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Report No: PAD3037

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT  
ON A  
PROPOSED CREDIT

IN THE AMOUNT OF EURO 45.8 MILLION  
(US\$53 MILLION EQUIVALENT)

TO  
THE REPUBLIC OF SENEGAL

FOR AN

IMPROVING YOUTH EMPLOYABILITY THROUGH INFORMAL APRENTICESHIP PROJECT

October 31, 2018

Social Protection & Jobs Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective September 31, 2018)}

Currency Unit = CFA

1 CFA = 0.00176 US\$

1 CFA = 0.00152 EURO

1 US\$ = 566.432 CFA

1 EURO = 655.957 CFA

1 US\$ = 0.86352 EURO

FISCAL YEAR

January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

3FPT	Fund for Professional and Technical Training ( <i>Fonds de Financement de la Formation Professionnelle et Technique</i> )
ANPEJ	National Agency for the Promotion of Youth Employment
CAP	Certificate of Professional Aptitude ( <i>Certificat d'Aptitude Professionnelle</i> )
CBA	Competency based approach ( <i>Approche par les Compétences</i> )
CRA	Regional Committee of Apprenticeship ( <i>Comité Régional de mise en œuvre de l'Apprentissage</i> )
CTs	Chambers of Trade ( <i>Chambres des Métiers</i> )
DA	Direction of Apprenticeship ( <i>Direction de l'Apprentissage</i> )
DAGE	Directorate of Administration and Equipment ( <i>Direction de l'Administration Générale et de l'Équipement</i> )
DALN	Directorate for Alphabetization and National Languages ( <i>Direction de l'Alphabétisation et des Langues Nationales</i> )
DART	Direction of Artisanat ( <i>Direction de l'Artisanat</i> )
DECPC	Directorate of Examinations and Certification ( <i>Direction des Examens, Concours Professionnels et Certification</i> )
DER	Delegation for Rapid Entrepreneurship ( <i>Délégation à l'Entreprenariat Rapide</i> )
DFIL	Disbursement and Financial Information letter
GRS	Grievance Redress Service
ICT	Information and Communication Technologies
IDA	International Development Association
IPF	Investment Project Financing
LUXDEV	Agence Luxembourgeoise pour la Coopération au Développement
M&E	Monitoring and Evaluation
MFPAA	Ministry for Professional Training, Apprenticeship, and Artisanat ( <i>Ministère de la Formation Professionnelle, de l'Apprentissage et de l'Artisanat</i> )
MIS	Management Information System
ONFP	National Office of Vocational Training ( <i>Office National de Formation Professionnelle</i> )
OPA	Professional Associations of Craftspersons ( <i>Organisations Professionnelles d'Artisans</i> )
PAD	Project Appraisal Document
PDO	Project Development Objective
PFM	Public Financial Management
PIM	Project Implementation Manual
PNBSF	National Program of Food Security Transfers ( <i>Programme National de Bourses de Sécurité Familiale</i> )
PPSD	Project Procurement Strategy for Development
PRAMS	Procurement Risk Assessment Management System
PSE	Plan Senegal Emergent
RNU	National Unique Registry ( <i>Registre National Unique</i> )
SCD	Strategic Country Diagnostic
SMEs	Small and Medium Entreprises ( <i>Petites et Moyennes Entreprises</i> )
TVET	Technical and Vocational Education and Training ( <i>Formation Professionnelle et Technique</i> )
UA	Union of Associations
VAE	Validation of experience-based skills ( <i>Validation des Acquis d'Expérience</i> )
WINGS	Women's Income Generation Support



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## DATASHEET

**BASIC INFORMATION**

Country(ies)	Project Name	
Senegal	Improving Youth Employability Through Informal Apprenticeship	
Project ID	Financing Instrument	Environmental Assessment Category
P167681	Investment Project Financing	C-Not Required

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
21-Nov-2018	31-Mar-2024

Bank/IFC Collaboration

No

**Proposed Development Objective(s)**

The project development objectives are to strengthen the apprenticeship system and improve the employability of selected apprentices.

**Components**

Component Name	Cost (US\$, millions)
Component 1: Strengthen the system of informal apprenticeship	13.60



Component 2: Improve the quality of apprentices' skills formation processes	35.60
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Component 3: Project management	3.80
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### Organizations

Borrower:	Republic of Senegal
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Implementing Agency:	Ministry of Professional Training, Apprenticeship and Craft
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### PROJECT FINANCING DATA (US\$, Millions)

#### SUMMARY

Total Project Cost	53.00
Total Financing	53.00
of which IBRD/IDA	53.00
Financing Gap	0.00

#### DETAILS

##### World Bank Group Financing

International Development Association (IDA)	53.00
IDA Credit	53.00

##### IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Total Amount
National PBA	53.00	0.00	53.00
Total	53.00	0.00	53.00

##### Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2019	2020	2021	2022	2023	2024
Annual	1.00	8.00	14.00	14.00	14.00	2.00
Cumulative	1.00	9.00	23.00	37.00	51.00	53.00

**INSTITUTIONAL DATA****Practice Area (Lead)**

Social Protection &amp; Labor

**Contributing Practice Areas****Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**Gender Tag****Does the project plan to undertake any of the following?**

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	Yes
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	Yes
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	Yes

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)****Risk Category****Rating**

1. Political and Governance	● Substantial
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial



## COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

### Safeguard Policies Triggered by the Project

Yes

No

Environmental Assessment OP/BP 4.01

✓

Performance Standards for Private Sector Activities OP/BP 4.03

✓

Natural Habitats OP/BP 4.04

✓

Forests OP/BP 4.36

✓

Pest Management OP 4.09

✓

Physical Cultural Resources OP/BP 4.11

✓

Indigenous Peoples OP/BP 4.10

✓

Involuntary Resettlement OP/BP 4.12

✓

Safety of Dams OP/BP 4.37

✓

Projects on International Waterways OP/BP 7.50

✓

Projects in Disputed Areas OP/BP 7.60

✓

### Legal Covenants

#### Sections and Description

The Recipient shall maintain a project implementation team until the completion of the Project, with terms of reference and staffing satisfactory to the Association.

#### Sections and Description

The Recipient shall maintain the Directorate of Administration and Equipment, with staffing satisfactory to the Association, to be responsible for the overall fiduciary aspects of the Project, including procurement, financial management and reporting, and accounting for the Project.

#### Sections and Description

The Recipient shall establish and maintain until the completion of the Project, a Project Steering Committee with terms of reference and composition satisfactory to the Association.





#### Sections and Description

The Recipient shall establish and maintain until the completion of the Project a grievance redress mechanism, with terms of reference and staffing satisfactory to the Association.

#### Sections and Description

The Recipient shall, no later than two (2) months after the Effective Date, update the existing PIM to include the Project specifications including detailed arrangements for the output-based financing for Part A.2(a) of the Project, Capital Grants under Part B.2(b) of the Project, and Cash Transfers under Part B.4 of the Project.

#### Sections and Description

The Recipient shall, no later than four (4) months after the Effective Date: (a) hire an accountant with qualification and experience satisfactory to the Association; (b) updating accounting and reporting systems, satisfactory to the Association; and (c) hire an external auditor with qualifications and experience satisfactory to the Association.

#### Sections and Description

The Recipient shall, no later than six (6) months after the Effective Date, hire an internal auditor with qualifications and experience satisfactory to the Association.

#### Conditions

Type	Description
Effectiveness	The Additional Condition of Effectiveness consists of the following, namely that the Recipient has hired a financial and administrative officer with qualification and experience satisfactory to the Association.
Type Disbursement	Description No withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed € 1,000,000 may be made for payments made prior to this date but on or after October 22, 2018, for Eligible Expenditures under Category 1.
Type Disbursement	Description No withdrawal shall be made for payments made under Category 2 until and unless the Recipient, through MFPA, has verified the number of Outputs achieved by ONFP, namely the number of new integrated competency-based training programs developed, and the number of existing integrated competency-based training programs revised.
Type Disbursement	Description No withdrawal shall be made for payments made under Category 5, until and unless: (i) the Recipient has updated the relevant sections of the PIM; (ii) hired and entered into a contract with a Payment Agency as set forth in Section I.C.1 of this Schedule; and (iii) the payments are made in accordance with the procedures and eligibility criteria set forth in the PIM and the contracts.



Type	Description
Disbursement	No withdrawal shall be made for payments made under Category 4, until and unless the Recipient has updated the relevant sections of the PIM, and unless the payments are made in accordance with the procedures and eligibility criteria set forth in the PIM.





## I. STRATEGIC CONTEXT

### A. Country Context

#### ***Poverty and inequality are widespread and limit household's investments in capital and productive capital***

1. Almost half of Senegal's population was poor in 2011 and poverty declined only marginally between 2005 and 2011. After stagnating, the consumption share of the bottom 40 percent of the population marginally declined between 2005 and 2011. Inequality of assets became more pronounced since 2011. After three decades of economic slowdown, growth rates increased to almost 7 percent since 2015. Recent growth has likely reduced poverty since 2011 by 4 to 7 percentage points. The outlook for growth remains positive, though its sustainability hinges on the implementation of key reforms to boost competitiveness and stimulate private sector growth.

2. Poor households have low human development outcomes. Children aged 7 to 12 from the poorest two quintiles are twice as likely to be out of school than their peers from the wealthiest quintile. Low enrollment translates into weak literacy rates later in life: youths from the poorest two quintiles are twice as likely to be illiterate than those from the top quintile. Malnutrition indicators from the poorest quintile are three to four times worse than those of the top quintile. Low investments in health and education for poorer children are expected to limit intergenerational mobility and lock poorer households in poverty traps.<sup>1</sup>

#### ***Weak labor market outcomes limit the potential of work to lift people out of poverty***

3. Widespread and persistent poverty is, to a large extent, a consequence of a weak labor market. Senegal has a large share of population that does not work. According to the results of Senegal's National Employment Survey (ENES), in 2015, 3.5 of the 8.3 million people of working age were inactive (41.6 percent), and another 1.1 million (or 13.4 percent) were unemployed. Only 3.8 million (45 percent) were working, substantially less than in 2011 when the employment rate was 49.5 percent. Among youth, inactivity is high: In urban areas, 21 percent of 15-19 years-old, 34 percent of 20-24 years-old, and 45 percent of women over 25 are not working, looking for work or studying. Rates are lower among men who are more frequently studying. These rates are higher than the average for Sub-Saharan Africa.

4. Additionally, the conditions of those who work are often precarious and characterized by underemployment, informality, and low earnings. Nine in ten employees work in the informal sector, mostly in agriculture and non-agricultural employment (small and medium size enterprises and the *artisanat* sector<sup>2</sup>). Agricultural employment is highly seasonal. Informal employment is plagued by low capital endowment, productivity and earnings.

5. Compared to the rest of the population, youth employment is more precarious. Only nine percent of youth are employed in the formal sector, and only six percent report having a written employment contract. Twenty seven percent of working young people experience underemployment. On average, the income of 15-24 years old is significantly lower than that of adults in the same sectors. As a result, 67 percent of working 15-34 years old are poor<sup>3</sup>. An estimated 75 percent of young people work in vulnerable conditions, a level similar to, or higher than, that observed in Mali, Ghana, Ethiopia, Tanzania and Uganda, with men tending to score better than women<sup>4</sup>.

<sup>1</sup> ESPS-II, 2011; DHS, 2014 and Lambert, Ravallion, and Van de Walle, 2014.

<sup>2</sup> "Artisanat" refers to a form of business operated by artisans, composed of small manufacturing industries mainly depending upon manual skills, and producing in limited quantities often using informal methods. The artisanat industry is developed around three sectors: fabrication (woodworking, welding, tailoring), services (auto mechanics, plumbing, hairdressing) and arts (woodcarving, jewelry-making).

<sup>3</sup> Labor income poverty index: share of people whose adult equivalent labor income is lower than the poverty line.

<sup>4</sup> Hamaguchi et al., 2013, based on ILO-Stat



6. Prospects tend to be worse for women and, within this group, for younger women. Young women are more likely to be inactive, more likely to be underemployed, less likely to be salaried, and more likely to work in vulnerable conditions (68 percent of women versus 51 percent of men). Overall, women earn less. Social norms constrain youth choices, especially for young women, especially marriage and pregnancy. By age 17, 20 percent of young women with primary education are married, 50 percent by age 20<sup>5</sup>. Norms appear to be more restrictive for the poorest. Similarly, teenage pregnancies are prevalent, as 26 percent of 18-year-old women have already had a child or are pregnant (more among the poorest and least educated). This affects their education and participation: 61 percent of inactive young women cite domestic work and taking care of children, ill or elderly family members as a reason for not seeking employment.

7. Job creation has been too slow to absorb rising demographic pressures, and this imbalance could worsen. While the share of 15-24 years old has been stable since the 1950s (about one fifth of the population), demographic growth means that their number continues to increase. Since 2015, about 300,000 of them try to enter the workforce each year, a number expected to increase to 400,000 by 2025. Without an expansion of the labor market, a larger share of these labor resources will not be used. The underutilization of youth's productive potential can limit growth, the impact of growth on poverty, and social cohesion.

***What factors explain the situation of youth on the labor market?***

8. The formal education system is plagued by problems of coverage and quality. Although education is a key determinant of the transition out of poverty, enrollment rates remain low, at 61 percent for primary education, 38 percent for secondary education, and 5 percent for tertiary level. More generally, just above 40 percent of adults are literate, well below the Sub-Saharan Africa average of 60 percent<sup>6</sup>. For those who attend school, the school system does not equip them with the skills necessary for a modern economy. About 40 percent of children do not finish the primary cycle, because they rarely attend or drop out. Of the remainder, about 25 percent do not know how to read and do math. Only 35-37 percent finish the primary cycle and have functional literacy. As a result, two thirds of the children do not possess the level of literacy and math expected after primary.

9. Technical vocational education shows good employment results but only 7.7 percent of those completing basic education in 2017 had access to it, and coverage has increased only marginally since 2015 by only one percentage point. Those with a TVET degree are 74 percent more likely to be employed than those with general education. However, the system tends to serve well-educated, urban young men disproportionately. There are also significant regional disparities, with almost half of the training supply concentrated in the region of Dakar, and the offer of formal vocational training being largely oriented towards the tertiary sector<sup>7</sup>.

10. For most young people, on-the-job training in the informal sector is a key skills acquisition mechanism. Young people in the agricultural sector and family businesses report having acquired their skills mostly from their parents and employers (only 3-4 percent cite education or training as a source). Overall, informal apprenticeship is the most widespread mode of learning, especially among men, both in urban and rural areas. More than a third of young men and 12 percent of young women spent time as apprentices. Prevalence is particularly high for those who started or finished primary school (65 to 80 percent among young men). There are positive returns to apprenticeship on the labor market, with former apprentices more likely to participate in the labor market (97 percent of former apprentices with primary education have worked in the last 12 months)<sup>8</sup>.

11. Lack of information on employment opportunities or skills possessed by job seekers compounds the

<sup>5</sup> EBMS 2003 / ETJS 2011/13

<sup>6</sup> Lanjaou and Swinkels (2014) and Listening to Senegal Survey, 2014.

<sup>7</sup> Elaboration de la phase 2 du Plan Senegal Emergent, Rapport diagnostic, Ministere de L'Economie, des Finances et du Plan (2018)

<sup>8</sup> Aubery and Giles (2017) *Informal Apprenticeship in Senegal as a Pathway to Employment*. Mimeo, World Bank,





problems. Recruitment is mostly based on family or social networks. Only one young person in ten has used a mechanism to expand their sphere beyond family or friends (6-7 percent used public or private employment agencies, five percent used newspaper or online ads). Firms and individuals have expressed frustration at the constraints imposed by network-based recruitment. Mechanisms to certify competencies – acquired in schools, with parents/relatives, through apprenticeship, or on-the-job – are largely absent but could help promote competency-based recruitment and encourage youth's interest in acquiring skills and certification.

12. Young people also often have limited access to productive inputs, particularly funding to invest in productive assets. Only four percent of young people 15 to 24 years have a bank account, and only nine percent have access to credit for income generating activities. Furthermore, access to key assets, such as land, is largely determined by customary inheritance practices, limiting options for their access using other mechanisms.

## B. Sectoral and Institutional Context

### *Senegal's social protection and employment strategies*

13. The Government has put social protection at the heart of its development plan. The second pillar of the *Plan Sénégal Emergent* (PSE) focuses on the construction of a national social protection system to address chronic poverty and protect vulnerable households from shocks. The Government has made a significant effort to develop the national targeting mechanism (National Unique Registry, RNU, *Registre National Unique*), which combines community-based targeting and a survey to identify the poorest households. As of 2017, it includes 450,000 households, and serves as the entry point for social programs targeting the poor, such as the main safety net program -National Program of Food Security Transfers (*Programme National de Bourses de Sécurité Familiale*, PNBSF), or the Universal Health Insurance program (*Couverture Médicale Universelle*) The registry has led to high-quality targeting for the PNBSF, as 90 percent of households in the program are below the poverty line<sup>9</sup>.

14. While progress has been made to provide social assistance to the poor population, significant gaps remain with respect to employment support programs. Multiple programs have been deployed, but remain fragmented, focus mostly on rural areas, and tend to exclude the most vulnerable and informal. Despite many interventions (57 programs identified in 2016/7), few young people are covered, especially in urban areas and non-agricultural sectors. The rural focus comes in contrast with the concentration of youth in the capital and large cities. Moreover, at least one in four programs requires specific qualifications and tends to exclude the poorest and most vulnerable. Most programs rely primarily on external financing, which can jeopardize sustainability. Finally, programs tend to focus on the formal sector, when most of the opportunities reside in the informal sector. For example, 76 percent of the 20,440 youth who requested employment support in 2014-15 were oriented towards the formal sector<sup>10</sup>.

15. Employment programs have largely lacked the comprehensive focus required to address youths' multiple constraints. The labor market values a broad range of skills: technical, cognitive, and behavioral or non-cognitive skills, which have been increasingly recognized as essential for learning and labor market outcomes.<sup>11</sup> Depending on target groups' constraints, the most effective interventions combine different types of skills training with literacy interventions, technical and financial support, mentoring/coaching, and skills certification, among others. Partial programs have more limited impact, especially for the poor and vulnerable.<sup>12</sup>

<sup>9</sup> World Bank (2017). *Sénégal: Résultats de l'enquête de ligne de référence du Programme National de Bourses Sociales Familiales (PNBSF)*. (Data from the third wave of enrolment).

<sup>10</sup> ANPEJ/World Bank (2017) *Cartographie des Politiques, Programmes et Projets en Faveur de l'Emploi des Jeunes au Sénégal*. Mimeo and *Atelier conjoint d'échange et de partage autour de la nouvelle politique nationale de l'emploi et des mesures d'urgence en faveur de l'emploi*. Ministère de l'Emploi, Primature.

<sup>11</sup> Heckman et al. (2006), Hochwarter et al. (2004), Ibarrara et al. (2014), Kluve et al. (2016) and Taylor (2007).

<sup>12</sup> Kluve et al (2016), Brunello and Schlotter (2011), and Kautz, Heckman, Diris, Weel and Borghans (2014). (see more details on global



**Informal apprenticeship is the most prevalent path for skills acquisition for Senegalese**

16. Informal apprenticeship training represents the most important skills development sub-system in Senegal in terms of numbers of youth served, making it a main route to skills development. There are about 418,000 youth in informal apprenticeship against 54,318 students in formal TVET<sup>13</sup>. Informal apprenticeship describes a defined training relationship between a master craftsperson and a young person. The latter commits to work for the master as an apprentice and is instructed by the master to learn on-the-job. Training is usually long-term but not based on a prescribed curriculum, as learning contents are determined by the tasks/work conducted in the workshops. The apprenticeship training is embedded in social traditions and local economic structures, with a tacit moral contract between the parents and the master, the latter being asked many times to take over some parental responsibilities during the apprenticeship<sup>14</sup>.

17. A typical workshop is directed and owned by the master craftsperson and has two employees and three apprentices. An apprentice stays with the master, on average, between three and six years. Capital endowment is low and often obsolete. Production is highly labor intensive. The typical sectors where these units operate are masonry, carpentry, drivers, mechanics and tailoring for men, and hairdressing and tailoring for women. The *artisanat* industry represents a major component of the informal sector in Senegal as shown by the latest census of artisanat units<sup>15</sup>. The census shows that there are over 128,000 workshops, in which about 397,000 employees and 418,000 apprentices work. Also, in 2017, 407,882 economic units were enumerated throughout the country for a total of 844,268 employees, showing that individual companies are the most represented (82.3 percent) and evolve mostly in the informal sector<sup>16</sup>. The sector is very loosely organized, without strong leadership from the business sector, despite several existing structures including various Professional Associations of Craftspersons (OPAs), Union of Professional Associations of Craftspersons, and Chambers of Trade (CTs, *Chambres de Métier*).

Table 1. Distribution of workshops according to the main trade clusters

Trades	Estimated number of workshops
Tailoring *	23,106
Wood work *	11,921
Metalwork*	7,620
Hairdressing *	7,005
Masonry	5,285
Restoration	4,793
Car mechanics, electrician, and autobody *	4,547
Forgery	4,424
Knitting	3,687
Vulcanization	3,318
Dyeing	2,458
Radio, television and telephone	2,581
Shoe repairing	2,335
Wood carving	2,335
Jewelry	2,335

Source: RNUAS 2004.

Note: \*Trades to be selected in the first phase of the project

evidence in section on economic analysis).

<sup>13</sup> Latest National Report on TVET statistics, 2015

<sup>14</sup> An overview about informal apprenticeship training practice in Africa is provided in Apprenticeship Training in Africa. World Bank Africa Regional Study on Skills Background Paper. January 2017.

<sup>15</sup> 2004 National Census of the Artisanat Units (MFPAA, Document de politique nationale de formation par apprentissage, 2016)

<sup>16</sup> ANSD, Rapport Global sure le Recensement Général des Entreprises (Jan 2017)

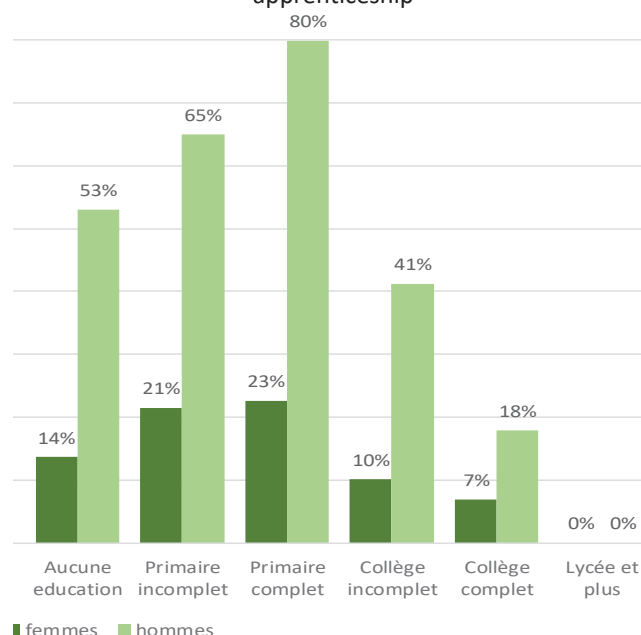


18. Informal apprenticeship training is the most accessible (and often the only) form of skill acquisition for youth with low education and coming from poor households. More than 50 percent of young men and 12 percent of young women with no education spent time as apprentices (Figure 1). Prevalence is particularly high for those who started/finished only primary school (65 to 80 percent among young men). The system appears to be more widespread in urban areas and is generally perceived to be the domain of male rather than of female youth.

19. In Senegal, there are positive returns to apprenticeship on the labor market. Apprenticeships are by nature demand-driven and linked to the world of work. Participation in informal apprenticeship training represents a significant asset enabling workers to find employment in the informal sector and a typical route into self-employment in typical apprenticeship trades. For a given level of education, former apprentices are more likely to work (97 percent of those with primary education have worked in the last 12 months). Moreover, apprenticeship offers a way out of agriculture (46 percent of low-educated young men without apprenticeship training work in agriculture, while only ten percent of former apprentices do)<sup>17</sup>. Studies on other African countries also demonstrate the importance of informal apprenticeship training, especially compared with institution-based skills development<sup>18</sup>.

20. Despite its wide acceptance, the quality of skills development through informal apprenticeship is curtailed by skills limitations of master craftspersons, especially in relation to modern technology and business practices and low foundational skills. Many apprenticeships take place during long periods, at times beyond what is necessary to acquire the skills of the trade. Furthermore, apprenticeships do not provide a route into the wider labor market, as skills and competencies are usually not formally recognized. Most apprentices have no way to convey their skills to employers/clients, beyond the word of their master. While no reliable statistics exist, it seems that in 2017 only about 1,300 apprentices applied to obtain a certification<sup>19</sup>. Modernizing apprenticeship training has become central to skills development in Senegal, and the 2012-2025 sectoral policy calls for mainstreaming informal apprenticeship as part of technical vocational training. The Ministry of professional training, apprenticeship and artisanat (MFPA) has initiated key reforms promoting a competency-based approach and dual system named “renewed” apprenticeship (*apprentissage rénové*)<sup>20</sup>. The approach promotes skills formation that responds to labor market demand and recognizes the need for a certification that is regulated and recognized. In 2014, the *Massive Deployment of the Renewed Apprenticeship* was launched with the objective to train 10,000 youth. A governance structure was put in place, including an Intersectoral Committee for Monitoring and Supervision at the central level and Regional Committees of Apprenticeship (CRA) in each region. The Luxemburg development agency has supported the

Figure 1: Share of young people who took part in informal apprenticeship



Source: EBMS 2003 / ETJS 2011/13

<sup>17</sup> Aubery and Giles (2017) *Traditional Apprenticeship in Senegal as a Pathway to Employment*. Mimeo, World Bank,

<sup>18</sup> Filmer and Fox (2014) *Youth Employment in Sub-Saharan Africa*. Agence Francaise de Développement/World Bank show prevalence ranging from 6 percent in Uganda to 35 percent in Ghana, with an average of 20 percent (compared to 4 percent for TVET attendance).

<sup>19</sup> MFPA, 2017 Annual Performance Report

<sup>20</sup> Dual training refers to training whereby learning takes place in an integrated manner at two locations: in an enterprise (practical training) and in a technical training institution (basic and theory training).





reform, with the “Equitable Access to Vocational Training” project aiming at improving apprenticeship settings in 250 workshop and training and facilitating the labor market insertion of 2,000 apprentices.

21. Strengthening the quality and recognition of informal apprenticeship would substantially improve skills development options for disadvantaged youth, especially from low-income families and with low education. It can be an effective approach, as it builds on self-governing and self-financing structures and on its strength for developing work readiness through on-the-job learning. Assessments in other countries have shown that comprehensive approaches to improving the system of informal apprenticeships can also positively impact on the overall productivity of the informal sector<sup>21</sup>. Effective programs help improve the quality of master craftspersons as trainers (through technical and pedagogical training, as well as access to modern technology), improve skills and learning ability of apprentices through foundational (literacy/numeracy) and social-emotional skills, and certify skills to better signal competencies on the labor market. Extensive discussions with informal sector business associations indicated a considerable level of interest in such approaches, though these actors would themselves need to be strengthened to fully play their role. Improving the capacity of *artisanat* actors to play a critical role in the improvement of informal apprenticeship should therefore be an essential part of any program focused on strengthening the apprenticeship system.

#### Consultations with craftspersons and apprentices

In-depth consultations with master craftspersons, apprentices, and government officials revealed a series of issues, which, combined with international evidence on programs in Africa and beyond, shaped the design of the project. Interviews and focus group discussions were organized with individuals from the sectors of woodworking, car and motorbike mechanics, hairdressing, and sewing in the regions of Dakar, Saint Louis, Kaolack, Diourbel and Thiès. Different qualities of workshops were included to ensure a representative analysis.

The consultations highlighted the importance of social networks in the apprenticeship relationship, whereby families entrust their youth to a master craftsperson, who is responsible for the transmission of technical skills, as well as a broader set of skills and for the housing and food of the young person.

The conversations confirmed that fields which welcome young women apprentices are limited (such as hairdressing, sewing, food transformation, vegetable gardening) and that working conditions are not conducive to inclusion of young women. Young apprentices often have limited formal education, and apprenticeship is perceived as an alternative for skills acquisition.

In terms of priorities, master craftsmen and apprentices highlighted needs in terms of inputs and equipment/tools for apprentices to effectively practice newly acquired skills. Training needs are also a priority, to help craftsmen increase expand businesses and participate in more complex markets (e.g. procurement of furniture for the Government), as are needs for mechanisms, both to certify competencies and to provide a basis for participation in public markets requiring certain skill levels. Finally, participants insisted on the need for training methodologies and materials that recognize the low literacy of both masters and apprentices and their limited use of printed material (manuals written in French and printed on paper were not used in workshops which benefited from past interventions).

22. Broadening the range of apprenticeship options and creating a more conducive learning environment is also important to attract more young women into informal skills development. Experience in other countries has shown that female participation rates improve once the range of sectors covered in skills development systems is broadened towards modern occupations, notably service sector professions<sup>22</sup>. Promoting women's learning also calls for communication campaigns aimed at breaking down socio-cultural barriers that tend to confine women to certain jobs. Improving workshop conditions (including enhancing sanitary facilities), having more female master craftspersons and women-targeted mentoring and counselling, and creating a safe environment are also essential to attract young women into informal apprenticeship.

<sup>21</sup> Apprenticeship Training in Africa. World Bank Africa Regional Study on Skills Background Paper. January 2017.

<sup>22</sup> World Bank / International Labour Office, 2013. Towards a Model Apprenticeship Framework. A Comparative Analysis of National Apprenticeship Systems.





## **C. Relevance to Higher Level Objectives**

23. The proposed activities are aligned with the national development strategy (PSE) and the authorities' commitment to addressing poverty and vulnerability, emphasizing improvements in access to quality social services, the implementation of programs for job creation, and the deployment of employability and skills development programs for the poor and vulnerable. The project also contributes to the implementation of the National Employment Strategy (2015-2019), which highlights the need for greater adequacy of skills with labor market demands, improvements in labor markets organization, and strengthening of the sector's coordination.

24. The project contributes to three constraints to inclusive growth and equity highlighted in the Strategic Country Diagnostic (SCD), Report Number 130660, October 4, 2018, namely (i) inequality and inefficiency of social public policies and expenditures, (ii) social and economic exclusion of the youth, and (iii) social norms limiting access to equal access to opportunities. Indeed, the SCD underlines that inadequate skills, amplified by labor market imperfections, marked inequities in access to basic services, and stifling social norms affect youth's opportunities to economic and social inclusion. The project is fully aligned with the forthcoming Senegal Country Partnership Framework (CPF), covering the period FY19-24, which positions the promotion of the employability of at-risk youth as one of the 4 objectives of its second pillar.

25. Finally, it complements World Bank-supported projects, in particular the Skills for Jobs and Competitiveness Project (P145585) focused on technical and vocational training system for mid-level qualification, while the proposed project focuses on lower-level qualifications. Both projects contribute to the development of the national skills certification system, and a strong collaboration has been established, including by sharing key staff members. It also complements the Quality and Equity of Basic Education Project (P133333 and P163575) which focuses on improving learning outcomes and improving equity in basic education, an essential element to build strong foundations for youth to have productive trajectories, as well as various initiatives to promote private sector development, in particular small and medium enterprises (Tourism and Enterprise Development Project, P146469), by focusing on much smaller enterprises, mostly self-employment for the poorest.

## **II. PROJECT DESCRIPTION**

### **A. Project Development Objective**

26. The project development objectives are to strengthen the apprenticeship system and improve the employability of selected apprentices. The project's performance will be measured through the following indicators:

- A national framework for certifying competencies acquired through informal training is operational
- Number of integrated competency-based training programs produced or revised
- Number of youth obtaining skills certification after informal apprenticeships, by gender
- Percentage of apprenticeship completers who are gainfully employed or self-employed 6 months after certification, by gender

### **B. Project Components**

27. The project aims to improve the quality and relevance of informal apprenticeship, building on its self-governing and financing structures, to boost the employability of youth who use this system to acquire skills and become gainfully employed. It includes a component to strengthen the national system, one to improve the quality of skills formation of apprentices and a project management component. A central objective of the project



is to provide support in the development of the national system for informal apprenticeship that will be sustained over time and after the period of support. This is reflected in multiple aspects of the project design, including the facts that the certification processes for competences will be open to all, that the government finances some of the activities in a progressively increasing fashion, that all pedagogical material will be disseminated widely beyond the project's direct beneficiaries, that evaluation and learning are a core part of the design, and that efforts are deployed to promote apprenticeship as a worthy mechanism to acquire skills in Senegal.

**Component 1: Strengthen the system of informal apprenticeship (EURO 11.7 million, US\$13.6 million equivalent)**

28. This component aims to strengthen the national system of informal apprenticeship by addressing constraints in regulatory and support functions that impact on the quality of training delivery and management of the system. It will finance key investments in the development of training materials for selected trades, the development of the framework for skills certification, the capacity of key public and private actors involved in the sector, and the promotion of informal apprenticeship, as follows:

29. *Analysis and selection of trades.* The project will carry out diagnostic studies to formulate objective criteria for the selection of promising trades, including criteria related to the trade's potential for job creation, productivity and earnings; geographical distribution; ability to integrate a large number of apprentices; and potential to attract young women. It will also support a study of Professional Associations of Craftspersons (OPAs) operating in the selected trades to understand the OPAs' capacity and the characteristics of their workshops, masters and apprentices. It will propose a set of transparent criteria to select OPAs, which play a key role in the selection of craftspersons/workshops, the definition of competencies and certification frameworks, and the operation of the certification process. To ensure rapid implementation, the project will select its first eight trades within the 20 trades for which some competency-based training programs already exist, before opening the field to four other trades.<sup>23</sup>

30. *Development of integrated competency-based training programs for selected trades.* For each trade, it is essential to define the industry-validated competencies that apprentices have to master and develop instructional material to facilitate learning and certification<sup>24</sup>. This process is participatory, and involves training experts, content developers, trade representatives, and professional associations representatives, among others. The project will use the methodological guide for the competency-based approach (CBA) already prepared in the context of the national reform<sup>25</sup> to prepare integrated training programs to include the following elements: Job Analysis, Core Competencies, Training framework, Certification Framework, Training Guide and Learner's Guide, and Program Evaluation (see Annex 3). Building on existing programs where relevant, the MFPPA will entrust the ONFP, the agency in charge of engineering technical vocational training, to develop or update the material. MFPPA will be responsible for quality assurance and will verify the outputs produced by ONFP (see details in section on Institutional and Implementation Arrangements). The project will finance a feasibility analysis for the use of technology solutions to inform the potential development of ICT-enabled training tools that build on the country's emerging ICT infrastructure. In addition, particular attention will be paid for the training material to contribute to shifting social norms around gender roles and/or social exclusion.

31. *Development of the regulatory and operational frameworks for certifying informally-acquired competences and occupational skills.* The project will support the development of a system to allow apprentices and craftspersons to demonstrate their vocational knowledge and skills acquired through non-formal vocational

<sup>23</sup> Likely to include clusters in the metal work, auto mechanic, electrical, autobody, woodworking, hairdressing and tailoring trades.

<sup>24</sup> A "competency" is defined as a set of knowledge, abilities and behaviors required to exercise a function, activity or task in a given situation and according to a certain level of performance.

<sup>25</sup> MFPPA (2012) *Conception et mise en œuvre de programmes de formation selon l'approche par compétence. Guide Methodologique*



training, apprenticeship or life-experience. Certification with institutional, professional, and societal recognition can play a significant role in easing a worker's entry into labor markets and quality jobs ("visa for work") and providing access to formal education and training<sup>26</sup>. Awarding a qualification may not be immediate for all masters or apprentices, and assessments can reveal the need for further learning (during recent certification efforts, only 55 percent of candidates were certified<sup>27</sup>), but the aim is for individuals to eventually achieve a qualification. The certification will be anchored in the existing system of Certificate of Professional Aptitude (CAP), with apprentices certifying the CAP competencies, while masters could aspire for a superior title such as a technical brevet (*Brevet de Technicien*). The project will support technical assistance for preparing legislation and regulations, for developing standard operational procedure, and for capacity building both in government and the Professional Associations of Craftpersons to carry out the certification; training, and study tours, among others.

32. *Periodic organization of examinations for certification.* The project will support the certification of young apprentices and of master craftpersons. This would require setting up a system for periodic examinations with the support of OPAs. By the end of the project, the certification system set in place should be open not only to apprentices that have been directly involved in the program, but to all free candidates. The project will finance operating costs to organize the examinations including payments of additional supervisors to be attached to the regional offices and serve as a local interface between MFPA, OPAs and master craftpersons.

33. *Capacity building of relevant public agencies responsible for informal apprenticeship and of OPAs.* The project will support the strengthening of the capacity of the Government to regulate, guide, monitor and provide oversight of the informal apprenticeship sector. Activities concern the Directorates of Apprenticeship (DA), Examinations and Certification (DECPC), and Artisanat DART); as well as the ONFP, CRA and Chambers of Trade, and the Directorate of Alphabetization and National Languages (DALN). Activities will strengthen the actors' management and analytical capabilities and improve the coordination between different departments/agencies through investments in key systems including management information system, monitoring and evaluation, and a grievances redress mechanism. The project will also support the mobilization and capacity building of OPAs in the informal sector to play a central role in the definition of competencies, the validation of skills, and the identification of skills and technology gaps among their own members. The project will support the organizational development of OPAs at local level for each trade, as well as training of lead craftpersons identified by the OPAs to become experts in training and assessment of skills.

34. *Promotion of apprenticeship.* The project will support a process of promoting informal apprenticeship as an accepted and worthy mechanism for skills acquisition, including by highlighting the new opportunities to get skills certification. Intense sensitization and communication are needed to convey that learning may also take place outside of formal settings and is a valid option for men and women alike. Activities to promote the inclusion of women in non-traditional occupations will include encounters and roundtables with successful women to shape aspirations, communication campaigns, greater incentives for women as described below, and incentives for workshops which take measures to attract women apprentices. The project will finance the development and implementation of a national communication strategy. In addition, an annual competition of the best certified apprentices will be organized, winners receiving a cash prize which will support launching their business.

35. To carry out the activities described above, the project will finance, among others: consultancies to carry out various diagnostic studies and develop key systems (, Management Information System, MIS; Grievance Redress Service, GRS; and Monitoring and Evaluation, M&E), training, study tours and capacity building of various stakeholders, ICT equipment, awards for best apprentices, and operating costs including salaries for temporary staff required for conducting validation and assessments of skills and competences.

<sup>26</sup> Werquin, P. (2010), *Recognising Non-Formal and Informal Learning: Outcomes, policies and practices*, OECD, Paris.

<sup>27</sup> L'Apprentissage Renove, draft report, Direction d'Apprentissage, MFPA





**Component 2: Improve the quality of apprentices' skills formation processes (EURO 30.8 million, US\$35.6 million equivalent)**

36. This component aims to improve skills formation for youth and support their transition to gainful employment through four main venues, described below. After selecting workshops; signing up masters and apprentices; analyzing the training and equipment needs of the master craftspersons; and developing tripartite agreements between master craftspersons, OPA and the MFPA; the following activities will be implemented.

37. *Strengthening the pedagogical and technical skills of master craftspersons or companions.* Both pedagogical and technical (including knowledge about modern technologies) skills of masters are critical for apprentices to effectively learn and acquire high-level and up-to-date skills in their field. The project will support pedagogical training including on the use of competency-based instructional material (guides for masters and apprentices) developed under component 1 for masters selected in accordance with eligibility criteria and procedures established in the project implementation manual. Once the masters' needs for strengthened technical skills have been identified (based on the minimum qualifications required to achieve at least the CAP), the project will support the provision of training to masters by specialized training providers competitively selected and paid using a performance-based arrangement (drawing from the inventory and assessment of existing training public and private providers). As part of these trainings, masters will be sensitized about basic principles of personal safety, gender sensitivity, and environmental management aspects.

38. *Providing capital grants to upgrade the technology used in informal workshops.* This grant (up to US\$2,000) will help master craftspersons upgrade their workshops' technology and is expected to increase the workshops' level of production; the productivity of employees and apprentices; as well as the skill level of apprentices (indirect effect through technology upgrade). To facilitate the adoption of new technology and selection of the appropriate investment, the project will also finance technical assistance for master craftspersons to prepare a business plan estimating investments' initial and maintenance costs and expected revenues (the technical training mentioned earlier will also familiarize them with the use of modern equipment). Based on the business plan, the master craftsperson will use the capital grant to pay for the equipment under clear conditions regarding: (i) completion of business training and business plan; (ii) selection from a standard list of equipment promoting the adoption of new technologies; (iii) ensuring workplace safety; (iv) periodic controls to ensure the equipment has been purchased and is being used; and (v) penalties for misuse of funds or equipment. The Delegation for Rapid Entrepreneurship (DER, *Délégation à l'Entreprenariat Rapide*) might support part of the financing needs to ensure sustainability and articulation with mechanisms already in place.

39. *Strengthening the literacy, social emotional, and business skills of apprentices.* The project will finance several trainings for apprentices selected in accordance with eligibility criteria and procedures established in the project implementation manual, to complement the training they acquire with their masters. Through the Fund for Professional and Technical Training (3FPT, *Fond de Financement de la Formation Professionnelle et Technique*), the government will be responsible for financing of this training. 3FPT is a semi-autonomous agency under MFPA that collects and manages a training levy from employers. ONFP will be responsible for the quality control. To ensure master craftspersons let their apprentices participate, the scheduling will minimize disruptions to workshop activities.

- Literacy classes will be offered to apprentices who express interest, under a partnership between the MFPA and the DALN in the Ministry of National Education and as part of the existing national literacy system. To ensure sustainability, the project will only finance support to DALN in adapting materials to the target group, conducting training of trainers, building capacity, and evaluating learning outcomes.
- To facilitate entry in the labor market, the project will provide youth with training in social emotional skills, including self-confidence, emotion management, empathy, conflict resolution, communication, leadership,



problem solving, goal-setting, decision making, and gender roles. The project will finance the development of the curricula and training materials – gender-responsive and adapted to low or no literacy youth – to be used by training providers. The Government, through the 3FPT, its fund established to support vocational training, will finance the actual training by competitively-selected providers.

- The business management training will provide young people with an understanding of how to develop a business. As part of the training, youth will also benefit from career guidance, followed by monitoring visits within six months after apprenticeship completion. The curricula will be adapted to this group, based on the methodology developed for low-literacy population and currently tested as part of the Government productive program *Yook Kom Kom*. Apprentices ready with a business idea will be encouraged to apply for funding from DER. The project will finance the curricula development and the training of trainers; while the government, through 3FPT will finance the actual training provided by competitively-selected providers.

40. *Providing financial assistance to enable youth to embark on the path of self-employment.* Two cash transfers will be provided to apprentices. First, an economic inclusion cash transfer will be provided to young apprentices after completing the business management skills training (one-off cash grant of about US\$200 on average, with a 50 percent premium for women), conditional on participation in the training. The grant can be used for various activities but should have the ultimate aim of increasing young people's access to economic opportunities. For example, the grant could be used as the starting capital for micro income generating activity, to cover the costs of tools, or simply to help searching for gainful employment. The payment of the grants will be done using payment service providers. Second, a performance-based cash transfer (US\$216 on average, with a 100% premium for women) will be provided to apprentices who have obtained the validation of their skills. This will encourage them to learn faster, periodically seek feedback from their master regarding their readiness, and prevent excessive apprenticeship duration. For both grants, to encourage participation for female apprentices, the value of the grant might be higher for women. The MFPPA will engage specialized payment services providers to make the payments of cash transfers in a competitive manner.

41. To carry out the activities described above, the project, under this component will finance, among others: training service providers, workshops, consultancies, capital grants for equipment, as well as performance and economic inclusion cash transfers for youth.

### **Component 3. Project Management (EURO 3.3 million, US\$3.8 million equivalent)**

42. The component will support project management, including fiduciary matters, communication, planning, monitoring and evaluation. It will support the different positions including project coordinator, fiduciary staff, and technical experts for various areas including training, validation and certification of competencies, MIS, M&E, and communication. As part of the monitoring and evaluation it will finance various consultancies to carry out spot checks, process and implementation assessments, beneficiary satisfaction surveys, as well as an impact evaluation. It will also finance annual audits. The project will finance consultancies, training and operating costs, office and ICT equipment.

## **C. Project Beneficiaries**

43. *Beneficiaries.* The main beneficiaries are young apprentices aged between 15 and 25 engaged in informal apprenticeship. The indirect beneficiaries are the master craftspersons and the Professional OPAs. The project aims at training 32,000 apprentices with the goal of certifying at least 24,000 apprentices and strengthening the pedagogical and technical skills of 8,000 master craftspersons in 8,000 workshops (on average 4 apprentices per workshop over the project period). The modalities of selection, enrollment, and service delivery will be defined in the project implementation manual. Around 154 OPA will also benefit as indirect beneficiaries from capacity



building. Indirect beneficiaries are also the future generations of apprentices trained by the same masters who have seen their skills and capital upgraded, as well as future apprentices who could take advantage of the competency-based certification system.

44. *Geographic focus.* The project activities focus on poor and vulnerable areas in the country's 13 regional capitals and four departments in the Dakar region. The choice of location reflects the wish to complement the interventions targeting youth already taking place in rural areas (see section on sectoral context). Moreover, informal apprenticeship is more prevalent in urban area and especially in Dakar.

45. *Selection of trades.* The project will aim to work with about 12 trades to reach a critical mass of apprentices in the intervention areas. The project will select eight trades identified as those engaging the largest number of apprentices, and for which formal competency-based training programs already exist. The other four trades will focus on new promising trades, which have significant growth potential. For these, the competencies, pedagogical material, and pedagogical methodology will need to be developed. To select the four new trades, MFPAA will develop a methodology that will consider several criteria, including: a significant number of workshops for each trade in each region, attracting a large number of youth, a significant number of women and real opportunities for employment after apprenticeship completion.

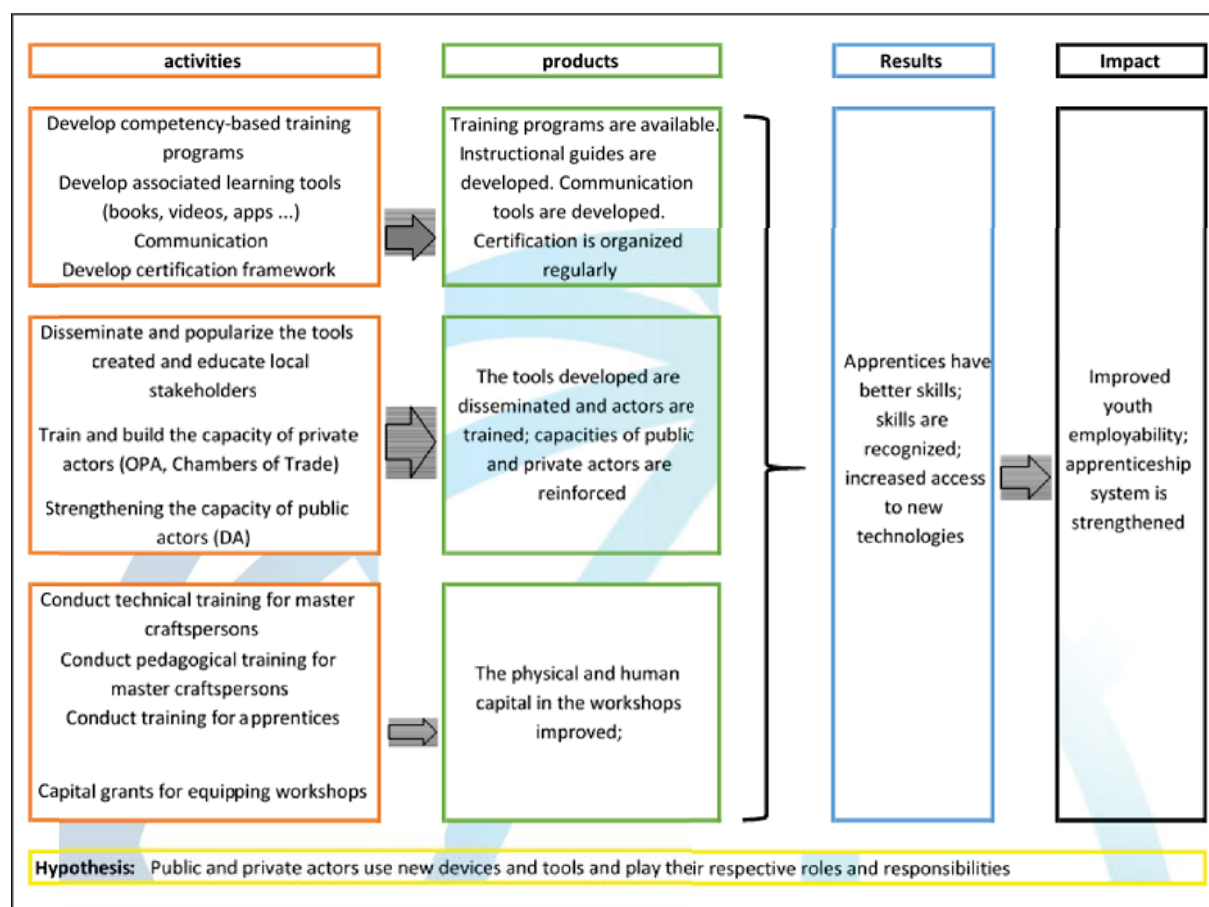
46. *Selection of workshops/craftspersons.* The selection of workshops will be based on objective and verifiable criteria likely to include: (i) a minimum level of equipment (with mechanisms in place to ensure that the largest, most accessible, most efficient workshops are not favored over smaller/weaker ones); (ii) a minimum level of qualification of the master craftsman or companions; (iii) a number of apprentices of at least four; (iv) minimum conditions of hygiene and safety; and (v) affiliation to an OPA. Upon communication and sensitization about the program and selection criteria, an open process of call for application will be launched, followed by validation visits, preselection by a selection committee and validation by the apprenticeship local authorities. A qualitative study is being prepared to inform the selection process.

#### D. Results Chain

47. The theory of change is rooted in the standard human capital model in economics (Becker 1964). The theory postulates that skills deficits are a major impediment to youth employment. However, expanding skills acquisitions for youth through informal apprenticeship would require transformations that open their access to new technologies, improve pedagogy and technical skill of master craftsmen, grant more attention to literacy of the apprentices and support initiatives to certify the skills acquired<sup>28</sup>. Therefore, the logic of the intervention builds on a model which assumes that, by investing in the key elements of the apprenticeship production function (master trainers, technology) and in the foundational skills of youth, the learning will improve, young apprentices will acquire relevant skills and certification can signal competencies on the labor market. Furthermore, the support in the development of business plans and seed capital to start a small business, procure equipment or search for employment will remedy a major constraint to youth's effective transition to productive employment. The package will help youth find and retain employment including self-employment. The critical assumptions that may impact the achievement of the desired outcome include: (i) the MFPAA and ONFP can develop the required competency-based training programs and teaching aids in a timely manner; (ii) the regulatory framework for certification is developed and implemented; and (iii) master craftsman can access technical and pedagogical training financed by 3FTP.

<sup>28</sup> Adams, Arvil (2007), The role of youth skills development in the transition to work: A global Review, World Bank, Washington DC.





## E. Rationale for Bank Involvement and Role of Partners

48. The Bank brings significant international experience to the issue of youth employment and has developed a unique expertise in the design and implementation of employment projects in Africa in recent years. As illustrated by the 2013 World Development Report on Jobs, it has developed a body of knowledge on youth employment across the world and in Sub-Saharan Africa in particular. The 2014 Youth Employment in Sub-Saharan Africa report was followed by numerous country-specific assessment of youth employment (Benin, Côte d'Ivoire, Kenya, Mauritania, Burkina Faso, Nigeria), including in Senegal in 2017. In addition, the World Bank has been supporting Youth Employment projects in Benin, Burkina Faso, Nigeria, Togo, Niger, Kenya, Uganda and Côte d'Ivoire, among others. As part of a multi-donor trust fund, it is also working with six Sahel countries, including Senegal, on implementing innovative programs for productive inclusion. Several impact evaluations have been carried out on employment or productivity programs, providing a range of operational lessons and evidence on interventions in the region. Finally, the proposed project seeks to foster synergies across sectors, and in particular with the education and training sectors. With projects and expertise in these areas, the World Bank is in a unique position to deliver a coordinated response to the multi-sectoral challenge of youth employment.

49. Several development partners are supporting vocational education training and youth employability. The proposed project complements major projects implemented with support from the African Development Bank, and the Canadian and Luxemburg development agencies (LUXDEV). In particular, LUXDEV has a project on "Equitable Access to Vocational Training" (2017-2020), which aims to improve the quality of apprenticeship offered through 250 workshops to about 2,000 youth in Senegal. The proposed project will build on the lessons and good practices tested by these projects.



## **F. Lessons Learned and Reflected in the Project Design**

50. The project draws on a series of lessons learned from academic and other analytical work, ongoing Bank operations and promising experiences in Senegal and elsewhere. More importantly, the project design reflects the accumulated knowledge that improving employability of vulnerable youth requires holistic initiatives to move them into sustainable livelihoods. Effective programs for vulnerable youth contain an appropriate mix of foundational skills, occupational skills training, and work-based learning and they provide a variety of support services like business skills and counseling<sup>29</sup>. The project interventions comprise many of these including technical skills, social emotional learning skills, business skills, and seed capital.

51. The project also considers that countries implementing systems to certify informal learning outcomes have witnessed a renewed interest for life-long learning from the part of the successful applicants, a greater self-esteem and a willingness to achieve a qualification<sup>30</sup>. To reflect this, the project will support setting up a system of certification of informal and prior learning. Recognizing that introducing a certification system is a highly complex process which has the potential to fail if risks are not considered appropriately, the project will pay attention during the preparatory stage to ensure some of the fundamental questions are properly addressed. These include, among others: (i) What knowledge and skills are to be validated and certified; (ii) What is the optimum degree of formalization of the certification process; and (iii) What is the objective of the approach and what type of certificate should be awarded to successful applicants.

52. Beyond the technical difficulties and the costs of setting up and running a system for the certification of informal learning outcomes, there are, however, some particular pitfalls with regard to the certification of learning outcomes achieved by apprentices in the informal apprenticeship which the project takes into consideration. First, the level of learning that takes place in the informal apprenticeship may not be very high, making it difficult for apprentices to meet the expected standards. This is because apprentices have tasks rather than a trade job making it difficult for them to embrace all the components of a competency. Moreover, master craftspersons might be hesitant in making competences visible for fear of being overtaken and thus provide inadequate transfer of competences and less tutoring. To address this, the project will also invest in the master trainer and will consider providing financial incentives for every apprentice who gets a certificate.

53. In addition, informal workshops are typically endowed with antiquated tools and technology, and many apprentices have limited access to information and guidance. Moreover, most have low levels of literacy, which render access to the appropriate pieces of information and the necessary paperwork very cumbersome. To address this, the project will finance tools and equipment and will invest in producing instructional material for low literacy including friendly ICT enabled videos and tutorials, in functional literacy training, and in strengthening the local Professional Associations of Craftspersons to better represent their members.

54. The project also considered that successful interventions maintain strong links to the local labor market and garner employer support for the programs. Hence the emphasis placed on supporting the Professional Associations of Craftspersons to play a key role in the definition of competencies and the certification of skills.

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<sup>29</sup> Adams, Arvil, *The Role of Youth Skills development in transition to work: a Global review*, World Bank (2007)

<sup>30</sup> *Toolkit Learning and working in informal economy: access, skills development and transition* (GIZ), <https://www.giz.de/expertise/html/12702.html>





### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

55. The project will be implemented by the MFPAA. An institutional capacity assessment of the MFPAA has been prepared during project preparation and confirmed that, while the ministry has the capacity to implement projects with external financing, there are several weaknesses in terms of planning and budgeting practices, information systems and data management, competitive procurement, contract management and quality assurance, and monitoring and evaluation. The project will support technical assistance to strengthen capacity and address these weaknesses during implementation. Moreover, the project will use the same fiduciary arrangements as the one currently used by the Skills for Jobs and Competitiveness Project (P145585).

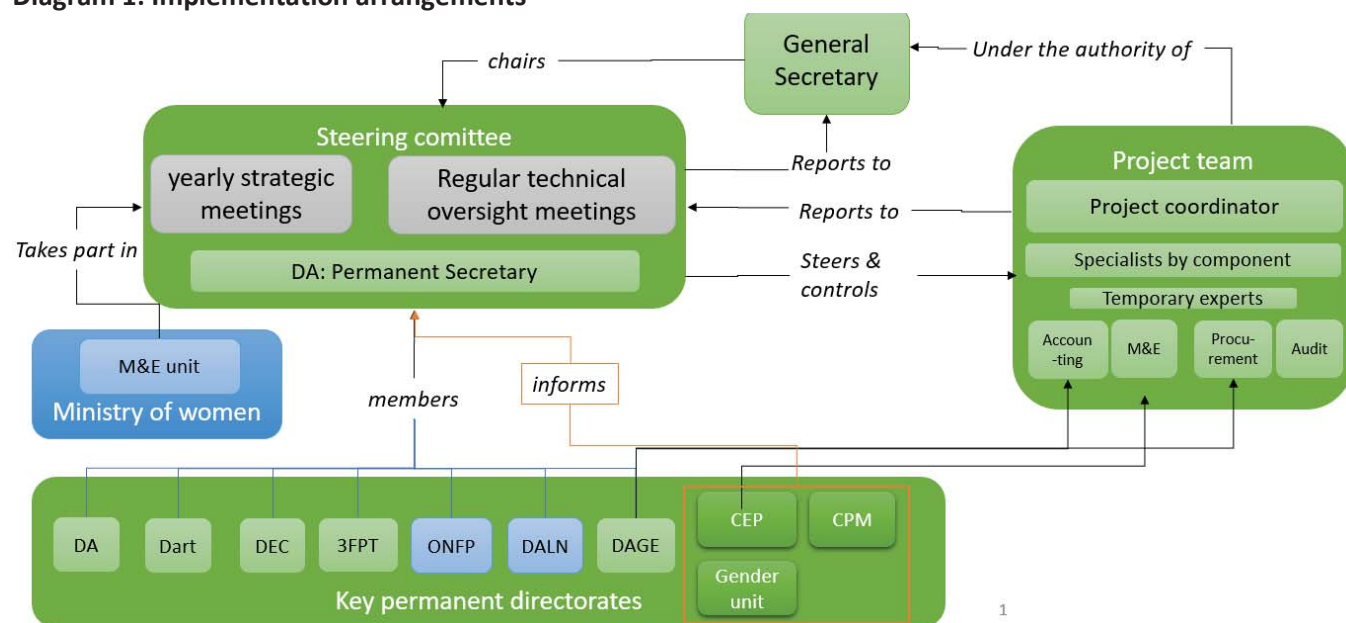
56. A project steering committee led by the Secretary General of MFPAA will provide the main strategic directions and oversee the implementation (Diagram 1). The committee will be composed of the directors of the relevant directorates in the MFPAA (DA; DECPC; DART; and Directorate of General Administration and Equipment, DAGE), the directors of 3FPT and ONFP, director of the DALN, a representative from the Ministry of Women, and, if relevant, a representative of the DER. The committee will be responsible for review of progress and financial reports and audits, promoting the use of the new tools and systems developed by the project, and external communication and project branding. It will meet on a regular basis for technical oversight of the project and will hold a strategical review meeting at least once a year. The Directorate of Apprenticeship will ensure the permanent secretariat of this committee.

57. A project implementation team led by a dedicated project coordinator working under the direct supervision of the Secretary General of MFPAA will be responsible for day to day planning of activities in coordination with relevant directorates, implementation of project activities, operational monitoring, and progress and financial reporting. The team will be comprised of one dedicated staff assigned from the relevant directorates in MFPAA, 3FTP and ONFP; and specialists and temporary experts hired with project funding. The key directorates in MFPAA, through their representatives in the Steering Committee and in the Project Implementation Team will have specific responsibilities as follows:

- a. The DA will ensure the permanent secretariat of the steering Committee and will have direct responsibility over the selection of trades and beneficiaries including various studies to identify the training and equipment needs.
- b. The DECPC is responsible to develop the validation and recognition of a competency system, organize its roll out, and supervise the certification process.
- c. The DART will be responsible for overall planning and monitoring of organizational development and capacity building of Professional Associations of Craftspersons, ensuring the participate actively in the development of competency-based training programs and in the certification of competencies.
- d. The DAGE will ensure procurement, fiduciary management and financial reporting. It will also be responsible for the oversight of the payment of grants using certified payment providers which can provide an electronic trail of the funds flow.
- e. The Unit of Studies and Planning (CEP, *Celule des Etudes et Planification*) will be responsible for the overall project monitoring and evaluation.



Diagram 1: Implementation arrangements



Note: DA – Direction of Apprenticeship; DART – Direction of Artisanat; DEC – Directorate of Exams and Certification; 3FPT- Fund for Professional and Technical Training; ONFP – National Office of Vocational Training; DALN – Directorate for Alphabetization and National Languages; DAGE – Directorate of General Administration and Equipment.

58. The ONFP, a semi-autonomous agency under the MFPAA, will have the responsibility to develop the competency-based training programs and the related instructional learning materials for each trade and ensure the quality assurance over the training of craftsmen and of apprentices.

59. The 3FPT, also a semi-autonomous agency under the MFPAA, will be responsible for the financing of training providers offering life skills and business skills training for apprentices. During the life of the project they will also gradually start financing the master craftsmen once the necessary regulations to allow it are developed<sup>31</sup>. Both 3FPT and ONFP will enter an MOU with the parent ministry MFPAA laying out their responsibilities.

60. The DALN will be responsible for organizing and delivering the functional literacy training for apprentices.

61. At the local level, the implementation process will be based on several stakeholders, including (a) The CRAs; (b) the Departmental Vocational and Technical Training Offices and their supervisors; and (c) OPAs. In particular, the CRAs play a key role as they are the body in charge of ensuring the MFPAA's policy on apprenticeship is being implemented at local level.

62. The actual provision of training for both apprentices and master craftsmen will be done by specialized training providers which will be selected based on competitive procedures.

63. The project will use an output-based disbursement mechanism to finance ONFP for the development of complete sets of trade specific competency-based training programs (to include the trade and job analysis, definition of competencies, training framework, certification of competencies, trainer's manual and learner's guide among others). The detailed procedures will be based on the methodology already used by the ONFP to develop these programs (including a detailed breakdown of unit costs). Procedures for the output-based disbursement

<sup>31</sup> Currently 3FPT cannot finance training for master craftsmen because they are considered to be private enterprises which are not yet contributing to the fund given that most of them operate in the informal economy.



and the verification of achievement, including required justification documents for each step of the process (including legible attendance lists providing contact information), will be described in the project implementation manual and the agreement between ONFP and the MFPAA. Specifically, the MFPAA quality assurance unit will verify the process followed by ONFP against the manual. Particular attention will be paid to the involvement of actors from the trade (OPA and craftspersons' representatives), and potential phone calls to selected attendants will be made to confirm the documents. In addition, the MFPAA project monitoring and evaluation specialist, with support from the ministry's monitoring and evaluation team, will verify the content of the documents produced against standards set in the APC manual. Finally, the project coordinator will participate in key validation workshops for core documents produced.

## **B. Results Monitoring and Evaluation Arrangements**

64. The M&E of the project will be based on the results framework and will rely on data from the MIS developed as part of component 1 to support operational monitoring and tracking of apprenticeship sector, spot checks, process and implementation evaluations, and beneficiary satisfaction assessments. The project will support the development of a M&E system for apprenticeship sector through the development of manuals and guidelines, training of staff, development of specific monitoring modules in the management information systems.

65. The Unit of Studies and Evaluation in MFPAA will be responsible for the overall project monitoring and evaluation. The unit is currently doing the same work for the ongoing Skills for Jobs and Competitiveness Project (P145585). The current capacity to collect and analyze data and produce periodic monitoring reports is limited. The project will provide support to help the MFPAA develop a proper M&E system for the apprenticeship sector and strengthen the capacity to ensure reliable and good quality M&E data. Among others the project will support development of an MIS, training of staff, production of key progress reports, and workshop to disseminate and discuss results of various evaluations.

66. The project will also consider implementing an impact evaluation, which could measure the impact of the program on apprentices, test the cost-effectiveness of subsets of interventions and/or different delivery mechanisms, or assess the effectiveness of interventions to promote women's participation. The decision on whether a rigorous impact evaluation should be conducted will be determined once the roll out plan is developed, and any evaluation would only take place once tools and delivery mechanisms have been piloted and stabilized.

## **C. Sustainability**

67. As mentioned earlier, a central objective of the project is to provide support in the development of the national system for informal apprenticeship that will be sustained over time and after the period of support. This is reflected in multiple aspects of the project design. In addition to provide services and improving the productivity and employability of an estimated 32,000 apprentices and 8,000 master craftspersons, the project strongly focuses on developing and deploying broader instruments and systems to radically change the informal apprenticeship sector. Indeed, it plans on (1) setting up standards in terms of the various competencies that are required for 12 trades, (2) developing pedagogical instruments for both masters and apprentices to guide the technical training, (3) developing the curriculum for pedagogical training for masters, for life skills for apprentices, and for business skills for both masters and apprentices, (4) putting in place the mechanisms required for the regular certification of competencies of apprentices, and (5) strengthening various stakeholders – both government and private sectors – who are involved in the implementation of the certification process.

68. As such, these instruments and systems can be used by future craftspersons and apprentices even after the end of the project. They represent systemic changes that can be expected to positively impacts thousands of youth every year: the current volume of informal apprentices is estimated around 400,000 youth, and more than





50 percent of young men and 12 percent of young women without any education spent time as apprentices (with prevalence particularly high for those who started or finished only primary school – 65 to 80 percent among young men). In addition, the project has a strong focus on structuring and strengthening the capacity of key stakeholders to ensure they can play their roles in the certification of informally acquired competencies and skills.

69. The Government's commitment and ownership of the project is clear from the high level of involvement and strong leadership during project preparation stage. The appointment of the Secretary General as the head of the project steering committee has ensured that the various departments and semiautonomous agencies collaborate in an effective manner. More generally, improving the skills of poor and vulnerable youth is at the heart of the national strategy, as discussed earlier. An important aspect of this project is the focus on putting in place a certification process which is embedded within the national skills certification framework, thereby ensuring that the certificates are nationally recognized and give youth and craftspersons the possibility of applying for higher-level degrees or certificates offered within the national skills framework.

70. The project is also structured in a way that promotes the sustainability of the established systems beyond the project life. In particular, the project will work on establishing a mechanism to channel resources from the 3FPT for the training of masters and apprentices (3FPT will fund some of these right from the beginning, and for some activities the 3FPT will progressively take over financing during the life of the project). In addition, the literacy training will be provided by the Ministry of National Education, as part of its regular activities, to ensure sustainability of the process. All training activities taking place outside the workshops will be provided by the private sector (on a competitive basis), thereby ensuring a reliable supply of trainings that are adapted to the particular population groups concerned. Finally, there are ongoing discussions with other government agencies which provide support to micro and small entrepreneurs (e.g. the DER) to put in place specific windows adapted to the master craftspersons and the apprentices. Already, the training provided on business management and business plan preparation will follow the formats of the DER or similar institutions to help craftspersons and apprentices apply to these other financing sources.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

71. Interventions focusing on vocational and on-the-job training for urban youth have shown promising impacts in sub-Saharan Africa. For example, Alfonsi et al. (2017)<sup>32</sup> look at an experiment carried out by BRAC in Uganda, whereby 1,714 urban youth from disadvantaged backgrounds randomly receive formal vocational training, formal vocational training and matching to small and medium enterprises (SMEs), matching to SMEs only, or on-the-job apprenticeship. All arms of the intervention are shown to have a positive impact on employment, earnings and skills. Relative to control youth, the largest impact on wage employment is found for the cohort that followed apprenticeship (+27 percent), while the impact on earnings and skills acquisition is the highest for vocational training alone (respectively +40 and +63 percent). In the medium run, apprenticeship is thus cost-effective (Internal Rate of Return of 10 percent), but less so than vocational training, or vocational training coupled with matching. Similarly, Kenya's Youth Empowerment Project is shown to have positive impacts on vulnerable urban youth that followed a classroom-based technical training coupled with three-month internships.<sup>33</sup> The program was successful in placing youths in paid jobs and has contributed to an increase of 15 percent in current

<sup>32</sup> Alfonsi, L., O. Bandiera, V. Bassi, R. Burgess, I. Rasul, M. Sulaiman, and A. Vitali, 2017. "Tackling Youth Unemployment: Evidence from a Labor Market Experiment in Uganda."

<sup>33</sup> Honorati, M., 2015. "The Impact of Private Sector Internship and Training on Urban Youth in Kenya," Policy Research Working Paper, World bank, Washington: D.C.



employment among male participants. The evaluation also found that the program has had positive effects on wage earnings, especially those of females and among older males. The program was also shown to be cost-effective as the program's benefits exceeded the costs for males and females. Finally, Malawi's Apprenticeship Program targeted at vulnerable urban youth showed results in skills development, continued investment in human capital, and improved well-being, but no improvements in labor market outcomes in the short run.<sup>34</sup>

72. The project is expected to have positive impacts on youth productive inclusion, productivity and future revenues. Data from Senegal show that former apprentices are more likely to participate to the labor market and that apprenticeship training is a way out of the agricultural sector for low-educated youth: while 46 percent of young men with no education work in the agricultural sector, former apprentices are only 10 percent to do so and are mainly found in the manufacturing sector (45 percent). The few rigorous studies of informal apprenticeship suggest that it allows young people without education to better integrate into the labor market and achieve greater earning, especially for the self-employed (Frazer, 2006; Monk, Sandefur and Teal, 2008). In Ghana, Monk et al. (2008) show that, for a given educational level, former apprentices have average earnings higher than their peers. The impact is particularly important among those with no formal education, for which apprenticeship results in a 50 percent increase in earnings. Estimations show a significant increase in earnings due to apprenticeships for the self-employed (17 percent higher) but no effect for wage employees. Indeed, most apprenticeships are not a route into formal wage employment, but rather into self-employment or employment in small informal firms. Frazer (2006) observes the positive effect of apprenticeship on productivity and earnings, but notes that only those who can become self-employed effectively benefit from the apprenticeship.

73. The project recognizes the importance of socio-emotional skills for employability, and the fact that such skills have been found to be still malleable among young people in their twenties (Kautz, Heckman, Diris, Weel, Borghans, 2014). Hence life-skills training could have important impacts on the employability of youth at risk of social exclusion. Non-cognitive skills training through interactive activities have proved to be effective in supporting the integration of youth at risk and were successfully implemented in Rwanda, Guinea and Mauritania (e.g. <https://mindleaps.org>). It contributes to youths' positive life outcomes by arming them with the necessary skills to improve their protective assets and reduce risk factors. Providing social emotional learning skills will help youth improve their relationships, self-efficacy and self-management, which will in turn equip them to deal effectively with the demands of everyday life including work-life (Plaut and Moss 2017). Beyond improving the employability of selected youth, the component can contribute to increased social cohesion in targeted areas.

74. In addition to socio-emotional skills, the project also addresses multiple constraints to self-employment, by promoting business skills, providing career guidance, offering small grants, and orienting youth towards self-employment services. The multidimensional approach, sometimes referred to as a graduation program has been implemented in many developing countries and is currently being piloted in Senegal (in the context of the regional Adaptive Social Protection program in six Sahelian countries). There is evidence that the combination of interventions addressing multiple constraints can strengthen the impact of programs (Bastagli et al. 2016). A rigorous impact evaluation of the graduation approach in six countries (Haiti, Honduras, Ghana, Ethiopia, Pakistan and India, etc.) showed statistically significant impacts on all 10 key outcomes, including consumption, food security, assets, and mental health. A year after the program ended eight out of ten indices still showed statistically significant gains, and in most countries, the (discounted) extra earnings far exceeded the program cost (Banerjee et al. 2015). An evaluation of BRAC's program in Bangladesh found similar results after four years (Bandiera et al. 2013). Small-scale pilots delivering multi-dimensional interventions cost between \$500-1000 per capita, and rigorous cost-effectiveness analyses showed that benefits largely outweighed costs.

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<sup>34</sup> Cho, Y., D. Kalomba, A.M. Mobarak, and V. Orozco, 2013. "Gender Differences in the Effects of Vocational Training: Constraints on Women and Drop-Out Behavior," IZA Discussion Paper No. 7408.



75. Programs offering subsets of this package have also shown promising impacts. For example, grants delivered to youth groups in the Uganda Youth Opportunity Programs fostered investments in training and assets that led to improvements in earnings sustained after 4 years, with returns on investment estimated at 35 percent a year (Blattman et al., 2015, although longer-term results show more limited impacts). Again in Uganda, the Women's Income Generation Support (WINGS) program in Uganda provided a \$150 grant along with business skills training and follow-up visits to ultrapoor women. Participants nearly doubled their earnings and household consumption increased by about a third (Blattman et al. 2014). The recent global meta-evaluation of labor market programs also shows that the continuous follow-up and engagement of beneficiaries is important for program performance (Kluyve 2016). For example, WINGS required that staff maintain close supervision of business activities for a few business cycles and provide advice on meeting market challenges and implementing sound business practices. Such engagement has been built into the design of the project.

76. The economic rationale of the project is three-fold. First, it focuses on promoting the quality of informal apprenticeship, addressing one of the main limitations of the system, namely that while it can transfer skills, it does not provide a basis for more modern skills or innovation and hence for high productivity (Teal, 2016). This is also expected, at a more macro level, to contribute to economic growth in a sector which is central to inclusive growth since it is labor-intensive and employs many of the least qualified workers. Second, skills validation will reduce information asymmetry which can generate inefficiencies in the labor market (can provide disincentives for acquiring skills or for entering an occupation altogether). Pay-offs for this investment are expected both in the form of better earnings for workers, but also in the form of a better functioning market for goods and services delivered by these trades. Finally, the project will also reduce constraints faced by youth when starting their activities, by promoting basic business skills and orienting them towards self-employment services.

77. There are multiple rationales for public sector provision and financing in this Project. First, most of the activities are exclusively targeted at the poorest youth in Senegal, and those at risk of social exclusion. These groups' access to economic opportunities are systematically limited by their socio-economic status. Without support, youth from these groups would not be able to access resources or information necessary for their productive employment. Thus, public sector intervention is justified on equity grounds. Another market failure justifies public sector information, namely the asymmetries of information, whereby youth can't signal their skills; firms can't identify skills they need; youth don't have information on available training, financing, entrepreneurship services, or jobs. Skills certification and orientation are critical instruments to address this failure. Finally, the Government needs to help mobilize and organize private sector players to improve and standardize the quality of training in workshops; and to provide industry-recognized certification to youth.

## **B. Fiduciary**

### **(i) Financial Management**

78. The Directorate of General Administration and Equipment (DAGE) of the MFPA will have the overall fiduciary responsibility including the financial reporting. The DAGE already has the fiduciary responsibility of the ongoing Skills for Jobs and Competitiveness Project (P145585) with a dedicated FM team comprised of one senior accountant and the Director of the DAGE. This new project will reinforce and use the same fiduciary arrangements currently in place at the DAGE.

79. An assessment of the FM capacity of the DAGE was carried out in September 2018. The assessment entailed a review of its capacity and its ability to record, control, and manages all the project resources and produce timely, understandable, relevant and reliable information for the key stakeholders including the Government and the World Bank.





80. The objective of the assessment was to determine whether the DAGE has acceptable financial management arrangements in place. The FM assessment was carried out in accordance with the Financial Management Practices Manual issued by the Financial Management Board on March 1, 2010 and retrofitted on February 4, 2015. These arrangements would ensure that the DAGE: (i) uses project funds only for the intended purposes in an efficient and economical way; (ii) prepares accurate and reliable accounts as well as timely periodic financial reports; (iii) safeguards assets of the project; and (iv) has acceptable auditing arrangements.

81. The DAGE have experience in financial management of project financed by the World Bank. The DAGE is responsible of the financial management of the ongoing Skills for Jobs and Competitiveness Project (P145585). The external auditors have issued an unqualified opinion (clear opinion) on the 2017 financial statements of the project, the quarterly interim financial reports (IFR) are timely submitted and the quality is satisfactory. However, the overall performance of the DAGE in financial management was Moderately Satisfactory at the last FM revue undertaken in September 2018. The following weaknesses were identified; (i) the FM team is understaffed given the workload inherent to the implementation of several projects in addition to the financial management of the ministry; (ii) there is a lack of internal audit function; and, (iii) the accounting software presented some flaws to be fixed.

82. As a result of the assessment, the DAGE will be required to implement the following action:

- Recruit before effectiveness a qualified financial and administrative officer with qualification and experience satisfactory to the bank;
- No later than 4 months after effectiveness: (i) Update the accounting and reporting system and customize it to include the bookkeeping of the project; (ii) Update the existing project implementation manual in order to include this new project specifications including detail procedures of grants for youth and capital grants, (iii) Select the external auditor with qualification and experience satisfactory to the bank; and (iv) Recruit a qualified accountant officer with qualification et experience satisfactory to the bank;
- No later than 6 months after effectiveness: Recruit an internal auditor with qualification and experience satisfactory to the bank.

83. The risk of the public financial management system in Senegal is rated as Substantial. This is because of several challenges related to: (i) setting a comprehensive and transparent budget management system which takes into account payments related to state-owned enterprises and national agencies; (ii) developing a reliable budget monitoring system to limit budget deviations, (iii) reinforcing the internal and external controls of budget execution. Senegal has embarked on major reforms to strengthen the institutional framework of Public Finance Management and shift towards performance-based budgeting, with budget programs and the devolution of commitment authority to line ministries. These reforms are under way and will be implemented gradually until 2020. Additionally, the ongoing Public Financial Management Strengthening Technical Assistance project (P122476) funded by the World Bank aims at addressing the key weaknesses related to the budget and accounting systems and the internal and external controls. These country issues would not materially impact the project since the DAGE which will have fiduciary responsibility has experience in financial management of projects financed by the World Bank.

84. The conclusion of the assessment is that the financial management arrangements in the DAGE are adequate and satisfy the Bank's minimum requirements under Bank Policy and Directive on Investment Project Financing (IPF) effective in 2017. However, the overall risk for the project is rated Substantial due to inadequate staffing, weaknesses in the accounting system and lack of internal audit function to strengthen the overall internal control environment. A financial management action plan including proposed mitigation measures will be put in place focusing on action listed above.

85. In order to facilitate the activities necessary for the preparation of the project implementation manual, a



retro-active financing of selected expenditure has been agreed, up to an amount of one million Euros. This will apply only to payments made prior to the date of signature of the financing agreement but on or after October 23, 2018, for eligible expenditures under Category 1.

**(ii) Procurement**

86. Procurement under this project will be carried out in accordance with the World Bank's "Procurement Regulations for IPF Borrowers" (Procurement Regulations) dated July 2016 and revised in November 2017 under the "New Procurement Framework (NPF), and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated July 1, 2016.

87. The DAGE will handle the procurement activities. The procurement activities for the DAGE are overseen by the Procurement Commission, *Commission des marches* (CM), which is in charge of bids/proposals opening and contracts award; and a Procurement Unit, *Cellule de passation des marches* (CPM) in charge of quality control and procurement plans under the supervision of the Secretary General of the MFPA.

88. The DAGE is implementing "The Skills for Job and Competitiveness Project" (P145585) since 2014, and a Procurement specialist was hired recently (August 2018). However, the Project will increase the workload of these staff, which may have a negative impact on the efficiency and efficacy of the procurement processes and hence cause project implementation delays.

89. The assessment carried out during project preparation (August 2018) based on the Procurement Risk Assessment Management System (PRAMS) showed that the main issues/risks concerning the procurement activities for the project's implementation are: (i) the executing agencies have no experience in the new Procurement regulations; (ii) the administrative and financial procedures in the ongoing project implementation manual (P145585) are not aligned with the new project; (iii) executing agencies need more equipment and/or space to file the documents of the proposed project; and, (iv) there is no procurement specialist with sufficient experience in the new Procurement regulation framework;

90. To address these risks, the proposed project will finance four activities:

- a. update internally the administrative, procurement, accounting, and financial procedures in the PIM;
- b. identification of more space and/or purchasing of additional equipment to file archives of the executing agencies;
- c. recruitment of a full-time procurement specialist for the duration of project implementation who will be mapped in the DAGE but available for all executing agencies; and
- d. training of staff and technical experts involved in project implementation in World Bank basic procurement procedures.

91. The technical responsibilities in preparing procurement packages (including technical specifications and terms of reference (TORs) as well as amending basic procurement document templates, such as data sheets) will be carried out by the relevant specialists/experts and not by the procurement team.

92. The overall project risk for procurement is Substantial taking into account the PRAMS and the audit report for 2016 for the Regulating Authority for Public Markets (ARMP, *Autorité de Régulation des Marches Publiques*). The residual level risk is expected to be moderate once the mitigation measures and hiring of the above-mentioned specialist are implemented.

93. The PPSD prepared by the Borrower describes how procurement activities will support project operations. The PPSD is linked to the project implementation schedule and will help ensure proper sequencing of project





activities. The PSD covers procurement institutional arrangements, including roles and responsibilities, procurement methods, thresholds, and prior review arrangements. It also includes a detailed description and assessment of the implementing entities capacity for carrying out procurement and managing contracts within an acceptable governance structure and accountability framework. The procurement arrangements described above are based on the weaknesses and mitigation measures explained in the PSD.

## **C. Safeguards**

### **(i) Environmental Safeguards**

94. The project will focus on strengthening the informal apprenticeship. Therefore, no safeguards policies are triggered, and the project is classified as Category C. As no school construction or civil works is envisaged and no land acquisition is required, environmental issues are not expected.

### **(ii) Social Safeguards**

95. The project is not expected to have negative social impacts. On the contrary, it focuses on providing the most vulnerable youth with a panoply of services to improve their skills and promote their economic development. Particular attention will be paid to the process of selection of participants and beneficiaries, to ensure equity. Also, particular attention will be paid to promoting the participation of young women in activities. An important communications campaign would also be launched to help promote a strong positive image of informal apprenticeship, with a view to help societal valorization of skills acquired informally. The process of certification of skills is also expected to contribute to the re-valorization of informal skills acquisition, which would benefit the poor and vulnerable disproportionately.

96. To promote inclusion, provide a mechanism for beneficiaries and non-beneficiaries to provide constant feedback on project activities, and ensure the implementing agencies can identify and resolve issues or opportunities in a timely manner, a Grievance Redress Mechanism (GRM) will be set up. This GRM will be designed to elicit feedback from youth, craftspersons, OPAs, and training providers, among others, and will be established and advertised in local language in the project area to allow all beneficiaries to voice their remarks.

### **(iii) Grievance Redress Mechanisms**

97. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## **V. KEY RISKS**

98. The overall risk to the PDO for this operation is rated Substantial. The main aspects which make the overall risk substantial relate to political, technical design, institutional capacity for implementation, and fiduciary.



99. On the **political front**, there is a substantial risk that upcoming elections could adversely impact the PDO. While the political commitment to the operation remains very stable given the broad-based political support, significant staffing changes during a transition period could delay the implementation. The project will mitigate the risk by ensuring that the project implementation manual clearly describes the activities and the institutional arrangements for implementation.

100. There is a substantial likelihood that factors related to the project's **technical design** may adversely impact the PDO. Two factors are at play: First, the master craftspersons might be resistant to change their current practices despite investments in upgrading their skills and their physical capital. Moreover, they might oppose altogether the certification of apprentices fearing they will become their competitors. The project will mitigate these risk through intense sensitization and supporting the development of associative movements among master craftspersons to ensure their training and equipment needs are demand driven. Besides, the master craftspersons themselves will be able to validate their experience and competences and get certified. A second important risk related to design is that the institutional arrangements are complex – there are many actors involved in the implementation of this project, reflecting its multi-dimensional nature and the complexity of the issue it is designed to address. To mitigate this important risk, a project steering committee headed by the Secretary General in MFPAА will provide a platform to help ensure coordination among the key directorates and the autonomous agencies. The committee will provide overall guidance and supervise the project while a group of staff dedicated to the project led by a Project Coordinator responsible to the Secretary General will handle day to day management.

101. Gender based violence and occupational safety issues may lead to a moderate social risk. To promote safe working conditions and ensure safety for women apprentices, training activities for master craftspersons will sensitize participants about basic principles of personal safety, gender sensitivity, and environmental management aspects. Also, the capital grant will be provided to master craftspersons under clear conditions regarding workers safety and the criteria for the selection of workshops will include minimum conditions of hygiene and safety.

102. There is a substantial likelihood that weak **institutional capacity for implementing** and sustaining the interventions may adversely affect the PDO. More importantly, there are significant gaps in MFPAА's monitoring and evaluation arrangements. There is also some uncertainty regarding the implementing agencies' capacity to sustain the outcomes of the new interventions. The project will mitigate this risk by prioritizing institutional strengthening. In particular, component 1 will build the capacity of all public agencies responsible for informal apprenticeship (MFPAА, ONFP, CRA, etc.) through investments capacity building (management, coordination), in systems (MIS, M&E and GRM), in regulatory frameworks and process development, and through the recruitment of specialized consultants to support the delivery of various interventions (see above in project description).

103. **Fiduciary risks** have a substantial probability of impacting the PDO in an adverse way. This reflects the fact that the project supports interventions requiring the collaboration of multiple actors and the fact that the fiduciary set up is relatively new. To mitigate this risk, the fiduciary set up builds on the existing one used for the Skills for Jobs and Competitiveness project (P145585), including by maintaining key staff. In addition, its capacity will be expanded with additional consultants for various key positions including procurement and accounting to work under the direct oversight of the Directorate of General Administration and Equipment in MFPAА.



## VI. RESULTS FRAMEWORK AND MONITORING

### Results Framework

COUNTRY: Senegal

Improving Youth Employability Through Informal Apprenticeship

#### Project Development Objectives(s)

The project development objectives are to strengthen the apprenticeship system and improve the employability of selected apprentices.

#### Project Development Objective Indicators

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Strengthen the system of informal apprenticeship							
A national framework for certifying competencies acquired through informal training is operational (Yes/No)		No	Yes	Yes	Yes	Yes	Yes
Number of integrated competency-based training programs produced or revised (cumulative) (Number)		0.00	6.00	8.00	12.00	12.00	12.00
Improved employability of selected apprentices							
Number of youth obtaining skills certification after informal apprenticeships (cumulative) (Number)		0.00	0.00	0.00	6,000.00	12,000.00	24,000.00
Share of women among youth obtaining skills certification after informal apprenticeship (Percentage)		0.00	0.00	0.00	35.00	35.00	35.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Percentage of apprenticeship completers who are gainfully employed or self-employed 6 months after certification (Percentage)		0.00	0.00	0.00	60.00	60.00	60.00
Percentage of female apprenticeship completers who are gainfully employed or self-employed 6 months after certification (Percentage)		0.00	0.00	0.00	60.00	60.00	60.00

#### Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Strengthen the apprenticeship system							
A management information system is institutionalized and operational (Yes/No)		No	No	No	Yes	Yes	Yes
A grievance redress mechanism has been developed and is functional (Text)		no GRM system	The operational manual for the GRM has been developed and approved, and the development of the associated MIS has been contracted	The GRM system's main channels are functional and the MIS is being developed	The GRM system is fully functional and uses the MIS to manage grievances	The GRM system is fully functional and uses the MIS to manage grievances	The GRM system is fully functional and uses the MIS to manage grievances
Number of Regional Committees of Apprenticeship (CRAs) that have benefitted		0.00	0.00	0.00	14.00	14.00	14.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
from capacity building (cumulative) (Number)							
Number of Professional Associations of Craftspersons (OPAs) that have benefitted from capacity building (cumulative) (Number)	0.00	0.00	77.00	154.00	154.00	154.00	154.00
Number of master craftspersons or companions certified through VAE (Validation des Acquis d'Expérience) (cumulative) (Number)	0.00	0.00	4,000.00	6,000.00	8,000.00	8,000.00	8,000.00
Number of annual national apprentices and craftsmen competition organized (cumulative) (Number)	0.00	0.00	1.00	2.00	3.00	4.00	4.00
<b>Improve the employability of selected apprentices</b>							
Beneficiaries of job-focused interventions (CRI, Number)	0.00	4,000.00	10,000.00	16,000.00	32,000.00	32,000.00	32,000.00
Beneficiaries of job-focused interventions - Female (CRI, Number)	0.00	1,400.00	3,500.00	5,600.00	11,200.00	11,200.00	11,200.00
Share of registered apprentices who took part in the complementary professional literacy training (Percentage)	0.00	0.00	10.00	40.00	60.00	60.00	60.00
Share of registered apprentices who took part in complementary socio-emotional support (Percentage)	0.00	0.00	12.00	48.00	90.00	90.00	90.00
Share of registered apprentices	0.00	0.00	12.00	48.00	90.00	90.00	90.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
who took part in complementary management training (Percentage)							
Number of master craftspersons or companions who have benefitted from technical and pedagogical training (cumulative) (Number)	0.00	1,000.00	3,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Number of workshops which have received a grant for equipment (cumulative) (Number)	0.00	0.00	2,000.00	5,000.00	8,000.00	8,000.00	8,000.00
Share of beneficiaries satisfied with project interventions (Percentage)	0.00	0.00	50.00	60.00	70.00	75.00	75.00

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
A national framework for certifying competencies acquired through informal training is operational	Laws and application decrees have been signed and operational guidelines exist	Annual	Law texts and decrees; operational guidelines	Texts archiving	Minister's office; M&E unit
Number of integrated competency-based training programs produced or revised (cumulative)	Cumulative number of referentials and associated guides revised or created	Semestral	Documents and validation	Documents archiving	Project management unit, M&E unit



	following the competency-based approach validated by ONFP and DECPC and available to training providers		signature		
Number of youth obtaining skills certification after informal apprenticeships (cumulative)	Cumulative number of final certifications officially delivered.	Annual	DECPC statistical reports	Registration upon certification	DECPC
Share of women among youth obtaining skills certification after informal apprenticeship	Cumulative number of final certifications delivered to women / total cumulative number of final certifications delivered	Annual	DECPC statistical reports	Registration upon certification	DECPC
Percentage of apprenticeship completers who are gainfully employed or self-employed 6 months after certification	Number of certified apprentices employed or self-employed at month M+6 / Number of certified apprentices at month M [M being the month of certification]	Annual	Survey reports & database	Phone surveys; PAC survey; database maintenance	M&E unit
Percentage of female apprenticeship completers who are gainfully employed or self-employed 6 months after certification	Number of certified women apprentices gainfully employed or self-employed at month M+6 / certified apprentices employed or self-employed at month M+6 [M being the month of certification]	Annual	Survey reports & database	Phone surveys; PAC survey; database maintenance	M&E unit



**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
A management information system is institutionalized and operational	The MIS is validated by an official memo; operational guidelines exist	Annual	MIS operational guidelines, diagnostic reports	MIS software, hardware and data	Minister's office
A grievance redress mechanism has been developed and is functional	See description of the targets	annual	Manual, MIS, reports	Documents archiving, software and hardware, database maintenance	
Number of Regional Committees of Apprenticeship (CRAs) that have benefitted from capacity building (cumulative)	Cumulative number of CRAs that have benefited from capacity building, in particular trainings at least once in years 1 or 2 and once in years 3 or 4	Monthly	Workshop reports; attendance lists	Documents archiving	Project management unit; M&E unit
Number of Professional Associations of Craftspersons (OPAs) that have benefitted from capacity building (cumulative)	Cumulative number of OPAs that have benefited from capacity building, in particular trainings, at least once in years 1 or 2 and once in year 3 or 4.	Monthly	Workshop reports; attendance lists	Documents archiving	Project management unit; M&E unit
Number of master craftspersons or companions certified through VAE (Validation des Acquis d'Expérience) (cumulative)	Cumulative number of master craftspersons and companions who can present legitimate professional certificates for a CAP or higher qualification	Yearly	DECPC statistics; certificates copies	Database extracts, documents archiving	Project management unit; M&E unit





Number of annual national apprentices and craftsmen competition organized (cumulative)	Cumulative number of events	Yearly	Activity reports; copies of communication content and support	Documents archiving; getting copies of newspapers, videos, radio extracts	Project management unit; M&E unit
Beneficiaries of job-focused interventions		Monthly	Registration and follow-up database, copies of forms	Documents archiving; database maintenance	Project management unit; M&E unit
Beneficiaries of job-focused interventions - Female		Annual	Registration and follow-up database, copies of forms	Documents archiving; database maintenance	Project management unit; M&E unit
Share of registered apprentices who took part in the complementary professional literacy training	Cumulative number of apprentices having successfully completed the literacy training / Target total number of apprentices registered (or actual final number)	Monthly	Workshop reports; attendance lists; copies of completion certificates; operator reports	Documents archiving; database maintenance	Project management unit; M&E unit
Share of registered apprentices who took part in complementary socio-emotional support	Cumulative number of apprentices having successfully completed the socio-emotional capacity	Monthly	Workshop reports; attendance lists; copies	Documents archiving; database maintenance	Project management unit; M&E unit



	building program / Target total number of apprentices registered (or actual final number)		of completion certificates; operator reports		
Share of registered apprentices who took part in complementary management training	Cumulative number of apprentices having successfully completed the socio-emotional capacity building program / Target total number of apprentices registered (or actual final number)	Monthly	Workshop reports; attendance lists; copies of completion certificates; operator reports	Documents archiving; database maintenance	Project management unit; M&E unit
Number of master craftspersons or companions who have benefitted from technical and pedagogical training (cumulative)	Cumulative number of master craftsperson or companions registered in the program who participated to the trainings and can present the corresponding certificates	Monthly	Workshop reports; attendance lists; copies of completion certificates; operator reports	Documents archiving; database maintenance	Project management unit; M&E unit
Number of workshops which have received a grant for equipment (cumulative)	Cumulative number of workshops who have received the full grant and used it to purchase equipment	Monthly	Banking statements; copies of receipts; PAC monitoring reports	Documents archiving; database maintenance	Project management unit; M&E unit



Share of beneficiaries satisfied with project interventions	Number of registered apprentices satisfied /total number of apprentices surveyed.	Annual	Surveys reports	Tracer survey; computers assisted telephone surveys	M&E Unit



### Annex 1: Implementation Arrangements and Support Plan

1. The project will be implemented by the Ministry of Vocational Training, Apprenticeship, and Craftperson's (MFPAA). A project implementation team (PIT) led by a dedicated project coordinator working under the direct supervision of the Secretary General of MFPAA will be responsible for day to day planning and implementation of project activities. The Directorate of General Administration and Equipment (DAGE) of the MFPAA will have the overall fiduciary responsibility including the financial reporting. The DAGE already has the fiduciary responsibility of the ongoing Skills for Jobs and Competitiveness Project (P145585) with a dedicated FM team comprised of one senior accountant and the Director of the DAGE. This new project will reinforce and use the same fiduciary arrangements currently in place at the DAGE.

#### FINANCIAL MANAGEMENT AND DISBURSEMENTS ARRANGEMENTS

2. The inherent risk of the public financial management system in Senegal is rated as Substantial. Senegal has embarked on major reforms to strengthen the institutional framework of Public Finance Management and shift towards performance-based budgeting, with budget programs and the devolution of commitment authority to line ministries. These reforms are under way and will be implemented gradually until 2020. Although significant progress has been made, a number of challenges remain, including: (i) setting a comprehensive and transparent budget management system which takes into account payments related to state-owned enterprises and national agencies; (ii) developing a reliable budget monitoring system to limit budget deviations, and, (iii) reinforcing the internal and external controls of budget execution. The ongoing PFM Technical Assistance Project (P122476) funded by the World Bank aims at addressing the key weaknesses related to the budget and accounting systems and the internal and external controls. However, these country issues would not materially impact the project as it is being implemented through DAGE under the oversight of a steering committee.

3. **Financial Management Risk Assessment and Mitigation.** The table below summarizes the inherent and control risks and mitigation measures.

Description of Risk	Initial risk rating	Risk Mitigation Measures incorporated in Project Implementation	Condition of Effectiveness (Yes/No)	Residual Risk/ (Risk) rating
<b>INHERENT RISKS</b>				
<b>Country Level</b>				
PFM system is weakened mainly by bottlenecks in budget execution and payment procedures	S	Remedial measures are being taken to address the weaknesses of the budget execution procedures, accounting system, and internal and external controls through the ongoing PFM TA (P122476).	No	S
<b>Entity Level</b>				
Issues of coordination due to multi entities' implication,	H	A project steering committee led by the Secretary General of MFPAA will provide the main strategic directions and oversee the implementation.	No	S
<b>Project Level</b>				





Description of Risk	Initial risk rating	Risk Mitigation Measures incorporated in Project Implementation	Condition of Effectiveness (Yes/No)	Residual Risk/ (Risk) rating
Delays in implementation due to the involvement of the 7 (seven) Ministries relevant directorates and 2 (two) autonomous agencies of the ministry involved in the project's execution	S	The steering committee involving all involved directorates and agencies will monitor the project's implementation. Roles and responsibilities will be clearly defined in the revised administrative and financial procedures presented in the Project Implementation Manual (PIM).	No	S
Overall Inherent Risk	S	Residual Risk: S		
CONTROL RISK				
Internal control				
Lack of clarity on roles and responsibility of PIT and the other entities directly involved in the project. Lack of description of the approval and authorization processes and segregation of duties.	S	The administrative and financial procedures in the PIM will be updated to include all specificities of the project, and clearly define role and responsibilities.	No	M
Weak internal audit environment	M	An internal auditor will be recruited to carry out ex-post reviews. The capacity of the Ministry's internal inspectorate will be reassessed during the mid-term review and if satisfactory, the project will rely on the internal audit function of the Ministry	No	S
Budget				
Delay in budget preparation and approval, lack of budget monitoring process and control mechanism resulting from the implication of multiple technical entities involved	S	The PIM of the existing project includes budget preparation calendar and monitoring procedures that will be applied to the project. Periodic reports of budget monitoring and recommendations will be required for the project.	No	M
Accounting				
Lack of adequate FM team	S	Qualified financial and administrative officer and accountant with experience and qualification satisfactory to the bank will be recruited to reinforce the FM team in place. The existing accounting and reporting system in place could be used for the new project. However, it presents flaws that do not allow an automatic production of the financial reports, with a high risk of errors. It should be updated to include the projects activities and to maintain segregated accounting records.	yes	S
Lack of reporting system	M		No	S
Funds Flow				
Funds may be diverted or used for non-project eligible purposes.	S	FM team and internal auditor will ensure that funds are used for purposes intended. The Disbursement and Financial Information letter and the PIM will give indication on disbursement and expenses documentation.	No	M



Description of Risk	Initial risk rating	Risk Mitigation Measures incorporated in Project Implementation	Condition of Effectiveness (Yes/No)	Residual Risk/ (Risk) rating
	S	Monthly replenishment will be sent to ensure sufficient funds.		
Financial Reporting				
Delays in the submission of agreed IFRs and annual project financial statements	M	DAGE FM team has experience on IFR preparation. They will prepare and agree with the Bank on the format and content of the IFRs to be used during implementation	No	M
Auditing				
Poor quality audit	S	An external auditor with experience and qualifications acceptable to the Bank will be recruited.	No	M
Delays is submitting audit report	S			M
Overall Control Risk	S	M		
Overall Risk		S		

H – High

M – Medium

L – Low

#### **Internal Control and Internal Auditing arrangements**

4. *Internal Control arrangements.* The administrative and financial procedures in the existing project implementation manual will be updated to include all specificities of the project.

5. *Internal auditing arrangements.* An internal auditor with experience and qualification satisfactory to the Bank, will be recruited to carry out ex-post reviews. The capacity of the Ministry's internal inspectorate will be reassessed during the mid-term review and if satisfactory, the project will rely on the internal audit function of the Ministry.

#### **Accounting arrangements**

6. The SYSCOHADA current accounting standards in use for ongoing Bank-financed projects will be applicable. Annual financial statements will be prepared by the DAGE in compliance with SYSCOHADA standards. The existing accounting and reporting system in place could be used for the new project. However, it presents flaws that do not allow an automatic reporting of the financial information, which presents a high risk of error. It should also be updated to include the projects activities and to maintain segregated accounting records. A qualified financial and administrative officer and accountant with experience and qualification satisfactory to the Bank will be recruited to reinforce the FM team in place.

#### **Budgeting arrangements**

7. The project will prepare an annual budget and procurement plan based on agreed annual work program. The budget will be adopted by the steering Committee before the beginning of the year and its execution will be monitored on a quarterly basis. The budgeting calendar, process and monitoring have been clearly defined in the Administrative and Accounting Procedures of the PIM. Annual draft budgets will be submitted to the Bank's non-objection after adoption by the steering committee and implementation no later than November 30 every year. Periodic reports of budget monitoring and variance analysis will be prepared by the DAGE.

#### **Financial Reporting arrangements**



8. The DAGE will prepare each quarter a consolidated Interim Financial Report (IFRs) for the project in form and content satisfactory to the Bank. These IFRs will be submitted to the Bank within 45 days after the end of the quarter to which they relate. FM team will prepare Project' Financial Statements in compliance with SYSCOHADA and World Bank requirements.

#### **External Auditing arrangements**

9. The Disbursement and Financial Information letter (DFIL) will require the submission of Audited Financial Statements for the project to IDA within six months after the end of each fiscal year end. The audit report should reflect all the activities of the project. An external auditor with qualifications satisfactory to the World Bank will be appointed to conduct annual audits of the project financial statements in accordance with audit terms of reference agreed with the IDA. In accordance with World Bank Policy on Access to Information, the borrower is required to make its audited financial statements publicly available in a manner acceptable to the Association; following the World Bank's formal receipt of these statements from the borrower, the World Bank also makes them available to the public.

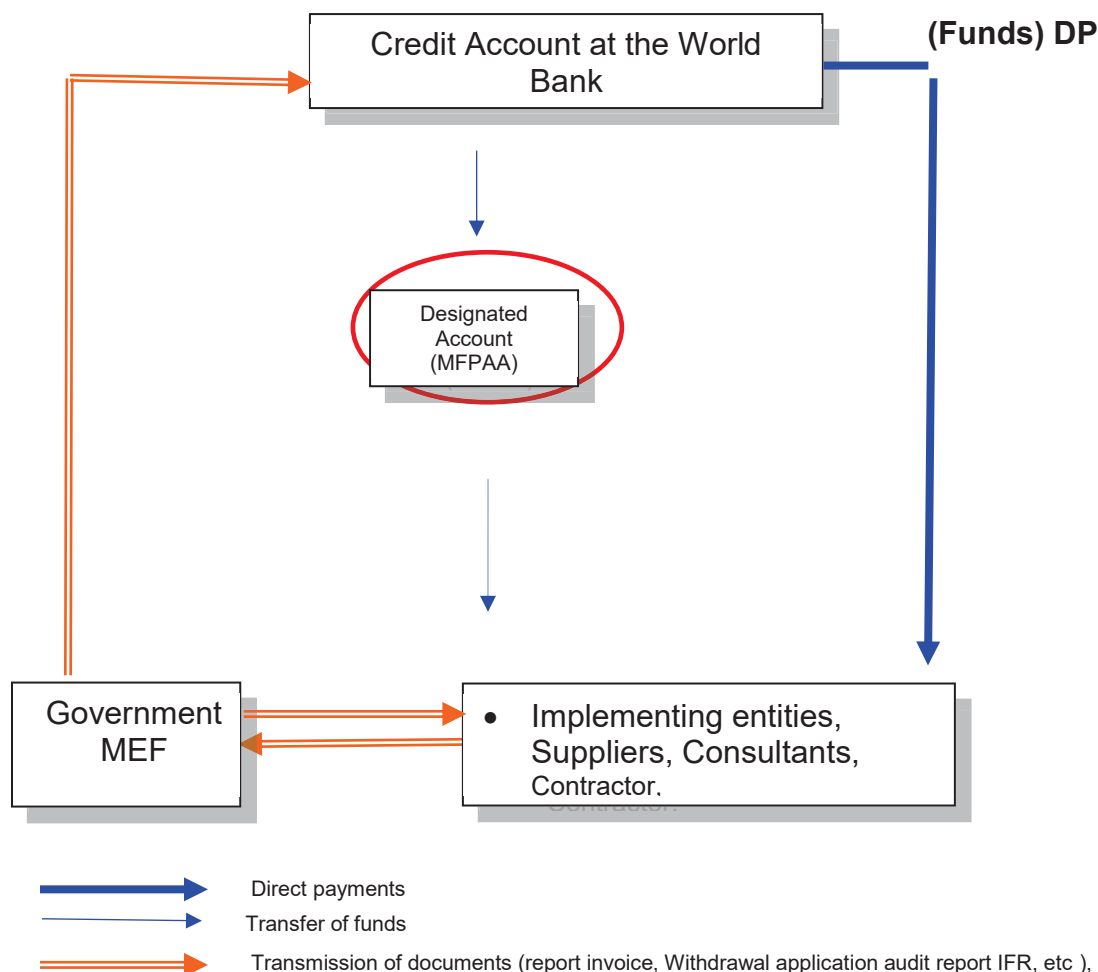
#### **Flow of funds and disbursement and Banking arrangements**

10. *Banking Arrangements.* A designated account (DA) for the project will be opened in a commercial bank acceptable to IDA, managed by the external cooperation directorate (DCFE) the entity assigned with the overall responsibility of payments. Arrangements for the management of the DA will be described in the updated project implementation manual, and in the disbursement letter.

11. *Disbursement arrangements.* Disbursements would be transactions-based whereby withdrawal applications will be supported with Statement of Expenditures (SOE). The following disbursement methods may be used under the project: reimbursement, advance, direct payment and special commitment as specified in the DFIL and in accordance with the Disbursement Guidelines for Investment Project Financing, dated February 2017. For disbursements related to the development of competency-based training programs to be developed by ONFP, an output-based mechanism will be used, based on an agreed methodology and unit cost as detailed in the administrative and accounting procedures described in the project implementation manual. A customized report will be used for the output-based reporting. Documentation will be retained by the DAGE FM team for review by Bank staffs and auditors. The DFIL provides details of the disbursement methods, required documentation, DAs ceiling and minimum application size.



**Flow of Funds Arrangements:** Flow of funds arrangements for the project is as follows:



### Financial Management Action Plan

12. The following actions need to be taken in order to enhance the financial management arrangements for the project:

#### Financial Management Action Plan

	Action	Date due by	Responsible
1	<ul style="list-style-type: none"> <li>Recruit a qualified financial and administrative officer with qualification et experience satisfactory to the bank.</li> </ul>	by effectiveness	MFPA/DAGE
2	<ul style="list-style-type: none"> <li>Update the administrative and financial procedures in the PIM</li> </ul>	Not later than two months after effectiveness	
3	<ul style="list-style-type: none"> <li>Update the accounting and reporting system and customize it to include the bookkeeping of the project;</li> <li>Selection of the external auditor</li> </ul>	Not later than four months after effectiveness	MFPA DAGE / PIT





	Action	Date due by	Responsible
	<ul style="list-style-type: none"> <li>Recruit a qualified accountant officer with qualification et experience satisfactory to the bank.</li> </ul>		
4	<ul style="list-style-type: none"> <li>Recruit an internal auditor with qualification and experience satisfactory to the bank.</li> </ul>	Not later than six months after effectiveness	MFPAA/DAGE

13. Based on the outcome of the FM risk assessment, the following implementation support plan is proposed. The objective of the implementation support plan is to ensure the DAGE maintains a satisfactory financial management system throughout the project's life.

#### Implementation Support Plan

FM Activity	Frequency
<b>Desk reviews</b>	
Interim financial reports review	Quarterly
Audit report review of the project	Annually
Review of other relevant information such as interim internal control systems reports.	Continuous as they become available
<b>On-site visits</b>	
Review of overall operation of the FM system	Every semester for Implementation Support Mission and Annual when the risk becomes Moderate
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, internal audit and other reports	As needed
Transaction reviews (if needed)	As needed
<b>Capacity building support</b>	
FM training sessions	During implementation and as and when needed.

#### PROCUREMENT

14. Procurement under this project will be carried out in accordance with the World Bank's "Procurement Regulations for IPF Borrowers" (Procurement Regulations) dated July 2016 and revised in November 2017 under the "New Procurement Framework (NPF), and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 2006 and revised in January 2011 and as of July 1, 2016.

15. The project will be implemented by the MFPAA. The DAGE will carry overall procurement activities. They will also be responsible for the oversight of the payment of grants for youth and of capital grants for craftspersons using certified payment providers which can provide an electronic trail of the funds flow. For activities under the responsibility of ONFP or DNAL, ONFP and DNAL will remain responsible for the technical engineering and management of contract implementation, as applicable, but the actual procurement and contracting will be done by the DAGE based on the technical inputs from them. The DAGE of MFPAA is implementing "The Skills for Job and Competitiveness Project" (P145585) since 2014, and a Procurement specialist was hired recently (August 2018). However, the project will increase the workload of these staff, which may have a negative impact on the



efficiency and efficacy of the procurement processes and hence cause project implementation delays.

16. Advertisement: The Borrower shall prepare and submit to the Bank a General Procurement Notice (GPN) and the Bank will arrange for publication of GPN in United Nations Development Business (UNDB) online and on the Bank's external website. The Borrower may also publish it in at least one national newspaper.

17. The Borrower shall publish the Specific Procurement Notices (SPN) for all goods, works, non-consulting services, and the Requests for Expressions of Interest (REOIs) on their free-access websites, if available, and in at least one newspaper of national circulation in the Borrower's country, and in the official gazette. For open international procurement selection of consultants using an international shortlist, the Borrower shall also publish the SPN in UNDB online and, if possible, in an international newspaper of wide circulation; and the Bank arranges for the simultaneous publication of the SPN on its external website.

18. Procurement documents: In the event of international competitive procurement of goods, works, non-consulting services, and consulting services, the Borrower shall use the applicable World Bank standard procurement documents with minimum changes, acceptable to the World Bank, as necessary to address any project-specific conditions.

19. Procurement information and documentation—filing and database: Procurement information will be recorded and reported as follows:

- a. Complete procurement documentation for each contract, including bidding documents, advertisements, bids received, bid evaluations, letters of acceptance, contract agreements, securities, related correspondence, and so on, will be maintained at the level of respective ministries in an orderly manner, and be made readily available for audit;
- b. Contract award information will be promptly recorded, and contract rosters as agreed will be maintained.

20. Project Procurement Strategy for Development and Procurement Plan (PPSD): As part of the preparation of the project, the Borrower (with support from the World Bank) prepared PPCSD which described how fit-for-purpose procurement activities will support project operations for the achievement of project development objectives and deliver Value for Money (VfM). The procurement strategy is linked to the project implementation strategy, ensuring proper sequencing of the activities. It considered institutional arrangements for procurement; roles and responsibilities; thresholds, procurement methods, and prior review, and the requirements for carrying out procurement. It also included a detailed assessment and description of government capacity for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues taken into account included the behaviors, trends and capabilities of the market (i.e. Market Analysis) to inform the procurement plan. The finalized versions were approved during negotiations. Major procurements will include the following:

21. The Procurement Plan (PP) covering the first 18 months of project implementation was prepared and discussed and approved by the World Bank during project negotiation. The PP will be updated by the procuring entity on an annual or as-needed basis to reflect actual project implementation needs and improvements in institutional capacity. Updates of the PP will be submitted to the World Bank for 'no-objection' and the PPCSD updated accordingly.

22. Operational costs financed by the project would be incremental expenses, including office supplies, communication costs, rental expenses, utilities expenses, consumables, transport and accommodation, per diem, workshop, supervision costs, and salaries of locally contracted support staff. Such service needs will be procured using the procurement procedures specified in the updated PIM accepted and approved by the World Bank.


**Table 1: Procurement for key contracts of the 18<sup>th</sup> first months**

Title of Contract	Estimated Total Cost in US\$ and level risk	Review	Market Approach	Selection Methods	Evaluation Methods
Review of lessons on training and certification methodologies	US\$20,000 Low risk	Post	Limited/ National	Selection of Individuals consultants	3 CVs at least compared
Editing and printing of guides	US\$60,000 Substantial risk	Post	Limited/ National	Request for quotation	Qualifying criteria/lowest evaluated cost
Technical assistance for strengthening the regulatory framework for certification	US\$60,000 Low risk	Post	Limited/ National	Selection of Individuals consultants	3 CVs at least compared
Strengthening of monitoring and evaluation system and training (DA)	US\$321,000 Moderate risk	Post	Open	Selection of Consulting Firm SQBS	Technical and financial scores combined
Development of management information system including initial diagnostics and implementation	US\$290,000 High risk	Post	Open/ National	Request for bid	Qualifying criteria/lowest evaluated cost
Acquisition of hardware and dedicated software (IT, furniture,...)	US\$250,000 High risk	Post	Open/ National	Request for bid	Qualifying criteria/lowest evaluated cost
Acquisition of ICT equipment for equipping OPAs to support the certification of apprentices and the follow-up of workshops	US\$306,000 Moderate risk	Post	Open/ National	Request for bid	Qualifying criteria/lowest evaluated cost
Acquisition of cars	US\$270,000 Moderate risk	Post	Limited/ National	Request for quotation	Qualifying criteria/lowest evaluated cost
Development of communication strategy and plan, monitoring the implementation of the promotion of learning	US\$50,000 High risk	Post	Open	Selection of a Consulting Firm CQS	Quality cost based selection
Production of a film and success story about the winners of the competitions	US\$20,000 Low risk	Post	Limited/ National	Selection of Individuals consultants	3 CVs at least compared
Impact evaluation of the intervention	US\$1,500,000 Moderate risk	Post	Open	Selection of a Consulting Firm SQBS	Technical and financial scores combined

23. Frequency of procurement reviews and supervision. The World Bank's prior and post-reviews will be carried out based on thresholds indicated in table 3 below. IDA will conduct supervision missions every six months and annual post-procurement reviews; the standard post-procurement reviews by World Bank staff should cover at least 20 percent of contracts subject to post-review. Post-reviews consist of reviewing technical, financial, and procurement reports on project procurement actions by World Bank staff or consultants selected and hired by the World Bank according to procedures acceptable to the World Bank. Project supervision missions shall include a World Bank procurement specialist or a specialized consultant. IDA may also conduct an Independent Procurement Review at any time until two years after the closing date of the project. The table below summarizes



the inherent and control risks and mitigation measures.

**Table 2. Procurement Risk Assessment and Mitigation**

Risk Description	Description of Mitigation	Responsibility	Deadline
The multiple executing agencies have no experience in the new Procurement regulations	Recruitment of a staff with strong experience in World Bank process	Capacity building and support during the implementation	Continued
The administrative and financial procedures described in the ongoing project implementation manual (P145585) is not aligned with the new project	Update the administrative and financial procedures in the PIM which includes procurement procedures including the Bank's procedures and the new provisions of the World Bank regulations	DAGE	No later than two months after effectiveness
Executing agencies need more equipment and/or space to file the documents of the proposed Project	Have an acceptable procurement filing system in place during project implementation	DAGE	Continued
There is no procurement specialist with sufficient experience in the new Procurement regulation framework.	Recruitment of a staff with strong experience in world bank process	DAGE	No later than two months after effectiveness

24. The procurement risk is rated Substantial. Table 3 summarizes the procurement prior review thresholds for 'substantial risk'. These prior review thresholds can evolve according to the variation of procurement risk during the life of the project.

25. The thresholds for particular market approaches and procurement methods are indicated in the below table. The thresholds for the Bank's prior review requirements are also provided in the table below:

**Table 3. Thresholds**

Category	Prior Review Threshold (US\$ millions)	Procurement Methods Thresholds (US\$ millions)			
		Open International	Open National	RFQ	Short List of National Consultants
					Consulting Services
Goods, IT, and non-consulting services	≥2	≥1.0	<1.0	≤0.1	n.a.
Consultants (Firms)	≥1	n.a.	n.a.	n.a.	≤0.3
Individual Consultants	≥0.3	n.a.	n.a.	n.a.	n.a.




**Annex 2: Project Costing**

	US\$	CFA
<b>Component 1 - Strengthening National informal learning system</b>	<b>13,573,394.46</b>	<b>7,705,208,833.98</b>
1.1 - Studies and diagnostics to inform decisions	159,500.00	90,543,365.00
1.2 - Develop integrated competency training programs	773,941.20	439,343,200.00
1.3 - Develop a system of certification	125,900.00	71,469,653.00
1.4 - Certify the skills of master craftspersons (VAE)	2,400,000.00	1,362,408,000.00
1.5 - Strengthening capacities of actors involved in informal learning	5,110,956.86	2,901,336,879.25
1.6 - Organizing periodic certification for apprentices	3,582,472.92	2,033,662,400.00
1.7 - Equipment and expenses for the implementation of activities	417,500.00	237,002,225.00
1.8 - Promotion of traditional learning	840,000.00	476,842,800.00
1.9 - Capacity building of contracted players	60,000.00	34,060,200.00
1.10 - Unforeseen expenses	103,123.49	58,540,111.73
<b>Component 2 - improve the quality of apprenticeship training</b>	<b>35,641,400.00</b>	<b>20,232,553,538.00</b>
2.1 - selection of workshops	233,000.00	132,267,110.00
2.2 - Capacity building of master craftspersons	4,854,285.71	2,755,632,371.43
2.3 - Equip workshops	17,480,000.00	9,922,871,600.00
2.4 - Preparing for apprentices' trainings	995,714.29	565,237,128.57
2.5 - Grants for economic inclusion of apprentices	11,978,400.00	6,799,778,328.00
2.6 - Unforeseen expenses	100,000.00	56,767,000.00
<b>Component 3 - Project Management</b>	<b>3,785,205.54</b>	<b>2,148,747,628.02</b>
3.1 - Human Resources (15)	1,570,205.54	891,358,578.02
3.2 - Costs associated HR – Training	300,000.00	170,301,000.00
3.3 - Workshops & communication	110,000.00	62,443,700.00
3.4 - Equipment	130,000.00	73,797,100.00
3.5 - Operating Expenses	-	-
3.6 - Evaluation and Audit	1,675,000.00	950,847,250.00
<b>total World Bank</b>	<b>53,000,000.00</b>	<b>30,086,510,000.00</b>
<b>Component 2 - improve the quality of apprenticeship training</b>		
2.7 - Apprentices' complementary training - 3FPT	4,403,967.09	2,500,000,000.00
<b>Total 3FPT</b>	<b>4,403,967.09</b>	<b>2,500,000,000.00</b>



### **Annex 3: Integrated training programs using the Competency-Based Approach (CBA)**

#### ***CBA-based training and certification, elements of definition.***

1. CBA-based training and certification are based on pre-identified behaviors, knowledge, skills and abilities (overall referred to as competencies) that are considered necessary to successfully perform a job. This “competency package” is the framework around which training, and certification are organized.
2. To each level of certification corresponds a certain level of task complexity and expected autonomy. In this program, the certification level targeted is CAP (professional aptitude certificate), which corresponds to the ability to implement low- to medium-complexity tasks autonomously within a specific craft. This certification level is enough to work as a technical employee within a workshop or run an entry level business within the trade.
3. In CBA-based apprenticeship, the apprentice will progressively acquire the preidentified competencies, from the most basic to the most complex. The master trainer’s task will be to transmit these competencies and help the apprentice integrate them. CBA-based training is therefore based on completing “modules” at the apprentice’s rhythm rather than in a time-bound fashion.
4. CBA-based evaluation will evaluate the apprentice’s mastery of each preidentified competence. Final certification will be delivered upon mastery of the whole competences and should not consider the ways through which these competences have been acquired.

#### ***Specific constraints to developing new CBA-based certifications***

5. The usefulness of a professional certification, rests on four key aspects. First, it has to be recognized by individuals trying to acquire it as a way to improve their social and/or economic status. From this stem three other aspects: It has to be recognized by potential customers as a guarantee of quality; it has to be recognized by potential employers as a guarantee of relevant competences; and it has to be recognized by institutions as a legitimate proof of competencies.
6. Therefore, the competencies attached to a certification have to be relevant to the job market, and the homogeneity of the certifications have to be guaranteed. In Senegal, the document defining the CBA of the ministry of professional training, apprenticeship and craft (MFPA) sets the framework for CBA training and certification stakeholders to meet these criteria. Its core elements are described below.

#### ***Steps and documents required to set up a CBA training and certification framework***

7. In order to create a general framework that allows for master craftspersons to know which competencies to transmit, for evaluators to know which competencies to evaluate, and to guarantee that certifications delivered by different evaluators in different places have the same value, basic steps have to be followed. To each of these steps correspond a framework document:
  - *Job analysis (analyse de situation de travail)*. Based on current craft practices and anticipatable craft development, the job analysis identifies the competencies necessary to successfully perform a defined job within the targeted trade.
  - *Craft competency framework document (référentiel métier/compétences)*. This document presents in detail each of the key competencies identified in the job analysis. For each competency, it answers the question “what does it mean to display this competency? / how does one demonstrate this competency?”
  - *Certification framework document (référentiel de certification)*. This document indicates, for each competency, how one can evaluate the level of mastery of an apprentice. For example, it defines key criteria to evaluate each competency and the threshold above which mastery can be considered as



sufficient.

- *Master's guide.* The guide informs master craftspersons of which competencies have to be acquired by their apprentices, gives them guidance on how to transmit competencies and evaluate the level of mastery for each competency.

***Implementing CBA-based training within informal workshops***

8. The proposed intervention faces particular constraints stemming from the informal nature of the workshops and the fact that the master craftspersons are responsible for the transmission of these competences. In particular:

- Master craftspersons are running an economic activity first and foremost. As a result, they might train apprentices to fit their own vision of work organization. At one point in time, they may therefore distribute the required competences between several apprentices, rather than having all their apprentices able to perform all required tasks. They may also have a specific understanding of the competencies required to “successfully perform the task”. The program will therefore have to invest in making sure that all master craftspersons within a same trade transmit the same competencies to all their apprentices, and that these competencies correspond to the CAP level.
- For the same reason, master craftsperson may tend to train “employees” more than “entrepreneurs”. Although master craftspersons support apprentices and companions that they deem able to run their own workshops, many apprentices develop potential business competencies through experience, with limited attention from the master. In order to facilitate the process, the program will have to provide additional training to apprentices in terms of life and business skills.
- Informal master craftspersons and apprentices have various levels of education. Pedagogical material, such as the master's guide, will therefore have to be accessible to people with limited or no literacy. In addition, literacy training may be required to ensure that competencies that involve calculation, for example, are accessible to all apprentices. ICT solutions have proven to be accessible to all independently of literacy level and will be integrated in this program.