



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 24-Jul-2018 | Report No: PIDISDSC24834



BASIC INFORMATION

A. Basic Project Data

Country Nigeria	Project ID P166239	Parent Project ID (if any)	Project Name Innovation Development and Effectiveness in the Acquisition of Skills (IDEAS) (P166239)
Region AFRICA	Estimated Appraisal Date Oct 08, 2018	Estimated Board Date Dec 18, 2018	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Federal Ministry of Education	

Proposed Development Objective(s)

To enhance the quality and relevance of skills development in Nigeria.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	200.00
Total Financing	200.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	200.00
IDA Credit	200.00

Environmental Assessment Category

Concept Review Decision



B - Partial Assessment

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. The Nigerian economy emerged from recession in 2017 with GDP growth of 0.8 percent.** The recovery was driven by higher oil prices and production. Agriculture and non-oil industry grew by 3.4 percent and 0.6 percent, respectively. However, services, which account for over half of GDP, continued to contract (-0.9 percent). Unemployment increased in 2017 to 18.8 percent of the labor force, with a further 21.2 percent underemployed in Q3. The share of the population below the national poverty line declined from 46.0 percent in 2004 to 38.8 in 2016—with 74 million persons living in poverty in the latter year. Persistence of high poverty is partially due to the concentration of the poor in low productivity jobs including agriculture. Low skills are trapping the poor in low-productivity, subsistence activities¹.
- 2. The government launched the National Economic Recovery and Growth Plan (ERGP) for the 2017-2020 period in March 2017.** The ERGP has the ambitious target of 7 percent real annual GDP growth by 2020, to be initially driven by the oil sector and then increasingly by strong non-oil sector growth. The ERGP sets out to restore macroeconomic stability in the short-term and to undertake structural reforms, infrastructure investments and social sector programs to diversify the economy and set it on a path of sustained inclusive growth over the medium- to long-term. To increase growth above the baseline of 2 percent will require effective implementation of the structural reforms in the ERGP.
- 3. Through its *Investing in People* pillar, ERGP recognizes that youth will form the foundation of Nigeria’s growth for decades to come.** Nigeria will soon have one of the youngest and largest working-age populations in the world. To harness the full potential of Nigerians youth, the ERGP highlights the importance of increased and better human capital investments throughout the lifecycle. Currently, due to weak human capital investments early in the lifecycle, many leave school without the required academic, cognitive, or behavioral skills needed to modernize the Nigerian economy.
- 4. To address these challenges in the early to adolescent years, the World Bank has partnered with the Government as part of the Human Capital working group in the Office of the Vice Presidency to develop a policy framework for operationalizing the ERGP.** In collaboration with the Government the World Bank has developed a series of high impact results-based programs aimed at addressing the alarmingly high levels of under-five infant mortality, malnutrition, fertility, illiteracy, and out of school youth. In parallel, the Government emphasizes the importance of improving the skills base of youth and adults already in the workforce for reasons of both political stability and economic efficiency. Life-long learning is imperative to develop a competitive and well-qualified workforce capable of flexibly adapting to changing world markets and technological progress. Towards this end, the Government’s Framework for Job Creation and Youth Employment endorsed in 2017 accords high and systematic attention to “address skills development and talent supply gaps” to support the planned strategic interventions in agribusiness, construction and ICT, among other sectors, for job creation and tackling youth unemployment. The Ministry of Education’s Ministerial Strategic Plan (MSP) for the years 2016 to 2019

¹ World Bank 2015. More, and More Productive, Jobs for Nigeria: A Profile of Work and Workers.



proposes in two of its ten pillars increased investment in technical and vocational education and training (TVET) and adult literacy².

Sectoral and Institutional Context

5. Skills development for employment in Nigeria is provided mainly through formal Technical Vocational Education and Training (TVET), non-formal training, and informal apprenticeship training³.

Number of formal TVET institutions and enrolment in Nigeria 2014/15

Level	Type of institution	No/accredited institutions	Enrolment		
			Male	Female	Total
Tertiary level	Polytechnics	111	174,047	119,745	293,792
	Specialized Institutions	27	22,008	12,013	34,021
	Colleges of Agriculture	34			
	Colleges of Health	35			
	Innovation Enterprise Institutions (IEIs)	140	1,530	722	2,252
Secondary level	Vocational Enterprise Institutions (VEIs)	77	68,552	12,108	80,660
	Technical Colleges	110			
Total		534	266,137	144,588	410,725

- *Formal TVET* is part of the education system and provided at post-basic (secondary) and tertiary level. At the secondary level, Technical Colleges (TC) offer one to three-year programs in a variety of technical and service occupational fields, while polytechnics and specialized colleges and institutions provide tertiary (non-university) two-year programs to secondary school graduates. Since 2007/8, government has put in place a regulatory framework and enabling conditions for the private sector to invest in formal TVET through the establishment of Vocational Enterprise Institutions (VEI) and Innovation Enterprise Institutions (IEI). Programs offered in these institutions are modular courses over two to three years, including part-time courses, leading to distinct, but nationally recognized certificates and diploma.
- *Non-formal training* is widespread and diverse. Programs and centers are run by different ministries, NGOs and private investors, catering for a diverse range of target groups including out-of-school youth and drop-outs, but also older people wishing to complement existing skills and qualifications. Most of the training is of short duration, i.e. below one year⁴. Many of the public programs are reported to be underfunded. Different approaches co-exist with duplications in terms of target groups and programs. Some promising new schemes are developing at federal and state levels with industry linkages and innovative training concepts⁵. Generally, there is no systematic information on the effectiveness of these programs.

² Federal Ministry of Education, Education for Change: A Ministerial Strategic Plan (2016-2019)

³ Formal apprenticeship training is emerging through pilot projects in Lagos, Abeokuta and Abuja. Furthermore, some large companies run their own enterprise-based training schemes, for example the Dangote group.

⁴ Training usually leads to some form of certificate of attendance. Since the Nigerian Skills Qualifications Framework is being implemented, some courses are being accredited on the framework, leading to recognized national certification.

⁵ Examples include the M-Power Program under the Office of the Vice President, or the Lagos State Employment Trust Fund (LSETF). Both programs are at their initial stages and their impact is yet to be assessed.



- *Informal apprenticeship training* represents the most important skills development sub-system in Nigeria in terms of numbers of youth catered for. It is also the most accessible for youth with low education and coming from poor households⁶. Whereas reliable estimates of the number of traditional apprentices are not available for Nigeria, studies on other African countries clearly demonstrate the importance of informal apprenticeship training, especially compared with institution-based skills development⁷. Informal apprenticeship training describes a defined training relationship between a traditional master craftsman and a young person. The latter commits to work for the master as an assistant and is instructed by the master to learn on-the-job. Training is usually long-term but not based on a prescribed curriculum, and learning contents are determined by the kind of work conducted in the training enterprise. As a workplace learning scheme, informal apprenticeships are effective to impart needed occupational skills, but also soft and business skills. Informal apprenticeship training is embedded in social traditions and local economic structures, and as a result detailed patterns and rules, for example on financial arrangements, differ between regions in Nigeria. Usually, local business associations play a critical role in implementing and controlling access to and rules of training. The system appears to be more widespread in urban than in rural areas and is generally perceived to be the domain of male than of female youth. A survey conducted in Port Harcourt in 2012⁸ showed that a significant share of apprentices (38.6 percent) are already beyond the age of 30, indicating the importance of informal apprenticeships as a second chance route to skills development.

6. The World is supporting the Government of Nigeria at all levels of training to address skills and youth employment issues. The programs focus on improving the employability of vulnerable youth (YESSO), promoting private-public partnerships in skills development (Lagos EKO Project, SEPIP, Ogun State Development Project), and training for MSMEs and start-ups (SEEFOR, GEMS). Individual projects have had a positive impact on labour market outcomes in selected sectors and states⁹.

7. To enhance sustainability and scalability of these and other successful and innovative approaches, enabling system structures and institutions in the Nigerian skills space are needed. Supporting this reform process requires transformative thinking for (i) linking skills to industrial transformation by incentivizing and creating a culture of industry partnerships in public skills development, (ii) improving the quality of skills formation for improved productivity in the informal sector by recognizing and strengthening the traditional apprenticeship system, and (iii) strengthening critical policy and system factors by addressing technical teachers constraints, expanding the reach of the Nigerian Skills

⁶ An overview about informal apprenticeship training practice in Africa is provided in Apprenticeship Training in Africa. World Bank Africa Regional Study on Skills Background Paper. January 2017.

⁷ Based on household and labor force surveys Filmer and Fox (2014) established for five different countries in West and East Africa a higher share of young adults with experience in apprenticeship training as compared to TVET institutions. With wide variations among countries ranging from 6% in Uganda to 35 % in Ghana, the average rate among the analysed countries was 20%, compared to 4% of young adults that attended a TVET institution. See Deon Filmer and Louise Fox (with others) 2014, Youth Employment in Sub-Saharan Africa. Agence Francaise de Développement/World Bank. Darvas and Palmer (2014) were estimating for Ghana that informal sector training accounts for 80% of all basic skills training, compared to 7% public and 13% private training institutions. See Peter Darvas and Robert Palmer, 2014. Demand and Supply of Skills in Ghana. How can Training Programs Improve Employment and Productivity? World Bank.

⁸ See also Atuwokiki Sam Jaja 2013, Nature and Funding of the Informal Apprenticeship Scheme in Port Harcourt, Rivers State. In: European Scientific Journal December 2013, Special Edition, Volume 2.

⁹ For example, the Lagos EKO and SEPIP projects as documented in Report on Qualitative Impact of the Public – Private Partnership (PPP) between the Government Technical Colleges the Private Companies and Non-State Actors: Lagos, Anambra, Ekiti and Bauchi States. Abuja 2018.



Qualifications Framework (NSQF) and improving the management and monitoring capacities of federal and state TVET management structures.

Previous and ongoing World Bank projects addressing skills gaps

YESSO: Youth Employment and Social Support Operation (P157899)	Skills-for-jobs scheme, offering short-term training (incl. traditional apprenticeships) to vulnerable youth in selected states
Lagos EKO Project (P106280)	Supporting partnerships between private sector firms in 5 Technical Colleges in Lagos
SEEFOR: State Employment and Expenditure for Results Project (P133071)	TVET to youth with secondary level schooling in four states (Rivers, Bayelsa, Delta, Edo)
SEPIP: State Education Program Investment Project (P122124)	Incentivizing partnerships with private sector firms in Technical Colleges in selected States through investment grants
STEP – B: Science and Technology Education at the Post-Basic Level (P074132)	Establishing Centers of Excellence in 11 tertiary institutions, including TVET teachers’ education in University of Nigeria/Nsukka
ACE: Africa Centers of Excellence (P1269749)	Building up a critical mass for leading-edge research and training of high level academics and researchers
GEM: Growth and Employment Project (P103499)	Business training and other support to Nigerian young entrepreneurs
Ogun State Agriculture Productivity and Industrialization Project (P164031)	Support to comprehensive State-level skills development reform incl. public-private partnerships in Technical Colleges, demand-driven short-term training, and apprenticeship training
Sector projects (ongoing and pipeline)	Training and adult literacy components in sector programs, including agriculture, energy, environment, and others

Skills for Industrial Transformation

8. **The development of a globally competitive manufacturing sector requires the formal TVET system to train a cadre of highly-skilled technical personnel.** Sectors of the economy that will drive growth in Nigeria – such as infrastructure, manufacturing and services – require good post-basic and technical vocational skills, which are currently being produced in small numbers and with poor quality. Economic transformation towards increased diversification will continue to change skills development requirements. Employment is slowly increasing in the formal private sector while shifting away from agriculture and public services. The formal private sector is dominated by services, as only 5 percent of registered firms are in the agriculture sector and about 20 percent of firms are manufacturing firms. There are however important regional variations. The formal sector is concentrated in the relatively dynamic South-West and North-West regions, with their share of total formal firms being around 37 percent and 22 percent respectively. The skills content of jobs diverges across regions, reflecting the evolution of economic activities around the country. The southern part of Nigeria is experiencing an increase in the use of cognitive skills, suggesting a move toward higher productivity and more modern economic activities¹⁰.

¹⁰ World Bank 2015.



9. **TVET institutions have not always delivered on their mandate.** Especially TCs providing skills development at the secondary level have long been suffering from neglect and insufficient resources¹¹. Cooperation with industry was not encouraged or incentivized by government. The vast majority (80 percent) of the 410,000 formal TVET students in 2014/15 was enrolled in tertiary TVET programs. Especially at the secondary level, where urgently needed technicians for industrial development are produced, enrollment falls dramatically short of targets envisaged in the education policy. Facilities and equipment of most of the public (federal and state) TCs are outdated or defunct; training material for practical training is hardly available. Lacking resources for training in workshops and labs, TCs have drastically reduced practical training hours with the result that learning outcomes are driven by theory rather than focused on practical skills required by industry. Industrial training to complement school-based instruction is sometimes, but not always provided. Limited involvement of the private sector represents a major obstacle to improving and maintaining market relevance. Most TCs in Nigeria have no linkages to employers, and private sector experts are not represented on the management boards of the colleges.

10. **The few examples where such linkages have been built systematically, such as the Bank-supported Government Technical College Agidingbi in Ikeja/Lagos¹², demonstrate an enormous potential for quality and relevance improvement in formal TVET once private sector involvement in colleges is systematically strengthened and institutionalized.** A recent qualitative assessment of different World Bank-funded interventions to support public-private partnerships in TVET suggested a significant positive impact of partnerships on (i) the quality of teaching and learning, (ii) the interest of industry in TCs and their graduates, (iii) graduates' employability and (iv) the reputation of TVET among parents and youths¹³. However, the potential of hands-on practical training within formal sector companies, through apprenticeship and industrial training, still needs to be further explored. The pilot introduction of dual apprenticeship training in Lagos, Abuja and Abeokuta, for example, shows a considerable interest of private sector companies to partner with technical institutions in training delivery. The project was implemented by local chambers of commerce and industry with German support, and after initial success in these three cities, more chambers in the country have expressed interest to get involved.

Skills for Enhanced Productivity in the Informal Sector

11. **With 90 percent of total employment, the informal sector dominates the Nigerian labour market.** The level of basic, entrepreneurial, and technical skills is generally significantly lower in the informal sector than in the formal wage sector. Those working in informal firms tend to have lower numeracy and literacy and much less formal schooling. Formal vocational programs are rarely tailored to their specific needs and constraints¹⁴. Instead, the large and self-sustaining system of informal apprenticeships provides training for many of these youth and with this caters for the skills needs of the informal sector.

12. **Contrary to formal TVET, which requires incentives for public-private partnerships to enhance market relevance, apprenticeship training – being delivered by enterprises and within enterprises - is by nature demand-driven and linked to the real world of work.** International experience shows that apprenticeship training facilitates an early link of learners to the labor market. It is the most effective pathway for youth to transition to employment and acquire skills required in

¹¹ Accordingly, the Ministerial Strategic Plan of the Ministry of Education emphasizes the need to invest in the rehabilitation of existing and construction of new colleges.

¹² The College was one of the centers in Lagos supported by the EKO project.

¹³ Report on Qualitative Impact of the Public – Private Partnership (PPP) between the Government Technical Colleges the Private Companies and Non-State Actors: Lagos, Anambra, Ekiti and Bauchi States. Abuja 2018.

¹⁴ Adams, Arvil V., Sara Johansson de Silva, and Setareh Razmara. 2013. Improving Skills Development in the Informal Sector: Strategies for Sub-Saharan Africa. Directions in Development. Washington, DC: World Bank.



a rapidly changing labor market¹⁵. Analysis of labour force data found that participation in informal apprenticeship training represents a significant asset enabling workers to find employment in the informal sector and a typical route into self-employment in those trades where informal apprenticeships are provided. However, despite its wide acceptance in the informal sector, the quality of skills development through informal apprenticeship training is curtailed by skills limitations of the traditional masters, especially in relation to modern technology and business practices, and low foundational skills (i.e literacy and math) among Nigerian youth¹⁶. Furthermore, having learnt in the informal sector does not provide a route into the wider and formal labour-market for Nigerian youth as learning outcomes in informal apprenticeships are usually not certified and formally recognized¹⁷.

13. Improving and modernizing informal apprenticeship training has become a focus of skills development interventions throughout Africa. It is considered an effective approach to improve the quality of training by building on its self-governing and self-financing structures and its strength for developing work readiness through on-the-job learning. Such approaches have been slowly developing also in Nigeria. While the National Open Apprenticeship Scheme (NOAS) of the National Directorate of Employment (NDE) worked partly through the informal apprenticeship training system, systematic approaches to improve the system are now emerging within the DFID-funded Mafita Project and the Construction Skills Training and Empowerment Project. These projects suggest that strengthening informal apprenticeship training in terms of quality and recognition would substantially improve the skills development options for disadvantaged youth, especially from low-income families and with low levels of education. Assessments in other countries have shown that comprehensive approaches to improving the system of informal apprenticeships can also positively impact on the overall productivity of the informal sector¹⁸. Effective support programs address the development needs of master craftsmen - especially technical and pedagogical training as well as access to modern technology, to make them better trainers -, provide additional theory classes and foundational skills (literacy/numeracy) for traditional apprentices, and introduce certification of artisanal skills. Discussions with informal sector business associations as well as state and local governments indicated a considerable level of interest in such approaches and preparedness to play a proactive role in the future development of informal apprenticeship training. In Ogun State, for example, the State Ministry of Education, Science and Technology strongly supports a pilot project to improve informal apprenticeships as part of its new state skills plan.

14. Broadening the range of training options and creating a more conducive learning environment is important to attract more young women into formal and informal skills development. There is ample evidence that when women are able to develop their full labor market potential, there can be significant macroeconomic gains¹⁹. Better opportunities for women to earn and control income could contribute to broader economic development and may be the single most important poverty-reducing factor in developing economies²⁰. However, in Nigeria, females are underrepresented in skills

¹⁵ See, for example, Arvil Van Adam. 2007. *The Role of Youth Skills Development in the Transition to Work: A Global Review*. World Bank; Constanza Biavaschi, Werner Eichhorst, Corrado Giuliotti, Michael J. Kendzia, Alexander Muravyev, Janneke Pieters, Nuria Rodriguez-Planas, Ricarda Schmidl and Klaus F. Zimmermann. 2012. *Youth Unemployment and Vocational Training. Background Report to the World Development Report 2013*.

¹⁶ In Nigeria only, 19 percent of primary completers can read, while in Tanzania, 80 percent can read. Kaffenberger, Michelle, and Lant Pritchett. 2017. "More School or More Learning? Evidence from Learning Profiles from the Financial Inclusion Insights Data." World Development Report Background Paper. Washington DC: World Bank.

¹⁷ The trade testing system is theoretically open for informal sector workers but not widely used by apprenticeship completers.

¹⁸ Apprenticeship Training in Africa. World Bank Africa Regional Study on Skills Background Paper. January 2017.

¹⁹ Loko, B. and Diouf, M. A., 2009. Revisiting the Determinants of Productivity Growth: What's New? IMF Working Paper 09/225, IMF, Washington, D. C.

²⁰ Heintz, J., 2006. Globalization, Economic Policy and Employment: Poverty and Gender Implications, International Labour Organization, Geneva.



development. Only one in three TVET students overall, and only 15 percent of students in TCs are female. Experience in other countries has shown that female participation rates improve once the range of sectors covered in technical institutions and apprenticeship systems is broadened towards modern occupations, notably service sector professions.²¹ There are also new occupational specializations emerging in the dynamic economic sectors providing attractive job prospects for female youth, such as computer-aided design/manufacturing (CAD/CAM) and other technology-based jobs. The challenge therefore is to broaden the range of programs offered towards trade specializations with high growth potential in the labor market that are more attractive to young women. In addition, improving the attractiveness of training institutions would matter including employing more female teachers, enhancing sanitary facilities, introducing women-targeted counselling and employment promotion programs, effectively addressing any potential gender-based violence (GBV) threats and creating a safe campus.

Critical Inputs for Improving Quality and Effectiveness of Skills Development

15. Unlike many other countries in Africa and elsewhere, Nigeria does not have one overarching institution for skills development ensuring a coordinated approach to skills training and quality assurance. The institutional framework governing and financing skills development in Nigeria mirrors the provider system, spanning over a considerable number of different institutions with partly overlapping responsibilities. Next to the National Board of Technical Education (NBTE), which oversees public formal TVET and implements the National Skills Qualifications Framework (NSQF), the National Business and Technical Examination Board under the Federal Ministry of Education plays a key role through assessment and certification in formal TVET. Under the Ministry of Labour and Productivity, the National Directorate of Trade Testing runs a trade testing system targeting workers in industry. State ministries of education supervise and fund formal TVET in their states. Nigeria does not have one consistent financial framework for funding skills training and incentivizing performance. As a result, most public programs and institutions appear underfunded. The levy-financed Industrial Training Fund (ITF) is only used to finance ITF skills development programs.

16. Competent, motivated and skillful teaching staff is among the most important inputs into successful, quality and relevant skills development programs. In Nigeria technical teachers and instructors are in short supply. In Ogun state, for example, the vacancy rate for technical teachers in the state's technical colleges is 44 percent with vacancies outstripping filled posts mainly in high demand trades such as fabrication/welding, motor vehicle mechanics, plumbing, or catering. Various universities throughout the country provide technical teachers programs, but reports indicate that technical teachers and instructors tend to leave the system because working conditions are considered not sufficiently attractive and alternative work opportunities for skilled technicians are available in the private sector. In the absence of a continuous in-service upgrading and professional development scheme, technical teachers and instructors are often not acquainted with modern technologies and production realities in the trades they teach. In other countries, for example in India supported by the World Bank (VTIP and STRIVE), technology-enabled solutions using distance education, e-learning and self-learning, and improved technology-based teaching and learning materials have proven to significantly enhance the quality, accessibility and efficiency in technical teachers and instructor training and further training. Improving the working conditions for technical teachers and recruiting trade experts as contract teachers can be an appropriate response to the shortage of technical teaching staff.

17. To improve the market responsiveness of skills development the Government has launched the Nigerian Skills Qualifications Framework in 2013. The NSQF represents an important tool for the development of an outcome-based, demand-driven skills development system that will eventually foster labour mobility. The framework provides a platform

²¹ See also World Bank / International Labour Office, 2013. Towards a Model Apprenticeship Framework. A Comparative Analysis of National Apprenticeship Systems.



for transparency, articulation and integration of different training sub-systems and qualifications, and an instrument for recognition of learning outcomes and pathways between different skills development routes²². Supported by the ILO, the formulation of National Occupational Standards (NOS) registered on the NSQF has commenced²³. The NBTE is cooperating with many non- and informal training providers (including ITF, Mafita, and others) to ensure that also non-formal training is certifiable under the NSQF. Key for ensuring that the framework is demand-driven and reflects qualifications and competences that are needed in the labour market is the work and further development of sector skills councils (SSCs). SSCs are mandated to advise on sector skills needs and oversee standards and curricula development and assessment. With the majority of members drawn from the private sector, SSCs represent the core institutions for most formalized private sector involvement in the skills system. At the moment, only three SSCs are operational. The NBTE has plans to disseminate NSQF-aligned training and certification throughout the country. The NSQF is already showing its value for the Nigerian skills space. Rolling it out further to cater for the entire skills development system, as envisaged by government, will develop the framework into an effective tool for integration and improvement of skills development throughout the country.

Relationship to CPF/CPS

18. **The proposed project supports the first two pillars of the Country Partnership Strategy (CPS) that guide the World Bank-financed portfolio in Nigeria, notably: (a) promoting diversified growth and job creation by reforming the power sector, enhancing agricultural productivity, and increasing access to finance; and (b) improving the quality and efficiency of social service delivery at the state level to promote social inclusion.** By focusing on expanding and improving formal and informal training, the project will support youth and adults to acquire the critical technical and soft skills required to be productive members of the workforce. These improvements, in turn, will contribute to achieving objectives of increased productivity, trade, and investment. The project also contributes to the second pillar by focusing on institutional capacity building and system reform for a reorientation of skills training toward demand responsiveness, industry involvement, and effective implementation structures. Through a focus on providing comprehensive skills to youth who train through informal apprenticeships, IDEAS support youth from disadvantaged populations to obtain transferable skills that allow them to be competitive in a rapidly changing labor market supporting progress toward the overarching goals of faster economic growth, poverty reduction, and shared prosperity.

19. **In addition, the project is aligned with the Maximizing Finance for Development (MFD) strategy agreed upon by the Bank and other MDB partners in 2017²⁴ to leverage private finance for development goals.** By incentivizing the engagement of private businesses in skills development in all major pillars of the project, notably in training delivery, teachers training and quality assurance, IDEAS aims at crowding in private resources in the skills domain for increased sustainability prospects and local ownership.

20. **Further, IDEAS is articulated with two of the three broad strategic objectives of the ERGP (2017-2020): Investing in our People and Building a Globally Competitive Economy.** With its emphasis on artisan-level skills development, the project contributes to the achievement of the Key Execution Priority. Planned interventions to leverage public-private partnerships for the sustainable improvement of TCs and technical teachers and instructor training are in line with priority strategies of the ERGP's Program Education.

²² For more analysis also see World Bank, 2016. Nigeria: Skills for Competitiveness and Employability.

²³ 24 standards in four key economic sectors (energy, hospitality/tourism, construction and services) have been developed by mid-2017.

²⁴ Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development. World Bank Group, Development Committee, 14th October 2017.



C. Proposed Development Objective(s)

21. **The Program Development Objective** is to enhance the quality and relevance of skills development in Nigeria.

Key Results (From PCN)

22. **Progress towards achieving the PDO will be measured through the following key results indicators:**

- Percentage of students from supported Technical Colleges in employment or self-employment within six months after graduation
- Female participation rate in Technical Colleges
- Number of programs in supported Technical Colleges delivered and monitored in close partnerships with the private sector
- Number of master craftsmen supported by the project certified as assessors
- Number of youth obtaining recognized skills certification after completing informal apprenticeship training
- Number of youth completing informal apprenticeship training with improved foundational (literacy and math) skills
- Number of technical teachers and instructors with improved competencies
- Number of skills development and technical teachers and instructors training programs enriched with technology-enabled teaching and learning instruments

D. Concept Description

23. IDEAS aims to strengthen the labour market fit of the broader skills development space in Nigeria. It will help unlock essential drivers of quality and relevance by increasing involvement of industry and strengthening critical system functions. Tailoring interventions to the specific skills needs and learning environments in the diverse labour markets the planned interventions address skills needed in the formal and informal sectors and increase female participation in skills programs. The project proposes to operate at both the federal level (NSQF, policy development, technical teachers and instructor training, improving federal TCs) and the state level (state TCs, improving informal apprenticeship training, strengthening state-level skills development management). Participating states will be selected based on clearly-defined criteria including economic characteristics, reform-mindedness of state government, ongoing and previous support to skills development, representation of regions, and others.

24. IDEAS aims to The project proposes to operate at both the federal level (NSQF, policy development, technical teachers and instructor training, improving federal TCs) and the state level (state TCs, improving informal apprenticeship training, strengthening state-level skills development management). Participating states will be selected based on clearly-defined criteria including economic characteristics, reform-mindedness of state government, ongoing and previous support to skills development, proportional representation of regions, and others.

25. Building on international expertise with e-learning adaptation in skills development, the project - cutting across components - will support the introduction and dissemination of technology-based solutions in teaching and learning, as well as in the management and monitoring of skills development. Technology can be leveraged for scaling-up training supply, enhancing access to quality training in remote areas and increasing cost-effectiveness of skills development delivery. Technology can be specifically instrumental to increase effectiveness and efficiency in teachers training and



further training, but will also improve teaching and learning in TCs and other TVET institutions and in informal apprenticeship training. By making use of the country's emerging ICT infrastructure—including the Nigerian research and education network (NgREN) - the project will facilitate the production of instructionally effective educational materials packages, create open platforms for standardized e-content to be used in teachers training and skills development, and deepen the use of blended learning for improved quality. A detailed feasibility analysis for the use of technology solutions in the Nigerian skills space is planned during project preparation.

Component 1: Incentivizing Public-Private Partnerships for Enhanced Labour-Market Orientation and Improved Quality and Relevance of Skills Development in Public Technical Colleges

26. This component proposes to boldly address skills gaps in the labour market by improving teaching and learning quality and relevance in technical colleges. The key lever will be to bring industry onto the campus. The project would provide grant funding for the rehabilitation and upgrading of selected TCs that are transforming their business model into public-private partnerships with industry partners assuming a critical role in governance, management, planning, training and service delivery. Partnership models would be built on successful practices in Nigeria (e.g. Lagos Eko Project, SEPIP) and internationally (e.g. VTIP and STRIVE in India, QIF in Palestine) with the aim to test and set standards for sustainable and institutionalized public-private partnership in different economic environments in Nigeria. Rehabilitation of TCs would be geared towards creating comprehensive skills development hubs offering, in conjunction with surrounding industries, formal TVET alongside needs-based short duration skilling and workers upgrading training. Modern e-learning technologies will be piloted and the introduction of green skills programs incentivized. Curricula to be developed/revised with industry involvement and feeding into national standard setting would include needs-based work readiness, cognitive and entrepreneurial skills. Models for dual vocational training²⁵ building on the pilot projects in Lagos, Abuja and Abeokuta would be promoted. Grant funding would also incentivize TCs to increase their share of female students and graduates through various interventions included expanding their course selection. Benefitting public TCs will be selected through a criteria-based selection process. Systematic technical assistance will support TCs through their reform process.

Component 2: Improved Skills Formation for the Informal Sector

27. This component aims at breaking the vicious cycle of low skills formation and low productivity in selected informal sector clusters²⁶. Building on good practices in informal apprenticeship training in Nigeria and other African countries, including Ghana, Benin, Cameroon, or Tanzania, IDEAS would support scaling up successful approaches for modernizing and improving the quality of apprenticeship training provided by master craftspersons. Under the overall supervision of government, interventions in different locations would be driven by private sector stakeholders. Interventions would include capacity development and pedagogical training of master craftspersons, supplementary theory classes for apprentices, as well as business development support to both master craftspersons and apprenticeship completers. The latter may entail, depending on circumstances, supporting master craftspersons and former apprentices to access finance and addressing other market entry barriers. To cater to poor families and with low educational backgrounds, interventions will include structured literacy and numeracy skills training for apprentices, building on best practices in adult literacy programs (related to suitability and context adaption). The possibility of using tertiary education graduates to support such training may be explored. Systematic impact evaluations will contribute to the identification of a sustainable long-term blueprint for integrated skills and productivity development in Nigeria's informal economy. Interventions will be

²⁵ The term "dual training" refers to modern apprenticeship training whereby learning takes place in an integrated manner at two locations: in an enterprise (practical training on the job) and in a technical training institution (basic and theory training).

²⁶ These are likely to include clusters in the automotive, electrical, metalwork, woodwork, hairdressing and tailoring trades, and others.



supported by technical assistance from experts with strong experience in modern approaches to informal apprenticeship training development.

Component 3: Capacity Building for Enhanced Quality and Effectiveness in Skills Development

28. This component aims to address capacity constraints in selected regulatory and support functions of the Nigerian skills system that impact on quality of training delivery and management effectiveness in the system, namely technical teachers and instructors training, the National Skills Qualifications Framework (NSQF), coordination and management capacities in public agencies in charge of TVET. The component aims at:

- (i) improving the availability of appropriately skilled and competent technical teachers and instructors in the skills development space. This would entail supporting a policy dialogue on working conditions, training and structures for technical teachers and instructors, and potential implementation steps;
- (ii) supporting the roll-out of the Nigerian NSQF for improved labour market relevance and increased transparency in the skills space. Funding would be used to strengthen and capacitate sector skills councils, the formulation of needed National Occupational Standards (NOS) and development of related curricula, as well as initiatives to train assessors;
- (iii) building management and monitoring capacities in key institutions involved in the implementation of IDEAS, including capacity development for state-level TVET management. The component would support initiatives to improve the national M&E framework, including the institutionalization of tracer studies as a key monitoring tool in skills development and building up research capacities for skills in close cooperation with universities and think tanks.
- (iv) supporting policy research and national dialogue processes to further reform initiatives in key areas such as TVET funding and institutional coordination.

Proposed Lending Instrument

29. The team will explore the possibility of the project being an Investment Project Financing (IPF) with disbursement-linked indicators (DLIs). The DLIs to be selected are expected would include the following characteristics: they are critical to achieving the PDO, they reflect the priority elements in the Government 's reform program, they include intermediate results, implementation performance targets or institutional change indicators that build incrementally over the life of the Project. DLIs would be tentatively related to partnerships between industries and TCs, certification of master craftspersons, better graduates' employment and income, improvement of employers' satisfaction with graduates' skills, and improved teaching competences of technical teaching staff. Disbursements would be against selected eligible budget line items. The Bank's guidelines on FM and procurement will be applicable.

A. Overall Risk and Explanation

30. The overall Project risk is assessed as Substantial. Specific risks affecting the overall risk rating include the following elements: (i) the Federal Ministry of Education has limited capacity for planning, managing and monitoring the implementation of large-scale reforms in the skills development sector; (ii) while the project design is based on lessons learned from similar skills development projects in Nigeria and other countries, the Ministry's lack of experience in implementing a project with Disbursement Linked Indicators (DLI) may hinder the quality of implementation, (iii) possible reluctance of the private sector to engage in all aspects of the project implementation. Mitigating measures include providing extensive support through technical assistance for project implementation and monitoring. In addition, the



Ministry would be incentivized to work closely with key private sector players at the national and state level, bringing together government and industry to identify solutions to constraints in coordination, and working closely with business associations and chambers of commerce and industry.

- **Linking skills development to climate policies**

31. Mainstreaming green skills and sustainability concepts in skills development can influence people’s understanding and awareness of climate and environmental challenges and increase the capacity of the economy to adapt environmentally compatible technologies. The project will facilitate the mainstreaming of sustainability knowledge in occupational standards and curricula, including in the technical teachers and instructors training space. Especially TCs will be incentivized to introduce green skills training programs in line with labour market needs, related, for example, to renewable energy, waste water treatment, solid waste management or green construction. When rehabilitating technical colleges, renewable energy sources will be used as far as possible to power the institutions.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Specific project location are yet to be determined.

B. Borrower’s Institutional Capacity for Safeguard Policies

There are in built capacity within the implementation agencies since this is a scale up of series of government interventions and based on previous experience in the Ministry from other similar education interventions. The institutional capacity cannot be classified as low.

C. Environmental and Social Safeguards Specialists on the Team

Amos Abu, Environmental Safeguards Specialist
Michael Gboyega Ilesanmi, Social Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Development Objective of proposed Innovation Development and Effectiveness in the Acquisition of Skills (IDEAS). Project is to improve the quality and demand-orientation of skills development programs in Nigeria. Component 1 titled: “Enhanced quality and relevance of skills development in public Technical Colleges by incentivizing public-private partnerships” involves the financing of rehabilitation and upgrading to selected Technical Colleges thus triggering OP/BP 4.01 - Environmental Assessment. The anticipated



potential environmental and social impacts on human populations or environmentally important areas are expected to be site specific, moderate, few if any of them are irreversible and relatively easier to mitigate. The proposed project is accordingly classified as Category B. However, at this point, the exact number project intervention sites and locations are unknown. To ensure that the activities that will be financed under the proposed project are environmentally sound and sustainable, the borrower will prepare and Environmental and Social Management Framework (ESMF). The ESMF will include steps that will be taken by the borrower to preparing site specific environmental safeguards instruments (ESIA, ESMP, Audit) during implementation but prior to the commencement of civil works. In addition, the ESMF will be consulted upon and disclosed in Nigeria and InfoShop/World Bank external website prior to appraisal as required.

Performance Standards for Private Sector Activities OP/BP 4.03	TBD	
Natural Habitats OP/BP 4.04	No	This project is not expected to involve conversion or degradation of natural habitats and their functions.
Forests OP/BP 4.36	No	This project will not finance activities will involve conversion or degradation of forest areas or related natural habitats or associated vital local and global environmental services and value of forests.
Pest Management OP 4.09	No	This project is not envisaged to make use of pesticides or other chemicals nor involved in control of pest, vectors or herbs.
Physical Cultural Resources OP/BP 4.11	No	Preliminary investigations of the proposed activities indicates that cultural heritage sites are not anticipated to be encountered. Specifically, the project will not impact physical cultural resources of archaeological, paleontological, historical, architectural, religious, aesthetic or other cultural significance.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous People in the project area
Involuntary Resettlement OP/BP 4.12	Yes	Component 1 titled: “Enhanced quality and relevance of skills development in public Technical Colleges by incentivizing public-private partnerships” involves the financing of rehabilitation and upgrading to selected Technical Colleges The RPF will outline the resettlement process in terms of procedures for preparing and approving Resettlement Action Plans (RAPs), institutional arrangements, likely categories of



affected people, eligibility criteria and categories, compensation rates, methods of valuing affected assets, community participation and information dissemination, Grievance Redress Mechanism and effective monitoring and evaluation. These arrangements are to ensure that there is a systematic process (as against an ad hoc one) for the different stages of implementation of a framework that assures participation of affected persons, involvement of relevant institutions and stakeholders, adherence to both World Bank and Government procedures and requirements.

Safety of Dams OP/BP 4.37

No

This project will not finance the construction of new dams and in carrying out activities that will be affected by existing dams.

Projects on International Waterways OP/BP 7.50

No

This project will not impact any river, canal, lake or similar body of water that forms a boundary between, or any river body or surface water that flows through, two or more countries and any tributary of body of water that qualify as international waterways.

Projects in Disputed Areas OP/BP 7.60

No

The proposed project will not be established in a territorially disputed place between two or more countries.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Oct 02, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The Environmental and Social Framework and Resettlement Policy Framework will be prepared , consulted upon and disclosed country-wide in Nigeria and World Bank external website by October, 2018 (prior to Appraisal)

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APPROVAL

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