



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 26-Jun-2018 | Report No: PIDISDSA24529



**BASIC INFORMATION**

**A. Basic Project Data**

Country Sierra Leone	Project ID P163723	Project Name Sierra Leone Skills Development Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 03-Jul-2018	Estimated Board Date 25-Sep-2018	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Technical and Higher Education	

Proposed Development Objective(s)

The Project Development objective (PDO) is to increase access to demand-led skills training and build the foundations for a demand-led skills development system in Sierra Leone.

B. Key Results

Progress towards meeting the PDO would be measured through the following key outcome indicators:

- a) Increased number of people (disaggregated by gender) having successfully completed demand-led skills development training programs
- b) Foundations for a demand-led skills development system developed through: (i) the establishment and operationalization of a skills information system; and (ii) the pilot accreditation of TVET training program with industries' participation.

Components

Skills Development Fund  
Capacity Building and System Strengthening

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	22.00
<b>Total Financing</b>	22.00



of which IBRD/IDA	20.00
Financing Gap	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	20.00
IDA Credit	20.00

**Non-World Bank Group Financing**

Counterpart Funding	2.00
Borrower	2.00

Environmental Assessment Category

C-Not Required

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**A. Country Context**

1. **Sierra Leone, a small, low-income and fragile country with a population of 7.4 million and gross domestic product (GDP) per capita of US\$496 (2016).** The country experienced steady economic growth between 2001 and 2014, with average annual growth of 5.9 percent, spurred largely by growth in the agriculture, which grew on average 8 percent per year, and in later years by improved mining production and exports.<sup>1</sup> In 2014, Sierra Leone’s economy was severely impacted by the Ebola Virus Disease<sup>2</sup> (EVD) outbreak and a decline in international iron ore prices. The economy contracted by 21 percent in 2015 and inflation increased to 17.4 percent by December 2016. The economy emerged from recession in 2016 but growth remains slow. Sierra Leone remains vulnerable to economic shocks, as evidenced by the impact of floods and mudslides in 2017 which killed and injured many citizens, and resulted in the destruction of infrastructure, and disruption to services.

2. **Sierra Leone’s population is young, growing rapidly, and a majority live below the poverty line.** Between 2004 and 2015, the population grew on average 3.3 percent per annum, and almost one-half (45.8 percent) of the population is under the age of 15.<sup>3</sup> While the poverty rate declined from 66.4 percent in 2003 to 53.8 percent in 2011<sup>4</sup>, the number of poor remained relatively constant at around 3 million due to population growth. While

<sup>1</sup> World Bank. 2017. Sierra Leone Systematic Country Diagnostic.  
<sup>2</sup> <http://apps.who.int/ebola/current-situation/ebola-situation-report-9-december-2015..>  
<sup>3</sup> World Bank. 2017. Sierra Leone Systematic Country Diagnostic.  
<sup>4</sup> World Bank. 2017. Sierra Leone Systematic Country Diagnostic.



more than 75 percent of the poor live in rural areas, there has been a significant increase in urban poverty rates. Between 2003 and 2011 the incidence of poverty in the capital of Freetown increased from 14 to 21 percent due to urbanization, rural-urban migration, the slow pace of job creation in Freetown and high rates of inflation.

3. **Despite an abundance of natural resources, Sierra Leone remains uncompetitive.** Although the country is rich in resources, including diamonds, bauxite, rutile, gold, arable land, forests, and fisheries,<sup>5</sup> Sierra Leone has struggled to improve its competitiveness due to a lack of infrastructure and skilled labor, market inefficiencies, and governance and finance constraints.<sup>6</sup> The economy is dependent on natural resource exploitation for revenue and subsistence agriculture for employment. Poor economic diversification limits employment opportunities, particularly among youth.

4. **The labor market in Sierra Leone is characterized by relatively high participation and low unemployment, as well as high underemployment and informality.** In 2014, the labor force participation rate was 65 percent<sup>7</sup> with only 2.8 percent unemployment.<sup>8</sup> However, the low unemployment rate, particularly in rural areas, is misleading: while 90 percent of the workforce is self-employed, the majority are concentrated in small-scale agriculture (59 percent) and over 35 percent of wage employment and 88 percent of non-agricultural self-employment is in the informal sector.<sup>9</sup> The youth unemployment rate is two times higher than the average among working-age adults. While the differences in labor market outcomes by gender are small, there are substantial differences in labor market outcomes between urban and rural populations, and among individuals with different levels of education.

5. **The 2018 election and new government.** A general election was held in Sierra Leone in April 2018 and a new government is in the process of establishing itself. Transforming the economy and developing human capital form the basis of the new government's manifesto, with a focus on the agriculture, mining, tourism, marine resources and manufacturing sectors as key drivers of economic growth and poverty reduction. The proposed project's focus on increasing access to quality skills provision will contribute to the improving Sierra Leone's economic competitiveness and the promotion of sustainable and inclusive development.

## B. Sectoral and Institutional Context

6. **Skills are defined as abilities that enable a worker to carry out tasks and duties associated with a given job.** The core skills that employers value include: (i) cognitive skills (the ability to understand ideas and concepts); (ii) technical skills (the ability to perform production processes related to a product or service); and (iii) socio-emotional skills (the ability to manage one's emotions and work effectively with others).<sup>10</sup>

7. **Skills level is defined as a function of the complexity and range of tasks and duties to be performed in**

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<sup>5</sup> It is ranked among the world's least competitive countries (132 out of 138 countries assessed) according to *Global Competitiveness Index 2016-2017* From: [http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017\\_FINAL.pdf](http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf).

<sup>6</sup> World Bank. 2013. Sierra Leone Growth Pole Diagnostic.

<sup>7</sup> Margolis, David; Nina Rosas, Abubakarr Turay, and Samuel Turay. 2016. *Findings from the 2014 Labor Force Survey in Sierra Leone*. World Bank Studies. Washington, DC: World Bank.

<sup>8</sup> Unemployment is defined using a "strict" definition, i.e., not working, but willing to work and actively searching for employment.

<sup>9</sup> The time related underemployment captures workers working less than 40 hours but who are willing to work more.

<sup>10</sup> <http://www.worldbank.org/en/topic/skillsdevelopment>.



**an occupation.** Skill level is measured operationally by considering: (i) the nature of the work performed in an occupation in relation to the characteristic tasks and duties; (ii) the level of formal education defined in terms of the International Standard Classification of Education (UNESCO, 1997) required for performing tasks and duties; and (iii) the amount of informal on-the-job training and/or previous experience required for the competent performance of these tasks and duties.

8. **In general, four broad skill levels are defined**<sup>11</sup>: (i) manual (unskilled); (ii) semi-skilled; (iii) skilled; and (iv) highly skilled. A more detailed specification of the characteristics of the tasks performed, the types of education and training required and the examples of jobs associated with each skill level can be found in Annex 3.

9. **Skills development is a life-long process that proceeds in stages, with each stage building on the previous one.** Foundational skills are comprised of basic cognitive skills, such as literacy and numeracy, which children typically acquire in primary and secondary school and further hone later in adolescence. Technical job-specific skills are usually acquired in TVET or higher education institutions or through apprenticeships and on-the-job training (OJT). Socio-emotional (soft) skills may be acquired at any point, not only in the education and training system but also in interactions with family members, peers, and/or colleagues.

10. **An efficient skills development system embraces the entire spectrum of individuals and their skill needs and provides opportunities for lifelong learning.** The system should support people to upgrade their skills – from manual to semi-skilled, skilled and highly skilled levels when there is a demand for these skills from the productive sectors. The establishment of an efficient and effective skills development system takes time and varies by country. While it is important for the government to think about the longer-term goal of establishing a sustainable system that is responsive to labor market needs, it is also important for Sierra Leone to address the immediate needs of existing firms and the labor force.

11. **Whilst Sierra Leone presents promising opportunities for private sector growth and investment, key market failures inhibit the ability of firms to maximize this potential and hinder firm productivity.** The poor supply of quality skills serves as a major constraint preventing firms from modernizing and improving product quality. At an aggregate level, skills constraints curtail private sector investment in the economy and limit the extent to which the economy can expand and create employment. A skills gap assessment conducted by the African Development Bank (AfDB) suggests that the workforce in Sierra Leone lacks both foundational and technical skills, and the high cost of training is often prohibitive especially for small and medium domestic enterprises. Addressing these constraints will require both private and public-sector investment in the supply of, and demand for, skills. Experience from other countries including Pakistan, India, and Ghana, has shown that public funding for skills acquisition and technological improvements in strategic sectors, if properly targeted, can offset market failures and move countries towards a higher skills equilibrium while contributing to increased labor productivity. Furthermore, public finance to boost skills acquisition has the potential to catalyze private sector spending for skills enhancement, particularly among larger multinationals who depend on domestic firms to participate in their global value chains. Investments by multinationals (e.g., Dole in the Philippines) can stimulate small and medium enterprise growth and job creation for the economy.

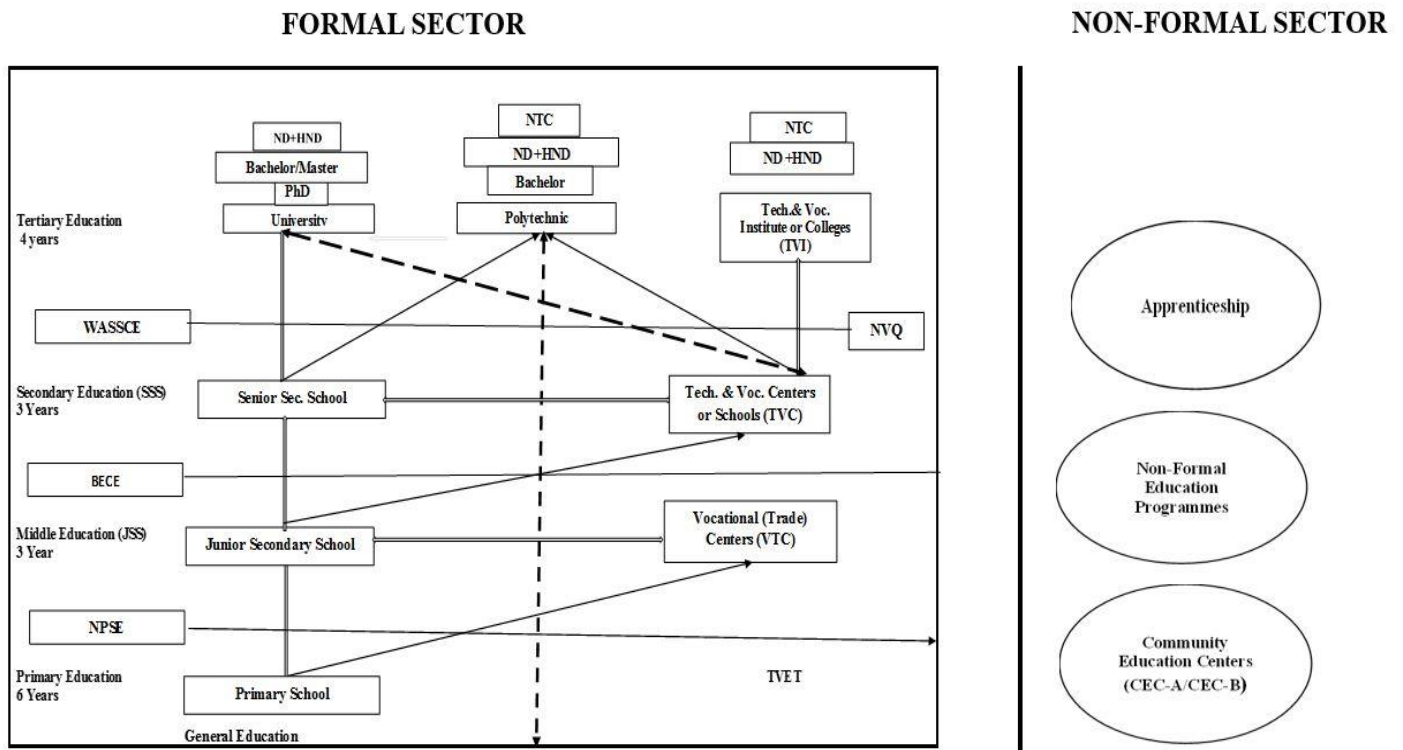
12. **The acquisition of skills among any given population is linked to the education system.** Figure 1 depicts the structure of the education system in Sierra Leone. The system currently consists of a cycle of primary schooling (6 years), junior secondary schooling (JSS) (3 years), senior secondary schooling (SSS) (4 years) and

<sup>11</sup> [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_172572.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_172572.pdf)



higher/tertiary education (duration varies). Pre-primary schooling (3 years and fee-based) is optional and is concentrated primarily in urban areas. Primary and junior secondary education is expected to be universal although access remains a challenge, particularly for girls. At the JSS level students select two pre-vocational subjects in the areas of home economics, business studies, introductory technology or electronics. Upon completion of JSS, students who do not meet the entry requirements for SSS may enroll in a Trade or Vocational Centre (TVEC) and/or TVET school and, subsequently, may continue their education at polytechnics and/or universities. In 2008, when the last survey of TVET institutions was conducted, there were 370 TVET institutions registered with the Ministry of Education with a total enrollment of 27,055 students. However, a hundred or more institutions were not registered and, therefore, outside the scope of ministerial regulation and quality control. At the tertiary level, enrolment for the 2011/2012 academic year was 31,103, with 1.7 million students enrolled in the entire education system.

**Figure 1. Structure of Sierra Leone Education and Training System**



13. **The main challenges confronting Sierra Leone’s skills development system include:** (1) low basic cognitive skills obtained in general education; (2) low access to training programs, particularly for women and rural populations; (3) a supply-driven approach with little or no input from employers’ informing the content of training, curricula and delivery; (4) inadequate resourcing resulting in poor quality and relevance of TVET programs, duplication of courses, outdated curricula and equipment, and inadequate faculty/instructors; (5) a



lack of reliable information on the performance of the system (monitoring and evaluation) and poor information regarding labor market outcomes of graduates; and (6) a fragmented and complex system for coordination and management of the system.

14. **Challenges start to present themselves in general education.** One in three Sierra Leonean children is out of school, and there are significant gaps in access in rural areas and for girls particularly at higher levels of education.<sup>12</sup> In addition to regional and socioeconomic disparities in access, rates of retention are low, and learning outcomes are poor. Scores on internationally comparable learning assessments demonstrate very low levels of learning achievement, even when compared to other countries in the region and countries with comparable levels of income.<sup>13</sup> Adult literacy is estimated at 41 percent which compares poorly with well-performing African economies (e.g., Ghana with a rate of 67 percent).<sup>14</sup> Literacy rates vary significantly by province. For example, in the Northern Province, the illiteracy rate is 66.1 percent compared to a rate of 22.6 percent in the Western Area. Furthermore, illiteracy is higher among women (66.4 percent) than men (45.1 percent).

15. **Skills shortages are significant constraints to doing business and for private sector development in Sierra Leone.** The 2013 *Doing Business* report cites an inadequately educated workforce among the most problematic factors in Sierra Leone for doing business, after access to financing, weak infrastructure and corruption.<sup>15</sup> Private sector stakeholders have difficulty finding “employable” graduates, and there is an acute shortage of technicians, such as auto repairmen and welders; health professionals, including doctors, nurses, birth attendants, and other health workers; science and math teachers; and those with skills in applied sciences, technology, and engineering.<sup>16</sup> A 2013 World Bank report on Tertiary Education in Sierra Leone found a severe undersupply of skills in the applied sciences, technology, and engineering sectors.<sup>17</sup>

16. **There is limited access to skills training programs, particularly among girls and rural populations.** The official number of students enrolled in registered vocational and technical institutions was approximately 29,000, equivalent to only one-tenth of the number of students enrolled in JSS and less than one-third of the number of students in SSS. In 2011, non-formal education was provided to 126,842 beneficiaries 80 percent of whom were enrolled in adult literacy courses, with the remainder enrolled in short-term non-accredited vocational courses. These courses were provided by 116 organizations throughout the country.<sup>18</sup> In a recent study, GIZ found that males accounted 60 percent of enrollment in the country’s major TVET institutions. Further, a majority of larger TVET providers are located in urban/semi-urban areas making access to skills training programs more difficult for rural populations.

17. **Skills development in Sierra Leone is largely supply-driven, with little to no input from employers in the design and delivery of skills development programs.** There is currently no formal mechanism to assess the demands for skills in key economic sectors. The 2013 report on Tertiary Education concluded that the linkages

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12 World Bank. 2017. Sierra Leone Systematic Country Diagnostic.

13 An Early Grade Reading Assessment (EGRA) I 2014 found that 87 percent of children in grade 2 were unable to read a single word in a short passage (compared to 40 percent in Gambia, and 53 percent in Uganda).

14 UNDP. Human Development Report 2011.

15 World Bank. 2013. Sierra Leone Growth Pole Diagnostic.

16 World Bank. 2017. Sierra Leone Systematic Country Diagnostic.

17 World Bank. Sierra Leone Higher and Tertiary Education Sector Policy Note. Report No: ACS4393.

18 Sierra Leone Education Sector Status Report 2013.



between higher education institutions and employers were weak and often informal.<sup>19</sup> For the most part, the government and other relevant stakeholders identify critical skills constraints based on *ad hoc* assessments. Industries and businesses have a limited role in defining strategic workforce development priorities. There are weak links between TVET institutions and businesses in post-basic training. TVET institutions, both public and private, have a significant degree of autonomy regarding curriculum and staffing. Targets related to the relevance and quality of the training programs have not been formalized and institutions are not rewarded for improving the quality and relevance of their programs. The private sector is limited to providing input regarding the design of the training program curricula and the upgrading of facilities on an informal basis (through *ad hoc* linkages). Industry experience is not an important factor informing the recruitment of instructors, which is almost entirely premised on academic qualifications. Further, instructors receive little in-service professional development once hired.

18. **Financing in support of the training sector is very limited.** The government is currently the largest funder of TVET institutions in Sierra Leone. However, MOE only provides recurrent funding to public TVET institutions, and no funding is made available for the upgrading and maintenance of training facilities, or curriculum development. Private TVET providers rely solely on tuition fees to fund their operations. Many institutions lack key tools and equipment, and, in many instances, machinery is outdated and bears little resemblance to what is used by industry. Training programs are overly theoretical with limited opportunities for students to apply their learning in practice. Without the opportunity or incentives to upgrade their own knowledge and skills, many instructors have limited understanding of current industry practices and the needs of the labor market.

19. **Data on skills demand and supply (TVET and other training providers) are not collected and organized systematically,** hampering coordination of skills development, policy development and resource allocation. The last TVET census was conducted in 2004. Labor force surveys have been carried out more frequently (the latest was carried out in 2016) and data support the view that higher skilled individuals have a higher probability of being employed with a higher level of income. Further, data on sector-specific skills requirements are not available which are needed to guide the further development of the current system.

20. **The Government of Sierra Leone has begun to certify the outcomes of formal TVET training programs, but accreditation only covers knowledge acquisition and not practical skills.** The National Council for Technical, Vocational and Other Academic Awards (NCTVA) accredits and certifies graduates from polytechnics and TVET institutions (as well as teachers from Teacher Training Colleges). Sierra Leone does not have a national qualifications framework or occupation competency standards by sector. In the absence of these skills frameworks, NCTVA tests trainees graduating from formal TVET programs (both public and private) on their academic knowledge based on often outdated curricula. Moreover, NCTVA does not have the capacity or resources to conduct assessments of practical skills.

21. **Coordination and management of skills development is complex.** TVET was to be coordinated at the national level by the Directorate of Higher Education Science and Technology in MOE. However, the TVET unit of the directorate has not been staffed in the last five years. Occasional monitoring and inspection of TVET institutions is performed by the MOE Inspectorate Division. Under the revised Education Act of 2004, the National Council for Technical and Vocational Education (NCTVE) was designated as the coordinating body for

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<sup>19</sup> World Bank SABER in tertiary education. 2017.





TVET, but this body has not been established. The subsequent lack of leadership and limited clarity on specific responsibilities has resulted in a proliferation of training institutions pursuing various objectives, and the application of different standards and procedures, including for testing and certification.<sup>20</sup> These factors inform a status quo in which coordination of TVET and its management is both challenging and largely ineffective.

22. **The proposed project seeks to increase access to demand-led skills training and develop the foundations for a demand-led skills development system.** Learning from the experience of the IDA-funded Youth Employment Project (P121052), the proposed project will move beyond self-employment creation, which is often limited to local welding, carpentry, simple agricultural tool repairs or sewing. The project will attempt to build a skills development system to produce job-relevant skills demanded by the labor market. This project will target productive sectors where Sierra Leone has a comparative advantage, with the aim of breaking the cycle of low demand, low value, and low skills-low pay in which many young people remain trapped.

23. **Sierra Leone has many potentially productive sectors which could contribute significantly to economic growth:**

- *Agriculture* is the dominant economic sector, upon which two-thirds of Sierra Leoneans' livelihoods depend. The country has a strong comparative advantage in agriculture due to its abundant rainfall, varied ecosystems (e.g., forest, savanna woodlands, freshwater, wetland and marine resources), and 5.36 million hectares of arable land. However, agriculture is not performing to its potential. Improving productivity and yields will require workers with higher levels of skills to drive intensification and diversification.
- Sierra Leone's *fisheries*, both natural fishing and aquaculture, demonstrate significant potential, with rich resources of fish, shrimp, lobsters and other cephalopods. The fisheries sector accounts for 8 percent of Sierra Leone's GDP, and fish is the largest single source of animal protein for many citizens, supplying about 80 percent of the total animal protein consumed in the country. Small-scale artisanal fishing is a significant source of employment, and with major investment and an effective fisheries surveillance system, the sector has the potential to contribute considerably to economic growth and development.
- *Mining* has the potential to generate significant revenues and job creation. It is estimated that more than 400,000 Sierra Leoneans are directly employed in the country's extractive industries sector (government and mining operations), with approximately 300,000 employed in artisanal mining operations. The country has substantial mineral and potential oil reserves and production capabilities. Apart from iron ore, the country has proven deposits of bauxite, chromite, diamonds, gold, platinum and rutile with several foreign operators invested in these sub-sectors. However, in many instances, foreign investors recruit foreign skilled workers and employ Sierra Leoneans in low-skilled jobs.
- *Construction* (e.g., roads, airports, ports and residential and commercial housing) is another sector in which the demand for skilled labor is high, accounting for the highest share of wage workers in the country. Deployment of renewable energy, water and telecommunication infrastructure

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<sup>20</sup> Draft National Policy for Technical and Vocational Education & Training (TVET), 2010, Ministry of Education, Youth & Sports.



concurrently improves access to basic services for the population.

- Finally, Sierra Leone used to be an established *tourism* destination, however the country's tourism brand has deteriorated in recent years. This is likely due to the country's image as conflict-prone and the recent EVD crisis. Tourism has the potential to generate formal employment.

24. **Given the strong linkages between the skills and jobs agenda, as well as the focus on various sectors – the proposed project will be closely coordinated with other relevant projects in the World Bank's portfolio** supported by the Education, Agriculture, Extractive, Finance, Competitiveness and Investment, Social Protection and Jobs Global Practices. Specifically, the project will coordinate closely with the IDA-financed Revitalizing Education Development in Sierra Leone (REDiSL) Project (P133070), Sierra Leone Smallholder Commercialization and Agribusiness Development Project (P153437), First Productivity and Transparency Support Credit (PTSC-I) Project, Sierra Leone Agro-Processing Competitiveness Project (P160295), West Africa Regional Fisheries Program Phase 2 in Liberia and Sierra Leone (P162343), Extractive Industries Technical Assistance Project Phase 2 (P160719), Sierra Leone Safety Nets Project (P143588) and Sierra Leone Sustainable Tourism Development Project P164212 (pipeline).

## B. Relevance to Higher Level Objectives

25. **The proposed project is fully consistent with the Country Assistance Strategy (CAS) prepared in 2012.** The report emphasized the centrality of skills to address challenges in the labor market. Two of the CAS pillars, Growth and Human Development, emphasize investment in human development. The recently completed Systematic Country Diagnostic (SCD) emphasizes the importance of skills development for improving individual employment outcomes and increasing productivity and growth in line with the Government Economic Development and Poverty Reduction Strategy. The diagnostic will form the basis of the new Country Partnership Framework (CPF) which is currently being prepared.

26. **The project will contribute to the higher-level objectives of improving the country's economic performance and reducing poverty.** To improve the potential for economic growth, Sierra Leone will need to simultaneously: (i) improve productivity in key economic sectors; and (i) accelerate the structural transformation between economic sectors. Employment creation is likely to have the largest impact on poverty reduction at the household and individual levels. Education, vocational training and lifelong learning are central pillars of employability, employment of workers and sustainable enterprise development. Skills development can also contribute to facilitating the transitions from the informal to the formal economy. Skills development driven by demands from strategic economic sectors has the potential to contribute to improving productivity and employment creation in Sierra Leone.

## C. Proposed Development Objective(s)

Development Objective(s) (From PAD)



27. The Project Development objective (PDO) is to increase access to demand-led skills training and build the foundations for a demand-led skills development system in Sierra Leone.

#### B. Key Results

28. Progress towards meeting the PDO would be measured through the following key outcome indicators:

The PDO -level Indicators are:

1. Number of people (disaggregated by gender) completing demand-led skills upgrading programs:
  - Number of people (disaggregated by gender) completing skills training programs provided by Window 1 participating TVET providers
  - Number of people (disaggregated by gender) trained and employed through collaboration between companies/businesses and TVET providers in Window 2;
2. The Skills Information System operational with increased number of TVET institutions/providers reporting annual data on students, teachers, training programs and facilities; and
3. Number of TVET programs conducting pilot accreditation with industries' participation

#### Key Results

#### D. Project Description

29. The project will have two components: (i) **Skills Development Fund; and (ii) Capacity Building and System Strengthening.**

##### **Component 1: Skills Development Fund (US\$19m)**

30. **This Component aims to increase access to demand-led skills upgrading in Sierra Leone.** A Skills Development Fund (SDF) will be established under the Project which will be the main platform for supporting demand-led skills development. The platform will be shared between private enterprises (employers), training providers, and school leavers (job seekers). The SDF aims to:

- (a) Stimulate competition and delivery of innovative program offerings;
- (b) Promote collaboration between enterprises and training centers and institutions;
- (c) Improve the efficiency of training provision;
- (d) Increase the employability of out-of-school youth; and
- (e) Increase skills acquisition among disadvantaged groups.

31. **The SDF supports skills demand and supply through two corresponding windows:**

- a. **Window 1 targets selected training institutions that wish to improve the relevance and quality of their training programs and to introduce new short-term courses for out-of-school unemployed and underemployed youth, with a focus on girls.** Window 1 is divided into two tiers (sub-windows), focusing on formal and non-formal TVET, respectively. The grants from this window can be used to



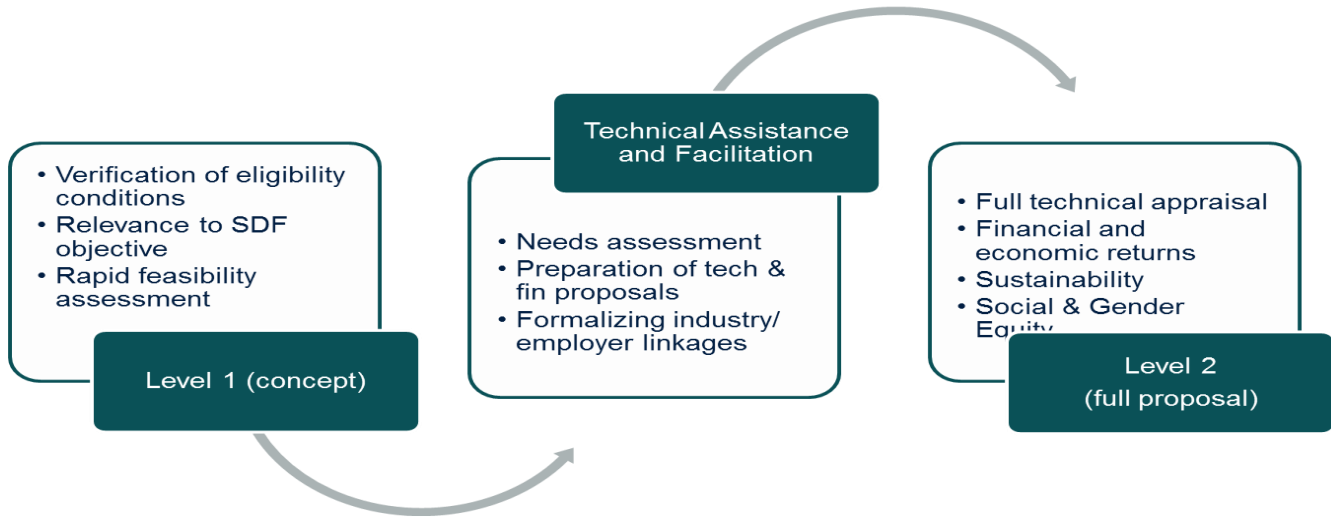
finance eligible expenditures including: (i) the updating of curricula; (ii) purchasing learning resources; (iii) training of trainers/instructors; (iv) industrial attachments; (v) twinning arrangements; (vi) career counselling; (vii) internships; (viii) training needs assessments; and (ix) tracer studies.

**b. Window 2 targets businesses in the productive sectors (agriculture, fisheries, mining, construction and tourism) that need to address the skills gaps to expand their production and markets, or to upgrade their production process to climb higher up the value chain.** Window 2 is divided into two tiers (sub-windows), one for micro enterprises in the informal sector, and one for small, medium and large enterprises in the formal sector. Grants from this window can be used to finance costs related to: (i) short to medium-term skills upgrading and development, (ii) technology acquisition and adoption; and (iii) apprenticeships for existing or potential employees, or members of an association in the formal and informal sectors. Apprenticeship programs should primarily target youth and women with the aim of offering on-the-job training. It is expected that activities supported by the SDF will result in productivity gains for applicants. As a consequence, applicant(s) will be expected to demonstrate how the proposed training will lead to improvements in productivity of core business activities.

32. **Skills upgrading initiatives to be supported by the SDF will be selected through a *competitive process based on the merit and the labor market relevance of the initiative*.** As part of the application process, the applicant will need to demonstrate relevance by assessing the demand for the proposed training and by estimating the expected impact of support from SDF.

33. **The evaluation of the applications will be carried out in two stages.** The first stage will focus on the verification of eligibility and the relevance of the concept to the SDF objectives. Applicants who pass the concept stage screening will be invited to submit a full proposal. The SDF can provide technical assistance on proposal preparation upon request, but the costs of this assistance will need to be covered by the eventual grant.

**Figure 2: Stages of SDF grant evaluation**



34. **The evaluation of the applications for SDF will be carried out with highest standards of integrity, focusing on:** (i) evidence from the training needs assessment and its robustness for assessing the expected labor market absorption of graduates (for Window 1); (ii) the likely impact of requested support on labor productivity (competitiveness) for businesses (for Window 2); (iii) targeting/inclusion of youth to be trained; (iv) alignment between the proposed grant’s objectives, inputs, budget and human resources; (v) value for money (i.e., cost-effectiveness based on a comparison of the unit costs of training and the expected outcomes); and (vi) monitorable outputs and results.

35. **Grant awards will be made to applications that have the highest scores based on the evaluation metrics.** Successful applicants will be notified of the award decision by the SDF Grants committee and be invited to prepare the grant agreement. The *grant agreement* will define the contractual obligations, financial commitments and rights of the government (as financier) and the grantee. The grant agreement will bind the grantee to present defined deliverables, progress reports and data on grant performance. Under Window 2, the grant agreement will be a tri-partite contract to be signed by the beneficiary of the training, the training provider, and the government. Under Windows 1 and 2, payments can be made directly to training providers upon satisfactory completion of the agreed training activities. Applicants who are not selected can apply again in subsequent calls for proposals.

36. **As a part of the grant agreement with the grantees, grantees are will be required to report periodically on the receipt and use of SDF funds as well as on the progress of their projects.** These reports will enable the SDF Secretariat to track the use of grant funds, measure the effectiveness of the grant/project execution, and identify and address problem areas. Timely reporting by grantees, and the effective and timely review and feedback to grantee reports will be critical for management of the SDF. The reporting will follow the sequence stated in the Grant Agreement.

37. **If it is determined that resources provided by the SDF are not being used according to agreed conditions and for the intended purposes, the SDF Secretariat will consider terminating the grant, with or without**



preliminary suspension, when it is determined that the grantee has, for example:

- materially breached or failed to perform one or more provision of the agreement in a manner significantly affecting the achievement of its goals and objectives;
- fraudulently misrepresented material facts during the application or project development process; or
- used funds or equipment purchased with agreement funds for purposes other than those stipulated in the grant agreement without SDF's consent.

38. **The SDF policies, operating principles, and implementation guidance are outlined in the SDF Operational Manual.** The manual has been developed in accordance with the Government of Sierra Leone and the World Bank's policies and procedures and will form the basis for SDF supervision.

### **Component 2: Capacity building and system strengthening**

39. **Component 2 aims at building a foundation for a demand-led skills development system** through: (i) establishment of an integrated skills information system to support evidence-based analysis and policy development; and (ii) piloting the accreditation of skills training program with the participation of industries.

40. **For the establishment of an integrated *skills information system* the project will build on the development of a TVET data platform being piloted with support from the European Union-funded GIZ-managed TVET technical assistance project.** The project will focus on making sure all TVET institutions/providers, both public and private, report annually on their students, teachers, training programs and facilities. A data reporting template will be adopted to enable institutions to report on these key aspects. Specifically, information on students to be collected in the data platform will include total enrollment disaggregated by gender, geographical coverage, age and prior level of education/training obtained; and enrolment by study programs and lengths. Information on teachers/instructors will include age, gender, qualifications, teaching load and industries' experience. Information on training programs will cover the types of degrees/certificate awarded by sector, the length of training, and admission and graduation requirements. Finally, information collected on training facilities will include data on classrooms, workshops, equipment, ICT, etc. and their utilization. The project aims at reaching up to 300 TVET providers by mid-term and collect their data annually thereafter. The data will be made available on the internet. While the project will focus on ensuring the data on the supply of skills is made available and transparent, data on skills the demand for skills from labor force surveys (conducted by Statistics Sierra Leone (SSL)) or enterprise surveys (conducted by the World Bank) and other relevant skills data can be included as links in this platform. The project will provide technical assistance to support analysis and policy formulation using the data generated by the platform.

41. **The project will support a pilot certification of graduates of TVET programs in one to two sectors to strengthen the *accreditation process with industry participation*.** NCTVA will coordinate this pilot with participation of interested TVET institutions (preferably the institutions who win the SDF grant awards) and industries' associations. The focus will be on certification of TVET training program graduates. Currently the external examination conducted by NCTVA only covers paper-based knowledge assessment. The project will support industries/employers' representatives to work with NCTVA to develop a set of expected competencies and behaviors for the jobs in the selected sector. These competency expectations will be used to develop performance assessment tools to supplement the knowledge assessment tool. Industry experts can may serve as examiners or as trainers/coaches to train NCTVA examiners on the use of the performance assessment tools. The proposed project will help document these processes and the actors involved and lessons learnt will be



disseminated to: (i) participating TVET providers; (i) NCTVA; and (iii) other policy makers and stakeholders. While the project will not cover the accreditation of all TVET training programs, it will help explore the framework for program accreditation. This may include: (i) setting standards for program accreditation; (ii) formalizing accreditation processes (self-evaluation and external validation); (iii) institutional setup for accreditation; (iv) disclosure of accreditation results; and (iv) strategies for improving outcomes using accreditation standards. The role of industries in these processes will be emphasized.

### C. Project Beneficiaries

42. The beneficiaries of the project will include young job seekers, employees and employers of informal and formal businesses in productive sectors, industry associations, students and staff of public and private TVET providers, and relevant Government agencies engaged in skills development.

### E. Implementation

#### Institutional and Implementation Arrangements

43. **The Sierra Leone Skills Development Project will be overseen by the Skills Development Steering Committee (SDSC).** The SDSC will be chaired by the Minister of Finance and Economic Development or designee and comprises membership from relevant ministries: Education, Finance, Fisheries, Mines, Agriculture, Works, Tourism, Energy, Water, Youth Affairs, NCTVA, TVET Coalition, Anti-Corruption Commission, Trade, Labor, private sector and donor partners. The SDSC will have the following roles and responsibilities: (i) provide cross-sectoral strategic oversight of project implementation; (ii) review progress reports; (iii) advise on key implementation issues, strategic priorities and the economic sectors to be targeted through the SDF; (iv) ensure that agreed performance targets and timelines for activities under the different components are met; (v) meet twice a year to review progress reports to be submitted to the government and the World Bank; and (vi) recruit and supervise the performance of SDF.

44. **The SDF Grant Committee, to be appointed by MoF and approved by the Steering Committee, will oversee the activities of the SDF.** Accordingly, the SDF Grant Committee will ensure that the Fund becomes an efficient and credible instrument for strengthening the skills and the competency base of Sierra Leone youth and making the country's private sector more competitive. The members of the Committee are supposed to undertake their responsibility with due care and integrity. The specific functions of the Grant Committee will be to:

- Approve plans and arrangements for the dissemination of information regarding the procedures and operation of the SDF, ensuring that all potential target audiences have access to the required information;
- Approve eligibility criteria to fund proposals in each of the windows;
- Approve the procedures for pre-qualification and approval of applications to the SDF;
- Endorse the quality assurance procedures for skills development initiatives supported by the SDF;
- Oversee the progress of the Fund's operations;
- Regularly evaluate the relevance and quality of the skills training supported by the SDF;
- Recommend to the MoF and SDSC possible changes in the scope and operation of the SDF, including the reallocation of funds between windows; and



- Investigate and act on complaints received from learners, parents/guardians, employers and other stakeholders regarding the quality of training, assessment and the award of qualifications of training initiatives supported by the SDF.

45. **The SDF Grant Committee will be comprised of:**

- The chairperson, an industry practitioner with considerable knowledge of TVET issues;
- One senior official of the MoF;
- One senior official of the MoTHE;
- One senior official of the Ministry of Youth Affairs;
- One senior official of the Ministry of Trade & Industry;
- One senior official from the Ministry of Labor;
- Four private sector representatives with good understanding of the Sierra Leone labor market; and
- One person designated by the contributing development partners.

46. The nominated persons must have proven commitment, knowledge and experience relevant to skills and technology development. The Minister of Finance & Economic Development will appoint the chairperson of the Grant Committee and approve the nominated members. The Sierra Leone Chamber of Commerce, Industry & Agriculture will nominate the private sector representatives.

47. **The SDF will be managed by a SDF Secretariat who will be contracted through competition.** The SDF Secretariat will be head by a SDF Fund Manager who will be the day-to-day head of the SDF Secretariat. The SDF Secretariat will be kept lean and receive technical review inputs from independent sectoral experts. Accordingly, the SDF Secretariat will consist of the following technical staff<sup>21</sup>:

- A Fund Manager who shall report on fiduciary matters to the PFMU of MoF, and on technical and administrative matters to the Chairman of the SDF Grant Committee;
- Two grant specialists (one for each window) to assess the relevance and quality of proposals for each of the 2 windows from the agreed sectors, and conduct on-site monitoring of the implementation of the approved grants;
- A grant officer to assist the grants specialists;
- A M&E specialist responsible for monitoring the achievements of the individual grants and the results of the SDF vis-à-vis the program indicators: and
- An administrative assistant.

48. **The SDF Secretariat will be responsible for all administration, supervision and logistics required to operate the SDF** and secure implementation in line with the main principles laid down in the SDF Operational Manual, including the results framework for outcomes and outputs. The SDF Secretariat will submit quarterly progress reports and budgets to MoF (PFMU), the SDF Grants Committee, the World Bank, and the SDSC for approval.

49. **A joint MoTHE and NCTVA team, supported by a small number of technical experts, will coordinate the**

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<sup>21</sup> More elaborated job descriptions can be found in the SDF Operational Manual.





**implementation of Component 2 system strengthening activities.** Specifically, NCTVA will host the data platform while MoTHE will work with TVET providers to ensure that their data is collected and reported. MoTHE will use the data generated by the platform to support policy formulation. NCTVA will lead the pilot of certification of TVET training program graduates with the participation of industries.

50. **The PFMU will be responsible for fiduciary arrangement for both components.** The PFMU is established by Government to consolidate project fiduciary management of all World Bank supported projects. The PFMU is headed by an Unit Manager who is responsible for ensuring the overall direction of work at the Unit. The PFMU is responsible for the day-to-day financial management (FM) and procurement functions of both the SDF and System strengthening component. The related operational costs of maintaining the PFMU during the life of the project, including computer hardware, stationery, mailing withdrawal applications, and printing project FM reports will form part of the costs that the Skills Development Project will cover.

## B. Results Monitoring and Evaluation Arrangements

51. **The project results framework (see Section VII) will be monitored and reported biannually to track progress towards the achievement of the PDO and intermediate results indicators.** M&E will be conducted by the SDF Secretariat, MoTHE and NCTVA, and participating training institutions/providers and businesses.

52. **The SDF Secretariat will be responsible for monitoring the results and outputs of the SDF grantees.** Participating training providers will need to report on the number of people receiving training. They will also report on the training programs/curriculum updated, lecturers/instructors obtaining practical experience and partnerships with industries/businesses that will be established. Participating businesses will need to report on the number of employees receiving training and/or the number of internships and apprenticeships conducted. In addition to monitoring these results, the SDF Secretariat will also conduct regular monitoring of activities to validate that the grantee (training institution, company, organization/association) is utilizing funds received from the SDF in accordance with the objectives and principles stipulated in the contract. The SDF will adopt a management information system (MIS) to facilitate the collection, collation and reporting of progress toward implementation and the achievement of results in a real-time manner to support evidence-based decision-making and management.

53. **MOE and NCTVA will be responsible for reporting on the progress of the system strengthening activities** i.e. the integrated Skills Information System and the pilot accreditation of TVET programs with industry participation.

54. **The SDSC will be responsible for reviewing the results reports submitted by the SDF Secretariat, MoTHE and NCTVA.** The SDSC will review the results reports submitted and provide guidance to these implementing agencies to ensure that the project is on track for achieving its objectives.

## C. Sustainability

55. **At the system level,** the SDF will be the innovative financing platform to develop demand-led skills development programs. The Government of Sierra Leone has expressed a strong interest and commitment in making sure the SDF is institutionalized into the country system. The government has committed to providing counterpart funding to the SDF. The inclusion of the SDF funding in the government medium-term fiscal framework will ensure that the SDF mechanism can sustain beyond the project.



56. **The Skills Information System and its utilization by employers, job seekers and training providers will help facilitate the engagement of different stakeholders** to develop the much-needed ecosystem for skills development in Sierra Leone.

57. **At the institutional level**, support to TVET institutions, particularly support for updating training curricula, increasing instructor capacity, and improving the certification of graduate competencies in partnerships with industries will improve the quality and relevance of the skills program. The competitive process for awarding the grants under the SDF facilitate value-for-money and cost-savings measures which will make these programs for sustainable in the long run.

## I. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

#### Technical

58. **The proposed project is strategically relevant to Government's strides toward transforming the economy and improving the livelihood of Sierra Leoneans.** The project design was based on (i) a critical assessment of the capacity of the government structures dealing with TVET and selected public and private TVET institutions; (ii) the review and adaptation of experience from countries who have effectively developed skills development systems to support their economic growth and poverty reduction, such as Rwanda and Kenya; and (iii) lessons learnt from skills and youth employment projects in Sierra Leone.

59. **The design principles include:** (i) a strong focus on results, in particular expectations of enhanced coordination and partnership between skills training providers and employers; (ii) a focus on the creation of decent jobs through increased competitiveness of supported companies and groups of informal sector operators; (iii) value for money through the competitive allocation of skills funding; (iv) transparency and integrity with regard to the allocation of funding and fund management; (v) evidence-based decision-making and policy formulation and monitoring.

60. **International experience suggests that Skills Funds, when properly governed and managed, can be effective and efficient tools** to overcome skills shortages and to provide labor market-relevant skills training for youth. The Bank has, in recent years, developed considerable experience from the design and operation of such funds in many African countries, including Ghana, Uganda and Rwanda. The Sierra Leone SDF builds on this experience.

#### Economic and Financial

61. **Expected development impact.** The project will contribute to expanding opportunities for building skilled labor (Window 1 of the SDF) and improving the labor productivity of the existing labor force (Window 2 of the SDF), prerequisites for accelerating economic growth and reducing poverty. In the short term these interventions are expected to: (i) improve labor market opportunities of participating students as training programs to be supported by the project should demonstrate the labor market demand relevance, and (ii) potentially improve productivity of the firms benefitting from their workers upgrading their skills. Furthermore, the project will contribute to building the foundations for demand-led skills development system through the establishment of an integrated skills information system and the strengthening of the accreditation process with



industry participation. These foundational interventions are expected to pave the way for improved skills development system management, accountability, efficiency and M&E. A cost-benefit analysis suggests that the project's expected economic benefits outweigh its costs (see annex 2 for details). The estimated net present value of the project is US\$6.48 million (the estimated net present of the economic benefit of the project is US\$43.5 million) and the economic internal rate of return is 13.8 percent. The economic rate of return is comparable with other World Bank education projects.

**62. Rationale for public sector provision.** Public interventions are typically justified by the existence of externalities, which lead to suboptimal investments by individuals/firms, market failures, for example, imperfect financial markets, and redistribution and political concerns. In Sierra Leone, public intervention in the skills sector is warranted for the following reasons:

- a) Existence of externalities from building human capital which are not internalized by students or by firms/employers.
- b) Market failures due to underdeveloped lending markets and incomplete information. The costs of TVET are frequently prohibitive for poor populations. Also, aspiring young entrepreneurs often find it difficult to finance start-ups, identify and develop good business opportunities and invest in managerial capacity;
- c) The potential for a return to social unrest linked to widespread poverty and unemployment in a post-conflict environment. Since a large share of the country's population are is young, high rates of poverty and limited employment possibilities for young people can heighten the potential for social unrest, further threatening growth and stability;
- d) Current incentive structure of the private sector training providers, which depends solely on student fees, leads to training programs offerings in accounting or commerce which do not require heavy investment in infrastructure. While tailoring to social demand, this perpetuates the cycle of underinvestment in market-relevant skills; and
- e) Previous policy efforts on skills development and knowledge transfer were not successful. For example, the Local Content Policy (2012) aimed to develop the human and institutional capacity of Sierra Leoneans through training and transfer of knowledge and technology from foreign firms to Sierra Leoneans. The Local Content Policy also sought to promote employment of Sierra Leoneans through participation in the private sector. Unfortunately, this policy has not been made functional.

**63. The value added of the World Bank's support.** The Bank's value added is its global knowledge, expertise and technical assistance in the design and implementation of skills development projects in Africa (e.g., Rwanda, Ghana, Tanzania) as well as in other regions (e.g., Europe and Central Asia, South Asia). The project will be implemented with support from a multi-sectoral World Bank team, including staff from the Education, Agriculture, Extractive, Trade and Competitiveness, Social Protection and Jobs Global Practices. Moreover, the Bank can provide linkages with on-going projects across the world and opportunities for south-south exchanges to enable the country to benefit from and build on experiences from similar contexts. The Bank can also help convene DPs and key stakeholders, particularly through its expertise in the systematic approach to the delivery of skills development projects.



## **B. Fiduciary**

### **Financial Management**

64. The Bank conducted a Financial Management (FM) assessment to determine the adequacy of the financial management systems of the Project Fiduciary Management Unit (PFMU) of the Ministry of Finance and Economic Planning (MoF). The assessment concluded that the FM systems of the PFMU of the MoF meet the Bank's minimum requirements for the administration of projects funds under OP / BP 10.00.

65. PFMU is headed by a Unit Manager who is responsible for ensuring the overall direction of work at the Unit. Under the direction and supervision of the Unit Manager, the entire PFMU FM team that comprises of the Finance Management Specialist (a qualified accountant), Finance Officer, Assistant Finance Officer, a Finance Assistant and two Administrative Finance Assistants is responsible for all of the day-to-day FM functions of specified donor funded projects.

66. PFMU has satisfactory planning and budgeting, accounting, internal controls, financial reporting and external auditing processes in place that will support the effective and efficient utilization of resources for the proposed project. Related operational costs of maintaining the staff during the life of the project, including computer hardware, stationery, mailing withdrawal applications, and printing project FM reports, will form part of the costs that the project shall bear as part of project management costs.

67. PFMU will open a USD denominated Designated Account (DA) at a commercial Bank approved by the Bank. The project will use report-based disbursements through the submission of quarterly Interim Financial Report (IFRs) on the sources and uses of project funds. A forecast of the first 6 months of expenditure will form the basis for the initial withdrawal of funds from the Credit, and subsequent withdrawals will be based on the net cash requirements.

68. The project will follow a cash basis of accounting and financial reporting and will submit, within 45 days of each Government of Sierra Leone (GoSL) fiscal quarter, quarterly interim financial reports (IFRs) of project activities. At a minimum, the content of the IFRs will include: (a) A statement of sources and uses of funds for the reported quarter and cumulative period from project inception, reconciled to opening and closing bank balances, (b) A statement of uses of funds (expenditures) by project activity/component, comparing actual expenditures against budget, with explanations for significant variances for both the quarter and cumulative period, and (c) Designated Account Reconciliation Statement.

69. Annual audited financial statements of the project shall be submitted to IDA within 6 months of the end of the GoSL's fiscal year (i.e. by June 30 each year). External auditors will conduct audits on the project financial statements on terms of reference as agreed with the Bank.

70. Based on the assessment conducted, the overall FM risks were rated as 'High' before mitigation. If the planned risk mitigation measures are properly implemented, the residual FM risk is anticipated to be rated as 'Substantial.' A detailed description of the FM assessment is included in Annex 1.



## Procurement

71. Procurement under the proposed 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, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated July 1, 2016, and other provisions stipulated in the Financing Agreement.

72. **Implementation arrangements:** Procurement under this project shall be carried out by the Project Fiduciary Management Unit (PFMU). The Government of Sierra Leone has established the PFMU which is a single fiduciary management unit under the MOF to manage all Bank financed projects.

73. The project design has included a window for the Borrower to carry out advance contracting and retroactive financing in accordance with Section V (Paragraphs 5.1 and 5.2) of the World Bank's "Procurement Regulations for IPF Borrowers" of July 2016 and revised November 2017. The retroactive financing will be allowed up to 20 percent of the credit covering the expenditures incurred by the project before the signing of the Financing Agreement under the activities agreed with the Bank.

74. **Procurement Planning:** A Procurement Plan which will be prepared by the government and agreed upon by the Bank detailing the activities to be carried out during the first 18 months reflecting the actual project implementation needs and the plan shall be submitted before negotiations.

75. **Use of Country Systems:** For procurement involving National Procurement Procedures below the defined thresholds, national procurement systems may be used as defined by the Project Procurement Strategy for Development (PPSD). Open competitive approach to the market will be the Bank's preferred approach as it provides all eligible bidders/proposers with timely and equal opportunity to provide the required goods or services.

76. **Special Arrangements:** Sierra Leone is on the list of FCV countries therefore, procurement under the project may trigger Paragraph 12, Section III of the IPF Policy. Special arrangements like hands-on expanded implementation support (HEIS), direct contracting; the use of SOEs, UN Agencies, local NGOs, force account or civil servants needs, and results-based arrangements may be used and will be described in the PSPD.

## C. Safeguards

### Environment

77. The project has been assigned an environmental assessment Category C (No assessment) as provided in the environmental assessment policy. The project activities are centered around providing the youth with demand led skills training for a demand led skills development system. The activities are mostly capacity building and the development of skill set to employees in productive sectors, industry associations, students and staff of public and private Technical and Vocational training institutions as well as polytechnics. The activities of the project will present minimal environmental risks since they do not involve any infrastructure development. Due to the minimal risk no safeguards policies have been triggered and hence there is no requirement for the preparation and disclosure of any safeguards instruments. The Bank safeguards team will however continue to provide guidance throughout the project implementation. Should the scope of the project change the



safeguards team will assess the potential or additional environmental risks and advice on the need for any further environmental safeguards due diligence or activities that might require changes in project environmental assessment categorization.

## Social

78. The proposed Project will provide grant for skills development, capacity building and technology transfer for both the private, public and informal actors. The project activities will not result in severe adverse social impacts such as resettlement. The project is an Environmental Assessment Category C project and does not trigger the social safeguards policy on Involuntary Resettlement (OP4.12).

79. **Citizens Engagement** - While the project present minimal social risks, stakeholder engagement and GRM are critical for an initiative as the skills development project which is centered on ensuring inclusion, transparency and accountability of the grant disbursement. For this reason, the project should put in place costed information and communication campaigns aimed at deepening public engagement and visibility of the grant activities. A GRM should be put in place to respond to public concerns from the project activities. There should be an intermediate level indicator at the results framework to monitor feedback from project beneficiaries and the public on the project investment.

80. **Gender** – Ensuring equal distribution of opportunities and benefits for male and female is central to this project. As part of project preparation, analysis was undertaken of recent large-scale studies which focused on gender issues in the Sierra Leone context, including the recent Systematic Country Diagnostic (SCD), 2013 Demographic and Health Survey (DHS) and 2014 Labor Force Survey (LFS). These findings have been used to inform the proposed project’s design.

81. While there is gender parity in primary education, the gender gap increases significantly in later years of education with only 25 percent of girls still enrolled by the last year of SSS. Key factors accounting for the high dropout rate include a lack of family planning (resulting in a median age for birth of 19 years old) and the tradition of early marriage. According to the 2013 DHS, 16.4 percent of girls were married by the age of 15 compared to 1.3 percent of boys and by 18 years old, 50.2 percent and 8.8 percent of females and males were married, respectively. In addition to limiting their educational attainment, early departure from school reduces their opportunities for employment and income in the future.<sup>[1]</sup> The Government’s recent decision to prohibit pregnant girls from attending school has made the impact of early pregnancy in terms of school attainment even more significant. At the tertiary level, only one-third of students are female. This may reflect a family’s decision to underinvest in girls’ education given the higher likelihood that a boy will find gainful employment. In addition, wages are significantly higher among men than women - in wage employment (three times higher), self-employment (2.5 times higher) and in agriculture they are twice as high, holding all other things constant.

82. While girls are less likely to have the opportunity to participate in skills training programs as a result of the factors noted above, there are important differences between males and females in skills training – men are more likely to focus on subjects which are more highly valued in the labor market, and more likely to have practical training (through internships or apprenticeships). The proposed project, through Window 1 of the SDF,

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<sup>[1]</sup> The 2014 LFS found that working-age women who were teenage mothers had an average of 1 year less of education and went on to earn an average 25 percent less than women who were not teenage mothers.



aims to increase access of girls/young women to training programs in priority sectors and to provide them with greater opportunity to engage in practical training activities which often can be a stepping stone to employment within that sector. Specifically, SDF grantees (training institutions and businesses will be rewarded if they show improvement in girls’ access and completion of demand-led skills program. Under Component 2, the Project will ensure that the participation of girls/young women (both as students and instructors) in training programs is tracked at the institutional and central levels which can be used to guide activities and policies which aim to increase equitable access to training among women. Finally, at a project-level, all relevant indicators will be gender-disaggregated to ensure the Project is ensuring the participation of women.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

This is a national project targeting industry associations, students and staff of public and private training institutes, universities, and polytechnics, and relevant government agencies. The focus is to develop and match skills relevant to the productive sectors for increased employment. This has minimal physical footprints with less implication for safeguards.

**G. Environmental and Social Safeguards Specialists on the Team**

Asferachew Abate Abebe, Environmental Safeguards Specialist  
Gloria Malia Mahama, Social Safeguards Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	No indigenous people as defined by the bank will be impacted by the project.
Involuntary Resettlement OP/BP 4.12	No	OP4.12 is not triggered at this concept stage. The project focuses on skills development with minimal physical foot prints. However, under component 1,



the SD fund will provide a funding window for businesses in the productive sectors to expand production. Monitoring will be undertaken during this preparation phase to clarify if business expansion could potentially lead to the need for land acquisition.

Safety of Dams OP/BP 4.37 No

The project does not involve construction of dams, nor relies on dam structures.

Projects on International Waterways OP/BP 7.50 No

The project does not involve any works in international waterways.

Projects in Disputed Areas OP/BP 7.60 No

The project is not located in a disputed area.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

There are no safeguards policy issues triggered.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

There are no safeguards policy issues triggered.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

There are no safeguards policy issues triggered.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

There are no safeguards policy issues triggered.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

There are no safeguards policy issues triggered.

**B. Disclosure Requirements**

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**





### The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

NA

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

NA

### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

NA

Have costs related to safeguard policy measures been included in the project cost?

NA

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

NA

### CONTACT POINT

#### World Bank

Thanh Thi Mai  
Senior Education Specialist

#### Borrower/Client/Recipient

Ministry of Finance  
Alpha Sesay  
Coordinator  
texcoco80@hotmail.com

#### Implementing Agencies



Ministry of Technical and Higher Education  
Prof. Aiah Gbakima  
Minister  
gbakimaaa2009@gmail.com

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Thanh Thi Mai
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**Approved By**

Safeguards Advisor:		
Practice Manager/Manager:	Halil Dundar	28-Jun-2018
Country Director:	Laura Kullenberg	29-Jun-2018