs and skills need to grow in parallel and many constraints to job creation exist beyond the availability of relevant skills, there is evidence that lack of skills is already constraining development and job creation and may become increasingly binding if the projected job creation associated with the planned investments in key

growth sectors comes true. The 2010 Diagnostic Trade Integration Study for the Integrated Framework Program report states that "it is difficult to find a sector of the Niger economy—agro-industrial, tourism, or industry— where growth is not hampered by the lack of technical and management skills". In fact, many job vacancies go unfilled forcing companies with the financial means such as international mining conglomerates or large construction firms to import labor either directly or through sub-contractors. The Government of Niger is fully aware of the true extent of this problem both in terms of number of jobs that could be occupied by local labor and the value added that would accrue to the domestic economy as it has to grant authorizations to foreign companies that execute large infrastructure projects, such as the Kandadji dam or the construction of the oil refinery, to import foreign labor at all levels of competencies, starting with construction workers. Investment climate data show most vacancies for semi-skilled and skilled workers to be in the agriculture and livestock, construction and mining sectors. These vacancies which cannot be filled locally co-exist with youth unemployment and/or inactivity (about 25% of youth ages 15 to 25 years is unemployed or inactive) and under-employment highlighting a strong job-skill mismatch.

A strong demand for skills co-exists with shortage of local skills. This is confirmed by the high rate of return on skilled labor (the most recent estimate of the rate of return to an additional year of education was a high 10 percent), with focus on the need for technical workers: upper secondary graduates make for instance about 100% more than people with lower secondary education, and TVET graduates about 144% more than upper secondary graduates. Differences between income earned by TVET and non TVET workers are about the same for self-employed in the non-agriculture sector and even higher for workers employed in the agriculture and livestock sector (about 200% more). These figures are not surprising when we consider that specific technical skills, such as those provided by TVET or higher education, are virtually nonexistent in the agriculture and livestock sector; only 14% of employees working in the mining sector have had any post-primary education (and of the latter group, only 4% have received a technical education or vocational training); and only 19% of employees in the hospitality sector have had a general secondary education (with only 8% with vocational training) . The lack of data makes it impossible to establish a skills profile for the traditional, informal sector. However, it has been shown that about half of informal sector workers lacks the ability to read, an elementary skill for all trades and over 70% of workers in the services, an area that includes crafts, have not even completed a primary school education, while 17% have finished the primary level and only 1% have a vocational education. The needs for skills may become even more significant in view of some future job projections included in sector reports.

Additionally, skills are not only needed to "fill" existing or projected jobs but can also help create new jobs through the development of micro, small and medium enterprises, shown to have strong potential in the Niger context. Potential profitable business endeavors are not undertaken for lack of qualified local labor.

II. Sectoral and Institutional Context

Skill needs are multiple. Employers, in Niger and elsewhere, are looking for employees who have a mix of basic and/or higher order academic skills, core technical skills and foundational skills such as computer literacy, communications, critical thinking, leadership, the ability to work collaboratively, commitment and work ethic. Entrepreneurships skills that translate into business and job creation are also needed. Each sector also requires its own technical skills. The mining sector for instance requires significant qualifications, not only skills specific to extractive activities, but also those

related to jobs in peripheral activities such as the operation and maintenance of storage and transport equipment, planning and management of production flows and stockpiles, and construction skills, etc. Tourism employment requires specific technical skills whose type and level will vary depending on the job. Skill requirements in the informal sector are mostly at the elementary and mid-level but this term should not be misunderstood: although "elementary", such skills are required for workers to meet the best possible quality requirements in production or services, and to integrate new techniques as they develop (new materials, new technologies, etc.) to ensure better productivity. These skills are required across sectors. Employment creation associated with the development of the sectors where Niger has potential comparative advantage is greatly handicapped by shortage of qualified labor force. When asked about the quality of their employees, businesses point out that they lack basic writing and reading skills, the technical skills needed in their sector, as well as practical, communication, leadership and organization skills.

These skill shortages reflect quantitative, relevance and qualitative deficits in education and training, and more broadly skill development, in Niger. The quantitative deficit is acute, with less than 10% of the labor force with a secondary school certificate and only 1 percent with a tertiary education degree. The majority of Niger's predominantly young labor force is illiterate or just has completed some primary education.

Low coverage reflects Niger inability, over the years, to deliver educational services to its rapidly growing population. Remarkable progress, albeit from a low level, was achieved in access to education over the last decade (2001-2010) when the primary GER almost doubled from 35 to 67 percent (29 to 60 percent for girls) in the context of the Millennium Development Goals (MDG) agenda. Equally noteworthy is the more than doubling secondary school enrollments which went from 109,297 students in 2001 to 230,108 students in 2008.But Niger still has the lowest school enrollment rate in Sub-Saharan Africa (SSA), with the exception of Central African Republic, and cycle completion poses a major challenge. The secondary gross enrollment ratio is still one of the lowest in the region at only 13% compared to the SSA average of 36 %. The upper secondary GER is only 4%, compared to 14% for the sub region. In 2008, about 13,000 students were enrolled at the tertiary level (likely to be an under-estimate as private tertiary education institutions under-report enrollment for tax consideration reason), which represents an average annual growth of 7 percent over the past 8 years. However, the number of higher education students per 100,000 inhabitants is very low, only 104, compared to the regional average of 446.

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A combination of supply and demand-constraints can explain this quantitative deficit. On the supply-side, there is notably a lack of secondary level places (in particular, in technical and vocational education and training (TVET) education) and well trained teachers, outdated equipment, and, in general, a quality and relevance gap which makes attendance not attractive. On the demand side, a diagnostic of 15 to 25 year-olds (which represent about 20% of the population) confirms the presence of important attendance constraints related to gender and location. For instance, about 60% of females have never attended school versus about 30% of males and 12% are currently in school versus 22% of males. Or about 56% of youth in rural areas never attended schools versus about 18% in urban areas and there are large gaps (12% versus 35%) in current attendance as well. High rates of female unemployment and inactivity (almost 50%) suggest that cultural factors are more important than economic factors in explaining attendance gaps. On the other hand, high employment and activity ratios in rural areas (about 70%) indicate high opportunity costs to schooling in those areas. (By contrast, less than 50% of youth work in urban areas). Overall, attendance gaps do not appear to be highly correlated with income (with for instance a difference of only about 6 percent

between the poorest and richest quintile in the current attendance rate).

Quality and relevance issues are pervasive at all education and training levels and for all youth groups. Quality gaps at the primary education level are illustrated by very low learning outcomes at that level , which contribute to low access to and learning outcomes at all other levels. The vast majority of out of school youth ages 15 to 25 have at most completed that level (about 70% have primary education or less) drastically limiting their employability. Even those youth who continue in school face significant skills and employability challenges.

At the post-primary education level, beyond persistently low learning outcomes in French and math , a key issue is the lack of diversification and options for post-primary education. Over 90% of secondary level students are enrolled in the general academic secondary stream (college and lycée), with less than 10% in the TVET stream (about 13,500 students enrolled in public and private formal TVET in 2008). The general secondary academic stream does not adequately prepare students for the needs of the labor market as it is too theoretical and disconnected from the workplace. Additionally, only about 29% of students managed to complete the final secondary exam (baccalaureat) in 2010 pointing to huge internal inefficiencies. Tertiary education is also poorly developed, of low quality and does not correspond to labor market demands. In particular, the bulk of enrollments are concentrated in the humanities for which there are no promising employment opportunities for graduates , while technical, scientific and engineering disciplines characterized by under-enrollment. Furthermore, the curriculum at the secondary and tertiary education does not provide students sufficient knowledge of the life of public and private organizations, an understanding of the world of business and entrepreneurship, or sufficient soft skills. As a result, many graduates are unemployed because their skills do not correspond to labor market needs. And, even if they did, the lack of job counseling and placement options further complicates efficient job matching.

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If improved, TVET can be a potentially relevant option to address youth employability in Niger. TVET graduates earn significantly more than their upper secondary counterparts. They are also less likely to be unemployed (with an unemployment rate of less than 10% versus over 15% for upper secondary education graduates).

However, current TVET institutions also suffer from many issues. The TVET system currently covers about 20,000 students distributed between formal public and private institutions (about 13,500 students enrolled in about 30 public institutions and 80 private institutions) and informal programs (about 7,000 students). The formal system offers CAP (vocational training certificate), BEP (technician certificate) and Bac Professionnel or Technique (advanced technician certificate) degrees largely focused on fields such as mechanics, carpentry, electricity, automobile mechanics, computer maintenance, agriculture and livestock, and various industrial and service specialties. Private institutions tend to have offerings oriented toward the service sector (accounting, secretarial work, sewing, commerce, social work , youth counseling, culture, communications, computers, etc.). The formal technical and professional education system is characterized by outdated professional streams, curricula and teaching methods, over-crowded workshops , weak system of governance and inadequate funding. The current system is characterized by courses which are very long in duration and which emphasize theoretical knowledge and provide limited exposure to the world of work (internships tend to be few and often short in duration; workshops are insufficient). Importantly, it still often focuses on a specific skill or job (e.g., carpentry) without a broader picture of the jobs and skills required in an overall sector. There are no training programs offered to cover

cross-cutting skills needed for the development of sectors, such as transportation, logistics and information technology. Finally, and this is possibly the most important constraint, there is an absence of qualified instructors. Technical and professional schools lack qualified instructors not only in fields such as ICT where scientific and technical advances are rapid and new occupational streams are emerg ing, but also in mature disciplines such as construction, mechanics and electricity. Instructors are often out of touch with developments in their professional disciplines due to the absence of an organized system to keep their skills and knowledge current. The Government has not had a staff development program for years.

As a result of low teacher qualifications and lack of equipment TVET tracks do not prepare well for the emerging Niger's sectors. An indication of this is the fact that a majority of TVET graduates are currently employed in the public sector, commerce and other services (over 60%) while needs are so acute in other sub-sectors. Together with a traditional bias against TVET and lack of places (with less than 150 students on average, most institutions are small) this explains why there is under-enrollment in TVET schools which results in important cost inefficiencies (high unit costs).

TVET schools are also poorly funded and managed. With respect to funding, in 2010, public expenditure on primary education accounted for about 60% of total public expenditure on education, secondary education accounted for about 25% (with less than 2% of the budget going to TVET), tertiary education for 12%, and non-formal education accounted for the remaining 3%. While this is justifiable given the many challenges faced in basic education, this prioritization of primary education creates imbalances in the overall development of the sector. Financing for skill development is also largely supply-oriented (financing of institutions and programs) and traditional (historic costs) rather than being demand-driven and/or results-oriented. Additionally, formal secondary and tertiary technical institutions are managed in a fairly rigid way by the Ministry of Employment and Professional Training and Ministry of Secondary and Tertiary Education, with very limited autonomy to adapt their curricula and programs to new labor market needs nor are those institutions capable of or incentivized to develop partnerships with the private sector.

Formal education and training needs to be complemented by shorter-term informal training. About 80% of the 15 to 25 years old are currently out of school with only about a third with more than primary education. Uneducated youth are either unemployed (about 20%) or employed in low productivity jobs in the informal sector. At the same time, skill needs are already pressing. In the short to medium term, beyond tackling quality and relevance issues in the formal education and training sector to improve graduate employability and gradually provide the skills needed for its emerging sectors, Niger must also improve the employability and productivity of its current stock of out of school youth, and find rapid ways in general to satisfy the needs of the emerging formal and informal sector. Niger will therefore need to adopt a two-pronged strategy, which will need to include a strong emphasis on informal skill development to address the needs of mostly uneducated youth, while ensuring higher speed of delivery. To date, informal education offers few attractive options to out-of-school youth who either would like to get some basic core and technical skills or complement their existing skill set. The supply of non-formal education in Niger is mainly in the form of literacy centers concentrated predominantly in rural areas where over 80 percent of all existing centers are found. They are supplemented by a number of small-scale initiatives whose reach is limited because of their quasi-experimental nature. Apprenticeships programs are generally considered one of the few available skill development options for informal sector employees or out of school youth with very limited education level. They have been shown to increase productivity in the informal sector. Certainly they are most appropriate to the situation of Niger where the majority

of enterprises operate in the informal sector or consist of small size formal sector organizations and a majority of youth is out of school with very limited skills. Apprenticeship programs developed currently in the private sector are however very heterogeneous in terms of quality and limited in number and impact. To address these issues FAFPCA, with the support of the European Union, introduced in 2007 a quality assurance framework for apprenticeships and a new dual apprenticeship program (combining formal training to confer cognitive and technical skills (1/3 of the time) and apprenticeship (accounting for 2/3 of the time)) which has shown promising results but is still limited in scale. Investing in informal short term skill development and apprenticeship programs is a must for Niger at this stage of its development.

Household demand-side pressures on secondary education and skill development are expected to grow substantially in the next few years, due to the continuously growing population and further expected improvements in primary enrolment and completion. At the same time, labor market demand will continue to grow for new occupations and skillsets. Both of these issues need to be addressed. The Government's priority is to develop training programs (formal and non-formal) that equip the predominantly young Nigeriens, both in school and out of school, with the necessary skills to address labor market needs and improve their employability. The proposed project aims to support the Government in achieving this important objective.

Knowledge base. The Government prepared a Country Education Status Report (CSR) in 2010, with financial support from IDA. The findings of the CSR have been instrumental in the formulation of a new national education sector plan that is being prepared. As to better inform policy in the post-basic education sub-sector, a more detailed study "Improving Education and Developing Skills for Economic Growth in Niger, July 2010" was also undertaken with World Bank support.

Government Strategy

The Government's economic development and diversification strategy revolves largely around the better integration of the mining and petroleum sectors with the rest of the economy through forward and backward linkages and creation of employment during the investment and operational phases of these (including predominantly private sector-led civil works operations as well as large infrastructure operations, whose execution relies currently on the importation of foreign labor), and creating incentives for the private sector to enter into the development of economic niches where Niger has comparative advantage. Constraints to implement this agenda are multiple. Besides actions designed to improve the business climate, the Government has planned investments in infrastructure and education/training to make the relevant skills available. Thus, skills development constitutes one of the pillars of the Government's economic development and diversification strategy.

In his inauguration speech, President Issoufou Mahamadou highlighted the importance of investment in access to education and made the commitment to dedicate 25 percent of the government budget to education for the next five years and to expand access to post-basic education. In higher education, the Government pledged to raise enrollment from 13,000 students in 2010 to 50,000 by 2015. While these enrollments cannot be achieved within the timeframe set by the President because of the time it will take for the secondary school system to quadruple the number of baccalaureates it graduates each year, and the time it will take to build the physical infrastructure and train a sufficient number of qualified instructors for this level of enrollments, these ambitions have compelled the Ministry of Education, the Ministry of Technical and Vocational Education and Training, and the Ministry of Secondary and Higher Education to engage in the preparation of a

new, comprehensive education sector plan for the 2012-2020 as a follow up to the 10-year Education Sector Development Program (PDDE) 2003-2013. In contrast to the PDDE, the new sector plan does not only include basic education (pre-school, primary and non-formal education) but also all levels of post-basic education (secondary, TVET/skills development and higher education). The International Development Association (IDA), as part of the local education group, led by the UN Children's Fund (UNICEF), has been supporting this process.

The Government has launched or is planning to launch several major reforms in the various education sub-sectors, notably: (i) the extension of primary education from 6 to 9 years, which will have an impact on the way the secondary education system is structured as lower secondary will become part of basic education; (ii) the introduction of alternative lower secondary schools in remote rural areas, collèges ruraux; (iii) reforms of the teacher management system in primary and secondary; and (iv) the introduction of a competency-based curriculum and teaching methodology in secondary schools.

In professional and technical education, the Government has adopted in 2006 a Sector Strategy for Technical and Vocational Education and Training whose key elements revolve around: increasing the number of students enrolled in technical and professional streams through the creation of new technical/professional schools; providing incentives for the private sector to play a greater role, particularly in urban areas, in meeting the demand for training; organizing the apprenticeship system for various categories of skills levels and competencies; and working collaboratively with the private sector to better meet its demand. More recently, the new Labor Code (approved in September 2012) provides further clarity on the governance framework for skills development in the country.

A regrouping of TVET responsibilities under the MFPE was very recently implemented. Until this recent realignment, responsibilities for TVET were scattered between several ministries, with a great number of professional schools being under the tutelage of ministries other than the MFPE. The argument in favor of consolidating TVET under a single ministry was made in the various studies prepared in conjunction with the formulation of a TVET strategy adopted by the government in 2008 . It remains to be seen whether the realignment will result in better policy implementation and TVET performance as there have been many regroupings and break-ups of ministries in the past that left the situation substantially unchanged. As a matter of fact, the same type of problems were found in regrouped and divided ministries: top heavy administration in Niamey which absorbed the bulk of the budget, understaffed, under-enrolled, under-supported professional schools, a Niamey administration preoccupied with managing the procedures and enforcing compliance with formal rules and little concern for fulfilling the missions of TVET, updating the curriculum and solving the many problems that affect the sector.

Then as now, there is no decentralization of responsibilities in spite of the 2002 law that on paper would devolve more management and decision-making authority to regional and municipal entities. Resources (human and financial) are still in the hands of the Ministry in Niamey, training centers have no autonomy to make any consequential decisions. Yet the Ministry that does not relinquish its authority has no effective controls in fact on training centers for whom it has not defined a mandate and indicators against which their performance is to be judged and the allocation of resources determined consequently. There is thus no coherent development plan of TVET at the regional level. Decentralized units of the ministry are under-staffed while there are underemployed staff in the Ministry in Niamey. A good percentage of this staff is composed of teachers who were promoted

to administrative responsibilities but were not replaced. Lack of autonomy by training centers translates into the absence of adaptability of TVET to anticipate and develop training programs that correspond to the demand of the labor market. There are no incentives for the TVET system to adapt to the demand for skills.

The allocation of financial resources is skewed in favor of the administrative staff. According to the findings of an audit diagnostic of the Ministry of Employment and Professional Education financed under the LuxDev project there are overlaps of responsibilities between the various departments of the Ministry which has, in addition to the Secretary General, several general directorates, department directors and a corresponding number of deputies. There is also significant frustration of regional offices that are under-staffed, under-funded and not supported by the Ministry. The audit also found most importantly an across the board gap in the number of qualified teaching staff for all training centers. Many centers also have obsolete curriculum and equipment, staff untrained and quantitatively insufficient, and some schools, particularly those outside Niamey, are under-enrolled and alarmingly under-staffed. Additionally, regional antennae and training schools are not knowledgeable about the government TVET strategy and ongoing donor financed projects which have a funding allocation to finance rehabilitation/extension, equipment and pedagogical inputs. The Ministry has no strong staff to undertake development policy, much of the planned activities, including those related to policy formulation, are initiated by donors.

While the capacity of the Ministry of Employment and Professional Training is still limited, the ministry as well as the organizations involved in the provision of the various forms of training and apprenticeship, such as FAFPCA, are however already slowly being reinforced, and donor collaboration in the sector is getting organized. The new Law on Technical and Professional Training currently under preparation (Loi Cadre sur la Formation Technique et Professionnelle), if well crafted, also has the potential to address some of the key issues of the sector Both LuxDev and the ADB financed projects have capacity building, institutional development and policy formulation components that should address the main weaknesses that have been identified, and recommendations to address them are articulated in the institutional audit study. The proposed project will provide complementary further strengthening.

III. Project Development Objectives

The project development objective is to improve the effectiveness of formal technical and vocational training, short term skills development and apprenticeship programs in priority sectors.

IV. Project Description

Component Name

Improving the Effectiveness of Formal Training
Strengthening Short Term Skills Development and Apprenticeships Programs
Institutional Capacity Strengthening and Monitoring and Evaluation

V. Financing *(in USD Million)*

For Loans/Credits/Others	Amount
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	30.00
Total	30.00

VI. Implementation

In line with the recommendation of the 2012 institutional audit study of the MFPE , the project will be embedded within existing country systems and government structures but providing significant strengthening of these structures. The major findings of the study are that: (i) regrouping of responsibilities under one umbrella did not, in and of itself, translate in increased performance as there is total disconnect between MFPE work program as reflected in the budget and what the staff of the ministry does in actual everyday life and the TVET strategy under which a number of projects and activities are planned. These predominantly donor financed projects have been so far undertaken and managed outside the Ministry on the grounds that the Ministry has weak capacity; (ii) decentralization is not effective. Central departments of the ministry and structures located in Niamey are overstaffed while decentralized units in the regions are under-staffed; and (iii) planning and management tools including the collection of data, monitoring and evaluation are weak or non-existent.

The report indicates that the most effective way to strengthen MFPE capabilities is by entrusting it with the responsibility of implementing projects so that the annual work program reflects TVET strategy. It is through this mechanism that the Ministry capabilities, in particular, the planning, project implementation and monitoring capabilities will be effectively strengthened. The implementation of the proposed skills development project by the MFPE derives from this recommendation.

Therefore, the MFPE will be the Implementing Agency and will be responsible for providing project oversight. The project will be managed within the institutional set-up of the MFPE. The MFPE will establish a PCU which will be staffed through a deployment of existing expertise in the Ministry supported by an additional team of consultants. The PCU will include a Project Director, Deputy Project Director, Procurement Specialist, Financial Management (FM) Specialist, an M&E Officer, Secretary and Driver, and a team of short and long-term consultants specializing in project implementation (including project management, financial management, procurement, civil engineering, environmental and social management, and M&E). Beyond managing Component 1, through its TVET Directorate (sub component 1.1) or through ANPE (for sub-component 1.2), the PCU will be providing regular support to all co-executing/implementing agencies, training institutes and industry associations. The project will have a Steering Committee with responsibility for providing strategic guidance and direction to the project. The Steering Committee will meet quarterly and comprise representatives from (i) the Ministry of Finance and Economy, Ministry of Planning; (2) the MFPE; (3) the Ministry of Population, Gender and Children Protection, (4) Ministry of Tourism, etc…The Committee will also include a representative from each Civil Society and the National Chamber of Commerce.

The execution of the various project sub-components will be carried out by the following entities:

(i) The Direction Générale de la Formation Professionnelle (DGFP), supported by the PCU, for component 1. Setting up demand-driven TVET. Will also participate in the execution of this component the Ministry of Secondary and Tertiary Education in relation to the management of tertiary institutions (under the oversight and fiduciary responsibility of the MFPE) and ANPE (also under the strict oversight and fiduciary responsibility of the MFPE) for the implementation of the sub-component 1.2 Improving School to Work Transition. As national employment agency, now formally under MFPE, ANPE is the best positioned agency to support improved matching between supply and demand on the labor market. Its limited human resources and organizational capabilities have so far limited its ability to fulfill its mandate but the project will include substantial

institutional strengthening to help this agency fulfill its responsibilities.

(ii) FAFPCA will be the lead for the implementation of sub-components 2.1 and 2.2 Increasing apprenticeship and short-term on-demand skill development, which will be executed in partnership with FNAN and training providers called upon to deliver the on-demand training. FAFPCA is a decentralized body with eight regional offices and has already been partially strengthened through the EU pilot project supporting apprenticeships.

(iii) The CCIA (under the oversight and fiduciary responsibility of the MFPE) for the implementation of sub-component 2.3 Promotion of Entrepreneurship. The CCIA, in particular through the CNPG, its ad-hoc education center which runs entrepreneurship courses, has shown to have the capacity, with some additional strengthening, to run this sub-component.

VII. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	×	
Natural Habitats OP/BP 4.04		×
Forests OP/BP 4.36		×
Pest Management OP 4.09		×
Physical Cultural Resources OP/BP 4.11		×
Indigenous Peoples OP/BP 4.10		×
Involuntary Resettlement OP/BP 4.12		×
Safety of Dams OP/BP 4.37		×
Projects on International Waterways OP/BP 7.50		×
Projects in Disputed Areas OP/BP 7.60		×

VIII. Contact point

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