

## PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC2557

<b>Project Name</b>	Stepping Up Skills Project (P146474)
<b>Region</b>	AFRICA
<b>Country</b>	Guinea
<b>Sector(s)</b>	Tertiary education (50%), Vocational training (50%)
<b>Theme(s)</b>	Administrative and civil service reform (20%), Education for the knowledge economy (80%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P146474
<b>Borrower(s)</b>	Ministry of Economy and Finance
<b>Implementing Agency</b>	Ministry of Higher Education, Ministry of TVET
<b>Environmental Category</b>	B-Partial Assessment
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<b>Concept Review Decision</b>	

### I. Introduction and Context

#### Country Context

##### Introduction and Context

The Guinea Stepping Up Skills project (US\$16.6 million) will contribute to building the robust human capital necessary to effectively utilize Guinea's rich natural resources to promote higher, stable, and sustainable economic growth. The project will boost relevant skills by: a) fostering dynamism in training institutions through a competitive innovation fund awarding grants for the development of short-term professional training programs; b) Creating rewarding employment opportunities for unemployed graduates through private sector-oriented education-to-employment (E2E) program, in close collaboration with industry; and c) Improving governance and management in accordance with ongoing reforms which aim to increase the autonomy of training institutions, development of a comprehensive strategy for technical and vocational education and training (TVET) at lower levels and building strong and relevant partnerships.

The project will take advantage of the Bank's unique position in Guinea. Currently, the Bank is the only institution active in the tertiary education sub-sector, having engaged in the dialogue on tertiary education development and system reforms over the past year. At the same time, the Bank is well positioned because of its international expertise, recent labor market/employer survey on Guinea, and ongoing project to develop micro, small, and medium enterprises (MSME) to support the development of an integrated demand-driven TVET system across education levels. If implemented properly, the project will:

- Improve the quality of skills training and its relevance to labor market needs;
- Increase employment rate of educated graduates;
- Improve the governance and management of tertiary education with some support for strategy development of professional training at lower levels; and
- Lay the foundation for a culture of demand-driven financing of skills training.

The project also builds on previous World Bank financed operations at both basic and tertiary education levels which have also allowed the client to strengthen its capacity in implementing WB projects. In the area of tertiary education, three ambitious reforms were introduced over the past ten years: i) the setting up of higher education institutions into public entities, ii) the expansion and diversification of tertiary education institutions and iii) the progressive introduction of the Licence Maitrise Doctorat (LMD). From the previous project (PADES), some gains have been sustained including: (a) improved capacity for the development of institutional plans; (b) increased access to higher education including through the provision of private education, Ministry and institutional staff trained in management and administration, and fiduciary personnel trained in accounting, budgeting, and computer skills.

Guinea remains a very poor country with an annual GDP per capita of about US\$500 in 2012. Due to political instability and long periods of weak governance, Guinea has not followed the development path of its neighbors during the last decade. On the contrary, Guinea has sunk even further into poverty. The proportion of the population living on less than a dollar a day increased from 49 in 2002 to 55 percent in 2012.

Recent economic performance has been much lower than expected. Over the past five years, growth was 5 points below the average for Sub-Saharan Africa (SSA). The 2008 presidential coup d'état was followed by a recession (-0.3%) that negatively impacted the Guinean economy. In 2012, economic growth reached 4.7 percent, with strong performance in agricultural growth approaching 5.5 percent. This growth has continued and is expected to reach 6 to 7 percent in 2015. These forecasts are subject to continuous engagement in reforms and pursuit of the democratic agenda. Indeed, Guinea is still far from fulfilling the conditions necessary to attract investment and promote business creation, as highlighted in the 2013 World Bank report, "Ease of Doing Business", in which Guinea was ranked 178th of 185 countries.

Guinea is endowed with exceptional mineral resources. Its potential reserves of bauxite are by far the largest in the world (estimated at 40 million tons) and large deposits of iron, gold, and diamonds are spread across the country. The exploitation of these mines is not yet industrialized and the Government has no immediate alternative but to grant concessions to foreign groups. These agreements feed into the Government's budget, contributing to large revenues that compensate for the difficulties the authorities have in levying taxes. The revenues generated from the mining sector should facilitate infrastructure construction and further deepen the institutional reforms underway.

The Guinean economy is largely composed of mining activities and rural agriculture. The largest portion of the country's export is aluminum ore (61 percent) with another 11 percent are artificial corundum (used in the production of abrasives, and as insulators) made from bauxite. Thanks to its large mining sector, the industry's value-added in Guinea is 44 percent of GDP, compared to about 30 percent in the region, and 24 percent across all low-income countries. However, the size of the manufacturing sector, which is not diversified, has a very low value-added at about 7 percent of the economy, compared to 11 percent in SSA. Outside of Conakry, the economy is largely informal, with the majority of the population living from subsistence agriculture. Accordingly, agriculture in Guinea accounts for 80 percent of employment and contributes to 22 percent of GDP—much higher than the regional average of 12 percent. Services contribute to about 33 percent—much lower than the regional average of 57 percent. Guinea is seeking to introduce transparency and good governance in mining sector: it is a Candidate Country since September 2007 to the Extractive Industry Transparency Initiative (EITI). However, the Government needs to facilitate the emergence of an industry transformation of these minerals, and ensure that Guineans become gainfully employed rather than requiring access to a qualified workforce from foreign countries.

### **Sectoral and Institutional Context**

The Government approached the Bank in 2012 for assistance in rebuilding and shaping tertiary education. Reforms are fundamental, and Guineans urgently need to develop the right skills for the needs of emerging and export-oriented sectors such as agriculture, tourism, mining, and telecommunications/Information and Communications Technology (ICT).

In its tertiary education strategy (June 2013, politiques et stratégies de développement de l'enseignement supérieur et de la recherche scientifique) for 2013—2020, the Government highlights the importance of human capital development for Guinea to realize its potential. Greater human capital translates into a more inclusive society and more productive workforce, which in turn contribute to increasing competitiveness, diversification, and growth. The tertiary education strategy addresses skills needs for growth and competitiveness, focusing on supply and demand issues, training of staff and students, governance, and program diversification to meet labor market needs.

The Bank is currently the only partner in Guinea engaged in policy and technical dialogue in tertiary education and is keen to support skills development at higher levels. This opportunity is not to be missed and critical foundations for reforms should be tackled immediately. At the Government's request, the Bank re-engaged in policy dialogue with Government in 2012 and mobilized resources for targeted technical assistance (TA) in tertiary education. This has allowed both parties to lay the preparatory work for this project. A new focus and political will has been emerging in Guinea, and in the sub-region more broadly, to tackle systemic tertiary education reforms to close the vast skills gaps in science and technology, math, and engineering.

There is a general understanding that the exploitation of mineral resources can only be achieved by training a quality workforce equipped to contribute to the growth of firms. As per the Employer Survey, businesses in construction, mining, and agriculture recommended focusing on skills training courses. More than 90 percent of cooperatives suggested greater investment at the university level and in skills training at the higher levels. Though only 14 percent currently provide skills training, 60 percent would like to. To reduce skills gaps, employees undertake training (70 percent of government workers, 40 percent of construction workers, and 30 percent of workers in

manufacturing and commerce) of substantial duration (the average duration of training is 18 months, with little variation across sectors), generally funded by the employers, but occasionally by employees.

Guinea's tertiary and TVET students are few to respond to those needs. The opportunities available to students, concentrated in the civil service, education, and health services, are no longer enough. Enrollment at tertiary levels has increased tenfold in 10 years, reaching more than 100,000 students in 2011. Nevertheless, at the national level, the gross enrollment ratio (GER) in tertiary education stands at 4 percent, far below the world average of 25 percent and below the needs of the labor market. In TVET, the entire student population is composed of 43,000 students.

Students' selected areas of study have changed considerably over the years. While the proportion of students enrolled in humanities subjects has increased from 15 to 23 percent, students enrolled in science subjects decreased from 31 in 2006 to 13 percent in 2011 –. The private sector accounts for 25 percent of students, with most in IT sciences (Science informatique) or law, and only 10 percent in science. Guinea suffers from a serious lack of faculty renewal. Less than 10 percent of faculty hold a doctorate, and 15 percent hold a master's degree. In TVET, the private participation rate is lower, and showed minimal growth from 2006 – 2011. The entire TVET student population is composed of 43,000 students of which about 35,000 are enrolled in public TVET institutions. This low access rate can be attributed to the low absorption capacity of the different training institutions.

To further highlight the considerable challenges Guinea faces in developing an intellectual and highly qualified workforce, the recent household survey (ELEP, 2012) shows the tertiary education graduate unemployment rate (between the ages of 25 and 35) is approaching 30 percent. This means that the most educated population participates only marginally in the development of the private sector, and even less in activities with strong growth potential.

Several challenges on the demand and supply side contribute to the lack or under-employment of tertiary and secondary graduates: (a) lack of skills aligned with industry requirements (skills mismatch), (b) private sector has low productivity. Business climate for firms and access to finance is weak, which constrains demand for labor; and a (c) lack of robust labor market intermediaries (LMIs) that can reduce information asymmetry and match supply with demand. The sections below elaborate on these challenges.

#### Supply Side

Secondary and tertiary education is not producing the skilled stock that is required by the labor market. Tertiary training is not oriented toward technical trades. The bulk of courses lead to careers in finance and administration whilst the production of technical and scientific manpower is extremely limited. Similar issues are being faced by lower levels of education. Secondary education is excessively geared toward humanities. Recent Bac results show that out of approximately 30,000 high schools graduates, only 3,190 students passed science and 6,146 mathematics subjects.

#### Demand Side

Businesses and entrepreneurs face a harsh business climate. The environment for conducting business in Guinea is comparatively much difficult compared to neighboring countries. Guinea ranked 178 out of a total of 185 countries in doing business ranking (2013). This slows down

growth in private sector, and hence demand for skills.

Private enterprise is largely informal. Other than large-scale companies operating in the mining sector, the economy is dominated by informal economic operators. Development of small and medium-sized companies is important for employment creation, since the few hundred jobs created by a small number of large firms had a negligible impact on youth unemployment. The bias toward informal employment is growing over time. Among the working population, 67.1 percent were independent workers in 2007 compared to 53.3 percent in 2002 (PRSP annual progress report, 2012).

The employer survey shows a widely used method to provide information about the needs and expectations of employers regarding the skills and characteristics of their employees. Employers were asked to rate the importance of different types of skills: basic, technical/cognitive, and non-cognitive/social. The skills were analyzed beyond the scope of the knowledge acquired during schooling.

Special skills tend to be associated primarily with certain occupational categories. This is obviously the case for computer skills for IT, but also knowledge of calculation for accounting, writing for public administration, and secretarial and communication skills for sales and services. Analytical and theoretical knowledge are important in all categories, especially for business management and engineering. In all fields, employers value a set of so-called non-cognitive skills: teamwork and autonomous organization, conflict resolution, etc.

Employers attach a great deal of importance to experience and practical knowledge. While tertiary education is always preferred to lower levels of training, never more than 20% of enterprises consider it very important. In contrast, between 30 and 50 percent of enterprises consider experience and practical knowledge as very important, a symptom of the low confidence they hold in initial or theoretical training. This is particularly striking in occupations where theoretical knowledge is paramount and where tertiary education has an important role to play, such as financial management or engineering.

#### Supply-Demand Intermediation

Information asymmetry and lack of robust labor market intermediaries (LMIs): Linkage between Supply and Demand is weak due to lack of robust LMIs. For instance, career placement services for graduates or a well-functioning labor market information system (LMIS) can reduce cost of search and forge connections between job seekers and job providers.

#### Growth outlook for sectors

Nevertheless, select sectors are exhibiting positive growth outlook due either to resource endowment or changes in market regulations (a) telecommunication and ICTs: the level of mobile telephony access rose from 2 percent in 2005 to over 40 percent in 2010, a 38 percentage point increase in 5 years. For sector wide growth, during 2010 the Ministry of Posts, Telecommunications, and New Information Technologies (MPTNTI) finalized and validated its National Policy and Strategy Paper on the Development of Information and Communication Technologies. Skills development is one of the pillars of the ICT strategy, (b) mining: issuance of a large number of mining licenses in 2008-2010, and efforts to improve transparency and governance

in the mining sector, is expected to contribute to a sustainable growth of mining industry in four mineral segments: iron ore, bauxite, gold, and diamond. In total, more than 900 mining titles and permits have been granted by the government (EITI, 2012). Employment opportunities exist in industrial and artisanal mining. Certain sectors, for example manufacturing, are exhibiting negative growth outlook, as per government's analysis for PRSP.

### **Relationship to CAS**

Guinea is not oriented towards the industrial trades, to technology more broadly, and even less so to maintenance. Training, for example, tends to be general, with the bulk of courses aiming to prepare individuals for careers in finance and administration. Services are far below international standards (hotels, catering, maintenance, transport, etc.). In order to be effective, reforms should not be limited to the education sector. In order for a country to blossom, society as a whole needs to immerse itself in the technology culture that is indispensable to modern production.

The recently approved Country Partnership Strategy's third strategic pillar supports the development of human capital and productive skills. The Bank Group will intensify efforts to promote both quantity and quality in human capital development, and to increase the efficiency of public resources. In alignment with the country's partnership strategy focus to upgrade skills to meet the demands of the economy in key sectors, as well as develop technical and scientific manpower, knowledge, and competencies to fully maximize the country's natural resource potential, the proposed project aims to upgrade the skills of youth – including the large number of unemployed graduates -through relevant vocational/professional programs to meet the demand of the private sector and extend the benefits of investments in natural resources to the population. The objectives of improving the quality and relevance of training programs and increasing the employability of graduates by developing their skill sets for key sectors are also aligned with the broader CPS objective of stimulating growth and economic diversification.

The objectives of the proposed project are aligned with the Government strategy, particularly Axes 1, 2, 4, 5, and 6.

The first component, the establishment of a competitive fund for the establishment of vocational training of short duration (Bac + 2 /3) to improve the employability of graduates is consistent with Axis 4: Promote relevant short-term tertiary education programs.

The first and second components of the project meet several of the objectives associated with Axis 5: Improve teaching and learning quality.

- Improving learning: short-term vocational training modules introduced through the competitive innovation fund will focus on practical skills, be taught at least 40% by professionals, and include a mandatory internship in an enterprise; and
- Improving the success rate and employability of students: the proposed education-to-employment intervention offering short-term and relevant training and certification to unemployed graduates would enable youth to quickly connect with jobs in sectors with high growth potential.

The third component, tertiary education system strengthening, is directly related to Axis 1: Improving tertiary education and research governance.

- Empower tertiary education institutions: the project would support the Ministry of Higher Education and Scientific Research (Ministere de l'enseignement superieur et de la recherche scientifique -- MESRS) to coordinate the responsibilities of the ministry with the growing autonomy

of institutions, including an organizational diagnostic to make recommendations;

- Strengthen administrative & financial management capacity: the project would help improve education service delivery by building capacity in academic, financial, human, and material management through technical support for the preparation and financing of training plans; and
- Strengthen information systems in and between training institutions and the MESRS/ Ministry of Employment, Technical Education and Professional Training (Ministere de l'emploi, de l'enseignement technique et de la formation profesisonnelle - MEETFP): the project would contribute to the smooth flow of information within the department and between the department and the institutions, by supporting the establishment of the intranet and the acquisition of computer equipment. The project would also offer provide training in staff;

The third component is also consistent with Axis 2: skills development and incentives for teachers, researchers, and technical staff. The project would support post graduate academic training of young professors and researchers in order to improve and expand the system.

## II. Proposed Development Objective(s)

### Proposed Development Objective(s) (From PCN)

The proposed Project Development Objective(s) (PDO) is to improve the employability of education graduates and strengthen governance systems.

### Key Results (From PCN)

- X new short-term professional degrees fostering skills demanded by employers developed through the competitive innovation fund.
- X graduates enrolled in short-term professional training programs financed by the competitive innovation fund.
- X students trained and employed 6 months after completing the training program.
- X unemployed graduates trained and certified based on recognized occupational standards.
- Number of institutions with a board in place following the new regulatory framework.
- Direct project beneficiaries (number) of which female (percentage).

## III. Preliminary Description

### Concept Description

#### Concept

Companies hire mainly through knowledge networks, which, beyond penalizing young graduates, decreases organizational efficiency and productivity. Addressing these challenges would bear little fruit if the demand for skilled labor from the private sector also remained low. The productivity of graduates increases sharply once they participate in complex tasks within large enterprises. This requires interventions to increase relevance of skill set of students seeking to enter labor force.

The employer survey suggests that most employees' job roles do not match their skill types. For example, half of government employees hold technical and professional degrees more appropriate for sectors such as construction and manufacturing. Similarly, the distribution of tasks within firms is not sensitive to employee credentials, except perhaps for workers with post-secondary education. Again, this suggests that specialization is not determined by credentials. Many employees participate in further training (70 percent of government workers, 40 percent of construction workers, and 30 percent of workers in manufacturing and commerce), of substantial duration (the

average duration of training is 18 months, with little variation across sectors), generally funded by the employers, but occasionally by employees. There appears to be a gap between the skills acquired through formal education and training and those required by employers.

The mismatch between the skills needed and valued in the labor market and those obtained through formal education is further apparent in the generally long delay between graduation and first employment. Only one-third of the most educated Guinean youth find jobs within several months of graduation; for most, finding a job can take years.

#### Coordination with other partners and WB projects

The proposed project is embedded within a web of other interventions supported by the WB and other projects. The description below highlights the priorities of each in order to better highlight the project design and how it complements and supports the multisectoral approach. The proposed project will focus on addressing the skills mismatch for tertiary and TVET graduates (in and out of school) and better labor market intermediation in full complementarity with other projects and interventions which will focus on improving basic education for in and out of school children, and supporting public employment for youth, Small and Medium Enterprises (SMEs) and a better business climate.

The new Global Partnership for Education (GPE) Project (US\$37.8 million) under preparation will tackle reforms in basic education including quality, relevance, and access in lower secondary and out of school children. The social safety net project (US\$20 million) is tackling youth employment issues for the public sector through the public works program and skills interventions. The World Bank Group (including IFC) is active in skills training with a focus on Small and Medium Enterprises (SMEs). The SME project (US\$10 million) led by PSD unit focuses on building technical capacity/skills of SMEs for increased productivity and competitiveness. The project also improve investment climate of Guinea and increase access to finance for SMEs. Training to SMEs is provided through Support Centers (“SC”)—two regional SCs are planned and one in Conakry with a focus on women business owners. SMEs targeted are in non-mining sector, mostly agro-business. The construction of SCs is expected to start in year 2 (2014) of the proposed project.

IFC is focusing on SME skills training, in mining sector, through a “Bridging the Gap between Small Businesses and Mining Companies” program that trains SMEs to become registered suppliers to multinational mining firms. Training program consists of (a) IFC’s Business Edge training (b) individual coaching to local SMEs from IFC in financial management, marketing, and health and safety procedures (c) business plan development and access to finance training. IFC has developed a database of 700 SMEs as potential beneficiaries. Training delivery for SME is through a network of local firms and corporate partners (e.g. business plan and access to finance training is through BICIGUI, the local banking affiliate of BNP Paribas), and some training is by IFC directly. But IFC is developing a more permanent set-up for training SMEs, by jointly constructing a new business and training center with Rio Tinto in the city of Beyla. Similar centers are expected to be replicated along the port and rail corridor.

AFD (French Development Agency) has committed 11 million Euro for primary education. UNICEF and GIZ will maintain their support for early childhood development (ECD), primary education, and girls’ education. Substantial resources support youth employment and skills training. Annex 5 of the CN provides an overview of ongoing programs. AFD is preparing a 15 million Euro



TVET operation for lower level (secondary level) skills. The Saudi Fund will provide financing for the construction of new regional TVET centers dedicated also to the lower levels of skills training (below the Baccaalaureat level).

### Description

The Guinean tertiary education and TVET systems are dominated by programs that do not meet the needs of the labor market. Inappropriate orientation of training is one of the causes of programs' lack of relevance to business requirements. The system lacks scientific technical and professional training opportunities. Tertiary education graduates rarely develop entrepreneurial skills, as most of them aspire to enter the public service. Challenges include overstaffing, poor linkages between universities and businesses, an overabundance of theoretical courses, dilapidated laboratories and lack of practical activities. These factors result in a very high unemployment rate among young graduates, despite many years of study.

Component 1: Set up of a Competitive Innovation Fund to support short term professional programs linked to growth sectors (US\$10 million)

The project will establish a competitive Innovation Fund contributing to reforms by incentivizing and supporting innovative approaches to improve skills, employability, and self-employment. The fund will create opportunities to design and test new training program models with a view to improving quality and relevance. Public tertiary education institutions may submit proposals for short-term professional programs developing key skills meeting labor market needs, with an emphasis on practical training. The Fund will be established between the central Ministry and institutions through performance agreements with defined measurable outcome indicators. Initially, the fund will be set up for tertiary education institutions, and in year 3, TVET institutions will be invited to participate in the Fund, using the lessons learnt for tertiary intuitions and ensuring adequacy with the proposed tertiary programs linked to economic sectors.

Each institution will be encouraged to identify key areas in which to develop new professional training programs. The relevant department will prepare a project proposal to be endorsed by the institution's decision-makers before being submitted to the Ministry for consideration. Selected project proposals will be reviewed closely and adjusted jointly by the submitting institution and Ministry experts if necessary, before the two parties sign a three-year contract. To be eligible for a grant from the competitive fund, institutions must propose short-term (2-3 years) professional programs with a strong focus on practical training and learning modules developed in close collaboration with the private sector. At least 40 percent of training hours must be delivered by professionals, and the program must require and facilitate an internship for credit. Cooperation between training and businesses will thus be ensured and responding to their immediate skills needs.

The Fund will follow best-practice principles critical for long-term success and sustainability. These include (a) security of income: ensure sustainable and adequate volume of fund's income (b) autonomy and control: secure autonomy for fund's management and its control over budget allocations (c) stakeholder ownership: foster ownership through substantial representation of major stakeholders of labor market (d) activities will be aligned to national training needs only, and (e) decision-making transparency to ensure allocation is open, consistent, and competitive.

For sustainability and vibrancy, the Fund will use a public private partnership (PPP) approach that

leverages external and non-donor financing to create a well-diversified capital structure and augment limited IDA/donor funds. The Fund aims to exploit three methods of non-donor external and internal funding: (a) public resources: government's budgetary as well as non-budgetary means to augment the fund (i.e public investment program ; (b) private resources, through grants or equity based investments made by corporations, subsidiaries, or parent holding companies that have active or potential business interests in Guinea. For instance, several mining corporations active in Guinea have stated interest in contributing to education and skills growth (c) revenue generation is another potential source of income for the fund. Revenue generation activities can include but not be limited to splitting of earnings generated at the level of financial institutions (for e.g. through fees to recover unit costs which could be an option down the road).

The Fund's governance will be through a Steering Committee, composed of 10 members, 5 of whom will be professionals (areas to be determined) will be responsible for reviewing and selecting proposals to finance. The IDA project, technical and financial partners, and private sector partners will support the fund in Year 1. Beginning in Year 2, the Government will contribute 25 percent from public budget or non-budgetary resources (such as levies), and gradually increase its share to reach 100 percent in Year 4. The Fund will be set up as an autonomous not-for-profit entity under the Ministry of Higher Education. A professional Fund Manager will manage the fund, reporting directly to the Steering Committee. The Fund Manager will have a core staff team (procurement experts, financial analysts) supporting daily functions.

The Fund will also support self-employment/business start-up activities with IFC as the leading implementation partner. The project is exploring the idea of conducting an access to finance diagnostic for self-entrepreneurs, to determine need and feasibility to set up a small seed grant facility for educational institutions who wish to encourage graduates to set up their own business.

The project would finance:

- TA for the set-up of the competitive innovation fund and the accompanying procedures manual.
- Training for teachers and technical personnel.
- Re-engineering, equipment, and light rehabilitation.

Component 2: Education-to-employment intervention (US\$4.6 million)

The E2E program's central approach is based on development of skills for job roles identified by industry, based on standardized occupational standards that ensure minimum employability.

Objectives and corresponding indicators are:

Objectives of e2e and Indicators:

Building a critical mass of skills -- Number of candidates trained

Make skills training relevant to industry -- Training content linked to job roles and occupational standards

Increase employability -- Assessment shows increase in Employability Index

Feedback into education system reform -- Curriculum incorporates e2e training modules

Reduce cost of talent recruitment and training -- Firms indicate benefits from e2e labor matching

Increase in placements with industry -- Number of jobs and internships

The education-to-employment intervention (E2E) would provide training and certification to unemployed graduates to increase their employability and quickly connect them to jobs. The E2E intervention, to be piloted in select high-potential sectors (mining, tourism, telecommunications), would bridge the education-employment gap using industry-based standards for skills training. E2E program will scan best practices observed in similar programs in other countries, including Egypt, India, Nigeria, USA, and Australia, and incorporate elements suitable for Guinea's context. Moreover, the employers survey suggests that significant synergies exist between skills demanded in mining, and in related sectors (construction, infrastructure). E2E will build on these synergies and develop core and foundational skills that are fungible across industries and sectors.

Core elements of the E2E program would include:

1. development of industry-led competency/occupational standards in two key sectors;
2. an industry-based assessment, training, and certification instrument;
3. partnership with leading private sector companies in a particular sector to create jointly endorsed, industry wide certification frameworks
4. a network of accredited training providers with a corps of certified trainers recruited from industry; and
5. an integrated job information management portal.

The intervention would involve:

- a. Requirement gathering from industry sectors building on Employers Survey, identification of prevalent training programs/mechanisms in firms in Guinea, selection of industry champions for anchoring E2E, and development of a 'live' database of companies willing to commit as future potential employers,
- b. Selection of a competency framework for (a) foundational skills certification (cognitive, computer, communications, entrepreneurship training (Business Edge) in partnership with IFC to promote self - employment) and (b) identification of domains for advanced skills certification (e.g. in mining, tourism, telecom, other trades),
- c. Development of industry-endorsed assessment and certification tool, linked to the competency framework. Certification will follow a flexible vocational model. Certification will signal a minimum expected level of skills gained. Certification will indicate completion of training and attainment of minimum standards (pass/fail). Certification will have the following characteristics: (a) it will be consistent nationwide, (b) it will be accepted and recognized by industry, (c) the underlying standards will be subject to periodic review (alternate years) to reflect changing demand structure for skills.
- d. Development of modular curriculum and content derived from private sector's existing training initiatives.
- e. Set up of a robust Labor Market Information System. The LMIS (upgrade version of l'AGUIPE) will contain a live, continuously updated database of trained candidates and potential employers (SMEs, large firms). Each candidate will have an individual profile page. Candidates will be matched with employers based on their skills profile. The LMIS will contain information on certifications that the candidate has obtained.

This component will be governed by a committee and sectoral councils including private sector partners, professional associations, sector-specific labor unions, and line ministries. The committee will be supported by an executive secretariat comprising a coordinator and a communications specialist. This program may be integrated as a separate window of the competitive fund in

component 1.

Only accredited training providers would be considered for funding. Criteria for accreditation would include capacity to provide training delivered by professionals meeting occupational standards in an environment facilitating practical training. Funding to institutions would be provided on a contract agreement with payments made based on enrollment.

The project would thus finance technical assistance for

- a. the development of professional standards in the priority sectors covered, the development of training modules and assessment/certification tools. and
- b. the establishment of an information system/database to provide the AGUIPE (agency for the promotion of employment) and employers have to give priority to these certified graduates, including
  1. employers who participated in the development of occupational standards,
  2. certified graduates.

The project would also finance the costs associated with the training as per the contract agreements. The E2E component is a targeted, fixed-term intervention specifically for unemployed graduates. Once the target number of trainees is reached in the selected sectors and xx graduates find employment, the training and certification model will be broadly incorporated into professional training curriculum throughout the country.

Using a randomized control approach, an impact evaluation will be introduced to assess the effectiveness of the training program improving employment. Following an expression of interest, the sample of eligible eligibility criteria (i.e. years since graduated < 5 years, applied within the timeframe trainees will be drawn randomly from a pool of applicants, possibly stratified by sector, and assigned by cohort. Given the policy relevance of recruitment strategy and its interaction effect with skills training, two types of recruitment approaches will be evaluated in conjunction with the training program. Therefore, four groups will be defined:

1. Control: trainees not receiving any treatment and assigned to cohort 3 or thereafter.
2. Training only
3. Training and recruitment approach through AGUIPE
4. Training and recruitment approach 2 (tailored information system database with additional efforts to match with certified employers)

To inform the evaluation, extensive data will be collected including pre and post test to assess knowledge gained through training, employment outcomes, salaries, and duration in employment.

### Component 3: System Strengthening and Support for Reforms (US\$2 million)

Improving management and governance is a critical prerequisite to achieve the main goals of developing high-quality and relevant programs, establishing closer links with enterprises, and strengthening the efficiency of the sector. To this end, the project would aim to improve the management of the tertiary education system in alignment with the current reforms for increased autonomy of tertiary education institutions.

The TVET ministry (MEETFP) benefits from substantial financial support from development

partners but does not yet have a strategic plan laying out its vision and objectives. To this end, the proposed project would provide technical support to develop a strategy in alignment with tertiary vocational training.

The TVET student body has increased, though less than that of higher education, due to insufficient training availability. The surplus of learners in higher education is partly attributable to the shortage in this branch. The Government intends to develop and diversify supply by creating ERAM and other institutions, but the hiring freeze during the past x years, aging teaching staff, and slowdown of trainer-of-trainer schools has impeded its efforts. Without the necessary human resources, a training development and diversification strategy has little promise. Although the new database developed with IDA additional financing offers a starting point for a better analysis of available human resources, it is not enough. A training development and diversification strategy must be accompanied by capacity-building in the following areas:

- i) What training programs, in which (high-growth) sectors, with what expected staffing level/participation level?
- ii) What human resources are needed to develop these programs, and under what conditions?
- iii) What are recruitment and training needs in the short and medium terms? Can recruitment and training be implemented by existing structures or do they require capacity-building?

The project could support the Government in refining its sub-sector policy through:

- i) technical support to perform a diagnostic to establish a realistic strategy and operationalize it in a recruitment plan (number of teaching staff, proportion, discipline), and training plan that is realistic in the short and medium term;
- ii) logistical and technical capacity-building in sector planning and management
- iii) technical support to develop a recruitment and training plan for ETFP teaching staff following the decisions made above (i and ii)

The MESRS has made important strides in laying out its strategy with the support of the President for the advanced of the agenda on providing autonomy to institutions in accordance with international practices. Decrees 62 and 63/PRG/SGG, approved by the President on April 3, 2013, stipulating the governance of public tertiary education and scientific research and private institutions, have clearly endorsed the autonomous status of training institutions in the administrative, financial, educational, and scientific realms, allowing institutions to define their own vision, goals, strategies, and activities based on accountability mechanism to their leaders. These decrees involve a radical change in practices and in the Ministry's functional relationship with institutions. This implies a need to rebalance the Ministry's powers with the new responsibilities of institutions under their new mandates.

The project would support:

- Recruitment of a consultant to carry out the organizational diagnostic;
- Technical support for the review of the major management functions in MHESR, as well as standard profiles, based on the recommendations of the organizational diagnostic and training;
- If necessary, logistical support for the new national evaluation and accreditation bureau for tertiary education and research, and technical support in the development of its standards and procedures.

The Decree states that the institutions are directed by a Board of Directors, an Establishment Board and a Rector. The powers of the Board, a majority of whose members are from the business world

are considerable. The present framework could constitute an obstacle to the immediate implementation of certain provisions of the decrees, namely recruitment and payroll management. A transitional phase focusing on the delegation of these powers could accompany the first milestone of autonomy. In this regard, a draft transitional procedures manual is being developed by an MESRS-led team.

The project would support:

- Investment in the preparatory phase for the preparation and analysis and alignment of texts by an inter-ministerial commission (Finance, Budget, Public Service, Unions etc)
- Technical and financial support for the development and implementation of a training plan for senior and middle level staff from institutions whose mandates are particularly affected by the new regulatory framework for the autonomy.

With regard to improving tertiary education management, the project would support

- Purchase of compatible software to enhance the transmission of data and information from institutions to MESRS.
- Capacity-building for education services to strengthen management of the Licence Master Doctorat (LMD) system offering more choices for students, different academic paths, etc., and student monitoring which could require creating a financial aid and scholarships agency.
- Set up of a fiduciary team (FM and procurement) well-versed in Bank procedures to fulfill the fiduciary responsibilities of the project.
- Support for monitoring and evaluation to monitor the strategy and project.

Improving tertiary education faculty performance. Given current capacity and conditions of Guinean graduate schools, will require partnerships with foreign universities, preferably in the sub-region, would be a necessity. Under these agreements, the student would alternate between the Guinean and partner institution, culminating in a joint degree. To encourage graduates to return to Guinea and quickly enter the CAMES (Conseil africain et malgache pour l'enseignement supérieur) system, a start-up fund would be provided to initiate research and develop a scientific product.

The project would finance:

- Technical support for the definition of university partnership frameworks (technical assistance and study tour);
- Financial support for training and costs incurred by post graduate students during training (travel, research costs, etc).;
- A small start-up fund for graduates upon completion of training; and
- Technical support to conduct an analysis for a medium-term strategy to improve motivation of teachers and researchers.

Financing reforms, with a focus on scholarships. Following the survey of higher education students' living conditions supported by the World Bank, 92.3 percent of students would welcome financial aid/scholarship reform. There is a general consensus on the need to review the grant allocation system. The Government has worked on a number of proposals for allocation reforms to be considered at the policy level. Technical support has been requested for the establishment of the Agency of scholarships. This support could be envisaged in the project only if the government has a clear timetable for reform.

**IV. Safeguard Policies that might apply**

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

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

Total Project Cost:	16.60	Total Bank Financing:	16.60
Financing Gap:	0.00		
<b>Financing Source</b>		<b>Amount</b>	
BORROWER/RECIPIENT		0.00	
IDA Grant		16.60	
Total		16.60	

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