



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
SKILLS DEVELOPMENT AND EMPLOYABILITY PROJECT
APPROVED ON FEBRUARY 10, 2016
TO
THE GABONESE REPUBLIC

EDUCATION GLOBAL PRACTICE

AFRICA REGION

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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
ANFPF	National Agency of Vocational and Perfection Training (<i>Agence Nationale de la Formation et du Perfectionnement Professionnel</i>)
ANPI	National Agency of Investment Promotion (<i>Agence nationale de la promotion de l'investissement</i>)
CPW	Construction and Public Works
DAT	Administrative and Technical Dispositions (<i>Dispositions administratives et techniques</i>)
DGEPN	Directorate General of Environment and Nature Protection (<i>Direction Générale de l'Environnement et de la Protection de la Nature</i>)
DGFP	General Director of Vocational Training (<i>Direction Générale de la Formation Professionnelle</i>)
ESIN	Environmental and Social Impact Notice
ESIS	Environmental and Social Impact Study
FIR	Integration and Reintegration Fund (<i>Fonds d'insertion et de réinsertion</i>)
ICT	Information and Communication Technology
MEJFPIR	Ministry of Employment, Youth, Vocational Training, Integration and Reintegration (<i>Ministère de l'Emploi, de la Jeunesse, de la Formation Professionnelle, de l'Insertion et de la Réinsertion</i>)
MEN	Ministry of Education (<i>Ministère de l'Éducation Nationale</i>)
ONE	Employment National Bureau (<i>Office national de l'emploi</i>)
ONEF	National Observatory on Employment and Training (<i>Observatoire National de l'Emploi et de la Formation</i>)
PBC	Performance-Based Contract
PCU	Project Coordination Unit
PDO	Project Development Objective
PRCEJPS	Capacity Building for Youth Employability and Social Protection Improvement Project (<i>Projet Renforcement des Capacités pour l'Employabilité des Jeunes et l'amélioration de la Protection Sociale</i>)
TVET	Technical and Vocational Education and Training



BASIC DATA

Product Information

Project ID P146152	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 10-Feb-2016	Current Closing Date 31-Dec-2021

Organizations

Borrower Gabon Skills Development Project	Responsible Agency Gabon Skills Development Project
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Project Development Objective (PDO)

Original PDO

The objective of the project is to improve effectiveness of vocational training, short term skills development, and entrepreneurship programs in key growth sectors in the Gabonese Republic.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-85820	10-Feb-2016	13-Apr-2016	13-Dec-2016	31-Dec-2021	100.00	14.46	86.51

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The objective of this paper is to propose a restructuring for the Gabon – Skills Development and Employability Project, currently rated Moderately Unsatisfactory and low disbursing. While the Project Development Objective (PDO) remain relevant, protracted delays in part of Project implementation and changes in project’s context led to the proposition of a cancellation of funds in the amount of EUR 34.88 million (US\$ 38.42 million equivalent) and to a reorientation of some activities. The proposed restructuring aims to help the Government to focus on key results and achievement of the PDO.

A. Project Status

2. The project was approved by the World Bank Board of Directors on February 10, 2016, and became effective on December 13, 2016, following the signing of the Financing Agreement on April 13, 2016. After 2.5 years of implementation, the project suffers from delayed effectiveness, late setup of the Project Coordination Unit (PCU) team, and limited familiarity among key implementers and stakeholders (this is the first World Bank-funded education/skills project since 1974) of World Bank procedures.

3. Progress toward achievement of the PDO (to improve effectiveness of vocational training, short term skills development, and entrepreneurship programs in key growth sectors in the Gabonese Republic) is rated Moderately Unsatisfactory as most of the PDO-level indicators to be achieved are not on track. Further, given the current pace of project implementation, there is a risk that the PDO will not be achieved. Overall delays in Component 1, on the extension of training supply and quality improvement in technical and vocational education and training (TVET) in key growth sectors, and Subcomponent 2.3, on entrepreneurship promotion, have placed achievement of the PDO at risk. Meanwhile, some positive results have been observed under Subcomponents 2.1 and 2.2, related to apprenticeship and entrepreneurship.

4. The overall implementation progress rating is also Moderately Unsatisfactory due to the overall delay in project implementation. As of end-December 2018, disbursement was at 14.46 percent, which is 5 percentage points lower than the planned disbursement of 20.00 percent for 2018. The following paragraphs summarize the project status by component and subcomponent.

(a) Component 1: Extension of Training Supply and Quality Improvement in TVET in Key Growth Sectors

(i) Subcomponent 1.1: Creation of Two New Training Institutions in Priority Growth Sectors

5. The objective of this subcomponent is to expand the supply of appropriately skilled youth for employment in key growth sectors of the economy, through the construction of two new TVET institutions in construction and public works (CPW) and information and communication technologies (ICTs). The two new centers are expected to implement a new governance framework with: (a) a board of directors composed of public and private sector representatives (50 percent each) and led by the private sector; (b) management personnel recruited on a competitive basis; and (c) each TVET institution signing a performance-based contract (PBC) to ensure accountability for results. Significant progress has been observed in the implementation of this subcomponent after a delayed and slow start. The feasibility study and the design study for the two centers have been completed with high levels of consultation with the private sector as well as architectural studies. The bidding document for the construction itself is under finalization. With regard to development and update of the curricula, and the technical specifications of



equipment for the centers, all preparatory activities such as recruitment of consultants and formation of national teams have been completed.

(ii) Subcomponent 1.2: Quality Improvement and Upgrading of Existing TVET Institutions on a Competitive Basis

6. This subcomponent aims at restructuring and upgrading at least 14 of the current 20 TVET institutions through the implementation of PBCs to improve the quality of service delivery and the efficiency of supported training institutions. Envisaged upgrades include: (a) the implementation of new pedagogical and administrative management models incorporating private sector participation; (b) the upgrade of trainers’ vocational skills; (c) the provision of equipment; and (d) the rehabilitation of existing training facilities at a value of no more than 20 percent of total costs. The activities under this subcomponent are delayed as the preparatory work before TVET institutions could have access to funding took more time than expected. Actually, the restructuring and upgrading of the existing TVET institutions require, in advance, the development of school strategic plans calibrated on the needs of the economy in the region. In addition, the African Development Bank (AfDB) is also financing the restructuring and upgrading of 16 TVET institutions through an investment project approved in end-2016. To avoid overlap and duplication between the two projects, a document called Dispositions administratives et techniques (DAT) has been developed and approved in May 2018 by the World Bank, AfDB, and the line ministries to coordinate and manage the implementation of the activities.¹ However, the DAT could not be implemented as AfDB opted for a different implementation approach later.

(b) Component 2: Employability Development, Youth Integration, and Entrepreneurship Promotion

(i) Subcomponent 2.1: Apprenticeship

7. The apprenticeship scheme aims to encourage greater labor market integration for youth with low educational attainment through the provision of apprenticeship training programs adapted to their level of qualification, targeting urban, peri-urban, and rural economic activities. The apprenticeship schemes for urban jobs consists of practical training in workshops and complementary training in training institutions (25 percent of the total period) for 6–24 months. The activity planned under the project was to provide apprenticeships to 3,000 unemployed or out-of-school job seekers from master craftsmen and farmers, under the leadership of the employment national bureau (Office National de l’Emploi [ONE]). Among the 3,000 targeted youth, 2,000 would be for urban jobs and 1,000 would be for rural and peri-urban jobs and activities.

8. After a delayed start due to the setup of the mechanisms and training of ONE staff, the project could catch up with the implementation pace and the targets for 2018 have been exceeded. Results to date under subcomponent 2.1 are presented in Table 1.

Table 1. Results of Subcomponent 2.1

Subcomponent 2.1: Apprenticeship	2017		2018		2019	End 2021
	Planned	Actual	Planned	Actual	Planned	Planned

¹ The document is based on a competitive approach for the existing institutions: development of strategic development plans in consultation with the private sector, assessment by an evaluation committee and selection by a high-level approval committee, harmonization of financial supports from the two projects, one technical audit, and so on.



Subcomponent 2.1: Apprenticeship	2017		2018		2019	End 2021
	Planned	Actual	Planned	Actual	Planned	Planned
PDO Indicator: Youth who have completed apprenticeship program (percentage)	0	0	0	0	30	70
Female beneficiaries (percentage)	—	—	—	—	30	30
Number of youth enrolled in apprenticeship program	100	0	900	1,289	1,900	3,000
Female beneficiaries (percentage)	30	—	30	33	30	30

9. On December 31, 2018, the target for the intermediate results indicator on the number of youth enrolled in the apprenticeship program was exceeded by 30 percent, with female participation of 33 percent instead of the initial target of 30 percent. Awareness campaigns have shown enthusiasm among youth and a commitment of the master craftsmen to the apprenticeship program. Actually, 2,300 youth applied for the program and 2,300 apprenticeship positions with the master craftsmen were registered in 2018. These results point to the potential for continued interest among youth and potentially good prospects were the program to continue in the coming years. However, the implementation of the program highlights significant needs for quality improvements, including: (a) extension of further training to all apprentices; (b) improvement of program coverage to other regions; (c) monitoring and supervision strengthening of youth in workshops and vocational training centers; (d) certification of youth in the apprenticeship program; and (e) the launch of the master craftsmen’s training.

(ii) Subcomponent 2.2: Internship

10. The internship program aims at improving the employment outcomes of graduates transitioning from higher education and TVET institutions into the labor market to address the practical skills gap of current graduates. The target by end-2021 is 3,500 youth who are 34 years of age and below and who are unemployed graduates from institutions of higher education or TVET schools. The targets for 2018 have also been exceeded for this subcomponent. Results to date under subcomponent 2.2 are presented in Table 2.



Table 2. Results of Subcomponent 2.2

Subcomponent 2.2: Internship	2017		2018		2019	End 2021
	Planned	Actual	Planned	Actual	Planned	Planned
PDO Indicator: Youth who have completed internship program (Percentage)	0	0	30	0	60	90
Female beneficiaries (percentage)	—	—	30	—	30	30
Number of youth enrolled in internship program	100	0	1,500	2,751	2,400	3,500
Female beneficiaries (percentage)	30%	—	30	58	30	30

11. As of December 31, 2018, 2,751 youth were placed in internship programs within private companies and another 40 youth were placed in training-adaptation. The targeted for the intermediate results indicator on the number of youth enrolled in the internship program was overachieved by 75 percent, with female participation of 58 percent which is 18 percentage point higher than the initial target of 30 percent. During the execution of the program, ONE identified 3,800 internship positions within the selected private companies and 8,700 eligible youth. These figures show the strong interest of youth and companies in the program. This makes the continuation of the program relevant. During the implementation of the program some shortcomings were observed, especially those related to the monitoring of youth inserted in private companies, the validation of offers received from the private companies, and the verification of their compliance with the objectives of the project. Given the scope of the activities, ONE's human and logistical resources were insufficient to ensure quality implementation of the program. The second phase of the project will focus on these quality aspects of the program.

(iii) *Subcomponent 2.3: Entrepreneurship promotion*

12. This subcomponent aims to promote youth employment through the development of entrepreneurial initiatives. It targets 2,000 youth with different levels of educational attainment and tailors training interventions accordingly: youth with a relatively high level of education (youth graduates) and youth with lower levels of educational attainment, including school dropouts. The approach was that among the 2,000 youth trained, a selection committee would identify 1,000 participants who would receive further support in the development of business plans. Among them, 300 participants with the best business plans would compete, and 150 participants would receive financial support for their projects. The subcomponent was implemented under the leadership of the national agency of investment promotion (*Agence nationale de la promotion de l'investissement* [ANPI]). Results to date under subcomponent 2.3 are presented in Table 3.



Table 3. Results of Subcomponent 2.3

Subcomponent 2.3: Entrepreneurship promotion	2017		2018		2019	End 2021
	Planned	Actual	Planned	Actual	Planned	Planned
Number of beneficiaries trained in entrepreneurship	0	0	1,000	245	1,500	2,000
Female beneficiaries (percentage)	—	—	30	33	30	30
Number of reviewed business plans developed as a result of project intervention	0	0	300	123	300	300

13. The activities under this subcomponent are delayed. On December 31, 2018, only 245 youth were trained in entrepreneurship, that is, only 25 percent of the target value for 2018, with 33 percent of women; 123 business plans were developed, that is, 41 percent of the target of 300; and only 19 projects were selected to receive seed money. Although ANPI is used to implementing activities for graduate students that are similar to those under this subcomponent, the agency showed some leadership issues in the management of the subcomponent – significantly delaying the start of the first training. In addition, the relatively high implementation cost of the approach makes it difficult for the Government to continue after project closing.

(c) Component 3: Institutional Capacity Support and Project Implementation

14. The component aims at strengthening the institutional and management capacity of the ministries involved in project implementation (the Ministry of Employment, Youth, Vocational Training, Integration and Reintegration (Ministère de l’Emploi, de la Jeunesse, de la Formation Professionnelle, de l’Insertion et de la Réinsertion [MEJFPIR]) and the Ministry of Education (MEN) which is in charge of technical education) and executing agencies (including ONE) through the provision of technical assistance. Results to date under component 3 are presented in Table 4 below.

Table 4. Results of Component 3

Component 3: Institutional Capacity Support and Project Implementation	2017		2018		2019	End 2021
	Planned	Actual	Planned	Actual	Planned	Planned
Beneficiary survey completed to support ongoing training improvement	0	0	0	0	1	2
Tracer survey	0	0	0	0	1	3
Number of youth who have registered in the job seekers database established by ONE	0	0	0	13,689	4,000	12,000
Satisfaction Survey (beneficiary and nonbeneficiary)	0	0	0	0	1	0



15. Activities under this component are on track. The number of youth who have registered in the job seekers database of ONE already exceeds the end target of 12,000 planned for 2021. The project supported executing agencies and beneficiary departments of the ministries in charge of vocational training and of technical education, and provided technical assistance to support the implementation of the activities under Components 1, 2, and 3.

B. Rationale for Restructuring

16. The PDO remains pertinent to the Gabonese context. However, proposed restructuring is necessary to:

- (a) **Reduce the project scope to ensure timely completion of activities which are critical to achievement of the PDO.** Given the delayed implementation of activities – despite intensive supervision and training activities -- the project has not yet caught up with the cumulative delays which have occurred since the beginning of the project. To ensure the PDO is achieved by project closing, the project will reorient its focus. The restructured project will focus more on supporting activities related to sustainable systemic reforms including more cost-effective implementation, institutional reform of the TVET system to be more relevant to the labor market through the piloting of these reform in only few selected institutions.
- (b) **Proceed with the subsequent partial cancellation linked to the revamping of Component 1** (Extension of Training Supply and Quality Improvement in TVET in Key Growth Sectors). The long timeframe for implementing the feasibility and architectural studies for the creation of the two new sectoral centers affected the level of disbursement under Subcomponent 1.1, in addition to delays in the implementation of these studies. The poor performance of Subcomponent 1.2 is a result of major delays in the development of strategic business plans for each institution. Reducing the scope of this activity is necessary given progress to date and existence of another donor funded project. However, the project will maintain investment in these activities to achieve systemic changes and the reforms envisaged by the project in select targeted TVET institutions.
- (c) **Reorient the project scope towards strategic activities linked to the value added of the project and reforms.** The revised project will increase support to activities having greater success and which are relevant to achievement of the PDO. On one hand, given the encouraging results of the apprenticeship program, program will be expanded. In addition, to assure the insertion of apprentices who have completed their training into self-employment, it is important to link the Apprentice program to the Entrepreneurship program. On the other hand, to address the current implementation delays and inefficient implementation of the Entrepreneurship program, profound changes both in terms of objectives and implementation modalities are necessary. Moreover, a more sustainable approach of providing entrepreneurship program should be adopted through the new training centers and the upgraded TVET institutions funded by the project. Given the above, it is important for Component 3 to focus more on keys activities related to the systemic reforms of the TVET sector: (a) the management of TVET institutions through public-private partnerships; (b) the implementation of PBCs; (c) the adoption of the apprenticeship program as a training approach; and (d) the regulatory framework on the organization and operation of TVET institutions.
- (d) **Adjust the Results Framework, implementation schedule, and disbursement estimates.**
 - i. **Adjust the Project's Results Framework;** The targets of a number of project indicators need to be adjusted to take into account the delays in the implementation of each component's



implementation. Modification of some indicator will also reinforce the project's focus on reforms and the impact of activities.

- ii. **Adjust disbursement categories and** estimates accordingly. To reflect the above changes, the implementation schedule and disbursement tables will be revised.
- iii. **Adjust implementation arrangements** to increase one sub-component's efficiency. The results achieved to date have been limited, including the performance of ANPI (the implementing entity). In addition, covering the high operating costs is not sustainable. Therefore, the implementation arrangements for this activity have been fully revised

17. The Government requested this project restructuring on April 1st, 2019.

II. DESCRIPTION OF PROPOSED CHANGES

18. The proposed restructuring would include the following: (A) change in Project Components and Costs, (B) change in the project implementation; (C) cancellation of funds; (D) change in the results framework; (E) reallocation between categories of expenditure; (F) update of the disbursement forecasts.

A. Change in Project Components and Costs

(a) Component 1. Extension of Training Supply and Quality Improvement in TVET in Key Growth Sectors (initial amount US\$65 million, proposed new amount US\$34.65 million)

- (i) *Subcomponent 1.1: Creation of Two New Training Institutions in Priority Growth Sectors (initial amount US\$30 million, revised amount US\$27.35 million)*

19. This subcomponent on the creation of two new sector centers on CPW and ICT is maintained given the priority that the Government places on the development of a quality training supply in the reference centers of the two priority sectors. Actually, the piloting of this approach aims to introduce qualitative changes in the management of TVET institutions to pull up the whole system of vocational training after adoption of the same mechanism by all institutions. However, the allocation to this component will be reduced from US\$30 million to US\$27.35 million.

20. It is expected that these two facilities will be completed within the initially agreed timeframe, with 2,200 students expected to attend these facilities during two school years (2020 and 2021), during the project life. With information provided from the feasibility studies, the scope of the centers was reduced due to high unit cost (sport facilities² and reduction of the boarding school size by half, that is, 256 beds instead of 500). In terms of global governance in project management, major changes on implementation speed are expected, failing which the ambitious timeline will not be followed. In addition, some of the indicators will be revised to reflect the above changes (see section D below).

- (ii) *Subcomponent 1.2: Quality Improvement and Upgrading of Existing TVET Institutions on a competitive basis (initial amount US\$35 million, proposed new amount US\$7.3 million)*

² The students will use the sport facilities provided by the TVET training center constructed by the Chinese bank AVIC in the same area.



21. Under the proposed restructuring, the Project will finance only the restructuring of four TVET institutions,³ with the total amount allocated to the sub-component reduced from US\$35 million to US\$7.3 million. In addition, the title of the subcomponent will be modified to 'Quality Improvement and Upgrading of Existing TVET Institutions', to reflect the changes described below.

22. The AfDB plans to rehabilitate 16 existing TVET institutions as part of the Capacity Building for Youth Employability and Social Protection Improvement Project (*Projet Renforcement des Capacités pour l'Employabilité des Jeunes et l'amélioration de la Protection Sociale* - PRCEJPS). To avoid duplication, the restructuring of the four TVET institutions will be financed through a PBC between the MEJFPIR and the TVET institution, to improve the quality of service delivery and the efficiency of training. These PBCs comprise, among other things, (a) the involvement of the private sector in the management of the institutions,⁴ in the provision of training, and in the definition and development of the curriculum through a partnership between the institution and the private sector in the project area; (b) the improvement of institutional autonomy and governance; (c) the curriculum reform which should align with the needs of the labor market.

23. Given that the legal frameworks governing TVET institutions will be restructured to include these institutional reforms planned under the Project, it is expected that these changes will also be introduced in those institutions that will not be targeted by the project. Although the selection of the four targeted institutions will no longer be on a competitive basis, the Project will only finance activities in the school strategic plans that are in line with the planned reforms and relevant sectors in the region where the institutions are located. In addition, some of the indicators will be revised to reflect the above changes (see section D below).

(b) Component 2. Employability Development, Youth Integration, and Entrepreneurship Promotion (initial amount US\$20 million, proposed new amount US\$17.93 million)

(i) Subcomponent 2.1. Apprenticeship (initial amount US\$11 million, proposed new amount US\$8.59 million)

24. Under the proposed restructuring, the apprenticeship program will only target urban jobs. Given the popularity of the program among out-of-school and lowly educated youth and its successful implementation during the first phase of the project, it is proposed to increase the target for number of youth for urban jobs to 2,400 (from 2,000). The allocation for this sub-component will be decreased from US\$11 million to US\$8.59 million.

25. The apprenticeship program for rural and agricultural jobs will be discontinued under the Apprenticeship program and will be moved to the internship program as part of the adaptation training. The basic principle of apprenticeship of assigning a maximum of three apprentices in the same production unit has proven to be unsuitable for rural areas and agricultural sector. The demand for apprenticeship training in agriculture received by ONE relates to significantly larger numbers that are difficult to meet in the context of apprenticeship. In-farm training-adaptation taking place within farms with the support of training operators could target youth groups of up to 25 people.

³ The four institutions are *Lycée Technique de Léconi, Lycée Technique de Fougamou, CFPP Basile Ondimba, and CFPP de Franceville.*

⁴ Board of directors with at least 50 percent of its members from the private sector and 50 percent from the state.



26. The project will more focus on improving the quality of the apprenticeship program by addressing any weaknesses encountered during the previous phase (refer to the section on current status of the project by component). This focus on quality will notably result in the following actions: (a) better monitoring of youth, (b) communication activities for host workshops/professionals; (c) sensitization of youth's parents/guardians; (d) concomitant start of training with master craftsmen and at the training centers; (e) capacity building of trainers in the training centers on the competency-based approach and the dual mode; and (f) technical development of master craftsmen. In addition, some of the indicators will be revised to reflect the above changes (see section II.D).

(ii) Subcomponent 2.2. Internship (initial amount US\$4 million, proposed new amount US\$7.30 million)

27. Under the proposed restructuring, the allocation to this sub-component will be increased from US\$4 million to US\$7.3 million. Given the popularity of the internship program among graduates and educated youth and its successful implementation to date under the project, the target for the number of youth to participate in the internship program (without the training-adaptation, see below) will be increased to 3,800 (from 3,500). In addition, the training-adaptation program for rural and agriculture jobs (initially under the Apprenticeship program) will be set up and aim to support 500 youth instead of the initially planned 1,000 youth due to budget constraints. Training-adaptation program for rural and agriculture jobs will consist of providing on-the-job practical training sessions to rural youth to meet pre-identified qualification needs. The total number of youth targeted by the Internship program is 4,300 instead of 3,500. Like the apprenticeship program, focus will be on improving the quality of the internship program by addressing any weaknesses encountered during the previous phase (refer to the section on current status of the project by component). This focus on quality will notably result in better monitoring of youth through a tracer study of youth beneficiaries. Six months after completion of the internship program, the insertion of youth in the labor market and the relevance of the program will be assessed. In addition, some of the indicators will be revised to reflect the above changes (see section D).

(iii) Subcomponent 2.3. Entrepreneurship promotion (initial amount US\$5 million, proposed new amount US\$2.04 million)

28. Under the proposed restructuring, the allocation to this sub-component will be reduced from US\$5 million to US\$2.04 million. Under the restructuring, only those who have successfully completed the dual apprenticeship program supervised by ONE will be eligible for this entrepreneurship program in order to guarantee these youth post-training opportunities to develop their own business. This approach would assure more consistency and more synergy between the project components. This scheme will target 750 youth at the end of their apprenticeship program in 2019 and 2020. The project will finance short-term training in entrepreneurship. These trainings aim at sensitizing youth to develop an entrepreneurial spirit and help them formulate ideas for income-generating activities. A proportion of the 400 youth selected on the basis of predefined criteria will benefit from a seed fund capped at US\$3,000 to supplement the US\$600 voluntary savings on their allowance during apprenticeship training. The project will benefit from successful examples of other World Bank-funded projects in West African countries.

29. The execution of this activity will be outsourced to one or more private structures or nongovernmental organizations specialized in the training, support, and supervision of youth and the monitoring of projects of this size. For consistency, ONE, responsible for the apprenticeship program, will lead the implementation of this subcomponent. Although ONE has experience with similar activities under the 'Un Jeune Un Métier' program, additional capacity building will be provided to the entity. The project



will provide coaching for the 19 youth competitively selected during the first phase of the project, in the realization of their respective projects.

30. To make this system sustainable, entrepreneurial training will be integrated into training programs delivered by restructured vocational training centers, including the two new sectoral training centers for CPW and ICT. This scheme is designed to equip young learners of TVET institutions with the skills and competences to enter the labor market through the entrepreneurial pathway. This investment approach is more productive and less costly compared to providing separate entrepreneurship training program for youth graduating from TVET institutions. The project will support the development of appropriate training modules and participate in the entrepreneurial training of trainers within the institutions under Subcomponents 1.1 and 1.2. In addition, some of the indicators will be revised to reflect the above changes (see section D).

(c) Component 3. Institutional Capacity Support and Project Implementation (initial amount US\$10 million, proposed new amount US\$7 million)

31. The proposed new amount for the component is US\$7 million instead of the initially planned amount of US\$10 million. Component 3 will focus more on activities supporting systemic reforms. Activities supported under this component will continue to focus on institutional capacity strengthening for effective implementation of the two first components and for project management. The priority activities to be financed under this component are the following: institutional capacity building (provision of computer equipment, supplies, office furniture) of implementing entities (ANFPP, DGFP, and the Department of vocational training (*Direction Générale de la Formation Professionnelle* - DGET); institutional capacity strengthening of ONE and rehabilitation; technical audit of Subcomponent 1.2; M&E including all the surveys; and other TA. In addition, some of the indicators will be revised to reflect the above changes (see section D below).

(d) Unallocated (initial amount US\$5 million, proposed new amount US\$1 million).

32. The unallocated amount is reduced to US\$1 million instead of the initially planned amount of US\$5 million. The unallocated amount will be used to address unforeseen situations and fluctuating currencies.

33. Proposed changes in components financing are summarized in table 9, as are the subsequent cancellation of funds.



Table 9. Proposed Changes in Components and Sub-component Financing

Component	Initial Budget (US\$, millions)	Cancelled Amount (US\$, millions)	Revised Budget (US\$, millions)
Component 1. Extension of Training Supply and Quality Improvement in TVET in Key Growth Sectors	65	30.35	34.65
Subcomponent 1.1: Creation of Two New Training Institutions in Priority Growth Sectors	30	2.65	27.35
Subcomponent 1.2: Quality Improvement and Upgrading of Existing TVET Institutions	35	27.7	7.3
Component 2. Employability Development, Youth Integration, and Entrepreneurship Promotion	20	2.07	17.93
Subcomponent 2.1: Apprenticeship	11	2.41	8.59
Subcomponent 2.2: Internship	4	-3.3	7.30
Subcomponent 2.3: Entrepreneurship promotion	5	2.96	2.04
Component 3. Institutional Capacity Support and Project Implementation	10	3	7
Unallocated	5	4	1
TOTAL [US\$, millions]	100	39.42	60.58
TOTAL [EUR, millions]	94.6	34.88	59.72

B. Change in the Project Implementation

34. The institutional arrangements for implementing the project remain unchanged, except for Subcomponent 2.3 on the entrepreneurship program, whose objectives and implementation modalities have been modified. During the second phase of the project, this subcomponent will be led by ONE in terms of the management of youth at the end of their apprenticeship and by the ANFPP in terms of the integration of modules into the training programs by the training centers, including the two new centers. The actual execution will be largely outsourced to private structures (see section II.A under Subcomponent 2.3). Major changes on implementation speed are expected for this subcomponent.

C. Cancellation of Funds

35. Under the proposed restructuring, EUR 34.88 million (US\$39.42 million equivalent) of the initial amount of EUR 94.6 million (US\$100 million equivalent) will be cancelled. This cancellation implies reallocation between categories (see part E).

D. Change in the Results Framework

36. Considering the scope and the importance of the restructuring, significant changes have been made to the Results Framework. Changes are described in the text, and details are provided in Table 5 and Table 6. The revised results framework is provided in annex.



(a) PDO-level indicators

- PDO quantitative targets and timing have been adjusted to reflect the revised implementation schedule.
- One PDO-level indicator related to graduation of students has been deleted considering the delayed implementation schedule. However, multiple indicators measuring insertion have been added to ensure the evaluation of the achievement of the PDO.
- Governance-related PDO-level indicators have been adjusted to reflect the project’s focus on reform and impact.

Table 5: Detailed Changes in PDO-level Indicators and Rationale

Indicator	Proposal	Rationale
Direct project beneficiaries (Core)	Target and timing revised	The target values of some of the subindicators have been revised. So, the target values for the indicator must be also revised.
Female beneficiaries (Percentage)		
Youth graduating from TVET institutions supported by the project (Percentage)	Removed and replaced	The delayed effectiveness of the TVET institutions supported by the project led to the removal and replacement of this indicator
Female beneficiaries (Percentage)		
TVET institutions with functioning boards of directors (Number)	Target and timing revised	Indicator revised following the decreased number of targeted TVET centers and delayed implementation schedule
Signed Public Private Partnership joint management agreements signed (Number)	Target and timing revised	Indicator revised following the decreased number of targeted TVET centers and delayed implementation schedule
Share of youth having completed a training (apprenticeship or internship) supported by the project employed or self-employed one year after the end of the program	New indicator	This indicator allows to assess the level of integration in labor market of young people who have completed apprenticeship, internship, and training-adaptation programs
Number of youth having started the implementation of income generation activities	New indicator	As the PDO specifically mentions entrepreneurship training, it is important to have this indicator on entrepreneurship.

(b) Intermediate Results Indicators:

- Intermediate quantitative targets and timing have been updated to reflect the revised implementation schedule. Targets have been decreased (for Component 1 related indicators) and adjusted or increased (for Component 2 related indicators).
- Some Intermediate results indicators have been revised, clarified, or simplified to ensure increased focus on impact and on quality of interventions.



- Some Intermediate results indicators have been deleted either because they cannot be achieved in the context of the revised implementation schedule.
- One Intermediate results indicator has been added to track progress of reforms of TVET institutions to be implemented under Component 1.

Table 6. Detailed Changes in Intermediate Results Indicators and Rationale

Indicator	Proposal	Rationale
Youth enrolled in the TVET institutions supported by the project in the priority sectors (Number)	Reformulated indicator for increased clarity and revised targets and timing	The indicator lacks clarity, so it is reformulated. In addition, the number of targeted youth under Subcomponent 1.1 has been reduced.
ICT	Sub indicators deleted	These indicators are deleted to allow more flexibility and adaptability to the demand side of training
Female beneficiaries (Percentage)		
Construction and Public Works		
Female beneficiaries (Percentage)		
Number of youth enrolled in the new CPW and ICT centers supported by the project in priority sectors	Revised indicator	
Number of youth enrolled in restructured vocational institutions	Target and timing revised	Target adjusted to take into account the reduced number of the supported training institutions.
Female beneficiaries (Percentage)		
Number of programs that have revised and implemented curricula	Target and timing revised	Target adjusted to take into account the reduced number of the supported institutions.
Adoption by Government of a regulatory Framework on the Management of TVET institutions	New indicator	A regulatory Framework on the Management of TVET institutions is adopted by Government.
Number of Youth enrolled in apprenticeship program	Reformulated indicator and revised targets	Targets adjusted to reflect changes in apprenticeship program design and scope.
Number of Youth enrolled in dual apprenticeship program in urban area	Reformulated indicator and revised targets	New indicator included to reflect changes in apprenticeship program design and scope
Female beneficiaries (Percentage)		
Number of Youth enrolled in internship program	Revised targets	Increased targets to reflect strong demand.
Female beneficiaries (Percentage)		
Number of beneficiaries trained in entrepreneurship	Revised formulation and revised targets	Indicator reformulated to take into account the new scope and approach of the entrepreneurship program.



Indicator	Proposal	Rationale
Number of Youth trained in entrepreneurship program and having developed income generating projects (number)	Revised formulation	
Female beneficiaries (Percentage)		
Number of reviewed business plans ⁵ developed as a result of project intervention	Deleted indicator	This indicator is redundant with the above indicator as those who are trained on entrepreneurship must have business plans.
Number of Youth who have registered in the job seekers database established by ONE	Revised targets	Targets are increased as the end target has already been exceeded.
Beneficiary survey completed to support ongoing training improvement	Deleted indicator	Due to delay in the implementation of the subcomponent, there will be no youth graduated from the new and restructured TVET institutions inserted in the companies yet.
Tracer survey	Reformulated	Since the apprenticeship program will be evaluated by the assessment study, this survey will target youth from the internship program, which now hosts a large number of youth.
Availability of tracer surveys on youth who have completed an internship program (Tracer study)	New formulation of the Tracer survey	
Satisfaction Survey (beneficiary and nonbeneficiary)	Reformulated	The evaluation will focus on youth enrolled in the dual apprenticeship system because of the advanced level of this program and the enrollment of 1,289 youth in 2018. The study will assess i) the overall functioning and results of the program and ii) the situation of youth after 6 months of completion of their training program. The study will both look at beneficiaries and non-beneficiaries and help to draw lessons learnt from this operation for the implementation agency
Availability of an evaluation of the dual apprenticeship program	New formulation of the satisfaction survey	

E. Reallocation between Categories of Expenditure

37. The proposed cancellation of US\$ 38.42 million (EUR 34,884,956) will be reflected in the allocation by categories, as described in Table 7. Major changes concern Category 2, with a massive reduction due to the revised design of Subcomponent 1.2, and Category 4, to incorporate the increased scope of Subcomponent 2.2.

⁵ The indicator is a measure of quality business plans developed as a result of the project intervention. Of the 1,000 business plans developed, 300 will be vetted by an appointed committee. Those selected will go on to the business plan competition.



Table 7. Reallocation between Categories in EUR

Category	Initial Allocation (A)	Disbursed Actual as of 31/03/2019 (B)	Undisbursed Actual as of 31/03/2019 (C=A-B)	Revised Allocation (D)	Allocation Change (E=D-A)	Undisbursed Revised (F=C+E)
Category 1	55,402,500	9,143,751.86	46,258,748.14	45,849,518.69	-9,552,981.00	36,705,766.83
Category 2	29,883,000	0	29,883,000	5,057,606	-24,825,394	5,057,606
Category 3	4,728,000	1,110,667.21	3,617,332.79	3,018,518.38	-1,709,482.00	1,907,851.17
Category 4	2,175,000	2,100,259.57	74,740.43	4,340,819.96	2,165,820.00	2,240,560.38
Category 5	2,175,000	173,791.88	2,001,208.12	1,212,081.35	-962,919.00	1,038,289.47
Front-end fee	236,500	236,500.00	0.00	236,500.00	0.00	0.00
TOTAL	94,600,000	12,764,970.53	81,835,029.47	59,715,044.00	-34,884,956.00	46,950,073.48

F. Update of the Disbursement Forecasts

38. The disbursement estimates have been modified to reflect the actual disbursements, and revisions have been made to the disbursement forecasts until the end of the project. The majority of funds are expected to be disbursed in 2019 and 2020 with an expected cumulative disbursement of US\$ 27.9 million by end-2019 and US\$55.8 million by end-2020. This reflects the importance of construction and support to schools under Component 1 in 2019–2020 and the increased volume of support provided to be provided to youth under Component 2 activities. Major changes on implementation speed are expected, failing which the ambitious timeline will not be followed.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Institutional Arrangements	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1. Extension of Training Supply and Quality Improvement in TVET in key growth sectors	65.00	Revised	Component 1. Extension of Training Supply and Quality Improvement in TVET in key growth sectors	34.65
Component 2. Employability Development, Youth Integration and Entrepreneurship Promotion	20.00	Revised	Component 2. Employability Development, Youth Integration and Entrepreneurship Promotion	17.93
Component 3. Institutional Capacity Support and Project Implementation	15.00	Revised	Component 3. Institutional Capacity Support and Project Implementation	7.00
TOTAL	100.00			59.58

CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IBRD-85820-001	Disbursing	EUR	94,600,000.00	34,884,956.00	29-Mar-2019	59,715,044.00	LOAN RESTRUCTURING, COST SAVINGS

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IBRD-85820-001 Currency: EUR				
iLap Category Sequence No: 1	Current Expenditure Category: GD,WK,NCS,CS,TR & OC			
55,402,500.00	6,014,613.20	45,849,519.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: Performance-based Pymts Pt A.2.(b)			



	29,883,000.00	0.00	5,057,606.00	100.00	100.00
iLap Category Sequence No: 3			Current Expenditure Category: Apprenticeship Pymts Pt B.1.(a)		
	4,728,000.00	553,503.82	3,018,518.00	100.00	100.00
iLap Category Sequence No: 4			Current Expenditure Category: Internship Pymts Pt B.2.(a)		
	2,175,000.00	1,051,958.29	4,340,820.00	100.00	100.00
iLap Category Sequence No: 5			Current Expenditure Category: Sub-Grants Pt B.3.(e)		
	2,175,000.00	0.00	1,212,081.00	100.00	100.00
Total	94,363,500.00	7,620,075.31	59,478,544.00		

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2016	0.00	0.00
2017	5,000,000.00	1,787,267.00
2018	15,000,000.00	12,637,150.00
2019	25,000,000.00	13,650,520.00
2020	25,000,000.00	27,888,988.00
2021	30,000,000.00	4,706,076.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Share of youth having completed a training (apprenticeship or internship) supported by the project employed or self employed one year after the end of the program (Percentage)		0.00	0.00	0.00	40.00	50.00		50.00
Action: This indicator is New								
Percentage Female (Percentage)		0.00	0.00	0.00	30.00	30.00		30.00
Action: This indicator is New								
Number of Youth having started the implementation of income generation projects (Number)		0.00	0.00	0.00	100.00	300.00		300.00
Action: This indicator is New								

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Component 1. Extension of Training Supply and Quality Improvement in TVET in key growth sectors								



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Adoption by Government of a regulatory Framework on the Management of TVET institutions (Yes/No)		No	No	Yes	Yes	Yes		Yes
Action: This indicator is New								
Youth enrolled in the TVET institutions supported by the project in the two priority sectors (Number)		0.00	0.00	0.00	1,110.00	2,200.00		2,200.00
Action: This indicator has been Revised								
Construction (Number)		0.00				1,250.00	2,250.00	2,250.00
Action: This indicator has been Marked for Deletion								
IT (Number)		0.00				1,250.00	2,250.00	2,250.00
Action: This indicator has been Marked for Deletion								
Percentage Female (Number)		0.00	0.00	0.00	30.00	30.00		30.00
Action: This indicator has been Revised								
Number of youth enrolled in restructured vocational institutions (Number)		0.00	0.00	0.00	2,005.00	2,800.00		2,800.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised								
Percentage Female (Percentage)		0.00	0.00	0.00	30.00	30.00		30.00
Action: This indicator is New								
Number of programs which have revised and implemented curricula (Number)		0.00	0.00	5.00	15.00	25.00		25.00
Action: This indicator has been Revised								
Component 2. Employability Development, Youth Integration and Entrepreneurship Promotion								
Number of youth enrolled in dual apprenticeship program in urban area (Number)		0.00	900.00	2,000.00	2,400.00	2,400.00		2,400.00
Action: This indicator has been Revised								
Percentage Female (Percentage)		0.00	30.00	35.00	35.00	35.00		35.00
Action: This indicator has been Revised								
Number of youth enrolled in internship program (Number)		0.00	1,500.00	3,000.00	3,800.00	4,300.00		4,300.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<i>Action: This indicator has been Revised</i>								
Percentage Female (Percentage)	0.00	30.00	55.00	55.00	55.00		55.00	
<i>Action: This indicator has been Revised</i>								
Number of youth trained in entrepreneurship program having elaborated an income generating project (Number)	0.00	0.00	353.00	750.00	873.00		873.00	
<i>Action: This indicator has been Revised</i>								
Percentage Female (Percentage)	0.00	30.00	35.00	35.00	35.00		35.00	
<i>Action: This indicator has been Revised</i>								
Number of reviewed business plans developed as a result of project intervention. (Number)	0.00	0.00	300.00	300.00	300.00	300.00	300.00	
<i>Action: This indicator has been Marked for Deletion</i>								
Component 3. Institutional Capacity Support and Project Implementation								
Number of youth who have registered in the job seekers database	0.00	0.00	15,000.00	20,000.00	20,000.00		20,000.00	

