

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA11098

<b>Project Name</b>	Skills for jobs and competitiveness (P145585)
<b>Region</b>	AFRICA
<b>Country</b>	Senegal
<b>Sector(s)</b>	Vocational training (70%), Tertiary education (20%), Public administration- Education (10%)
<b>Theme(s)</b>	Education for all (70%), Education for the knowledge economy (30%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P145585
<b>Borrower(s)</b>	Ministry of Economy and Finance
<b>Implementing Agency</b>	MINISTERE DE LA FORMATION PROFESSIONNELLE
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	18-Jul-2014
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<b>Estimated Date of Appraisal Completion</b>	
<b>Estimated Date of Board Approval</b>	28-Aug-2014
<b>Decision</b>	

## I. Project Context

### Country Context

Senegal, with an estimated population of 13.6 million, is one of the most politically stable countries in Africa, and has considerably strengthened its democratic structures. The last presidential elections in February 2012, which brought in a new administration, were characterized by a high degree of transparency, a peaceful electoral process and universal acceptance of the results.

Over last decade and particularly since 2005/06, the economy has been stuck in a low-growth mode. Between 2000 and 2010, growth in GDP averaged only 4.0 percent annually and fell to only 3.3 percent in the latter half of the decade, a rate that falls only slightly above the estimated annual population growth rate of 2.6 percent and well below the average for many other Sub-Saharan countries. As a result, progress in poverty reduction has been slow. In 2011, the prevalence of poverty remained high with an estimated 46.7 percent of the population living below the national poverty line compared with 55.2 percent in 2001/02. However, compared with many high growth countries in Sub-Saharan Africa, inequality has not risen.

Numerous factors have contributed to the lackluster growth over this period, including various

external shocks (poor rainfall, rising fuel prices, floods), and deteriorating economic governance particularly in key economic sectors such as fishing and tourism. Further, the Senegalese economy has been unable to transition to a higher growth and more competitive economy due to, among other factors, the structure of the economy which has changed little over the past 30 years, a limited export base, and an unfavorable business and investment climate in several respects particularly in infrastructure (especially power) and in the low education and skill level of the working-age population.

In 2011, the average number of years of education completed by the Senegalese working-age population is estimated at only 3.6 years and over half of the working-age population has never attended school; 22 percent has only some primary education; and 25 percent has some middle school education or higher. Three out of four rural residents have never attended school. The composition of education attainment will change over the medium-term as a result of public investments in primary and general secondary education over the past two decades. Nevertheless, the proportion and absolute number of youth with no formal education remains high and school attendance rates among primary school-aged children are rising very slowly which will have repercussions on the economy and the employability. In 2011, only 60 percent of school-aged children attended primary school, and only one in two attended primary school in rural areas. In 2011, even at the peak school attendance ages of 9 and 11, 30 percent did not attend school. Across all ages, the overwhelming majority of youths with no years of education completed never attended school at all. However, this uneducated young population needs competencies and jobs.

On the fiscal front, prudent fiscal management and accountability also weakened. Current public spending rose from 13.8 to 18.1 percent of GDP between 2005 and 2011, driving up the deficit from 3.0 percent of GDP in 2005 to 6.8 percent in 2011, and total debt back up to pre-Multilateral Debt Relief Initiative levels. At the same time, the efficiency of public spending and effectiveness of service delivery deteriorated.

Senegal aspires to be a high middle income country by the next decade, and to be an emerged economy by 2035. To reverse the low growth trend, the Government of Senegal (GoS) developed an ambitious program -- Plan Senegal Emergent – or PSE – which aims to reverse this stagnant trend by increasing the productivity and competitiveness of the economy in domestic, regional and international markets, promoting increased domestic and foreign direct investment, and strengthening governance and accountability. The strategy focuses on continued improvement in the business climate, and the development of clusters of services and skills to raise the productivity and capacity of businesses (particularly SMEs) and of the labor force. Efforts will focus on key economic sectors that have the potential for high value added, employment creation, and boosting exports: Agriculture and Agro-industries, Mining, the Fisheries sector (processing industries and fish farming), Clothing Manufacturing, Information and Communication Technology (ICT) including business process outsourcing, high standard Education and Health care services, and Tourism including cultural and artistic industries.

The Senegalese Government aims to create 300,000 jobs over the next five years to reduce the unemployment rate to 6%. To achieve this goal, the Government intends to: (i) improve the productivity of the economy and the qualifications of the youth population; (ii) ensure better linkages between training programs and economic needs; (iii) reinforce the institutional framework for the management of the jobs agenda; (iv) incentivize the creation of enterprises; and (v) implement a system to monitor the labor market and employment trends. Achieving this goal is

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## **Sectoral and institutional Context**

### Links to government priorities

Human capital development is a key pillar of GoS's development strategy. The priorities identified by the GoS to significantly elevate the quality of the labor force focus on: (a) continued expansion and strengthening of the quality of basic education, (b) expanding opportunities for high quality technical and vocational education and training driven by the demand for specific skills in priority economic sectors, (c) introducing occupational education and guidance throughout the school system, (d) boosting the quality of the informal apprenticeship system, certifying the skills attained and opening up opportunities in non-traditional areas, and (e) facilitating the transition from school to work. Additionally, emphasis is placed on the need to recognize enterprises as the drivers of, and central partners in, the development and implementation of any reform of the TVET sector to ensure that investments in TVET contribute to productive employment.

In the last two development plans for the education sector, Programme Décennal de L'Education et de la Formation 2001-2011 (PDEF) and Improvement of Quality, Equity, and Transparency of the education sector 2012-2022, (PAQUET), TVET has consistently figured as a priority, second only to primary education. The first effort to respond to this stated priority dates to a 2002 "Policy Paper for Technical Education and Vocational Training," developed by the Ministry of Education and National Languages following a broad consultations and a national conference held a year earlier. The goals of the Policy Framework were to evolve the TVET system into one that contributes to economic growth and poverty reduction, is responsive to labor market demand, boosts productivity in the formal and informal productive sectors of the economy, and facilitates the insertion of youth into the labor market. The issues, goals as well as many of the strategies identified to achieve the goals remain relevant and have recently been updated and integrated into the PAQUET.

### Main issues and challenges in TVET

A large education and skill gap in the labor force is a main constraint to raising productivity and transitioning towards a more competitive and dynamic economy. In 2011, only 55 percent of the working-age population reported being literate in at least one language. The average number of years of education for the Senegalese working-age population is only 3.6. These patterns are expected to change somewhat in the medium-term as a result of public investment in primary and secondary education. However, the proportion and absolute number of youth who have never attended school remains high and primary enrolment rates are rising very slowly which will have repercussions on the economy and on poverty reduction for decades to come. In 2011, still, only 59 percent of school-aged children attended primary school, a rise of only ten percentage points over a

decade.

The supply of TVET is limited in terms of enrollment and the diversity of specializations offered. Despite high demand and higher wages for technical and vocational skills in Senegal, the system serves only a small portion of the eligible cohort. Of the population aged 15-59, only 15.5 percent had received technical or vocational training in 2011. Out of a working age population of 6.8 million, fewer than 520,000 received some sort of formal TVET, and of this group, only 386,000 obtained a diploma or certificate. Within the certified group, most individuals (72 percent) received formal training at the lowest diploma level (CAP or BEP). The range of specializations offered is limited, with the majority of diploma holders obtaining training in health, education, management/business studies, and construction. Only small percentages of individuals received formal diploma training as skilled craftsmen or for occupations in the growth sectors such as agriculture and tourism. The TVET Ministry has a total enrollment of 16,000 across institutions, while the 14-24 year old population is more than 3 million, effectively serving little more than 0.5% of the target population.

The Senegal TVET system does not provide training opportunities to youth that have not attended schools or have not completed primary education to accede. In 2011, 53% of the working age population never attended school and 22% completed just some primary education while the lowest formal training level (the CAP) is provided for population at the end of junior secondary schools. Apprenticeship is the only opportunity for this majority of the young population to acquire a skill to enter the labor market. However, information suggests that although the apprenticeship system produces some talented semi-skilled and skilled craftsmen, it has three main drawbacks that limit its capability to contribute to raising productivity, particularly in strategic economic sectors. First, the quality of training is closely related to the production technologies used, which have been slow to change. As a result, for example, skills required to install, maintain or repair modern machines and equipment are not provided through the traditional apprenticeship system while productivity remains low in the fledgling clothing and textile industries. Second, from a pedagogical perspective, training is based on the imitation and repetition of gestures of the master craftsman. It does not cultivate higher order thinking skills which would enable apprentices, for example, to read and interpret a diagram, plan or set of instructions. And, it neglects the role of meticulous implementation of rigorous procedures.

Programs offered are limited. Enrollment by TVET specialization suggest that overall, the diversity of specializations offered is very limited. Public and private TVET providers offer about 40 TVET specializations (filières) but 55 percent of TVET enrollments are in four specializations: accounting/management/marketing, hairdressing, dressmaking / tailoring / clothing, and electricity. Ninety percent of students are enrolled in only 20 specializations. To a certain extent, the public and private sectors occupy particular niches in the training market, although they overlap in some areas. Significantly, TVET programs offer very few opportunities, in some cases none at all, for technical and technician training in high labor demand areas. This is especially the case in fields of study relevant to the priority economic sectors targeted by the SCA, notably horticulture, fisheries and food processing; infrastructure building, management and maintenance (particularly water and sanitation systems, energy and roads); tourism and hotel services, and natural resource conservation and management. Finally, the data point to significant gaps in the qualification hierarchy in nearly all specializations.

Courses offered are obsolete, equipment is lacking or outdated, and teachers are not trained

adequately. Training centers are underequipped, and most of the public buildings they occupy date to the 1970s. Although there are some exceptions, skills development programs offered by public TVET institutions have evolved little over time such that, for example, trained mechanics continue to be trained with basic tools leaving trainees without the skills to repair autos on the market today that rely heavily on electronic and computer systems. Similar situations obtain in other technical occupations. The curricula are outdated and equipment is obsolete leaving trainers little choice but to provide only theoretical instruction. Training of instructors for BT, BTS and Bac techno are mainly theoretical because they encountered deficient workshops and laboratories throughout their studies and they tend to continue to replicate the vocational training that is mainly theoretical. For CFP, the large majority of instructors have weak academic education combined with limited vocational training.

The Lycées techniques are in poor quality and as for the large majority of TVET institutions, buildings are deteriorated, equipment outdated, teachers competencies are disconnected to the reality, and programs obsolete. The Lycées Techniques (LT) are public secondary schools that prepare students for the technical baccalaureate, which is not a professional degree in the sense that it does not prepare students in a specific field, but prepares students for continuing education for the IUT, BTS, or engineering school. Specific sections are S3: math and mechanics, S4: agriculture, S5: food processing, T1: mechanical manufacturing, and F6 chemistry. LTs and post-secondary institutions are more selective academically, offer higher level diploma programs, place greater importance on academic achievement in mathematics and sciences, and offer access to more advanced education and training offered by universities and institutes of higher education. Although they provide some professional training, they produce very few skilled technicians with a BTS. However, with few exceptions, the LTs provide very little science or technical education. Rather, they predominately offer general business studies. Overall, 7 out of 10 students are enrolled in business studies. Two out of ten are enrolled in mécanique/electro-mécanique leaving only one in ten enrolled in agricultural sciences and technology, agro-processing, technology and mathematics.

Limited institutional autonomy. TVET is managed at the central level, limiting institutions' ability to make decisions about staffing, resource allocation, and program design. Although educational institutions are legally entitled to manage their own budgetary resources, 41 percent of the TVET budget continues to be managed at the central level. Moreover, budget lines are rigid and do not allow for adjustment during execution. For example, TVET institutions cannot respond to the skills needed by the private, sector as they cannot hire teachers with the right skills mix and practical work experience. This arrangement significantly limits the effectiveness of institutions to provide quality training. Greater financial autonomy for training institutions that would enable them to raise additional resources is particularly appropriate as resources are scarce.

Gender and geographic inequities in training opportunities. The distribution of training is uneven, with men and urban residents receiving more training than women and rural residents. Most formal training opportunities, both public and private, are located in Dakar. While only 20 percent of the population resides in the Dakar area, 66 percent of all youths enrolled in TVET programs nationwide attend centers in Dakar. Dakar residents represent over 80 percent of all private TVET enrolment and 46 percent of public enrolment.

Low efficiency in the financing of the system. Resources allocated to TVET have grown slightly between 2008 and 2011, but the relative share of resources compared the entire education sector is

only 3.9 percent of total education sector expenditures. Salaries make up the majority of public expenditure. Two autonomous funds that finance TVET for individuals and businesses operate separately from each other and their efforts are disjointed.

Current TVET policy does not provide a stable framework for coordination among actors. On the policy side, a law was drafted in 2010 to institute two main reforms, the competencies-based approach and a system of dual vocational training. In addition, the law called for the establishment of national commissions that would involve relevant stakeholders in the process of decision-making around the design of programs, and the setting of degrees and diplomas. The law has not yet been adopted, slowing down large-scale reform of the system.

Governance is fragmented. The TVET Ministry is relatively isolated and has few strong, active connections to other important stakeholders, including Ministries, employers, and local authorities. Ideally, this sector should be at the center of public and private initiatives that enable Senegal to advance rapidly in the field of vocational training. There is a lack of coordination among national stakeholders and international stakeholders, leading to duplication of efforts and piecemeal solutions.

## **II. Proposed Development Objectives**

The project development objective is to strengthen the TVET system and to improve the employability of youth in selected priority sectors of the economy.

## **III. Project Description**

### **Component Name**

Component 1: Improvement of the quality and relevance of training

### **Comments (optional)**

The objective of this component is to improve the quality and relevance of training in the “Lycées techniques”, to establish a cluster of training centers for skills development in priority sectors; and create and implement a system for certification of skills. This will be achieved through the following three sub-components: a) Subcomponent 1.1. Improvement of the quality of existing training institutions, b) Subcomponent 1.2. Skilling workers in horticulture, poultry farming and tourism sectors, c) Subcomponent 1.3. Certification of Specializations

### **Component Name**

Component 2: Reform of TVET sector financing system

### **Comments (optional)**

This sub-component aims to streamline and reinforce the funding instruments of the Government’s TVET policy in order to make them consistent with the sector reform as well as appropriate to the growing needs of the sector. This will include revision of the DAGE operating system, and the creation of a new fund that will consolidate the main missions of ONFP and the FONDEF. It will be financed through consolidation of existing resources as well as through donor contributions and will have four main functions.

### **Component Name**

Component 3. Support for the system management, monitoring and evaluation, and project management.

### **Comments (optional)**

30. This component aims at improving the management of the TVET sector by strengthening

the capacity of the Directorate of Technical Education, the Directorate of Vocational Education, the Directorate of Apprenticeship and the Planning Unit. The project will also support the establishment of an M&E system, fiduciary management and the coordination of the sector by the DAGE. The M&E system, is considered critical for the success of the project, particularly the implementation of performance-based contracts (PBC) and will be strengthened at the central level as well as at the ‘‘Lycées’’ and the clusters.

#### IV. Financing (in USD Million)

Total Project Cost:	71.50	Total Bank Financing:	35.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			20.00
International Development Association (IDA)			35.00
FRANCE Govt. of [MOFA and AFD (C2D)]			16.50
Total			71.50

#### V. Implementation

#### VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
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

**Comments (optional)**

#### VII. Contact point

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