I. Project Context

Country Context

The Republic of Congo is a lower middle-income economy in Central Africa with an un-diversified oil-dependent economy, but rich in natural resources. Congo achieved lower middle-income status in 2006, and has since continued on a path of stable economic growth averaging 4.7 percent per year in real terms. In 2011, the per capita Gross National Income reached US$ 2,250. Congo has a relatively small population of 4.1 million, of which about two thirds live in Brazzaville or Pointe-Noire. The country has significant endowments of natural forests, arable land, minerals, as well as a deep sea port in Pointe-Noire that can serve as a gateway to the sub-region. Still, the economy remains little diversified, with the non-oil sector contributing less than 10 percent of Gross Domestic Product.

Despite strong macroeconomic performance, Congo faces persistent human development challenges, while the political context is somewhat fragile. Affected by a lengthy period of fighting throughout the 1990s, the country’s socio-political climate has stabilized significantly. However, Congo is still categorized as a fragile state, and as a result of the conflict, the country fell behind in
terms of human and social development. Improving basic services has been a challenge, despite the significant oil revenues, in part due to weak institutions and implementation capacity. Although there has been some progress in reducing poverty (from 50.7 in 2005 to 46.5 percent in 2011) and some improvement in education and health indicators, the pace of improvement is not sufficient for Congo to meet (most of) the Millennium Development Goals. Congo ranked 142 out of 186 countries and territories on the 2012 Human Development Index, which places Congo in the “low human development” category. Moreover, with a fertility rate of 4.5 births per woman and an estimated population growth rate of 2.7 percent per year, Congo has not yet entered the demographic transition, despite its middle-income status and relatively high rate of urbanization.

**Sectoral and institutional Context**
The cohorts of youth entering the labor market are large, and will further increase in the coming years. An increasing proportion of these youth will have completed primary schooling with hopes of continuing their education or finding a job. The education system does not offer training in the types of skills needed to increase the productivity and earnings of informal sector workers. Skills needed in the informal sector are first and foremost good basic skills (functional literacy and numeracy) which many Congolese youth do not have enough of, due to the low quality of primary education. Secondly, informal sector workers need some non-cognitive skills—in particular communication or inter-personal skills—which can be learned through a job or an internship. After these are met, informal sector workers need some technical or vocational skills. Most youth entering the labor market today cannot find formal sector employment and become engaged in the informal sector by default or, in the case of many girls, economically inactive. Presently, the majority of youth working in the informal sector have incomplete secondary education, weak basic skills, no work experience and little or no vocational skills. The regular education system currently has little to offer these youth in terms of training to enable them to increase their productivity. With little savings and a need to earn their living on a daily basis, their opportunity costs are often high, and therefore training programs need to be short and targeted to their needs.

**II. Proposed Development Objectives**
The Project Development Objective is to improve job and entrepreneurship skills for vulnerable urban youth in order to improve their labor market insertion and earnings.

**III. Project Description**

**Component Name**
Component 1: Skills training, job insertion and entrepreneurship support for vulnerable urban youth and micro-entrepreneurs

**Comments (optional)**
This component will support short skills training, internships, job search support, support for entrepreneurship, and apprenticeships for urban youth in Brazzaville and Pointe-Noire.

**Component Name**
Component 2: Strengthen the technical, planning, implementation, and monitoring and evaluation capacity of METPFQE

**Comments (optional)**
The component will support activities of a technical nature and strengthen the project implementation capacity of the Projects Coordination Unit (PCU) of the METPFQE.

**IV. Financing (in USD Million)**
V. Implementation

The Project is structured into two components as follows:

Component 1. Skills training, job insertion and entrepreneurship support for vulnerable urban youth and micro-entrepreneurs

Sub-component 1.1 will provide packages of short skills training, internships, job search support, and support for entrepreneurship to urban youth and young adults with insufficient connection to the labor market. These services will be delivered, in part through existing private and public training institutions in Pointe-Noire and Brazzaville, which have been identified and evaluated during project preparation, and in part by competitively selected Non-Governmental Organizations (NGOs). Some of the pre-identified institutions already work with vulnerable youth in Brazzaville and Pointe-Noire. Performance-based contracts will be established with the participating institutions. The project will offer training in most of the existing areas of skills training offered by these institutions (but shortened and adapted to the target group) as well as in new skills areas, with training opportunities targeted to wage jobs or self-employment/entrepreneurship according to the skills needs of the labor market, as identified by employers’ associations such as Union Patronal et Interprofessionnel du Congo/Congo Employers and Inter-professional Union (UNICONGO). One of the new areas of skills training will be business training, targeted in particular to the many young women working as self-employed in small trade. Institutions will recruit trainees based on pre-established criteria and methodology, and youth will self-select into the various job skills or entrepreneurship tracks. The component also includes a rigorous impact evaluation to assess and document the results of the project.

The Component will target youth and young adults ages 17-30 living in the peri-urban and urban areas of Pointe-Noire and Brazzaville, who: (a) have finished primary education but not completed upper secondary education, and have been out of school for at least one year (so as to not distort the existing education market, by drawing away students who would otherwise have continued into conventional academic or technical vocation education and training (TVET) education streams that are less subsidized than these programs); and (b) who are not working in formal or informal wage jobs (both criteria need to be met).

Sub-component 1.2 will finance the development of a training program targeted to young men and women who are already micro-entrepreneurs, and the delivery of this training program to at least 1,000 beneficiaries in Brazzaville and Pointe Noire. By micro-entrepreneurs is meant owners/partners of household or micro-enterprises. These likely operate in the informal sector given that a recent study found that 98 percent of household enterprises are not registered. They often have low productivity. The aim of the training is to increase the productivity and earnings of household enterprises and micro-entrepreneurs through upgrading the skill content of their activities and
helping them to scale up.

Sub-component 1.3 will finance apprenticeships and functional literacy training for out-of-school adolescent youth.

This sub-component will support apprenticeship training for at least 6,000 out of school adolescent youth ages 16-19 in Brazzaville and Pointe Noire that have less than completed secondary education. The activity scales up a pilot apprenticeship training program for out-of-school adolescent youth implemented under the World Bank Support to Basic Education Project, known in Congo as PRAEBASE (Projet d’Appui a l’Education de Base). Improvements will be introduced based on the lessons learned as presented in a report completed in May 2013: “Analyse de la Situation Socioprofessionelle des Jeunes Apprenants Formés à Brazzaville”. Participants will be placed in apprenticeships with master craftsmen for 12 months. They will also be provided functional literacy training and life skills training by qualified trainers, typically for one day a week. The program will be expanded from the six trades included in the PRAEBASE pilot (hair dresser, carpenter, auto-mechanics, welder, clothes-maker, agricultural worker) based on a market assessment.

Component 2. Strengthen the technical, planning, implementation, and monitoring and evaluation capacity of METPFQE

The component will support activities of a technical nature in order to strengthen the capacity of METPFQE to better plan, coordinate and support the TVET system in the country with the objective of improving its efficiency and quality, while also increasing access in line with present and future labor market demands.

The component will also strengthen the project implementation capacity of the Projects Coordination Unit (PCU) of the METPFQÉ, which will be responsible for the day-to-day coordination and management of the implementation of the project.

Implementation arrangements:

The METPFQE has the overall responsibility for the implementation of the project, including accounting for project funds, expenditures, resources, procurement and monitoring and evaluation through its Projects Coordination Unit (PCU). The PCU was created by Ministerial Decree (Decree No 2867/METPQTE) on April 20, 2007, with the purpose of carrying out technical, administrative and financial management of all of the Ministry’s projects and its capacity will be strengthened so that it will be able to manage the project’s implementation appropriately. Through this, the overall implementation capacity of the MTPEQTE will be strengthened.

Project oversight will be the responsibility of the METPFQE Director General, who will report directly to the Minister on project activities. Technical implementation of project activities will be carried out by the Unité d’Ingénierie de Formation Professionnelle/Professional Training Engineering Unit (UIFP) with the support of technical assistance as required. This unit is composed of 15 staff from various departments of the MTPEQTE, it is attached to the PCU, and three members of this team will be chosen to manage project components. Project fiduciary management and M&E will be under the responsibility of the PCU and its Coordinator.
So as to ensure readiness for implementation, a Project Preparation Facility (PPF) has been prepared. The PPF focuses on ensuring that all institutional, technical, and logistical arrangements are in place by the time of project effectiveness. Capacity building for the PCU is one of the activities under the PPF. The overall fiduciary responsibility for the PPF will be given to the Project Management Team of the Water, Electricity and Urban Development Project (PEEDU), and it will be transferred to the PCU once its fiduciary capacity has been strengthened, at the latest by effectiveness. The PEEDU was chosen among the various management teams overseeing implementation of World Bank projects in Republic of Congo due to good fiduciary capacity and previous experience with management of PPFs.

VI. Safeguard Policies (including public consultation)

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<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
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<td>Projects in Disputed Areas OP/BP 7.60</td>
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Comments (optional)
Project interventions are designed to respond to the needs of youth and the realities of the labor market and have been designed in consultation with training providers, professional associations, business development associations, enterprises, non-governmental organizations, and the authorities. Particular attention has been paid to the specific constraints facing young women in accessing training. Based on the experiences of programs in other countries, every effort will be made to ensure the safety of young girls and women, as they participate in the training programs. The project is expected to have a positive impact on all beneficiaries.

VII. Contact point

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