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Report No: PAD972

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT
IN THE AMOUNT OF SDR 7.4 MILLION
(US$11.3 MILLION EQUIVALENT)

TO THE

ISLAMIC REPUBLIC OF MAURITANIA

FOR THE

SKILLS DEVELOPMENT SUPPORT PROJECT

APRIL 7, 2014

Education – Central and West Africa
Mauritania
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 28, 2014)

Currency Unit	=	Ouguiya (MRO)
US$1	=	300 MRO
SDR	=	US$1.5474

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
AFD	*Agence Française de développement* (French Development Agency)
CAS	Country Assistance Strategy
CSR	Country Status Report
DA	Designated Account
DP	Development Partner
DPEF	*Département des Projets Education et Formation* (Department for Training and Education Projects)
FAAF	*Fonds d'Appui aux Actions de Formation*
FAP-FTP	*Fonds Autonome de Promotion de la Formation Technique et Professionnelle* (Technical and Vocational Education Training Fund)
FM	Financial Management
GDP	Gross Domestic Product
GOM	Government of Mauritania
GPRSP	Growth and Poverty Reduction Strategy Paper
HDI	Human Development Index
HR	Human Resources
IDA	International Development Association
IDB	Islamic Development Bank
IFR	Interim Financial Report
INAP-FTP	*Institut National de Promotion de la Formation Technique et Professionnelle* (National Institute for the Promotion of Vocational and Technical Training)
M&E	Monitoring and Evaluation
MAED	Ministry of Development and Economic Affairs
MCM	Mauritanian Copper Mines
MEFPTIC	Ministry of Employment, Vocational Training and Technologies of Information and Communications *(Ministère de l'Emploi, de la Formation Professionnelle et des Technologies d'Information et de Communication) successor of MDEFPNT*
MDG	Millennium Development Goal

MOU	Memorandum of Understanding
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
ORAF	Operational Risk Assessment Framework
PBC	Performance-Based Contract
PNDSE	Education Sector Development Plan *(Projet National du Développement du Système Educatif*)
PPP	Public Private Partnership
PRECASP	Public Sector Capacity Building Project
RF	Results Framework
SIL	Specific Investment Lending
SNIM	*Société Nationale Industrielle et Minière de Mauritanie*
SSA	Sub-Saharan Africa
TA	Technical Assistance
TSF	Training Support Fund
TTL	Task Team Leader
TVET	Technical and Vocational Education Training
UNDP	United Nations Development Program

Vice President:	Makhtar Diop
Country Director:	Vera Songwe
Country Manager:	Moctar Thiam
Sector Manager:	Peter N. Materu
Task Team Leader:	Geraldo Joao Martins

MAURITANIA
SKILLS DEVELOPMENT SUPPORT PROJECT
CONTENTS

ADDITIONAL FINANCING DATA SHEET

Mauritania

MR-Skills Development Support Project-AF (P144575)

AFRICA

AFTEW

Basic Information – Parent			
Parent Project ID:	P118974	Original EA Category:	C - Not Required
Current Closing Date:	30-Jun-2016		

Basic Information – Additional Financing (AF)			
Project ID:	P144575	Additional Financing Type (from AUS):	Scale Up
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment
Country Director:	Vera Songwe	Expected Effectiveness Date:	30-Jul-2014
Sector Director:	Tawhid Nawaz	Expected Closing Date:	30-Jun-2016
Sector Manager:	Peter Nicolas Materu	Report No:	PAD972
Team Leader:	Geraldo Joao Martins		

Borrower

Organization Name	Contact	Title	Telephone	Email
Ministere des Affaires Economique	M. Sidi Ould Tah	Minister	222 25 88 76	

Project Financing Data – Parent (Skills Development Support Project-P118974)

Key Dates

Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P118974	IDA-49210	Effective	26-Apr-2011	13-Jun-2011	12-Sep-2011	30-Apr-2016	30-Jun-2016

Disbursements

Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P118974	IDA-49210	Effective	XDR	10.20	10.20	0.00	1.38	8.82	13.55

Project Financing Data – Additional Financing MR-Skills Development Support Project-AF (P144575)					
[ ]	Loan	[ ]	Grant	[X]	IDA Grant
[ ]	Credit	[ ]	Guarantee	[]	Other

Total Project Cost:	US$ 12.10	Total Bank Financing:	11.30
Financing Gap:	0.00		

Financing Source – Additional Financing (AF) (US$)	**Amount**
Borrower	0.80
IDA recommitted as a grant	11.30
Financing Gap	0.00
Total	12.10

Policy Waivers	
Does the project depart from the CAS in content or in other significant respects?	No
Explanation	
Does the project require any policy waiver(s)?	No
Explanation	

Team Composition

Bank Staff

Name	**Title**	**Specialization**	**Unit**
Laura S. McDonald	E T Consultant	E T Consultant	AFTEW
Fatima Cherif	Program Assistant	Program Assistant	AFMMR
Tshela Rose-Claire Pakabomba	Program Assistant	Program Assistant	AFTEW
Raja Bentaouet Kattan	Sector Leader	Sector Leader	AFTHD
Geraldo Joao Martins	Senior Education Specialist	Team Lead	AFTEW
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Fatou Fall Samba	Financial Management Analyst	Financial Management Analyst	AFTMW
Souleymane Zerbo	School Construction Specialist	Consultant	AFTEW
Helene Bertaud	Senior Counsel	Lawyer	LEGAM

Wolfgang Chadab	Senior Finance Officer	Finance	CTRLA
Mohamed El Hafedh Hendah	Procurement Specialist	Procurement	AFTPW

Non Bank Staff

Name	Title	Office Phone	City

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Mauritania	District de Nouakchott	District de Nouakchott		X	

Institutional Data

Parent (Skills Development Support Project-P118974)

Sector Board

Education

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Vocational training	75		
Public Administration, Law, and Justice	Public administration-Education	25		
Total		100		

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Human development	Education for the knowledge economy	88
Social dev/gender/inclusion	Gender	6
Social dev/gender/inclusion	Other social development	6
Total		100

Additional Financing MR-Skills Development Support Project-AF (P144575)				
Sector Board				
Education				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Vocational training	100		
Total		100		
☒I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Human development	Education for the knowledge economy	100
Total		100

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors for an Additional Financing (AF) Grant of SDR 7.4 million (US$11.3 million equivalent) to the Islamic Republic of Mauritania for the Skills Development Support Project.

2. The Government of Mauritania (GoM) has placed skills development at the center of its development agenda. As the country is gradually unleashing its growth potential and seeks to improve the competitiveness of its economy, there is a pressing need to address shortage of skills by developing a technical and vocational education training (TVET) aligned with the needs of the labor market.[1] The Bank, along with other development partners (DPs), is supporting this agenda through the ongoing Skills Development Support Project (P118974) which became effective in March 2012, focusing on quality, efficiency and governance improvements of public training centers. The proposed AF is expected to reinforce that support and to scale up the development effectiveness of the project.

3. More specifically, the AF would help finance the costs associated with: (i) rehabilitation, moderate expansion and equipment of four TVET centers (22 percent of public TVET centers under the Ministry of Employment, Vocational Training and Technologies of Information and Communication (*Ministère de l'Emploi, de la Formation Professionnelle et des Technologies d'Information et de la Communication* – MEFPTIC)); (ii) scaling up of performance-based contracts (PBCs) with public TVET centers from 8 to 14 centers; (iii) scaling up of apprenticeship programs from 4,780 to 6,500 beneficiaries; (iv) scaling up of the number of students graduating from TVET institutions supported by the project from 5,161 to 9,411; and (v) implementation of a broad plan for human resources (HR) development in the TVET sector. The Original Project and the AF together support the Government in achieving a key objective of its TVET Strategic Plan (2010-2020) – to modernize the management of training institutes and to improve the quality of TVET programs.

4. The Original Project is relatively young, its implementation performance is rated Moderately Satisfactory and it has disbursed about 14 percent.[2] The project had a slow start as it focused on setting up the systems, processes and procedures, including the institutional and technical arrangements for PBCs and the specific technical definition of equipment for TVET centers. Now that all systems are in place, the disbursement rate is expected to increase quickly. As of March 2014, 25 percent of resources were already committed (with contracts signed) and by the end of the calendar year 2014, disbursement is expected to reach 40 percent. Table 1 below shows the projected disbursement by the end of the calendar year 2014. There are no changes in the project development objectives (PDO) and in the implementation arrangements. This AF entails the following changes: (i) changes in the results framework; and (ii) addition of activities to

[1] Traditional vocational training courses comprise (i) training provided in TVET centers for a duration varying from one to three years and leading to the provision of TVET certificates; and (ii) short term or apprenticeship programs offered simultaneously by TVET centers and companies, where the apprentice spends half of the training time in the TVET center and the other half in the company. These apprenticeships cover a variety of areas and their length varies between 3 to 6 months.

[2] Part of the explanation for the low disbursement is the non-utilization of the project preparation fund (PPF) as planned to develop preparatory work that would speed up project commencement, particularly technical specifications of equipment and identifying technical assistance (TA) for TVET centers.

project components (which remain unchanged). The sources of the AF are recommitted International Development Association (IDA) funds cancelled from the Higher Education Project (P087180; Credit 39700) closed in 2013, from the Multi-sector HIV/AIDS Control Project (P078368; Grant H570) closed in 2012; and from the Public Sector Capacity Building Project (PRECASP) (P082888; Credit 42180), which closed on March 29, 2014.

Table 1: Disbursement Projection of the Original Project by December 2014

	April 2014	**June 2014**	**August 2014**	**December 2014**
Amount disbursed/to be disbursed (US$)	1.9	3.0	1.0	0.7
Activities (Procurement Plan)	PBCs, short term programs, 6 TA activities	Equipment for TVET centers	Additional equipment for TVET centers and Ministry	PBCs and short term training
Status	Completed	Contracts signed, delivery expected end April 2014	List of equipment is being established	Activities underway
Total Disbursement (US$)	1.9	4.9	5.9	6.6
Disbursement (%)	**12.0**	**30.0**	**36.8**	**41.2**

5. **Implementation and partnership arrangements.** The implementation and partnership arrangements for the AF will remain the same as for the Original Project as noted above. The AF will be under the auspices of the MEFPTIC which is responsible for overall policy formulation, implementation and oversight of the sector. The fiduciary aspects of the Project will be handled by the Department for Education and Training Projects (*Direction des Projets Education et Formation* – DPEF) under the Ministry of Development and Economic Affairs. For the implementation of the PBCs, as for the Original Project, DPEF will enter into a Subsidiary Agreement with the National Institute for the Promotion of Vocational and Technical Training (*Institut National de Promotion de la Formation Technique et Professionnelle* – INAP-FTP), which receives the funds through the Training Support Fund (TSF) and signs PBCs with TVET centers and transfers the funds to them accordingly.

6. DPEF is responsible for procurement and financial management (FM) of all education and training projects in Mauritania, regardless of the source of financing. It has extensive experience in the use of the Bank systems and procedures. As such, it will coordinate fiduciary implementation of the Project under the technical oversight of the MEFPTIC. The latter, in addition to its responsibility for coordinating the overall implementation of the project, will be specifically responsible for implementing the civil works activities and the HR development plan. INAP-FTP will be responsible for ensuring the approval, signing and monitoring of implementation of the PBCs in the selected TVET institutions and for supervising the implementation of apprenticeship and short-term training programs particularly for out-of-school youth.

7. The private sector plays an increasingly important role in the governance structure of the TVET sector in Mauritania, and the Project has been instrumental in reinforcing the private sector linkages with public TVET institutions. First, the Board of TVET institutions includes representatives of the private sector, who fully participate in decision-making in key areas such as the selection of areas of training, the content of training, and the preparation and validation of projects that will benefit from PBCs. Second, private sector representatives also sit on the Board of the Training Support Fund (TSF), and participate in the selection and approval of projects to be funded under PBCs. Third, the short-term training programs are conducted in partnership between TVET centers and private companies. Half of the training is conducted in the TVET center and the other half in the companies.

II. Background and Rationale for the Additional Financing

8. Mauritania is one of the countries in Sub-Saharan Africa (SSA) which is experiencing notable economic growth. It is mostly a desert country with a population of about 3.5 million and economic growth has been robust in recent years. Overall gross domestic product (GDP) growth averaged 4.1 percent in 2010-11, and reached 6.9 percent by the end of 2012. GDP per capita in 2012 was estimated at US$1,160, making Mauritania a lower-middle-income country. The main growth sectors have been construction, services, and agriculture (which rebounded in 2010 and 2012) – all supported indirectly by mining exports, which stagnated in terms of volume but boomed in terms of value due to rising prices for iron, ore and gold.

9. Despite this growth, unemployment, broadly defined, affects an estimated 10 percent of the population and almost 17 percent in urban areas. However, there is also a significant number of people who are under-employed or are no longer looking for work. One-third of youth (ages 15-34 years old) are inactive; neither working nor enrolled in school. Capital-intensive mining projects are unable to absorb this rapidly growing and low-skilled population. The informal economy and low value-added activities have contributed significantly to job creation in recent years, and account for 85 percent of the total labor force. However, the construction, transport, and trade sectors, while expected to absorb a portion of the unemployed workforce, remain poorly organized and marked by high seasonality.

10. Poverty still affects a major part of Mauritania's population, particularly in rural areas. According to the most recent poverty assessment (2008 household data), poverty remained at about 46.5 percent between 2000 and 2004 before declining to 42 percent in 2008. Extreme poverty, as measured at the US$1.25 per day line, was estimated at 23 percent in 2008.

11. Mauritania's ranking on the United Nations Development Program (UNDP) Human Development Index (HDI) has improved in recent years (with a score of 0.42 in 2007 and 0.45 in 2011; which is slightly lower than the average of 0.46 for SSA), and it now ranks 159 out of 187 countries. The Millennium Development Goals (MDGs) of universal primary education and gender equality in primary education appear achievable in light of the significant progress already realized in school enrollment. The gross primary enrollment rate has reached 100 percent, gender balance has been attained in primary and secondary schools, and the primary completion rate stands at 73 percent and has been improving.

12. Weak human resource capacity is a pervasive and cross-cutting issue and the shortage of skilled workers is a key constraint for economic development. Inadequate education of the workforce is the third most important constraint to firms in Mauritania (World Economic Forum, 2012). Many workers have limited or no education and very few firms provide formal training for their employees. Training in the public sector is still sporadic and does not provide the skills needed to modernize the administration and support accelerated growth. As Mauritania improves its private sector growth potential, there is a need to align vocational and professional training of youth and rural migrants with the needs of the labor market.

13. The GoM effort to expand supply and improve the quality of programs has combined an emphasis on both investment and reforms. There are currently 23 public TVET centers, 18 of which are under the oversight of the MEFPTIC. Also, the private sector actively participates in the provision of TVET. Over 30 private TVET centers offer a range of vocational courses, and enrollments in those centers represented 15 percent of total enrollment in TVET in 2012. The Government objective is to increase the share of enrollment in private institutions up to 25 percent by 2017. For this purpose, the legal and regulatory framework for private sector participation is being updated and a program of training of trainers will be launched. The Original Project is the source of financing of both activities. By the same token, a few large private sector mining companies have entered Public Private Partnerships (PPP) to build and run vocational training schools. The SNIM (*Société Nationale Industrielle et Minière de Mauritanie*) which is the largest mining company with public and private stakeholders, financed the construction and equipment of a TVET school in Zouerat (750km North of Nouakchott). The school opened its doors in 2010 and currently enrolls about 300 students in the areas of electrical engineering, mechanical engineering and welding. The mining school is another example of a PPP, with the Government teaming up with three mining companies (*Société Nationale Industrielle et Minière de Mauritanie* (NIM), Tasiast and Mauritanian Copper Mines (MCM)) to finance and launch the school in 2011.

14. The supply of graduates is clearly below the demand as shown by recent sector studies. In 2012, only 1,838 students graduated from TVET. There is an under supply of qualified workforce in a number of sectors including tourism, construction and the informal sector. Apprenticeship programs are not sufficient to cover the estimated 350,000 out-of-school and unemployed youth seeking employment.

15. Sector studies also show that quality of training is poor and not highly valued by employers. The main factors affecting training quality include: infrastructure and equipment quality, HR, outdated programs, poor governance of TVET centers and lack of strong linkages between training and employment[3]. The 50 percent unemployment rate among TVET graduates suggests a mismatch between training programs and the expectations of employers.

16. The PDOs of the Original Project are to improve the quality and efficiency of training institutions and to create an enabling environment for a more market-driven technical and vocational education training system. The parent project became effective in September 2011 and

[3] Eight employment studies in the sectors of agriculture, industry and mining, tourism, civil works, mechanics, leather work, administration and management, and cold chain industry were recently carried out. In addition, studies on the apprenticeship organization framework and another on jobs classification and contents were also conducted.

the Closing Date is June 30, 2016. It has two components: (i) strengthening and diversifying technical and vocation training; and (ii) improving the institutional environment of technical and vocational training. The first component supports interventions aimed at: (i) improving the quality and efficiency of training through the provision of equipment and contract programs with technical and vocational training; and (ii) increasing the number of apprenticeship programs through provision of equipment, technical assistance (TA) and grants for the implementation of such programs. The second component supports interventions aimed at: (i) improving the institutional environment of vocational training through capacity development of the MEFPTIC and INAP-FTP, mainly through training, TA and studies, and (ii) the setting up of a legal and regulatory framework, a management system and the development of an HR development plan.

17. The project is rated Moderately Satisfactory for achievement of PDOs and implementation progress (IP). As of April 4, 2014, the disbursement rate of the Original Project stood at about 14 percent. However, the disbursement rate is expected to increase steadily as the procurement of equipment (estimated cost US$3 million) is expected to be completed by end April 2014. Under Component 1, eight TVET centers have signed and are implementing PBCs, already achieving the Project target. In addition, 1,500 out-of-school youth completed apprenticeship programs out of the 4,780 target. Contracts for the purchase of equipment for eight TVET centers have been signed and delivery of equipment is expected in April 2014. Under Component 2, five key consultancies/TA activities are underway. They include the assessment of the competency needs of staff in the sector; the development of a regulatory framework for certification of competencies; the update of the legal and procedural framework of TVET; and the development of a communications strategy. The findings of the assessment of the competency needs of the staff in the sector will help define the nature and scope of TA needed for training centers, INAP-FTP and the MEFPTIC. Table 2 provides an overview of the status of the activities in the procurement plan for the original project.

Table 2: Status of Key Activities in the Procurement Plan 2013-2014

Activity	Source	Amount (US$)	Status
Component 1. Strengthening and diversifying TVET			
Equipment for selected TVET institutions	IDA	4,000,000	US$3.0 million contracts already signed and equipment to be delivered by early April. The remaining US$1.0 million will be committed in June after identifying additional needs for TVET centers
Performance Based Contracts (PBC)	IDA	1,781,900	Eight PBCs signed for a total amount of 1,781,900 and implementation is underway
Implementation of apprenticeship programs	IDA	3,622,500	13 contracts signed and completed or under implementation totaling 1,500 youth
Component 2. Improving the institutional environment of TVET			
Development of the legal framework for the development of competencies	IDA	375,000	Convention under execution by INAP-FTP
Update of the legal and procedural framework of TVET	IDA	200,000	Contract for consultancy work signed
Development and implementation of a communication strategy for TVET)	IDA	100,000	Not yet started
Assessment of status of infrastructure of TVET centers	IDA	50,000	Completed
Purchase of equipment for the Ministry and INAP-FTP	IDA	780,000	Not yet started
Assessment of HR needs and development of HR development Plan for TVET	IDA	70,000	Underway. Reports to be submitted early March 2014
Implementation of HR Development Plan for TVET	IDA	515,000	Waiting for HR Development Plan
Development of 4 training programs for the school of agriculture of Kaedi	IDA	125,000	Contract signed; underway

18. **Rationale for the proposed AF**. The AF will finance activities to maximize the development effectiveness of the Original Project by scaling up activities supported under the Original Project and by funding one new activity (civil works).

19. Consistent with the National Strategy for Vocational Training, the Original Project proposed to develop a unique technical and vocational training scheme in the country in order to

reduce the financial costs, harmonize the content of the programs, strengthen the skills of schools teachers and managers and involve in a more substantial way the private sector. Therefore, the Original Project deals mainly with pedagogical and governance reforms in TVET, including curricula design, links to private sector, and teacher training. There is also an important component in the Original project which focuses on capacity strengthening of the sector, including the provision of support to schools, administrative, financial and pedagogical autonomy, as well as support for enacting or implementing legal texts.

20. The GoM requested further support for the sector from the World Bank through the reallocation/recommitment of the remaining funds of three IDA projects as AF to the Skills Development Support Project (P118974). The AF will scale up PBCs and short-term training and will introduce an investment component (civil works), focusing of those areas that are the key drivers of economic growth in Mauritania (e.g., agriculture, construction, mining and services). The main rationale for the AF is to support the GoM's strategic decision to make skills development a top priority of its development agenda, as outlined in the Growth and Poverty Reduction Strategy Paper (GPRSP) and operationalized in the TVET Sector Plan 2010-2020. Despite consistent Government funding to the sector, amounting to 11 percent of the recurrent education budget, and the financial support by a few DPs, particularly the African Development Bank (ADB), the Islamic Development Bank (IDB), the French Development Agency (*Agence Francaise de développement* – AFD), and the World Bank, as well as private sector participation, there is a huge financing gap for implementing the TVET Sector Plan that the Government is unable to mobilize. One alternative option to the AF would be the preparation of a new Skills Development Project, but the proposed AF activities fit well into the nature and scope of the Original Project and the AF can be justified on the grounds of efficiency.

21. Pillar III of the Poverty Reduction Strategy Paper (PRSP) (2011-2015) (Developing Human Capital and Enhancing Access to Basic Services) underscores the importance of investing in human capital as a key development priority, and sets out a program covering six areas: (a) education and training; (b) healthcare and nutrition; (c) employment promotion; (d) universal access to basic services, including access to drinking water in rural areas; (e) gender equity and protection of children; and (f) population policy. The comprehensive education agenda covers primary, secondary, and higher education, as well as TVET and literacy. It focuses on improving the quality of education at all levels; gearing curricula towards meeting market demands for advanced and technical jobs; and closing educational disparities based on gender, socioeconomic and regional characteristics. The TVET Sector Plan capitalizes on the strategic objectives of the PRSP and on the Education Sector Development Plan (2011-2020) (*Plan National du Développement du Secteur de l'Education* – PNDSE). The analytical underpinnings of the TVET Plan were: (i) a study on the workforce needs for key economic sectors; (ii) an audit of TVET institutions; and (iii) the Education Country Status Report (CSR).

22. Pillar II of the CPS (Economic Governance and Service Delivery) focuses on improving public sector performance, with a special emphasis on local government performance strengthening and food security. In addition to continuing efforts in the area of education and skills formation, the Bank aims to promote increased access to basic social services and increase the efficiency of safety net programs. By contributing to the development of an appropriate skilled

labor force, the AF supports the CPS priorities of supporting economic growth by increasing the pool of skilled and more productive labor force for the private and public sectors.

III. Proposed Changes

Summary of Proposed Changes	
The components of the Original Project remain unchanged. The changes being proposed include the following: In Component 1, (i) one new activity (civil works) will be added; (ii) PBCs will be scaled up from eight centers to 14 centers; (iii) the apprenticeship program will be scaled up from the current target of 4,780 out-of-school youth to 6,500 out-of-school youth; and (iv) students graduating from TVET institutions supported by the project will be scaled up from the current target of 5,161 to 9,411. In Component 2, training support for the sector will be scaled up through additional funds to finance implementation of the HR development for the TVET sector.	
Change in Implementing Agency	Yes [ ] No [X]
Change in Project's Development Objectives	Yes [ ] No [X]
Change in Results Framework	Yes [X] No [ ]
Change in Safeguard Policies Triggered	Yes [ ] No [X]
Change of EA category	Yes [X] No [ ]
Other Changes to Safeguards	Yes [ ] No [X]
Change in Legal Covenants	Yes [ ] No [X]
Change in Loan Closing Date(s)	Yes [ ] No [X]
Cancellations Proposed	Yes [ ] No [X]
Change in Disbursement Arrangements	Yes [X] No [ ]
Reallocation between Disbursement Categories	Yes [ ] No [X]
Change in Disbursement Estimates	Yes [X] No [ ]
Change to Components and Cost	Yes [X] No [ ]
Change in Institutional Arrangements	Yes [ ] No [X]
Change in Financial Management	Yes [ ] No [X]
Change in Procurement	Yes [ ] No [X]
Change in Implementation Schedule	Yes [ ] No [X]
Other Change(s)	Yes [ ] No [X]

Development Objective/Results
Project's Development Objectives
Original PDO

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.

Change in Results Framework

Explanation:

The Results Framework (RF), including the PDO-level and intermediate results indicators of the Project, was amended. For those activities that are scaled up, the indicator target values were revised upward to take into account the incremental activities financed from the AF. One new indicator was introduced to reflect the new activity (civil works), and a few indicators were dropped.

Compliance

Change of EA Category

Original EA Category:	Current EA Category:	Proposed EA Category:
Not Required	Not Required	Partial Assessment

Explanation:

The original project is a Category C project because it did not include any civil works or rehabilitation. Under the AF, the category will change to B due to the civil works activity.

Covenants - Additional Financing (MR-Skills Development Project-AF - P144575)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDRT	Section I.G.	The Recipient shall provide counterpart funds in the amount of an amount no less than US$800,000. These Additional Counterpart Funds shall be disbursed quarterly, no later than March 31, June 30, September 30 and December 31 of the corresponding calendar year, on the basis of the Annual Work Plan and Budget.		☒	Yearly	New

IDRT	Schedule 1.1.a	No later than one (1) month after the Effective Date, the Recipient shall have recruited on the basis of terms of reference, qualifications and experience satisfactory to the Association: An environmental and social safeguard specialist and procurement experts to support DPEF.	31-Jul-2014	☐		New
IDRT	Section 1.B.3	The Recipient and INAP-FTP shall execute an amendment, acceptable to IDA, to the Subsidiary Agreement in order to provide for the making of the proceeds of the Financing allocated from time to time to Categories 1 and 2 of the Disbursement Table set in Section IV.A.2 of this Schedule available by the Recipient to INAP-FTP. All other provisions of the Subsidiary Agreement remain	31-Jul-2014	☐		New

		unchanged				
IDRT	Section I.G.	The Recipient shall ensure that the funds deposited into such account in accordance with the provisions of subparagraph (b) are used for their intended purposes.		☒	CONTINUOUS	New
IDRT	Section I.G.	The Recipient shall establish or designate, and maintain throughout Project implementation, a second account in Ouguiyas, in a commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association;		☒	CONTINUOUS	New
IDRT	Section I.G.	The Recipient shall starting from 2015, deposit into such account an aggregate amount equivalent to the amount of Operating Costs and 25% of the Sub-grants under Part 1.2(c) of the Project not financed from the funds of the		☒	Yearly	New

		Original Financing, as showed in the Annual Work Plan and Budget for the corresponding calendar year, as Additional Counterpart Funds				
IDRT	Section I.G.	The frst disbursement of the Counterpart Funds shall be in an amount equivalent to one hundred thousand Dollars ($100,000) and shall be made no later than two (2) months after the Effective Date.	31-Aug-2014	☐		New

Conditions

Source Of Fund	Name	Type
IDRT	Article 4.01.	Effectiveness

Description of Condition

The Recipient and INAP-FTP have executed an amendment to the Subsidiary Agreement in accordance with Section I.1(b) of Schedule 2 to the Financing Agreement.

Finance

Loan Closing Date - Additional Financing (MR-Skills Development Project-AF - P144575)

Source of Funds	Proposed Additional Financing Loan Closing Date
IDA recommitted as a grant	30-Jun-2016

Change in Disbursement Arrangements

Explanation:

The change pertains to the withdrawal schedule (see below).

Change in Disbursement Estimates (including all sources of Financing)

Explanation: Withdrawal schedule can be found in Annex 4.										
Expected Disbursements (in USD Million) (including all Sources of Financing)										
Fiscal Year	2014	2015	2016							
Annual	3.30	5.94	2.06							
Cumulative	3.30	9.24	11.30							

Allocations - Additional Financing (MR-Skills Development Project-AF - P144575)

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
IDRT	XDR	Civil Works	3.19	100.00
IDRT	XDR	GD/CS/TR/AUD/Op Cost	1.98	100.00
IDRT	XDR	Sub-grants Part 1.1 b	1.02	100.00
IDRT	XDR	Part 1.2 c	0.89	100.00
IDRT	XDR	GD/CS/TR/AUD Part 2	0.32	100.00
IDRT	XDR	Part 1	0.00	100.00
IDRT	XDR	Part 2	0.00	100.00
IDRT	XDR	PPF Refinancing	0.00	0.00
IDRT	XDR	DA	0.00	0.00
		Total:	7.40	

			Current	Proposed	Current	Proposed
IDA-49210	XDR	GD/CS/TR/AUD/Op Cost	4,230,000.00	0.00	100.00	0.00
IDA-49210		Sub Grants Part 1.1b	850,000.00	0.00	100.00	0.00
IDA-49210		Part 1.2c	2,180,000.00	0.00	75.00	0.00
IDA-49210		GD/CS/TR/AUD Part 2	2,380,000.00	0.00	100.00	0.00
IDA-49210		Part 1	40,000.00	0.00	50.00	0.00
IDA-49210		Part 2	120,000.00	0.00	50.00	0.00
IDA-49210		PPF REFINANCING	400,000.00	0.00	0.00	0.00

IDA-49210		Designated Account	0.00	0.00	0.00	0.00
IDA-49210		Designated Account	0.00	0.00	0.00	0.00
		Total:	10,200,000.00	0.00		

Components

Change to Components and Cost

Explanation:

The components of the Original Project will remain unchanged. The changes being proposed include the following: In component 1, (i) one new activity (civil works) will be added; (ii) PBCs will be scaled up from eight centers to 14 centers; (iii) the apprenticeship program will be scaled up from the current target of 4,780 out-of-school youth to 6,500 out-of-school youth; and (iv) students graduating from TVET institutions supported by the project will be scaled up from the current target of 5,161 to 9,411. In component 2, training support for the sector will be scaled up through additional funds to finance implementation of the development plan of human resources of TVET.).

Current Component Name	**Proposed Component Name**	**Current Cost (US$M)**	**Proposed Cost (US$M)**	**Action**
Strengthening and diversifying Technical and Vocational Education Training.	Strengthening and diversifying Technical and Vocational Education Training	12.00	22.60	Revised
Strengthening and diversifying Technical and Vocational Education Training.	Strengthening and diversifying Technical and Vocational Education Training (Improving the Institutional Environment of TVET)	4.00	4.70	Revised
	Total:	16.00	27.30	

Appraisal Summary

Economic and Financial Analysis

Explanation:

The assumptions for the economic analysis under the AF would remain the same as those of the original credit (see Annex 6 – Economic and Financial Analysis). The cost-benefit analysis conducted for the Original Project remains relevant. The economic analysis focused 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.

More than 58 percent of young Mauritanians enter the labor market lacking necessary market-needed skills and 34 percent have not completed primary or secondary education. With the proposed AF project the annual flow of skilled youth will increase from 993 in 2010 to 1,985 in 2016 for a total of 15,911 direct project beneficiaries during the duration of the project. This will include: (i) 6,500 people trained through apprenticeship and short- term training programs; and (ii) 8,411 students graduated from TVET institutions.

The AF is expected to improve the cost efficiency of training provided in selected TVET institutions through the scaling up of Performance-Based Contracts (PBCs) with TVET. This should ensure that: (i) enrollment in TVET institutions increases by 45 percent, by optimizing the use of space, reorganizing the courses and moderately expanding the infrastructure capacity of the centers; (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.

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. In addition, the project is expected to train 6,500 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.

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.

Financial: Progress achieved through the project will help maintain the current PRSP 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 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.

Technical Analysis

Explanation:

The design of the AF builds on the government's positive experience of the original Project and therefore the technical design of the project would still remain the same. 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 audits in each participating TVET institution were carried out to assess the main challenges and prepare each institution's development plan. In October 2013, an assessment of the status of infrastructure of 17 TVET centers was carried out. The findings of the assessment provided technical basis to decide on the rehabilitation and expansion works of the AF.

In order to maximize the benefit of the different studies undertaken at the request of the MEFPTIC, 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 prefer to hire foreign workers instead.

Social Analysis

Explanation:

This AF has triggered the Bank safeguards policies (OP/BP 4.01) and OP/BP 4.11; though land acquisition is not foreseen this AF foresees financing of civil works, which were not financed under the Original Project. 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 pay attention to female enrollment in the short-term training programs. Ideally, skills development for women and vulnerable groups would include diversification of the types of training available to women and the promotion of female and vulnerable groups 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, youth and vulnerable groups) 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.

Environmental Analysis

Explanation:

The Original Project is a Category C project because it did not include any civil works or rehabilitation, and was strictly focused on technical capacity building. With the AF, the project category was changed to B due to the civil works activities yet any potentially foreseen impacts would be minimal and site specific. The project has triggered two safeguard policies, namely OP 4.01 Environmental Assessment; and OP 4.11 Physical Cultural Resources. The AF will finance small scale rehabilitation and moderate expansion of four TVET centers on the same existing pieces of land. The works will be carried out within the existing premises of the centers, and therefore, an Environmental and Social Management Plan (ESMP) covering the four centers has been prepared by the Client. The Plan was validated by the Client in a participatory consultative process that took place in Nouakchott on February 24, 2014. The ESMP has been disclosed both in-country and at the Bank InfoShop prior to appraisal.

Risk
Explanation: The overall project implementation risk has been rated “Substantial”. 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. Mitigation measures and guidelines have been identified and listed in the ORAF.

The total cost of the activities financed under the proposed AF would be US$11.3 million, including taxes and duties. The detailed project costs can be found in Annex 5.

.

Annex 1
Revised Results Framework and Monitoring Indicators

A. Summary of Changes to Results Framework

Indicator	Revisions to the Results Framework	Comments/ Rationale for Change
PDO		
Current (PAD)	*Proposed*	
To improve the quality and efficiency of training institutions and create and enabling environment for a more market-driven Technical and Vocational Education Training System.	Continued.	
PDO indicators		
Current (PAD)	*Proposed change**	
Direct project beneficiaries	Continued –Change in the end of project target value Original target: 9,941 Revised target: 15,911	
Female beneficiaries	Continued	
Students graduating from TVET institutions supported by the project	Continued –Change in the end of project target value Original target: 5,161 Revised target: 9,411	
Youth in short-term/apprenticeship training programs provided by both NGOs and public/private training institutions	Continued –Change in the end of project target value Original target: 4,780 Revised target: 6,500	
Reduced drop-out rate in participating TVET institutions (quality)	Continued	
Annual graduates in TVET institutions supported by the project (quality and efficiency – GPRSP-III indicator)	Dropped	The information provided by this indicator is captured by another PDO indicator (Students graduating from TVET institutions supported by the project)
Student unit cost in TVET institutions supported by the project (Efficiency)	Dropped	The baseline for this indicator was not reliable (only tentative). Assessed progress may not be

Indicator	Revisions to the Results Framework	Comments/ Rationale for Change
		accurate.
Youth enrolled in short-term training programs finding employment in field related to training within 6 months of completion of training/apprenticeship (quality)	Continued	
Regulatory framework provides legal protection and status to private sector training institutions (enabling environment)	Continued	
Intermediate Results indicators		
Current (PAD)	*Proposed change**	
Component 1: Strengthening and Diversifying Technical and Vocational Education Training		
Sub-Component 1.1 Improve management and efficiency of TVET institutions		
Increase in enrollment in participating TVET institutions (annually)	Continued –Change in the end of project target value	
Number of TVET institutions rehabilitated	New indicator	Proposed to reflect the civil works activity
Training programs certified to meet international standards	Continued –Change in the end of project target value	
Resources generated from services provided by TVET institutions as part of recurrent budget	Continued	
Resources generated by TVET institutions invested in maintenance, learning materials and equipment amortization	Dropped	The baseline for this indicator was not reliable (only tentative). Assessed progress may not be accurate.
Student: teacher ratio	Continued	
TVET institutions with an agreed PBCs	Continued –Change in the end of project target value	
TVET institutions providing a detailed report on time with information on agreed performance indicators	Continued –Change in the end of project target value	
Number of TVET institutions equipped with an operating management system (cumulative)	Dropped	This indicator is not relevant for assessment of management performance of the centers. Having an operating management system alone does not provide an understanding of the management

Indicator	Revisions to the Results Framework	Comments/ Rationale for Change
		performance of the center.
Sub-Component 1.2 Efficient and relevant apprenticeship program		
Student unit cost in apprenticeship training programs	Continued	
Short-term/apprenticeships curriculum and programs developed (with technical specifications)	Dropped	This indicator is not useful for assessing the relevance of apprenticeship courses. The number of curricula and programs developed provided little indication on the relevance and quality of these programs.
Component 2.		
Sub-component 2.1 Enhancing capacity of the Ministry of Technical and Vocational Training to create a more demand-driven TVET system		
Number of TVET institutions conducting tracer studies	Continued –Change in the end of project target value	
MEFPTIC produces an annual statistical yearbook with updated information on key TVET indicators	Continued	
Share of government contribution to FAP-FTP's budget (%)	Continued	
Component 2: Improved regulatory framework		
Number of new private TVET training providers	Dropped	The purpose of this indicator is to track the increased participation of private sector in the provision of TVET. The information is better captured by another project indicator (Share of students enrolled in new private TVET training providers).
Share of students enrolled in new private TVET training providers	Continued	

B. Revised Results Framework

Project Name:	MR-Skills Development Project-AF (P144575)			Project Stage:	Additional Financing	Status:	FINAL
Team Leader:	Geraldo Joao Martins	Requesting Unit:	AFCF1	Created by:	Laura S. McDonald on 14-Feb-2014		
Product Line:	IBRD/IDA	Responsible Unit:	AFTEW	Modified by:	Laura S. McDonald on 26-Mar-2014		
Country:	Mauritania	Approval FY:	2014				
Region:	AFRICA	Lending Instrument:	Investment Project Financing				
Parent Project ID:	P118974	Parent Project Name:	Skills Development Support Project (P118974)				

Project Development Objectives

Original Project Development Objective - Parent:

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.

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Direct project beneficiaries	☒	Number	Value	2458.00	3671.00	15911.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			

No Change	Female beneficiaries	☒	Percentage Sub Type Supplemental	Value	15.00	17.00	27.00
No Change	Reduced Drop-out rate in participating TVET institutions(Quality)	☐	Percentage	Value	9.00	15.70	3.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment	It was agreed that the base line will be determined in June 2012		
Marked for Deletion	Annual graduates in TVET institutions supported by the project(Quality & Efficiency – GPRSP-III indicator)	☐	Number	Value	993.00	1113.00	1322.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment		The indicator will be updated during the next supervision mission planned for end October 2013.	
Marked for Deletion	Student unit cost in TVET institutions supported by the project (Efficiency)	☐	Amount(USD)	Value	852.00	60379.00	762.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
No Change	Youth enrolled in short term training programs finding employment in field related to training within 6 months of completion of training/apprenticeship(Quality	☐	Percentage	Value	0.00	50.00	64.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment		A new survey is under preparation	
No Change	Regulatory framework provides legal protection and	☐	Yes/No	Value	No	No	Yes
				Date	05-May-2011	30-Sep-2013	30-Jun-2016

	status to private sector training institutions(Enabling Environment)			Comment			

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
New	Number of TVET institutions rehabilitated and equipped	☐	Number	Value	0.00	0.00	6.00
				Date			30-Jun-2016
				Comment			
Revised	Increase in enrollment in participating TVET institutions (annually)	☐	Percentage	Value	19.00	28.10	45.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
Revised	Training programs certified to meet international standards	☐	Number	Value	0.00	0.00	13.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment		Not yet started.	
No Change	Resources generated from services provided by TVET institutions as part of recurrent budget	☐	Percentage	Value	3.00	6.00	12.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
Marked for Deletion	Resources generated by TVET institutions invested in maintenance, learning materials and equipment amortization	☐	Percentage	Value	28.00	29.00	40.00
				Date	05-May-2012	30-Sep-2013	30-Jun-2016
				Comment			
No Change	Student: teacher ratio	☐	Number	Value	9.00	12.50	12.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment	The student teacher ratio 9/1		
Revised	TVET institutions with an	☐	Number	Value	0.00	8.00	14.00

	agreed PBC			Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment		8 TVET institutions signed a contract with INAP-FTP surpassing the end of project target of 6 TVET institutions.	
Revised	TVET institutions providing a detailed report on time with information on agreed performance indicators	☐	Number	Value	0.00	7.00	14.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
Marked for Deletion	Number of TVET institutions equipped with an operating management system (cumulative)	☐	Amount(USD)	Value	0.00	0.00	6.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment		The bidding process for the acquisition of a management system adaptable to each institution has been launched.	
No Change	Student unit cost in apprenticeship and training programs	☐	Amount(USD)	Value	640.00	671.00	715.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
Marked for Deletion	Short-term/apprenticeships curriculum and programs developed (with technical specifications)	☐	Number	Value	0.00	11.00	12.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
Revised	Number of TVET institutions conducting tracer studies	☐	Number	Value	0.00	0.00	12.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016

				Comment	It was agreed that the base line data be determined six months after the graduation of the first cohort of student supported by the project.		
No Change	MEFPTIC produces an annual statistical yearbook with updated information on key TVET indicators	☐	Yes/No	Value	No	No	Yes
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
No Change	Share of government contribution to FAP-FTP's budget (%)	☐	Percentage	Value	20.00	36.00	25.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
Marked for Deletion	Number of new private TVET training providers	☐	Number	Value	0.00	0.00	10.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			
No Change	Share of students enrolled in new private TVET training providers	☐	Percentage	Value	0.00	15.00	25.00
				Date	05-May-2011	30-Sep-2013	30-Jun-2016
				Comment			

Annex 2

Operational Risk Assessment Framework (ORAF)

Mauritania: MR-Skills Development Project-AF (P144575)

<table>
<tr><th colspan="7">Project Stakeholder Risks</th></tr>
<tr><td>Stakeholder Risk</td><td>Rating</td><td colspan="5">Substantial</td></tr>
<tr><td rowspan="5">Risk Description:

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. PBCs 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. 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. Social pressure to increase intakes into vocational training will build up quickly into socio-political pressure, to a point where compliance with the macro-financial framework might weaken.</td><td colspan="6">Risk Management:

Consultations will continue to be held with government administration officials, teachers unions and the private sector to discuss the scope and nature of TVET reform programs. The launching of the Additional Financing will be an occasion to bring key stakeholders around the table. Annual Sector Review also presents an opportunity for such discussions. Implementation of Performance-Based Contracts (PBCs) in eight TVET institutions under the Original Project did not raise any issue so far and there is every indication that teachers and other staff are buying into the reforms</td></tr>
<tr><td>Resp:
Client</td><td>Status:
Not Yet Due</td><td>Stage:
Both</td><td>Recurrent:
✓</td><td>Due Date:</td><td>Frequency:
Monthly</td></tr>
<tr><td colspan="6">Risk Management:

The establishment of a strong M&E system and unit to help evaluate the success of PBCs will be an integral part of the institutional strengthening component. Furthermore, the private sector has been included in the Board of the Training Support Fund (TSF) therefore ensuring that decisions about the use of funds for TVET take into account the needs of the market and give the private sector the sense that they do have a stake in this project and the reforms it tries to implement.</td></tr>
<tr><td>Resp:
Client</td><td>Status:
In Progress</td><td>Stage:
Implementation</td><td>Recurrent:
✓</td><td>Due Date:</td><td>Frequency:
Quarterly</td></tr>
<tr><td colspan="6">Risk Management:

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. A communications strategy for TVET sector is under preparation and will be financed under the Original</td></tr>
</table>

<table>
<tr><td rowspan="2"></td><td colspan="6">Project. One of the Project objectives is to support the setting up of an appropriate legal and regulatory framework conducive to increased participation of the private sector in the supply of TVET. Indeed, it is expected that by the end of the Project, student enrollment in private sector TVET will represent 25% from the current 15%. This increase will contribute to absorb part of prospective students and, therefore, reduce pressure on public TVET institutions.</td></tr>
<tr><td>Resp:
Client</td><td>Status:
Not Yet Due</td><td>Stage:
Implementation</td><td>Recurrent:
☑</td><td>Due Date:</td><td>Frequency:
Quarterly</td></tr>
<tr><td colspan="7">Implementing Agency (IA) Risks (including Fiduciary Risks)</td></tr>
<tr><td>Capacity</td><td>Rating</td><td colspan="5">Moderate</td></tr>
<tr><td rowspan="8">Risk Description:

MEFPTIC is the ministry in charge of TVET. INAP-FTP has not implemented PBCs 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. Delays in the disbursement of the Original Project are partly explained by the non-utilization of the PPF, which have supported define the equipment and technical assistance needed. Capacity constraints in dealing with those issues at internal level is an issue.</td><td colspan="6">Risk Management:
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);</td></tr>
<tr><td>Resp:
Bank</td><td>Status:
In Progress</td><td>Stage:
Implementation</td><td>Recurrent:
☑</td><td>Due Date:</td><td>Frequency:
SemiAnnual</td></tr>
<tr><td colspan="6">Risk Management:
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 PBCs; MEFPTIC will have oversight responsibility, so capacity building will be provided to MEFPTIC as the ministry in charge of TVET sector development;</td></tr>
<tr><td>Resp:
Both</td><td>Status:
In Progress</td><td>Stage:
Implementation</td><td>Recurrent:
☐</td><td>Due Date:
04-Feb-2014</td><td>Frequency:</td></tr>
<tr><td colspan="6">Risk Management:
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.</td></tr>
<tr><td>Resp:
Both</td><td>Status:
In Progress</td><td>Stage:
Implementation</td><td>Recurrent:
☐</td><td>Due Date:
29-Mar-2014</td><td>Frequency:</td></tr>
</table>

<table>
<tr><td rowspan="4"></td><td colspan="6">Risk Management:
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.</td></tr>
<tr><td>Resp:
Both</td><td>Status:
In Progress</td><td>Stage:
Both</td><td>Recurrent:
☑</td><td>Due Date:</td><td>Frequency:
Quarterly</td></tr>
<tr><td colspan="6">Risk Management:
Actions were taken to define the equipment to be purchased by the AF. The list was already prepared and the bidding document will be ready to be launched upon effectiveness</td></tr>
<tr><td>Resp:
Client</td><td>Status:
Completed</td><td>Stage:
Both</td><td>Recurrent:
☐</td><td>Due Date:
26-Feb-2014</td><td>Frequency:</td></tr>
<tr><td>Governance</td><td>Rating</td><td colspan="5">Moderate</td></tr>
<tr><td rowspan="5">Risk Description:
DPEF has lost its procurement specialist for several months now, with a negative impact on procurement performance. Seasoned procurement specialists are rare in Mauritania</td><td colspan="6">Risk Management:
A seasoned procurement specialist has been identified and is being recruited by DPEF.</td></tr>
<tr><td>Resp:
Both</td><td>Status:
In Progress</td><td>Stage:
Preparation</td><td>Recurrent:
☐</td><td>Due Date:
28-Mar-2014</td><td>Frequency:</td></tr>
<tr><td colspan="6">Risk Management:
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.</td></tr>
<tr><td>Resp:
Client</td><td>Status:
Completed</td><td>Stage:
Preparation</td><td>Recurrent:
☑</td><td>Due Date:</td><td>Frequency:
Quarterly</td></tr>
<tr><td colspan="6">Risk Management:
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</td></tr>
</table>

<table>
<tr><td rowspan="2"></td><td colspan="6">oversight, and the project is in compliance with Bank fiduciary requirements.</td></tr>
<tr><td>Resp:
Both</td><td>Status:
Completed</td><td>Stage:
Preparation</td><td>Recurrent:
☐</td><td>Due Date:
04-Feb-2014</td><td>Frequency:</td></tr>
<tr><td colspan="7">Project Risks</td></tr>
<tr><td>Design</td><td>Rating</td><td colspan="5">Moderate</td></tr>
<tr><td rowspan="8">Risk Description:

PBCs have not been tested in Mauritania and could represent a hurdle for their implementation as it requires a change of mentality for TVET institutions.
External shocks/disasters could force government to adjust its budgetary allocations at the expense of the education sector. The AF will finance civil works whose performance in previous education projects has not been good</td><td colspan="6">Risk Management:
INAP-FTP will also closely work with TVET institutions to ensure their buy-in to implement their respective PBCs.</td></tr>
<tr><td>Resp:
Client</td><td>Status:
In Progress</td><td>Stage:
Implementation</td><td>Recurrent:
☑</td><td>Due Date:</td><td>Frequency:
Monthly</td></tr>
<tr><td colspan="6">Risk Management:
Precautionary measures have been taken to ensure that civil works will be done in a timely manner. The measures include the preparation of the architectural studies well in advance and the elaboration of the bidding documents (they are ready for the launching of the bidding process)</td></tr>
<tr><td>Resp:
Client</td><td>Status:
Completed</td><td>Stage:
Preparation</td><td>Recurrent:
☐</td><td>Due Date:
13-Feb-2014</td><td>Frequency:</td></tr>
<tr><td colspan="6">Risk Management:
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.</td></tr>
<tr><td>Resp:
Client</td><td>Status:
In Progress</td><td>Stage:
Both</td><td>Recurrent:
☑</td><td>Due Date:</td><td>Frequency:
Monthly</td></tr>
<tr><td colspan="6">Risk Management:
The 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 Joint Annual Sector reviews. Also, government always informs donors if it proposes changes to its budgetary allocations prior to implementing them.</td></tr>
</table>

	Resp: Client	**Status:** Not Yet Due	**Stage:** Implementation	**Recurrent:** ✓	**Due Date:**	**Frequency:** SemiAnnual
Social and Environmental	**Rating**	**Moderate**				
Risk Description: Female and vulnerable group participation may be lower than expected due to cultural barriers. There is no safeguards specialist at DPEF.	**Risk Management:** The project will explore innovative ways to encourage female and other vulnerable groups participation, but given that the project's objective is to train unemployed youth in general, the risk for PDO achievement is low. As regards to safeguards, the Government has prepared an ESMP in compliance with OP/BP 4.01 core requirements. The ESMP provides basic guiding principles to follow by the Government during project implementation, including environmental and social clauses (ESC) to be embedded in all contractors' contracts for safeguards compliance. The ESMP also includes both consultation and participation mechanisms (including a grievance redress mechanism) and an itemized budget for the sustainable implementation of social and environmental recommendations during project implementation and monitoring. Client has gained acceptable experience in implementing World Bank safeguards policies and therefore will be able to further sustain its performance with the recruitment of an environmental specialist (part-time) and further technical assistance from the Bank Social and Environmental Safeguards Specialists throughout project implementation phase.					
	Resp: Client	**Status:** In Progress	**Stage:** Both	**Recurrent:** ✓	**Due Date:**	**Frequency:** Yearly
Program and Donor	**Rating**	**Low**				
Risk Description: The National Education Strategy (PNDSE) is supported by a dozen donors, which could lead to certain overlaps and uncoordinated interventions in the sector.	**Risk Management:** 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.					
	Resp: Both	**Status:** Completed	**Stage:** Implementation	**Recurrent:** ✓	**Due Date:**	**Frequency:** Monthly
Delivery Monitoring and Sustainability	**Rating**	**Moderate**				

<table>
<tr><td rowspan="3">Risk Description:
INAP-FTP is in charge of monitoring PBC implementation and analyzes labor market development, for which it may have limited capacity. Shift in government priority is possible which could undermine to some extend the project's effectiveness.</td><td colspan="6">Risk Management:
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 to facilitate the production of statistical reports on labor market, employment and training. 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</td></tr>
<tr><td>Resp:</td><td>Status:</td><td>Stage:</td><td>Recurrent:</td><td>Due Date:</td><td>Frequency:</td></tr>
<tr><td>Client</td><td>In Progress</td><td>Implementation</td><td>☐</td><td>30-Apr-2014</td><td></td></tr>
<tr><td>Other (Optional)</td><td>Rating</td><td colspan="5"></td></tr>
<tr><td rowspan="3">Risk Description:</td><td colspan="6">Risk Management:</td></tr>
<tr><td>Resp:</td><td>Status:</td><td>Stage:</td><td>Recurrent:</td><td>Due Date:</td><td>Frequency:</td></tr>
<tr><td></td><td></td><td></td><td>☐</td><td></td><td></td></tr>
<tr><td>Other (Optional)</td><td>Rating</td><td colspan="5"></td></tr>
<tr><td rowspan="3">Risk Description:</td><td colspan="6">Risk Management:</td></tr>
<tr><td>Resp:</td><td>Status:</td><td>Stage:</td><td>Recurrent:</td><td>Due Date:</td><td>Frequency:</td></tr>
<tr><td></td><td></td><td></td><td>☐</td><td></td><td></td></tr>
<tr><td colspan="7">Overall Risk</td></tr>
<tr><td>Overall Implementation Risk:</td><td>Rating</td><td colspan="5">Substantial</td></tr>
<tr><td colspan="7">Risk Description:
Although the roles and responsibilities of the different actors involved in the project have been clarified and agreed with government, the implementation of PBCs 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.</td></tr>
</table>

Annex 3
Summary of Project Description

Component 1: Strengthening and Diversifying Technical and Vocational Education Training (estimated AF cost: US$ 10.6 million)

Sub-Component 1.1: Improving the quality, effectiveness and relevance of training provided in eligible TVET institutions (estimated AF cost: US$ 9.2 million)

The main purpose of this sub-component is to improve quality and relevance of training provided in selected TVET institutions. Under the Original Project, the core activity of the sub-component consists of PBCs between INAP-FTP and TVET centers. Beneficiary centers were selected on the basis of the relevance of their programs in relation to the country's economic needs and the center's capacity to implement such contract programs. Selected TVET centers are entitled to prepare their '*projet d'établissement*' to address pedagogical, training and governance needs. They are then entitled to receive sub-grants to implement their contract programs, equipment, and technical assistance to help review the curriculum, aligning them with the market needs, set modern governance standards and practice, and train trainers.

Under the AF, this activity will be scaled up. The Original Project had planned to enroll 6 out of 18 public TVET institutions in PBCs to pilot the system, processes and procedures. The successful launching of the program and the setting up of the system allowed the enrollment of 8 TVET institutions in PBCs, surpassing the end of project target. Because of a new dynamic created by PBCs and the early positive results they are showing, the program is gaining traction among other TVET institutions. With the AF resources, a moderate expansion of the program will be pursued. It is still risky to enroll all TVET institutions in the program without an assessment of the results and preliminary impact of the first group of institutions, but a moderate scale up may be envisaged, in view of the preliminary evidences in the field.

Box 1. Performance Based Contracts and Short Term Training Programs

Performance-Based Contracts

The use of PBCs in technical and vocational training is a new approach in Mauritania. The purpose of the contracts is to provide the selected vocational centers, against agreed results, with basic equipment (in order to improve the learning environment), technical assistance (to support the design and implementation of new programs and innovative pedagogical approaches for teaching and learning) and sub-grants to implement their projects (*projet d'établissements*).

PBCs aimed to target eight centers by the end of the project. At the beginning of the project, the Ministry of Employment and Vocational Training set up teams to provide technical assistance to different institutions for the development of their projects and for the planning of implementation. As a result, eight centers signed PBCs and seven are in the second year of implementation. Based on the *projet d'établissement*, the targeted centers prepare Annual Work Programs that are submitted to the Training Support Fund (TSF) for approval and financing. The funds are disbursed in three installments. A 30% advance is disbursed against submission and validation of the terms of reference of the planned activities and/or technical specification of equipment to purchase; a 40% payment against submission of the mid-term report describing progress and the preliminary results; and 30% payment against submission and validation of a final report presenting the final outcomes. Approval of the final report is a condition for eligibility for funds in the following year.

The preliminary assessment of the PBC shows the following results:

- Beneficiary centers got resources that allowed them to improve the teaching and learning environment through the purchase of basic equipment and instruments without having to go through a long procurement process;
- The resources also allowed institutions to develop closer relationship with enterprises (e.g. internships) and therefore to develop links with the productive sectors;
- Various activities aimed at improving quality of training were conducted (development of pedagogical supports, pedagogical training for trainers, etc.);
- Communication campaigns reinforced the visibility of the TVET institutions participating in PBCs.

Short Term Training Programs

Short term training for youth was introduced to respond both to the needs of the companies for improvement of qualification of the workforce and the youth, particularly those who dropout from the education system. Short term training is therefore a way to diversify the supply of training, by focusing on areas not covered by the formal initial vocational training with lower costs. The trainings are conducted at the vocational training centers (50% of time) and at the enterprises.

The Original Project aimed at piloting the training system. The assessment of the first phase is being prepared, but there is some evidence that support the scaling up of the pilot at this stage:

- At the beginning of the Project, six agreements were signed with six companies and employers' organizations for the training of 5,000 young people, surpassing the project target of 4,760, and reflecting high demand for this type of training. In fact, there is strong demand from enterprises to enroll an additional 5,000 youth, and the signed agreements cover only those proposals put forth by 3 out of the 9 employers' organizations in Mauritania, and are limited to Nouakchott.
- Implementation of training is closely monitored by INAP-FTP, which conducts three supervision missions annually. The first mission at the beginning of the program in order to take stock of the initial conditions and readiness for implementation; a second, mid-term supervision mission is conducted during implementation to take stock of progress and support implementation; and a final supervision mission is conducted at the end of the implementation period to assess progress and the preliminary outcomes. INAP-FTP also follows up on the insertion of graduates in the labor market through tracer studies. So far, the average rate of insertion of the graduates is 60%.
- The short term trainings provided under the program are successful in a number of sectors, particularly in audio-visual media, following its liberalization, with the emergence of new media; the fishery sector, with the new law that makes it mandatory to have a quota of Mauritanians in the fishery vessels; and in the informal sector which has great potential for self-employment.
- The government objective is to train 22,000 youth by 2019. Scaling up would help the Government in pursuing that objective.

Both activities (PBCs and short-term training) are strengthening TVET institutions link with the

private sector. Private sector representatives are now sitting at the institutional and governance bodies of those institutions and fully participate in the selection of areas of training, preparation and validation of *projets d'établissements* that will benefit from PBCs. By the same token, the Board of the TSF also includes private sector who participate in the selection process of the PBCs agreements.

Therefore, five additional TVET institutions will be enrolled increasing the total number of TVET institutions under PBCs to 13. As with the first group of institutions, selection criteria continues to be based on the relevance of training provided, particularly relating to high demand sectors such as construction, agriculture, services and mining. Criteria for selection of TVET institutions for PBCs are presented in Annex 7. In addition, the Mining School, a technical and vocational higher education institution under the auspices of the Ministry of Oil, Energy and Mining, will also enter a PBC (see Box 2). Thus, the total number of new institutions under PBCs will be six. The Mining School is being supported as a follow up of support provided by another IDA-financed project (Mining Sector Strengthening Project) in order to consolidate development effectiveness.

Table 1 which follows presents the list of TVET institutions under PBCs with the Original Project and new proposed institutions.

Table 1: List of Institutions under PBCs,
Proposed New Institutions and Amount of PBCs*

N°	Institution	Location	PBC (amount in US$)	
		Main vocation	Original Project	Additional Financing
1	Mining School	Nouakchott (Mining)		700,000
2	Industrial Lycee of Nouakchott	Nouakchott (construction, industry, mining)	333,000	
	TVET Center of Nouakchott	Nouakchott (construction)	232,682	
	Technical Lycée of Nouakchott	Nouakchott (construction and industry)	157,140	
	Technical Lycée of Nouadhibou	Nouadhibou (construction and fishery)	282,744	
3	Vocational Lycee of Boghé	Boghé (agriculture)		362,557
4	Vocational Lycee of Néma	Néma (construction, industry, agriculture)	131,681	
5	TVET Center of Tidjikja	Tidjikja (construction, industry)		154,673

6	TVET Center of 'Aleg	Aleg (construction, industry)	76,725	
	National School of Agriculture (ENFVA)	Kaedi (agriculture)	388,020	
	National Fishery School (ENEMP)	Nouadhibou (fishery)	180,000	
7	TVET Center of Kaédi	Kaédi (construction, industry)		180,124
8	TVET Center of d'Atar	Atar (construction, industry, agriculture)		101,000
9	TVET Center of Néma	Néma (construction, industry)		101,646
	Total		1,781,992	1,600,000

*There may be flexibility in the final selection of the centers to enter PBCs according to quality of projects presented

Box 2. The Mining School

The Mining School (MS) is an example of public-private partnership in the area of skills development. The school was created in 2011 as a partnership between the Government of Mauritania, a group of mining operators (SNIM, Tasiast and MCM) and development partners. The World Bank supported the school through the Mining Sector Support Project. The school is a response to the need to qualify human resources in a sector that is going through rapid transformation in Mauritania. The school signed a convention with the Polytechnic School of Montreal, Canada, as strategic pedagogic partner and other convention of partnership with academic and scientific institutions in Nouakchott, Rabat, Ouagadougou, Niamey, Istanbul and Alger. The school is located temporarily in Nouakchott, while waiting for the construction of its campus in Akjoujt, a mining city located 255 km north of Nouakchott. The construction work is expected to start in July 2014 to be ready for entrance in 2014.

The school started with a group of 25 students selected among the best secondary graduates in scientific areas and is now enrolling 75 students. It will offer a training of engineer (bac +5) and technician (bac+3). The IDA-financed Mining Sector Support Project supported the school by financing the purchase of pedagogical equipment (language lab, library), training of faculty and management and other staff, payment of missions of technical assistance to the school and studies. The total amount of the support provided stands at US$ 1.2 million, which was absorbed in a record 10-months period. The proposed support to the school under the AF is a follow up of the IDA previous support and is intended to consolidate the institutional capacity of the school. The scope of the support is based on a joint assessment of critical needs for the period 2014-2017, conducted by the school and the IDA team and is estimated at US$ 1.2 million. It will consist of equipment to the school (US$ 0.5 million) and training of faculty and support staff of the school, purchase of books, IT material, study missions of students and faculty to twining institutions and implementation of the communication plan. The estimated total amount of these proposed activities is US$ 0.7 million. Therefore, the total amount of the support to the school through the AF is US$ 1.2 million. The pedagogical and training support will be provided through INAP-FTP under a PBC to be signed between this institution and the school.

The sub-component will accommodate a new activity: the rehabilitation and moderate expansion of four TVET centers. An assessment of the status of infrastructure of 17 TVET public institutions was carried out in October 2013 with the financing of the Original Project. The assessment showed that most facilities are in a critical stage of degradation because of lack of maintenance work and that this prevents the full utilization of the installations, therefore affecting quality and efficiency. For example, in Nouakchott, most of the TVET institutions have low student/teacher ratio (an average 9:1) because the school is unable to enroll more students either because of lack of equipment or the non-use of practical labs. In some cases, a single additional modular facility would allow for further enrollment. Over the last several years, significant increase in enrollment in TVET has been achieved without any construction, only by optimizing the use of existing centers. Under the Original Project, a 38 percent increase in enrollment was estimated as a result of better reorganization of courses and use of the spaces. With the proposed rehabilitation and moderate expansion (e.g., construction of one or two additional modules in the premises of the selected schools), the enrollment in those institutions would increase by 45 percent by the end of the project. The rehabilitation work would provide an enabling environment for quality improvements in the training provided, therefore, potentially attracting more students to the TVET schools.

The rehabilitation and equipment of four TVET schools is part of a broader program of rehabilitation of TVET centers launched by the Government in order to improve the learning environment of TVET. The AF will cover four out of the 18 TVET centers under the auspices of the MEFPTIC (22 percent), but other DPs, particularly AFD and the German Cooperation (GIZ) will also support the program. The table below presents the breakdown of the different interventions by DP.

Table 2: TVET centers to be rehabilitated by source of financing

IDA (AF Skills Development Project)	French Development Agency (AFD)	German Cooperation (GIZ)
Insdustrial Lycee of Nouakchott	TVET center of Kiffa	CSET
Vocational Lycée of Boghee	TVET center of Selibaby	Vocational Lycée of Atar
Vocational Lycée of Néma	TVET center of Aioum	TVET of Nouakchott
TVET center of Kaedi		TVET of Rosso

In all, 11 TVET institutions will be rehabilitated, covering about 60% of public TVET centers under the oversight of the Ministry of Vocational Training. The October 2013 assessment that identified the critical needs in terms of rehabilitation and expansion was followed by an architectural study that provided the detailed costs of the proposed civil works. The architectural studies underpin the proposed rehabilitation and expansion proposed for the AF as well planned interventions to be supported by other development partners. The civil works under the AF is estimated to cost about US$5 million and the equipment for the rehabilitated centers is estimated to cost about US$2 million. The list of equipment and the respective cost has been prepared

The proposed investment in rehabilitation and moderate expansion of the centers is deemed to be sustainable over the medium and long-term. Under the PBCs, TVET institutions have established the goal of increasing revenue-generation to 12 percent of the public budget and to use at least 40% of those revenues for maintenance works, therefore avoiding future deterioration of their facilities.

Sub-component 1.2: Increasing apprenticeship and short-term programs (estimated AF cost: US$ 1.4 million)

This sub-component, under the Original Project, aims at providing sub-grants for the financing of initial apprenticeship training sub-projects by training providers (public and private training providers, non-governmental organizations (NGOs), and prospective employers). This is a critically important dimension of training targeting mostly out-of-school youth. As estimated 350,000 out-of-school youth in Mauritania are unemployed and each year an estimated 60,000 are added to this number. The short-term training programs targets youth ages 14-25. They cover a broad range of vocations, such as metal worker, shoemaker, tiller, baker, butcher, painter, plumber, gardener, dressmaker, carpenter, electrician, etc. Depending on the type of skills, the duration of the training may last 300 hours over a three month period or 600 hours over a six month period. Proposals to conduct these short-term training programs are submitted by training providers (public and private training providers, NGOs and prospective employers) and as for the PBCs with TVET institutions, a contract is signed by INAP-FTP with the selected providers.

The Original Project has targeted 4,780 out-of-school youth and so far 1,500 youth have benefited from these courses (300 are currently enrolled). The AF proposes to scale up this training program by increasing the target to 6,500 youth (or an additional 1,720 individuals). The estimated cost to enroll this additional number of youth is about US$1.4 (it was calculated on the basis of the actual unit cost of about US$ 715 per trainee plus administrative costs of INAP-FTP) for short-term training programs.

Component 2: Improving the Institutional Environment of Technical and Vocational Education Training (estimated AF cost: US$ 0.7)

Sub-component 2.1: Enhancing the capacity of the Ministry of Technical and Vocational Training to create a more demand-driven TVET system (estimated AF cost: US$ 0.7 million)

The Original Project supports capacity development of the sector by enhancing the institutional capacity of the Ministry and by supporting activities aimed at developing a more demand-driven TVET system. The activities include the setting up of appropriate regulatory framework for TVET, the development of M&E in the sector; the elaboration of a human resources development plan and its financing; and the carry out of labor market surveys. The development of human resources plan should be preceded by a diagnostic of the needs of the sector in terms of qualification of human resources. The preliminary report of the assessment shows a strong need for qualification in the sector, including pre-service and in-service training of trainers, training of pedagogical and administrative staff. The initial resources devoted in the Original Project (about U$ 200,000) for training of staff over the period 2013-2016 will not be sufficient to cover the expected critical needs of the sector. The AF proposes to reinforce the amount of resources for training by US$ 0.7 million. This is just an estimate, since the specific needs will still have to be clarified and determined once the HR Development Plan is finalized and adopted. But the idea is to agree that the Government has an important role to play in training of human resources to the sector. One expected results from the Project is the increase in the supply of TVET by the private sector. It is expected that by the end of the Project, the share of private sector enrollment in TVET will increase from 15% to 25%. This increase will only be possible by increasing the pool of trainers and other staff in the sector. The operationalization of this proposal will be made through the Annual Action Plan and Annual Procurement Plan, which will identify training to be financed each year, the beneficiaries and the costs. Training will be conducted in Mauritania but also in other countries depending on the areas, the level of specialization required, and opportunities offered.

Sub-component 2.2: Strengthening the Capacity of the INAP-FTP to manage the TVET system (estimated AF cost: US$ 0)

Under the Original Project, the sub-component supports: capacity development of the INAP-FTP to support the TVET system, including M&E of contract programs; development of a normative framework for the certification of skills; and development of short-term training programs for TVET teachers. This sub-component remains unchanged.

Table 3: Cost of Additional Financing Activities by Year

Component	2014	2015	2016	Total
Component 1. Strengthening and Diversifying TVET				**10,600,000**
Rehabilitation and expansion of 4 TVET centers	1,500,000	3,500,000		5,000,000
Equipment of the 4 TVET centers to be rehabilitated and equipment for the Mining School	600,000	1,000,000	1,000,000	2,600,000
Performance Based Contracts with 6 new TVET centers (including the Mining School)	700,000	540,000	360,000	1,600,000
1,720 additional youth in short-term training programs	400,000	500,000	500,000	1,400,000
Component 2: Improving the Institutional Environment of TVET				**700,000**
Implementation of the Human Resources Development Plan for the TVET sector	100,000	400,000	200,000	700,000
Total	**3,300,000**	**5,940,000**	**2,060,000**	**11,300,000**

Annex 4
Implementation Arrangements

The implementation arrangements under the AF will remain unchanged. The following gives an update on the existing implementation arrangements, and provides more information on project costs and financing and disbursements.

The project will be under the auspices of the Ministry of Employment, Vocational Training and New Technologies 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.

The Project has been instrumental in reinforcing the link between TVET institutions and the private sector. First, the Board of TVET institutions includes representatives of the private sector, who fully participate in decision-making in key areas such as the selection of areas of training and the content of training. Second, private sector representatives also sit on the Board of the Training Support Fund (TSF), and participate in the selection and approval of projects to be funded. Third, the short term training programs are conducted in partnership between the TVET centers and private companies. Half of the training is conducted at the TVET center and the other half in the companies.

A. Role and responsibilities:

The Directorate of Education and Training Projects (DPEF) under the Ministry of Economic Affairs and Planning 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 responsibilities 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 is in local currency and receives 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 arrangement for the AF will be the same as for the initial financing and the contracts are being implemented by the DPEF. The Procurement arrangements responsibilities are consistent with the financing agreements with the Bank. Arrangements are summarized as follows: (i) The procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011; "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011; "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011. For each contract to be financed by the project, 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. (ii) preparation of the procurement plan in relation with the action and upgrading the plan during sector review. Follow up all procurement matters of the project. (iii)The DPEF will work through the Tender Board of DPEF and through the National Commission for Control of Public Procurement (*Commission Nationale du Contrôle des Marches Publics* –CNMP) for the evaluation and award of contracts. The DPEF will be responsible for preparing bidding documents, bid evaluation, contract award and coordination and monitoring procurement processes, and liaising with IDA on the basis of technical specifications prepared by INAP-FTP and the MEFPTIC.

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.

The Ministry in charge of Employment, Vocational Training and New Technologies (MEFPTIC) has the general mission of designing, implementing, coordinating, and monitoring and evaluating the national policy for employment, technical and vocational training and new technologies. Its mission and mandate are detailed in the Decree 070-2010 dated May 4, 2010. More specifically, MEFPTIC 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.

The INAP-FTP under the MEFPTIC:

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.

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.

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.

The role of the private sector: The private sector plays an increasingly important role in the governance structure of the TVET sector in Mauritania, and the Project has been instrumental in reinforcing the private sector link with public TVET institutions. First, the Board of TVET institutions includes representatives of the private sector, who fully participate in decision-making in key areas such as the selection of areas of training the content of training, and the preparation and validation of projects that will benefit from PBCs. Second, private sector representatives also sit on the Board of the Training Support Fund (TSF), and participate in the selection and approval of projects to be funded under PBCs. Third, the short term training programs are conducted in partnership between TVET centers and private companies. Half of the training is conducted in the TVET center and the other half in the companies.

B. Financial Management, Disbursements and Procurement

Financing Management

The financial management arrangements for the additional financing will be based on the existing arrangements in place under the ongoing Skills Development Support Project (SDSP). The Directorate of Education and Training Projects (DPEF) under the Ministry of Economic Affairs and planning existing implementing agency of SDSP will handle additional activities.
Staffing has remained adequate to handle additional activities; the auditors have issued an unqualified opinion on the 2012 financial statements of the project. The interim un-audited financial reports for the on-going project have also been submitted on time and the quality of the reports was satisfactory. However an improvement point related to up-date the accounting system of the INAP-FTP in order that system operates satisfactorily was identified.
The overall risk for the additional financing is rated Moderate. It is considered that the financial management arrangements satisfy the Bank's minimum requirements under OP/BP 10.00, 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.

Overall Fiduciary Implementation Arrangements staffing

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).

Accounting. 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, the accounting system of the INAP-FTP needs to be up dated to operate satisfactorily.

Internal Control: The existing Administrative Financial and Accounting Procedures Manual for DPEF and INAP-FTP is adequate for additional activities. The TOR of the part time basis internal auditor will be extended to additional activities..

Reporting and Monitoring:
The un-audited Interim Financial Report (IFR) format will be updated by including the additional financial activities related to the SDSP. It will include sources and uses of funds by project expenditures classification, a comparison of budgeted and actual project expenditures (commitments and disbursements) to date and for the quarter. The (DPEF) will submit the financial reports to the Bank within 45 days following the end of each calendar quarter.

The (DPEF) will produce the project's annual financial statements, which will comply with IFAC and World Bank requirements. These financial statements[4] will include: (a) a statement of sources and uses of funds; (b) a statement of commitments; (c) accounting policies adopted and explanatory Notes; and (d) a Management Assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements.

1. **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.

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

Audit Report	***Due Date***
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.

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 INA-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.

[4] The project financial statements should be all inclusive and cover all sources and uses of funds and not only those provided through IDA funding. It thus reflects all project activities, financing, and expenditures, including funds from other development partners.

Disbursements: There will be a slight change in the disbursement arrangement, with the introduction of civil works as a new category. The disbursement schedule for the AF project is given below:

Table 1: Expenditure categories and funding percentages (SDR)

Category	Amount of the Financing Allocated (expressed in SDR)	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	1,900,000	100%
(2) Sub-grants under the Project:		
(a) Sub-grants under the Project: Part 1.1(b)	1,050,000	100% of amount disbursed from Sub-grants for goods and services
(b) Part 1.2(c) of the Project	900,000	75% of amount disbursed from Sub-grants for goods and services
(3) Goods and consultants' services for Part 2 of the Project, including Training and audits, but expressly excluding Operating Costs	320,000	100%
(4) Permitted Works for Part 1 of the Project, but expressly excluding Sub-grants	3,230,000	100%
TOTAL AMOUNT	7,400,000	

Procurement

The Mauritanian Procurement Code is regulated by Law No 2010-044 of July 22, 2010 and its regulation (several decrees and by-laws issued by the Prime Minister and MAED). This code was developed and reviewed with IDA assistance. In general, the country's procurement procedures do not conflict with the Bank Guidelines. However, procurement practices allow IDA procedures to take precedence over any contrary local regulation or practice.

Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011; "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 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 Grant, 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

Procurement for acquisition of works, goods and consultant services will be handled by the experienced DPEF, through the Tender Board for contracts above 10.000.000 million MRO (33.000USD equivalent). The control of contracts will be handled by the National Commission of Control (*Commission National du Contrôle des Marchés Publics*) through a prior review of the contract of works value equal or above of amount of 200.000.000MRO (660.000USD equivalent) and contract of Goods and consultant service value of 100.000.000MRO (330.000USD equivalent) and post review of all contracts below these values.

The procurement capacity assessment of the DPEF has been based on the assessment done during the preparation of the BESSP (Grant TF016390) in 2013. The latest procurement assessment for the proposed operation was carried out during the appraisal mission and the procurement risk for the project has been evaluated as substantial.

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. It has the capacity to manage the Procurement Cycle well and has a good record keeping system. .

Procurement Documents

Procurement transactions will be carried out using the Bank's Standard Bidding Documents or Standard Request for Proposal (RFP) respectively for all ICB, for goods, works and for selection of consultants. For National Competition Bidding (NCB), the Client could submit a sample form of bidding documents to the Bank for prior review and will use this type of document throughout the project once agreed upon. Thus, for the National Competitive Bidding (NCB) procedure to become acceptable to IDA, the following special requirements will be taken into account: (1) eligible firms, including foreign firms, will not be excluded from the competition; (2) no preference margin will be granted to domestic bidders; (3) at least four weeks will be provided for preparation and submission of bids, after the issuance of the Invitation for Bids or the availability of the bidding documents, whichever is later; (4) if bidders are authorized to submit an alternative bid with or without a bid for the base case, the bids offered for alternatives, meeting the specified requirements, shall be evaluated on their own merits; (5) if the bid which results in the lowest Evaluated Bid Price is significantly unbalanced or front loaded in the opinion of the Employer, the Employer may require that performance security be increased at the expense of the Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract; (6) provisions related to the use of a merit point system will not be applied; (7) less than three bids submitted should not be considered a reason for re-bidding; (8) the evaluated lowest bidder should be authorized to complete an administrative statement of proof; (9) lack of anonymity of any offer cannot justify bid rejection; (10) a newly-created firm could not qualified based on the management staff experience; (11) no bid will be rejected because it is considered too low.

Advertising procedure

General Procurement Notice (GPN), Specific Procurement Notices (SPN), Requests for Expression of Interest (EOI) and results of the evaluation and contracts award should be published in accordance with advertising provisions in the guidelines. The Client will keep a list of received responses from potential bidders interested in the contracts.

The Client shall publish information on UNDB online for all contracts under ICB and LIB, and all direct contracts, and in the National press for all contracts under NCB. Such publication shall be within two weeks of receiving the Bank's no objection to the award recommendation for contracts subject to the Bank's prior review, and within two weeks of the Borrower's award decision for contracts subject to the Bank's post review. Publications shall include the bid, lot numbers, and the following information, as relevant and applicable for each method: (a) the name of each bidder that submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as nonresponsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract. The Bank will arrange the publication of the awards of contract under prior review on its external website upon receipt from the Borrower of a conformed copy of the signed contract and the performance security if applicable.

For consultants, the Client shall publish information on UNDB online for all contracts when the short list included any foreign firm and all single-source selection contracts awarded to foreign firms, and in the National press all contracts where the short list comprises only National firms and all single-source selection contracts awarded to National firms. Such publication shall be within two weeks after receiving the Bank's no objection for award of the contract subject to the Bank's prior review, and within two weeks of successful negotiations with the selected firm for contracts subject to the Bank's post review. Publications shall include the following information as relevant and applicable for each method: (a) the names of all consultants in the short list, specifying those that submitted proposals; (b) the overall technical scores and scores assigned for each criterion and sub-criterion to each consultant; (c) the prices offered by each consultant as read out and as they have been evaluated; (d) the final combined scores and the final ranking of the consultants; and (e) the name of the successful consultant and the total price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals. The Bank will arrange the publication of the award of contracts under prior review on its external website upon receipt from the Borrower of a conformed copy of the signed contract.

Procurement methods

Procurement of Works: Contracts of works estimated to cost US$10,000,000 equivalent or more per contract shall be procured through International Competitive Bidding (ICB). Contracts estimated to cost less than US$10,000,000 equivalent may be procured through NCB. Contract estimated to cost less than US$100,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following evaluation of bids received in writing on the basis of written solicitation issued to several qualified suppliers (at least three) who have a physical shop of the concerned works. The award would be made to the supplier with the lowest price, only after comparing a minimum of three quotations open at the same time, provided he has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least six monthly.

Procurement of Goods and Non-Consulting Services: Similar Goods that could be provided by a same vendor would be grouped in bid packages estimated to cost at least US$1,000,000 per contract and would be procured through International Competitive Bidding (ICB). Contracts estimated to cost less than US$1,000,000 equivalent may be procured through NCB. Goods and Non-Consulting Services estimated to cost less than US$50,000 equivalent per contract may be procured through shopping procedures. For shopping, the condition of contract award shall be the same process as describe above for procurement of Works.

Selection of Consultants: Consultant firms will be selected through the following methods: (a) Quality and Cost Based Selection (QCBS); (b) Quality-Based Selection (QBS) ; (c) selection based on the Consultant's Qualification (CQS) for contracts which amounts are less than US$300,000 equivalent and are relative to exceptional studies and researches which require a rare and strong expertise; (d) Selection under a Fixed Budget (FBS) only when the assignment is simple and can be precisely defined and when the budget is fixed; (e) Least Cost Selection (LCS) for selecting consultants for assignments of a standard or routine nature such as audits, engineering design of non-complex works, and so forth ; (g) Single Source Selection (SSS), with prior agreement of IDA, for services in accordance with the paragraphs 3.8 to 3.11 of Consultant Guidelines. Individual Consultant (IC) will be hired in accordance with paragraph 5.1 to 5.6 of Bank Guidelines; Sole source may be used only with prior approval of the Bank. The Project Agency (or any Contract Management Agency involved in the project execution) will ensure widely publicized Requests for Expressions of Interest (REI) for all contracts for consultants firm estimated to cost the equivalent of US$200,000 or more and for all contracts for individuals estimated to cost the equivalent of US$100,000 or more.

To obtain expressions of interest (EOIs), the Client shall advertise a request for expressions of interest (REOI) for each contract for consulting firms in the national gazette, provided that it is of wide circulation, or in at least one newspaper, or technical or financial magazine, of national circulation in the Client's country, or in a widely used electronic portal with free national and international access. In addition, assignments expected to cost more than US$300,000 shall be advertised in *UNDB online.* Borrowers may also in such cases advertise REOIs in an international newspaper or a technical or financial magazine. The information requested shall be the minimum required to make a judgment on the firm's suitability and not be so complex as to discourage consultants from expressing interest. REOIs shall at a minimum include the following information applicable to the assignment: required qualifications and experience of the firm, but not individual experts' bio data; short-listing criteria; and conflict of interest provisions. No less than 14 (fourteen) days from date of posting on *UNDB online* shall be provided for responses, before preparation of the short list. The late submission of a response to an REOI shall not be a cause for its rejection unless the Client has already prepared a short list, based on received EOIs. The Bank will arrange the simultaneous publication of all REOIs prepared and submitted by the Borrowers on the Bank's external website.

Short lists of consultants for All Consultancy Assignments estimated to cost less than US$100,000 equivalent per contract and for Engineering Designs & Contract Supervisions estimated to cost less than US$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines, if a sufficient number of qualified firms are available. However, if foreign firms express interest, they would not be excluded from consideration.

Training, Workshops and Conferences: The training (including training material and support), workshops and conference attendance, will be carried out on the basis of approved annual training and workshop/conference plan. A detailed plan giving the nature of training/workshop, number of trainees/participants, duration, staff months, timing and estimated cost will be submitted to IDA for review and approval prior to initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After the training, the beneficiaries will be requested to submit a brief report indicating which skills have been acquired and how these skills will contribute to enhance his/her performance and contribute to the attainment of the project objective.

Reference to the National Procurement System: The Mauritanian Procurement Code is regulated by Decree no 2010-044 of July 22, 2010. This code was reviewed with IDA assistance. In general, the country's procurement procedures do not conflict with the Bank Guidelines. No special permits or licenses need to be specified in the credit documents, since Mauritania procurement practices allow IDA procedures to take precedence over any contrary local regulation or practice. A Country Procurement Assessment Review (CPAR) carried out in Mauritania in June 2002 flagged the main issues: the lack of capacity among the Client staff, absence of standard bidding documents at the national level, insufficient capacity of local contractors for contracts subject to ICB, and corruption practice. Recommendations were made to address these issues. In addition, an IDF Grant was provided to strengthen the Client capacity in procurement, modernize the procurement process and improve the regulation. The actual procurement code, implemented recently, beginning in February 2012, is the result of this IDF.

Procurement Plan

The Client developed a draft procurement plan for the first 18 months of project implementation based on the adopted annual action plan which provides the basis for determining the procurement methods. This plan will be finalized and transmitted to IDA before no later than at the end of negotiations. Once approved by IDA, the procurement plan will be available in the project's database and made publicly available online and Image Bank. The Procurement Plan will be updated annually or as required to reflect the actual project implementation needs and improvement in institutional capacity.

Frequency of Procurement Supervision

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.

Mitigation measures: Apart from identifying the minimum required staffing and equipment needed for a procurement unit satisfactory to IDA, no other mitigation measures can be identified at this time. However, given that the Bank's procurement specialist is based in Mauritania, close supervision and support will be undertaken to propose any additional mitigation measure if and when they are needed.

With respect to the DPEF, the recommended actions include the recruitment of one procurement specialist.

Recommended Action	Due Date
Appoint one procurement specialist on Terms of Reference acceptable to IDA.	One month after effectiveness
The members of procurement board of DPEF will be trained in Bank procurement procedures	During the six months following the effectiveness

Frequency of procurement reviews and supervision: Bank's prior and post reviews will be carried out on the basis of thresholds indicated in the following table. The Bank will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPR); with the ratio of post review at least 1 to 5 contracts. The Bank may also conduct an Independent Procurement Review (IPR) at any time until two years after the closing date of the project.

Overall Procurement Risk Assessment:

High	
Substantial	X
Moderate	
Low	

Table A6.1: Procurement and selection review thresholds

Expenditure Category	Contract Value (Threshold) Amounts in US$	Procurement Method	Contract Subject to Prior Review US$
1. Works	≥ 10,000,000	ICB	All
	< 10,000,000	NCB	All contract above or equal to 5.000.000USD, for other On a case by case basis
	<100,000	Shopping/price Comparison	On a case by case basis
	No threshold	Direct contracting	All
2. Goods and Non- consulting Services	≥ 1,000,000	ICB	All
	< 1,000,000	NCB	All contract above or equal to 500.000USD, for other On a case by case basis
	< 50,000	Shopping	On a case by case basis
	No threshold	Single Source Selection	All
3. Consultants			
3.1 Firms	No threshold	QCBS; QBS; LCS; FBS;	- All contracts with a cost estimate equal or above US$200,000; and - all contracts for financial audit and for procurement audit
	<300,000	CQS	All short-lists under CQ All contracts with a cost estimate equal or above US$200,000
3.2 Individuals	No threshold	Selection of Individual Consultants (Comparison of at least 3 CVs)	- All contract with a cost estimate equal or above US$100,000; - all contracts for financial assistance and for procurement assistance, and - all short-lists for individual Consultants Selection
	No threshold	Single Source Selection (Firms & Individuals)	All
All TORs regardless of the value of the contract and the selection method, are subject to prior review			

All trainings, terms of reference of contracts estimated to more than US$10,000, and all amendments of contracts raising the initial contract value by more than 15 % of original amount or above the prior review thresholds will be subject to IDA's prior review. All contracts not submitted for prior review will be submitted to IDA for post review in accordance with the provisions of paragraph 5 of Annex 1 of the Bank's Consultant Selection Guidelines and Bank's Procurement Guidelines.

C. Monitoring & Evaluation

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 Mechanisms[5]. 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. MEFPTIC, 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.

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.

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. MEFPTIC 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

[5] 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

monitoring the implementation of the National TVET Strategy. As MEFPTIC'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 MEFPTIC 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.

D. Role of Partners

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 MEFPTIC respectively. A joint mission report is sent to the Government following each joint review, containing main donor recommendations and suggestions.

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 AF. 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 5
Project Costs

The following provides an overview of costs of activities (including new activities and those to be scaled up) under the AF.

Table 1: Cost by AF activities

Component	Current Cost (US$)
1. Strengthening and Diversifying TVET	**10,600,000**
1.1 Improving the quality and relevance of the training provided in eligible TVET institutions	**9,100,000**
Rehabilitation and expansion of 4 TVET centers	5,000,000
Equipment of the 4 TVET centers to be rehabilitated and equipment for the Mining School	2,600,000*
Performance Based Contracts with 6 new TVET centers (including the Mining School)	1,600,000**
1.2 Increasing apprenticeship and short-term training programs	**1,400,000**
1,720 additional youth in short-term training programs	1,400,000***
2. Improving the institutional environment of TVET	**700,000**
2.1 Enhancing the capacity of the Ministry of Vocational Training	
Implementation of the Human Resources Development Plan for the TVET sector	700,000
2.2 Strengthening the capacity of INAP- FTP	
Total Cost	**11,300,000**

*The amount includes US$ 2.0 million equipment for the 6 TVET centers to be rehabilitated and US$ 0.5 million equipment for the mining school
** The amount includes US$ 900,000 for 5 new centers to enter PBCs and US$ 700,000 for a PBC for the Mining School
*** The amount was calculated based on the current unit cost of US$ 800 per trainee.

Table 2: Costs by component

Component	Current Cost (US$)	Changes with Additional Financing	Revised Cost (US$)
1. Strengthening and Diversifying TVET	12,000,000	10,600,000	22,600,000
2. Improving the institutional environment of TVET	4,000,000	700,000	4,700,000
Total Cost	**16,000,000**	**11,300,000**	**27,300,000**

Annex 6
Economic Analysis

The assumptions for the economic analysis under the AF would remain the same as those of the original credit

Analysis of Public Expenditure of the TVET sector

Composition of the education budget

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 GDP[6].

Although MEFPTIC'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 1: 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 MEFPTIC budget

The budget of the MEFPTIC 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 equipment particularly in industrial programs require a lot of maintenance and consumables. Public expenditure is complemented by

[6] 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 2: Composition of MEFPTIC 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 MEFPTIC

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 3: 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

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.

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.

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.

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

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

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).

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).

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 4: 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 project[7]

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

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

[7] 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 5: Level of education of young Mauritanians

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

The AF should increase the annual flow of skilled youth from 993 in 2010 to 1,985 in 2016 for a total of 9,941 during the duration of the project: (i) 6,500 trained through apprenticeship and short-term training programs; and (ii) 8,411 graduates of the TVET institutions.

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

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 45 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.

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.

In addition the project would train 6,500 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

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.

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

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.

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 7
Procedures for preparing and approving PBCs

Summary of main steps to prepare and approve PBCs

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

Assessment of TVET Institution

The first stage in the process of preparing a PBC 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)*

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.

<u>Objectives</u>

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.

<u>Costed Action Plan</u>

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 PBCs

<u>Technical evaluation of PBCs</u>

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.

INAP-FTP will be able to verify the technical soundness of the PBCs (and hence the *"Projet d'Ecole"* since that is an integral part of each PBC), 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 PBC 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 PBC satisfactory, it will be formally submitted for funding consideration.

Funding consideration and financing of SPIAs

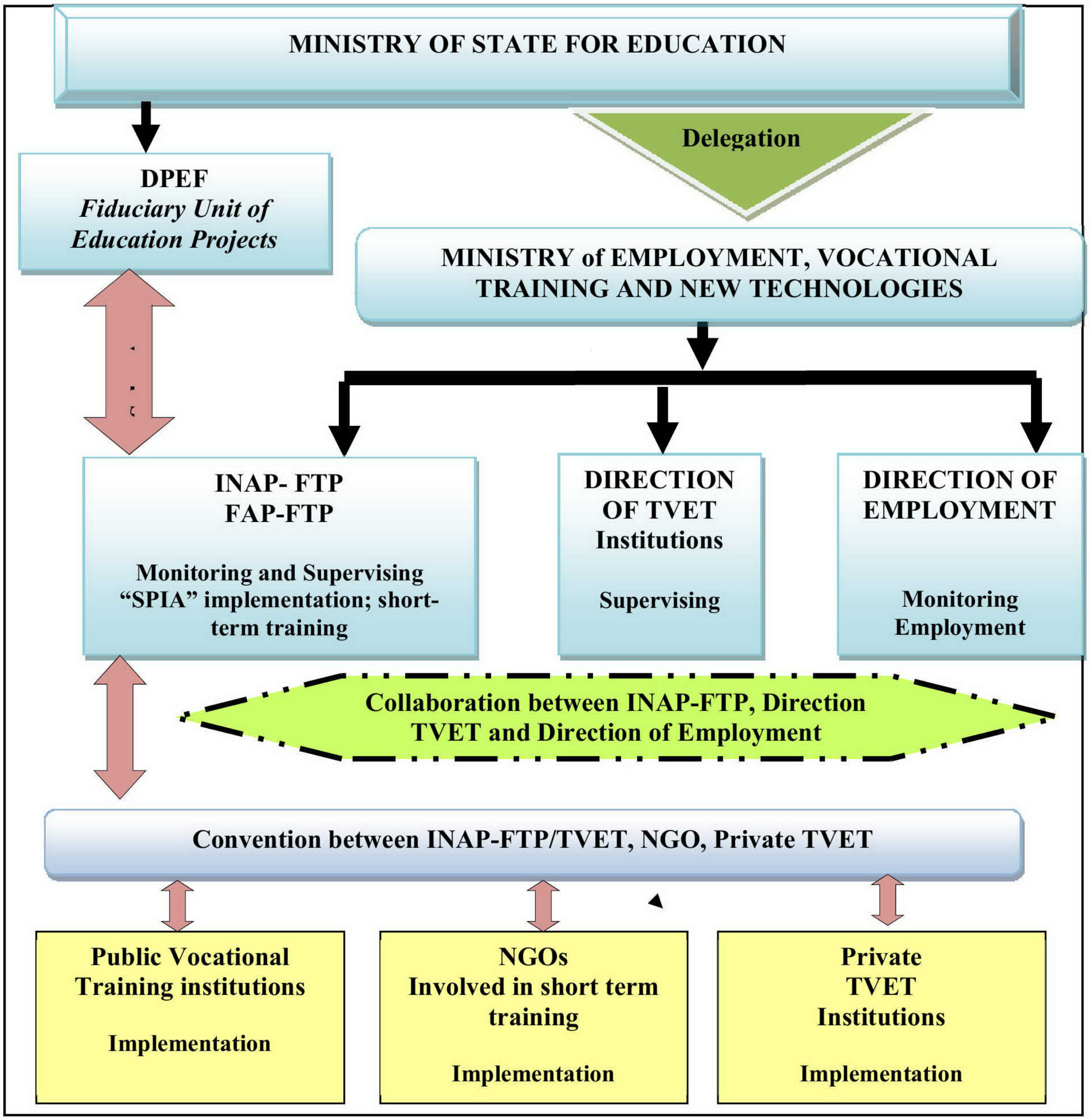
The *Fond d'Appui à l'Enseignement Technique et à la Formation Professionnelle* (FAP-FTP) is INAP-FTP's funding arm through which it does all financial training transaction. FAP-FTP receives financial contributions from both the public and private sector, and Development Partners. INAP-FTP is also the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

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 PBC were already reviewed prior to funding consideration submission, the Funds Appropriations Committee focuses solely on the financial soundness of each PBC and relevance to the needs of the private sector. Should the PBC be judged relevant and financially sound, its associated budget envelope would be approved.

Implementation of PBCs

Once approved, the PBC will be signed between the participating TVET institution and INAP-FTP. The PBC 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 PBCs, data collection and Monitoring and Evaluation to measure progress towards achieving the objectives of the *"Projet d'Etablissement"*.

Annex 8
Organizational Chart



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MAURITANIA

SELECTED CITIES AND TOWNS
REGION CAPITALS
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RIVERS
MAIN ROADS
RAILROADS
REGION BOUNDARIES
INTERNATIONAL BOUNDARIES

AUGUST 2012