



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

Appraisal Stage | Date Prepared/Updated: 12-Jun-2018 | Report No: PIDISDSA23955



BASIC INFORMATION

A. Basic Project Data

| | | | |
|--|--|---|-----------------------------------|
| Country Eastern Africa | Project ID P163399 | Project Name East Africa Skills for Transformation and Regional Integration Project (EASTRIP) | Parent Project ID (if any) |
| Region AFRICA | Estimated Appraisal Date 04-Jun-2018 | Estimated Board Date 30-Oct-2018 | Practice Area (Lead) Education |
| Financing Instrument Investment Project Financing | Borrower(s) Ministry of Finance and Economic Cooperation, Ministry of Finance and Planning, The National Treasury | Implementing Agency Ministry of Education, Inter-University Council of East Africa, Ministry of Education, Science and Technology, Ministry of Education, Science and Technology | |

Proposed Development Objective(s)

To increase the access and improve the quality of TVET programs in selected Regional TVET Centers of Excellence and to support regional integration

Components

- Strengthening selected Regional TVET Centers of Excellence for high quality skills development
- Capacity building for national TVET systems
- Enhancing regional collaborative capacity in TVET and project coordination

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

| | |
|---------------------------|--------|
| Total Project Cost | 220.00 |
| Total Financing | 220.00 |
| of which IBRD/IDA | 220.00 |
| Financing Gap | 0.00 |



DETAILS

World Bank Group Financing

| | |
|---|--------|
| International Development Association (IDA) | 220.00 |
| IDA Credit | 210.00 |
| IDA Grant | 10.00 |

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Region and Country Context

- 1. Sub-Saharan Africa has experienced remarkable growth over the last 15 years.** Gross domestic product (GDP) grew at an annual rate of 3.6 percent in 2000 and reached 5.4 percent in 2010. The growth rate, however, fell to under 3 percent in 2015 and dropped further to 1.2 percent in 2016. A sharp decline in commodity prices accounted for much of the decline, placing several of the region’s larger countries under severe strain. Additionally, a few countries in Eastern and Southern Africa experienced severe drought caused by El Nino that prompted a decline in agricultural production and cutbacks in hydroelectric generation. However, the global economic outlook has since improved to support a modest recovery in the region with regional growth estimated at 3.2 percent in 2018 and per capita GDP growth expected to turn positive in 2018.
- 2. Sub-Saharan Africa faces serious challenges in maintaining sustainable and inclusive economic growth.** These challenges include limited diversification in the economic structure that makes the economy vulnerable to price fluctuations in primary agriculture and oil and gas products. The recent slowdown serves as another reminder of the importance and urgency of economic diversification in Africa. Contributions to GDP from service, agriculture, and industry (including extractives and manufacturing) averages about 50:20:30 percent respectively. Africa’s industrial development has been stalled for some time. The share of manufacturing output remains low at about 16 percent. Traditional agriculture and the provision of services continue to dominate the structure of African economies. Low productivity further impedes the industrial transformation.
- 3. African countries, with support from international community, have shown strong commitments to transformation of the continent through industrialization.** National leaders have taken several major initiatives. Ethiopia’s Growth and Transformation Plan (GTP) Phase II, Kenya’s Medium-



Term Development Plan 2013–2018, and Tanzania’s National Five-Year Development Plan 2016/17–2020/21 are examples of such initiatives. The 2008 Africa Union Summit adopted the theme, ‘the industrialization of Africa’, which endorsed and adopted a plan of action for accelerating industrial development in Africa. In September 2016, the G20 Summit pledged support to the Africa industrialization Action Plan from developed nations as well as China. China is Africa’s largest trading partner and has undertaken steps to support the continent’s industrialization drive through expanding investments and financing large infrastructure projects. By 2016, China signed over 290 bilateral agreements with 54 African countries committing to invest over US\$66 billion in development projects in Africa. This investment has led to the creation of over 130,000 jobs in Africa.

4. **Regional integration is a key development and transformation strategy for Africa.** The small, sparsely populated, fragmented, and often isolated economies across Africa make a compelling case for these economies to integrate regionally to create larger markets, reduce barriers to trade and mobility of labor, and continue and accelerate economic growth and poverty reduction. The continent registers the lowest percentage of trade within the region worldwide—a mere 12 percent of total exports take place within Africa, compared with 25 percent in Association of Southeast Asian Nations and over 60 percent in the European Union. Regional integration has been an important development agenda for Africa since independence. The East African Community (EAC) embraces broad strategic regional integration goals of customs union, common market, monetary union, and political federation. The regional integration agenda was featured prominently in the African Union’s Agenda 2063 with an aspiration of being an ‘integrated continent with free movement of people, goods, capital, and services and infrastructure to promote integration’. The World Bank’s new Africa Regional Integration Strategy further espouses regional integration as a key strategy for support to Africa.

5. **Regional economic corridors and sector markets are strategic pathways that can attract foreign investment and unlock growth potential.** African countries have rolled out several initiatives, including the Northern Corridor Integration Project (NCIP) and the Central Transport Corridor Project. Simultaneously, integration of the commodity market is critical for smoother and faster trade flows and cost reduction, thereby creating employment, industrial links, economic diversification, and structural transformation. Some sectors may provide opportunities to develop regional markets and value chain: regional power pools, digital and telecom markets, financial services, agriculture products, and the market for skilled labor.

6. **The NCIP seeks to open markets and support trade by providing a transportation gateway through Kenya to landlocked countries like Ethiopia, Rwanda, Uganda, and South Sudan.** The NCIP also serves Tanzania. The concept of the NCIPs was adopted in 2004 by Africa heads of states to promote regional cooperation in trade, monetary policies, energy, transport, tourism, culture, environment, information and communication technologies (ICTs), and in telecommunications, with an emphasis on railways, oil pipelines, submarine cables, and optic fiber network connections. Key NCIPs include the construction of the standard gauge railway, regional power trade, the strengthening of a single customs territory, and collaboration of infrastructure technology, including regional mobile financial services and the implementation of the one area network.

7. **The Central Corridor Transit Transport Facilitation Agency forms the mainstay of the regional transportation system for import and export of goods and transport of passengers.** It was established in 2006 to connect Tanzania, Burundi, Rwanda, Uganda, and the eastern part of the Democratic Republic of



Congo through roadways, rail, and inland waterways. Key programs include transport policy and planning, customs and trade facilitation, infrastructure development, logistics and transit facilitation, and communications and advocacy.

8. **Six East African presidents recently endorsed 17 high-impact flagship projects** expected to further enhance connectivity between the states and boost the region's competitiveness for trade. Projects worth over US\$78 billion (about T sh 285 trillion) in transport, energy, and port were approved at their fourth annual retreat at Speke Resort Munyonyo in Kampala in February 2018. Projects include the Lake Victoria and Tanganyika transport projects covering Kenya, Rwanda, Uganda, Tanzania, and Burundi; construction of the 1,200 MW Rufiji hydro-power project in Tanzania; and upgrading of the 434 km Handenin-Kiberashi-Kwamtoro-Singida road.

9. **The ongoing economic transformation and regional integration projects in Sub-Saharan Africa is boosting the demand for educated and skilled labor.** Montenegro and Patrinos (2014)¹ observed, in a global comparative study of the returns to education, that the five economies with the highest returns are Rwanda, South Africa, Ethiopia, Namibia, and Burundi are all from Africa. There is a large gap between the demand and supply of education and skills in Africa. Low levels of education and training impedes the productivity of the African labor force and perpetuates the vicious cycle of low economic growth, low diversification, and low education development. While significant gains have been made in access to secondary education, only 36 percent of qualified students are enrolled. In higher education, only 6 percent of the eligible age group are enrolled compared with the global average of 25 percent.² Among those enrolled in higher education, less than 30 percent major in science, health, ICT, and engineering programs. Enrollment in upper secondary vocational education is particularly low at 11.8 percent.³ According to the 2015 World Bank Enterprise Surveys, over 25 percent of the formal firms surveyed in Sub-Saharan Africa identify an inadequately educated workforce as a major constraint, and over 29 percent of all production workers are rated unskilled workers by these firms. And these are likely to be low estimates.

10. **Shortage of specialized technical and vocational education and training (TVET) skills is particularly acute in transport, energy, manufacturing, including agro-processing, and ICT and, if not addressed, could seriously dampen the industrialization and integration agenda.** A careful mapping of skills needs assessment for the East Africa Skills for Transformation and Regional Integration Project (EASTRIP) sectors provides concrete statistics to illustrate the extent of such skills shortage. For example, the Ethiopian Railway Corporation (ERC) forecasts that there is a demand for 11 technicians per kilometer of railway. Based on different scenarios, the ERC estimates demand for 82,878 railway technical workers just in Ethiopia for 2015–2044. The Ethiopian Ministry of Industry projected the need for about 400,000 skilled workers for textile, leather and garments, and agro-processing alone. Another example is in the energy supply and access which is an integral part of the EAC's development strategy. The EAC has implemented a regional strategy to scale up access to modern energy services⁴. The geothermal potential

¹ Montenegro, C., and H. Patrinos. 2014. "Comparable Estimates of Returns to Schooling Around the World." <https://openknowledge.worldbank.org/bitstream/handle/10986/20340/WPS7020.pdf?sequence=1&isAllowed=y>.

² The Africa-America Institute. 2015. *State of Education in Africa Report 2015*. New York, NY. <http://www.aaionline.org/wp-content/uploads/2015/09/AAI-SOE-report-2015-final.pdf>.

³ World Bank 2014 data. <http://databank.worldbank.org>.

⁴ Deloitte. 2015. *Sub-Saharan Africa Power Trends Power disruption in Africa*. <https://www2.deloitte.com/za/en/pages/energy-and-resources/articles/sub-saharan-africa-power-trends.html>



for the East Africa region exceeds 15,000 MW and represents a US\$40 billion investment opportunity. The United Nations Environment Programme (UNEP) (2015) estimates 12,044 professional and technical staff in the geothermal industry against 861 technical staff working in geothermal institutions in the region (table 1).

Table 1. Mapping of East Africa Regional Projects and TVET Skill Demand

| Sector | Project and Investments | TVET Skill Demand |
|--------------------------|--|---|
| Transport/Infrastructure | NCIP and Central Corridor Initiative Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor Project; US\$24.5 billion investment in infrastructure for major regional railway projects (Addis-Djibouti, Tanzania-Burundi-Rwanda) Standard gauge railways of NCIP is estimated to be a US\$14.8 billion investment | NCIP: 3.4 times workforce required for maritime transport and shipping logistics in 10 years (4,500 to 15,500) LAPSSET: Total employment likely to be generated by the port and its related activities amounts to 200,000 jobs net Ethiopia: Estimated demand for 82,878 technical workers in the railways in Ethiopia for 2015–2044 |
| Power/ Energy | East Africa Power Pool and other energy-related regional projects/initiatives Geothermal institutions in Africa Rift Valley System The geothermal potential for the East Africa region exceeds 15,000 MW and represents a US\$40 billion investment opportunity. | Ethiopia: 8,000 to 11,500 TVET-level graduates required by 2025 for the Ethiopian energy sector Geothermal in the region: 2,943 technical staff required by 2020. 1,200 professional and technical staff required between 2015 and 2030 |
| Manufacturing | Industrial parks/export processing zones, for instance, US\$1.5 billion investments in agro-industrial parks in Ethiopia | Ethiopia: 1.5 million job opportunities will be created in the manufacturing sector by 2025 |
| ICT | According to NCIP skills audit, a wide range of ICT skills are required in the region, such as systems engineering, software engineering and application development Central Corridor developers plan to have unified mobile phone tariffs across Central Corridor countries (i.e. Tanzania, Rwanda, Burundi, DRC) | NCIP: Regional demand for ICT skills expected to increase 3.7 times over the next 10 years (8,300 to 30,600) |

Sectoral and Institutional Context

11. **TVET is gaining momentum in the developing and developed world as a policy priority to increase labor productivity and enable economic transformation.** According to the 2018 world development report titled 'Learning', TVET can yield wages on par with equivalent levels of general education. In Brazil, workers with upper secondary TVET earn wages about 10 percent higher than those workers with a general secondary education. TVET can be a powerful engine of economic restructuring



and transformation as amply demonstrated in the Republic of Korea, Singapore, and now China, countries where TVET has been explicitly used as an instrument and channel for technology transfer and skills upgrading of workers. TVET is also associated with promoting social inclusiveness and poverty alleviation as it tends to attract students from lower socioeconomic backgrounds who have lower probabilities of reaching higher education.

12. **TVET in Africa, however, receives less policy and financial support from governments.**⁵ African countries on average devote about 2 percent to 6 percent of education budgets to TVET, compared to 10–30 percent to higher education. Inadequate, and often unequal, financing mechanisms for TVET undermine access, equity, and efficiency. Secondary TVET enrollment⁶ in Ethiopia was at 38 percent (2012), Uganda at 21 percent (2008), Rwanda at 15 percent (2013), and Kenya at less than 2 percent (2009). Female enrollment in TVET in technology and engineering fields is especially low. Data on employment after graduation and relevant to the program of study are often scant. TVET institutions do not commonly carry out graduate tracer studies. According to the limited data available, TVET employment rates six months after graduation vary widely from 23 percent in Botswana, 52 percent in South Africa, 55 percent in Zambia, 69 percent in Tanzania, and 86 percent in Malawi.

13. **African TVET institutions are struggling with widespread low funding, lack of training facilities and equipment, out-of-date curriculum and pedagogy, faculty with low competency, low pay, and low morale.** TVET institutions have no systematic approaches to engage industry to understand and translate market demands into curricula. Recent assessment of Uganda and Tanzania highlight the following: low quality and relevance of skills development programs; outdated curricula, curricula lacking in attention to soft skills; focus on theory over practice, chalk-and-talk type instruction, teachers without industry-based or in-service training, and poor infrastructure and ill-equipped workshops with nonfunctioning equipment. In Kenya, recent findings from a training assessment project (2016) implemented by the World Bank in 50 TVET institutions revealed that only 60 percent of the institutions had functional equipment and less than 30 percent of this pool reported having enough equipment for all students. Urgent policy attention, financial, and technical support is needed for capacity building at the grassroots provider level across the African countries.

Regional Approach to TVET Development

14. **A regional approach to developing the specialized TVET skills can have a number of benefits,** including exploiting economies of scale to lower costs of training for individual countries on specialized and industry certified training programs, harmonizing standards and qualifications for selected occupations and facilitating labor mobility, promoting peer learning among countries and sharing good policies and practices, and targeting employment toward regional economic corridors such as the Northern and Central Corridor Initiatives and other mega infrastructure projects in the region.

15. **Economies of scale to lower the cost of training for individual countries.** Creating a small cluster of regional TVET Centers of Excellence serving regional corridors, sector markets, and industrial parks can

⁵ TVET traditionally refers to preservice and formal school-based training at secondary and tertiary levels. Increasingly, however, TVET is also being used to refer broadly to include in-service and short-term training taking place in formal as well as workplace settings. The EASTRIP project documents use the term 'TVET' to refer primarily to specialized formal diploma and degree TVET programs.

⁶ World Bank 2014 data, through <http://www.factfish.com/country-selection>.



spread the cost of what would otherwise be costly training investments for each country. Each center will specialize in specific sectors and occupations with niche programs in highly specialized TVET diploma and degree programs, as well as industry recognized short-term courses. Mobility of students, graduates, and faculty will facilitate a healthy exchange of skilled labor within the region so that each country does not have to produce all the skills at once. The sharing of standards, curriculum, and training facilities will help reduce costs for each center. At the same time, demonstrations will help inform and guide the broader array of national TVET reforms in these countries. The regional TVET Centers of Excellence can serve the labor needs of major regional infrastructure projects.

16. **Harmonization of standards and mutual recognition of qualifications to promote labor mobility is an important component of the regional integration agenda.** The free movement of people and related rights on entry, residence, and establishment is an essential pillar of the long-term goal of the Abuja Treaty to create a continental free trade area and common market. Movement of people and labor would complement (and foster) mobility of capital—foreign direct investment (FDI) and domestic business creation—which often requires entrepreneurs and highly skilled managers, professionals and technicians, and skilled crafts and trades workers to move across borders. People and labor mobility will also facilitate specialization in goods and service sectors where the member states may have a comparative advantage, such as in extraction of mineral resources, manufacturing, tourism, education, and professional services. The protocols of the free movement of people have been progressing, but the mutual recognition of qualifications remains a work in progress. EASTRIP through its center, national, and regional integration will help address the harmonization of standards and promote mutual recognition of qualification in priority occupations.

17. **Regional approach to TVET can help incubate a TVET entity within the EAC that can advocate and coordinate a regional TVET strategy and facilitate TVET harmonization and mobility of labor.** Member states in the EAC signed mutual recognition agreements on skills qualifications as part of negotiations on the EAC Common Market Protocol, but it focuses mostly on highly skilled workers (several professional service sectors) and not much on medium-skilled/low-skilled workers.⁷ In the recent EAC high-level meeting on TVET in May 2017, members again called for harmonization and mutual recognition in TVET in the EAC. Without an effective regional entity that has the mandate and capacity dedicated to TVET, such efforts are unlikely to be successful and sustainable. Adopting a regional approach provides an opportunity for the project and participating countries to create a platform and seed capacity for such a regional entity in the EAC.

18. **A network of regional TVET Centers of Excellence can provide a learning and knowledge-sharing platform critical for sustainable TVET development at the national and regional levels.** Such benefits are often underestimated. Yet the experience of the Africa Higher Education Centers of Excellence (ACEs) clearly demonstrate that ACEs hugely value these opportunities and have effectively used them for joint research and faculty exchanges. Compared to higher education, TVET institutions are even more inward looking. A regional approach will broaden the perspective and experience of these institutions.

19. **A regional centers of excellence approach can complement existing national skills and TVET programs and create synergy.** Over the last decade, there has been a wave of attempts to revamp the TVET systems in Africa, with prominent focus on establishing national TVET legal and regulatory

⁷ See the East African Community Common Market (Free Movement of Workers) Regulations Annex II.



framework, quality assurance, and top-level mechanisms to work with the private sector. On balance, however, it seems that less attention has been devoted to institutional capacity building at the provider level, benchmarked to regional or international standards. A recent training provider assessment in Kenya revealed a general lack of updated training facilities, most instructors with little industry experience, and graduates of these institutions have difficulty finding employment. About half of them find employment with an average monthly income of US\$175. Thus, the regional center of excellence approach can complement the national TVET reform program and efforts. For example, in Tanzania, the national IDA-financed Education and Skills for Productive Jobs Project supports capacity building for national TVET agencies, including Ministry of Education, Science, Technology and Vocational Training (MoESTVT), Tanzania Education Authority (TEA), Higher Education Students Loans Board (HESLB), Vocational Educational and Training Authority, National Council for Technical Education (NACTE), Tanzania Commission for University (TCU), and Skills council, as well as private and public training providers and skills management information system. EASTRIP can complement the Education and Skills for Productive Jobs Project by intensive technical and financial support to the four selected Tanzanian TVET institutes, furthering them to regional and international TVET policies and practices and contributing to regional harmonization efforts in TVET.

20. **Globally, the centers of excellence approach has been used in different sectors, including in the TVET sector that has been proven effective in not only serving the short-term needs of skills provision but also in catalyzing national reform and injecting dynamism to the system.** For example, the Korean government, as recently as 2010, converted a selected number of high schools into Meister Vocational High Schools that partner with companies in specific industries to create educational experiences tailored to the needs of the workforce. Currently, about 20 Meister Vocational High Schools are developing specialized skills jointly with industries. In the early 2000s, to reorient the TVET system to become more demand driven and relevant, the Chinese Ministry of Education designated 100 model tertiary TVET schools and 1,000 model secondary TVET schools as national champions for TVET reform and provided concentrated financial and technical assistance to these schools. These schools pioneered various mechanisms in school governance, links with industries, and incentives for instructors to promote relevant TVET programs, which are not being replicated by other TVET providers, both public and private. A model of centers of excellence has been working well in the African context. Across Africa, 46 centers were established in higher education and the research subsector, and progress has been made in terms of the expansion of student enrollments in the short term, master and doctoral programs that have a close link to the industry, and excellent and relevant applied researches, meeting global standards.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

21. To increase the access and improve the quality of TVET programs in selected Regional TVET Centers of Excellence and to support regional integration. The project supports the development of highly specialized TVET programs at diploma and degree levels for training of technicians and TVET faculty, as well as industry recognized short-term training, targeting regional priority sectors in transport, energy, manufacturing, and ICT. The PDO will be achieved through complementary interventions at three different levels—center, national, and regional.



Key Results

22. The PDO will be measured by the following key PDO-level and intermediate results indicators:
 - (a) **PDO Indicator 1:** Student enrollment at regional TVET centers (by type of program, by gender, by country of origin)
 - (b) **PDO Indicator 2:** Graduate employment rates six months after graduation
 - (c) **PDO Indicator 3:** Number of demand-driven programs developed
 - (d) **PDO Indicator 4:** Number of qualifications developed that are bilaterally or regionally recognized
 - (e) **PDO Indicator 5:** Beneficiary satisfaction (student and employer surveys)

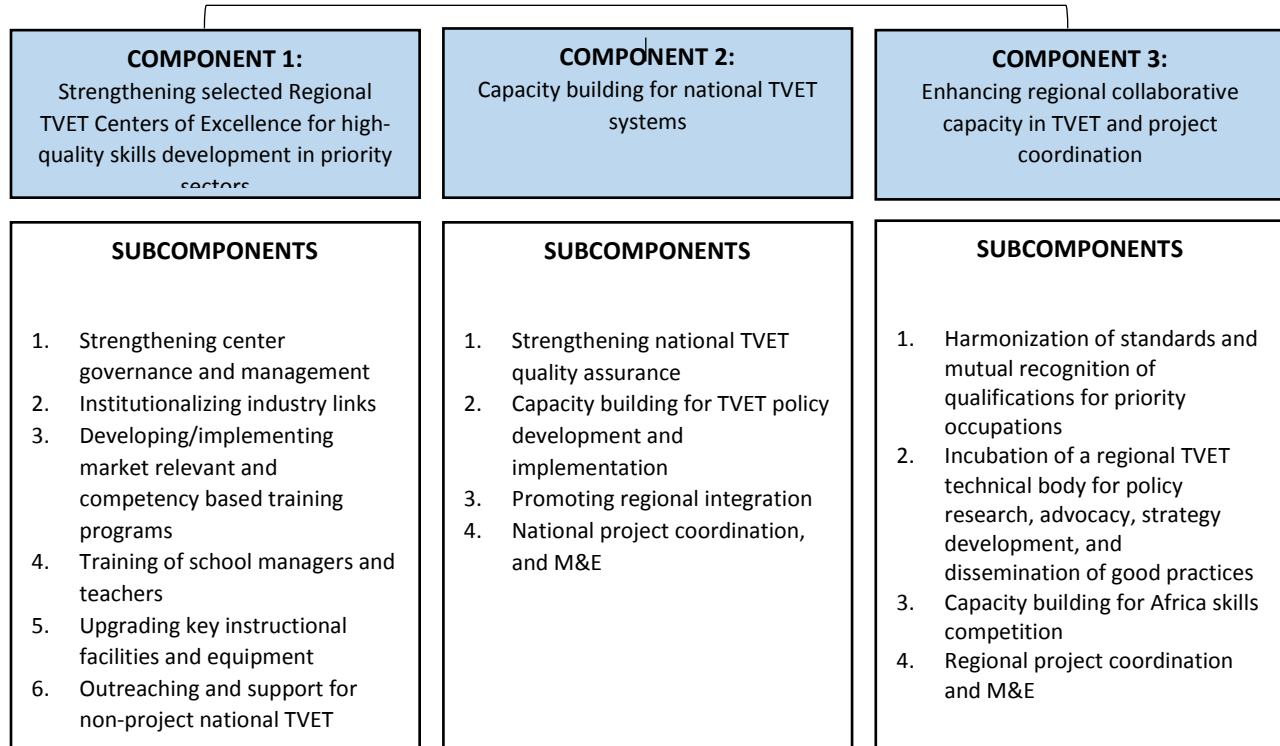
23. The key intermediate results indicators are as:
 - (a) Industrial advisory board established with 50 percent representation of industries
 - (b) MoUs signed with industries and partner institutions
 - (c) Number of teaching staff in flagship TVET institutions who have industrial attachment
 - (d) Number of teaching staff who undertake exchanges in another country
 - (e) Income generation by centers
 - (f) Tracer study conducted annually

D. Project Description

24. The Project's proposed PDO and results will be achieved through activities grouped under the following three components (see Figure 1). Specific priority sectors include transport, energy, manufacturing including agro-processing, and information and communications technology.



Figure 1. Project Components and Subcomponents



Component 1: Strengthening selected Regional TVET Centers of Excellence for high-quality skills development in priority sectors (US\$189 million IDA credit)

25. The objectives of this component are to strengthen the capacity of the 16 TVET centers to produce skills for the regional sector markets in railway, highway, port management, energy, light manufacturing, and ICT. Training programs will be developed based on standards and qualifications recognized by the industries operating in the East Africa regional markets. Each center will have a specific specialization with a set of training qualifications and enable students from countries across the East Africa region to join the programs. This will reduce the cost of provision through economies of scale.

26. Transformation of these centers to serve the regional markets will require action along the following lines: (i) understanding the demand side skills requirements of the regional markets and identifying specific skills and qualifications the center will focus on, (ii) understanding the capacity gaps in the host TVET institute and the center in terms of faculty, curriculum, provision of training facilities, and governance and management, (ii) rallying the institutional and national support for the center for its new role as regional TVET center, and (iii) developing and implementing a Strategic Investment Plan, in close collaboration with industries that would ensure the provision of key inputs for center transformation and delivery of skills.

27. Thus, the component will finance the development and implementation of center specific five-year Strategic Investment Plan (SIPs). Drawing on international “best practices” of TVET institutional reform, SIP guidelines were developed to promote a virtuous and sustainable cycle of demand-driven



TVET program development and implementation, along five inter-related subcomponents 1) strengthening center governance and management, 2) institutionalizing industrial linkages at center and program levels, 3) developing market relevant and competency based training programs (modularized if possible), 4) training managers and teachers to upgrade their technical knowledge, practical skills, as well as to promote student-centered pedagogy and ICT competency, 5) provision of key training equipment and facilities, and finally 6) outreach and support for non-project national TVET centers in order to maximize the spillover effects of the Project. Worth highlighting is that the Project will explicitly encourage innovation and use of technology in the delivery of training and in promoting innovation and in-house production. These include potentially the use of Fab Lab⁸ models, smart classrooms, project-based learning, virtual reality technology, and provision of simulation training facilities such as the simulation power transmission station to provide the students and faculty a close to real life work environment to maximize the training impact.

28. A special focus of the centers would be to promote inclusion of girls. Female students are seriously under-represented in particular in STEM related TVET fields. For example, as low as 6% of students in the Ethiopia automotive, railway, and manufacturing centers are girls. To address the gender equity issue, the EASTRIP centers are required to undertake gender analysis, stakeholder consultation, and set gender equity targets for both students and faculty. Drawing on international practices related to gender, a menu of interventions that can help reduce the gender gaps at the center level were provided. Each center is encouraged to incorporate these interventions into the SIP and cost the associated expenditures. An overall 20% of female enrollment is targeted under the project. Gender breakdown in enrollment will be monitored throughout the project.

29. Further, the cluster of the centers at the national level is expected to exert a demonstration effect onto the rest of the national TVET system. In addition, a specific subcomponent is designed to incentivize the centers to partner with non-project centers through both horizontal exchanges as well as vertical articulation of programs at different levels (such as from certificate to diploma and to bachelor levels).

30. Each center will be its own implementing agency, upon signing of a performance agreement with the government based on the approved SIP. A project staffing guideline has been issued to the centers and requires full complement of technical as well as project functions in financial management, procurement, monitoring evaluation, safeguards including a gender focal point, and industrial liaison officer. Financing to the centers will be channeled through a results-based financing approach with disbursement linked indicators (DLI) linking the funding with a mix of output and process indicators aligned with the objectives of access, quality and regional integration). A third-party verifier will be recruited to verify the fulfillment of the DLIs. This component will finance Eligible Expenditure Programs (EEP) including salaries and expenditures for the SIP in works, goods, and consultancies. To ensure gender balance and regional integration goals, DLIs on enrollment will have higher incentives for female and regional students.

Component 2: Capacity Building for national TVET Systems (US\$21 million IDA credit)

31. As described in the Strategic Context, the lack of national enabling policy environment is a critical constraint to service delivery at the TVET centers. An important lesson learned from the higher education

⁸ <http://fab.cba.mit.edu/about/faq/>



ACE project is that national level interventions can be critical to create an enabling environment for the ACEs and ensure regionality. For example, for the students and faculty to move across countries, ministries of education need to develop policies and guidelines on mutual recognition of qualifications. And for the centers to develop new programs, the capacity in the national TVET accreditation body will need to be strengthened so that national standards are available and efficient process can be used to approve the programs.

32. Therefore, under this component, the project will finance the development policy and guidelines to facilitate student, graduate, and faculty mobility, industrial partnership, and strengthen the capacity of national agencies that are responsible for approval of occupation standards, model curriculum, and accreditation of TVET programs. In particular, the project will finance interventions in four subcomponents: (a) strengthening national TVET quality assurance, as it relates to the regional TVET Centers of Excellence, (b) capacity building for TVET policy development and implementation, (c) promoting regional integration, and (d) facilitating national project coordination and M&E.

33. The project will allocate up to 10 percent of the total IDA credit to support national-level capacity in the abovementioned subcomponents. The national ministries of education and/or relevant quality assurance agencies will act as implementing agencies for this component. IDA funds will be channeled to the national implementing agencies through RBF. Specific DLIs for the quality assurance process especially as it relates to the regional TVET centers, regional integration, and capacity development have been identified along with annual targets/results for each indicator. This component will finance EEPs in salaries and works.

Component 3: Enhancing regional collaborative capacity on TVET and project coordination (US\$10 million regional IDA grant)

34. A regional component is needed to coordinate and support the sixteen centers in the three countries. A regional platform is critical for networking, knowledge sharing, and for the development of regional public goods to promote the regional integration objective. While scanning the landscape of regional institutions in East Africa, it became clear that there does not yet exist a technical body that has the mandate to advocate for TVET and to coordinate regional TVET policies and strategies in East Africa. Under this component, the project will finance regional activities aiming to strengthen regional collaborative capacity in TVET, ensure sustainability of the TVET centers beyond the IDA-financed project as well as to support project coordination. Specifically, the following subcomponents and activities will be implemented: (a) harmonization of standards and mutual recognition of qualifications for priority occupations; (b) incubation of a regional TVET technical body for policy research, advocacy, strategy development, and dissemination of good practices; (c) capacity building for a regional skills competition; and (d) regional project coordination, monitoring and evaluation.

35. A Regional Facilitation Unit (RFU) has been recruited to implement the component. The Inter-University Council for East Africa (IUCEA) under the EAC was nominated by the EAC Secretariat to coordinate the incubation of a regional TVET body and all centers of excellence projects in the region. IUCEA Act 2009 further provides for a mandate over “tertiary colleges” in addition to the core mandate of higher education. Due to the relative lack of experience in TVET matters however, IUCEA will only directly manage the subcomponent (d) regional project coordination and project monitoring and evaluation. For subcomponents (a) and (b), IUCEA will develop terms of reference for technical assistance



and to help establish regional skills councils, develop regional standards and qualifications, and incubate a TVET Council for East Africa. For sub-component (c), IUCEA will source technical assistance and organize competition so that EASTRIP centers can rotate hosting the regional skills competition. IUCEA will pass grants to winning host institutions to carry out skills competition in sub-component (c).

36. The regional component will produce a set of harmonized standards toward mutual recognition of qualifications for priority occupations supported by EASTRIP in project countries. It will incubate an East Africa TVET Council in terms of developing a governance structure, mobilizing sustainable financing, and developing a regional strategy for TVET. It will help with developing the framework and piloting an annual regional skills competition following the WorldSkills⁹ model. Finally, the RFU will support the dissemination of project lessons learned, networking, coordination and capacity building of the 16 regional TVET centers and the three national TVET systems.

37. Implementation of this component will follow Investment Project Financing (IPF), based on an agreed work plan and Procurement Plan. The IUCEA is in the process of recruiting dedicated project personnel for the project. Preparation of a Project Preparation Advance is also under way.

E. Implementation

Institutional and Implementation Arrangements

38. EASTRIP is designed to have three levels of intervention, at the TVET center, national, and regional levels, as outlined in the project description. Correspondingly, a three-layered project implementation approach is followed. The proposed implementation arrangement follows the successful model for the ACEI and ACE II projects and their lessons. The following are the three tiers of the governance and implementation arrangement proposed for the project (Figure 2):

- (a) **The regional TVET Centers of Excellence will be responsible for center-level project implementation.** The centers will establish a project implementation unit (PIU) for strategic planning and implementation of the approved plans, based on core functions including management, technical, industry liaison officer, fiduciary, safeguards including a gender focal point, monitoring and evaluation, and other requirements as assessed and recommended by the World Bank and agreed with the counterparts. The center level PIUs will work closely with the management of the host TVET institutions. In addition, an Industrial Advisory Board (IAB) will be established to provide guidance on industry collaboration.
- (b) **A National Project Coordination Unit (NPCU)** will be established in the country's ministry of education with key project functions. The NPCU will work closely with national TVET quality assurance agencies to execute the national component of the project and further provide national-level coordination, M&E, and dissemination of good practices from the centers.
- (c) The IUCEA, as the RFU will support the centers and national agencies in their implementation of the project. Further, the RFU will implement a number of regional initiatives. It will provide knowledge sharing and coordination of sector activities. The RFU will be led by a

⁹ <https://www.worldskills.org/>.

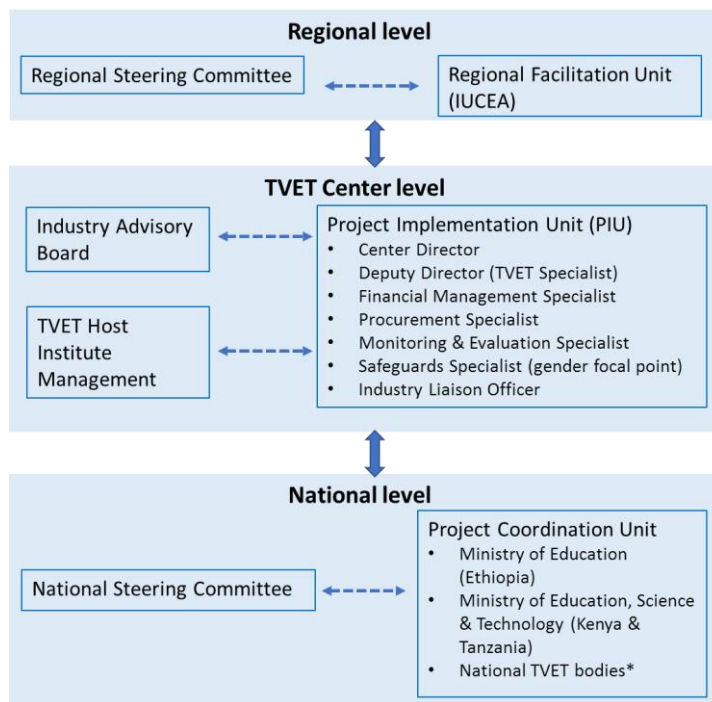


project coordinator, who will be responsible for overall project coordination and facilitation, and an adequate number of professional staff in key function areas, including a finance officer, a procurement officer, an M&E officer, and a training and capacity-building officer.

39. In addition, Project Steering Committees will be established at national and regional levels with representation from relevant government agencies and industries to ensure political commitment and direction for the project. A National Steering Committee will comprise of representatives from relevant sector ministries as well as industries. A Regional Steering Committee will comprise of representatives of ministries of education and major regional industries from transport, energy, manufacturing and ICT sectors. Finally, a regional TVET expert team will be established to advise on technical matters.

40. National steering committee at country level will be streamlined with existing project steering structure of other relevant World Bank projects in higher education and skills. For example, EASTRIP Tanzania national steering committee may be the same core steering committee as for the Eastern and Southern Africa Higher Education Centers of Excellence (ACE), Education and Skills for Productive Jobs (ESPJ) and the new higher education project. Figure 2 depicts the project implementation arrangements.

Figure 2. Project Implementation Arrangements



Source: Created by the team

***National TVET bodies**

Ethiopia: Ministry of Education (Federal TVET Agency)

Kenya: Ministry of Education, Science & Technology (TVET Authority: TVETA; Curriculum Development Assessment and Certification Council: TVET CDACC)

Tanzania: Ministry of Education, Science & Technology: MoEST (National Council for Technical Education: NACTE; Vocational Education & Training Authority: VETA; Tanzania Commission for Universities: TCU)



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

The Project will be located in selected Africa TVET institutions centers in Ethiopia, Kenya and Tanzania. There will be upgrading of institutional facilities and rehabilitation of the selected institutions. The need for new construction will be assessed as part of the project preparations. In general the project will seek to avoid new construction as the project aims to focus on quality enhancements of the Centers of Excellence, where majority of the funding will be on "softer items" i.e. faculty and curriculum development, scholarships and learning resources being some of these quality enhancement activities. A clear covenant on limiting the civil works allowed under the project will be established. The project preparation will assess if the land acquisition and compensation will be required for upgrading activities.

G. Environmental and Social Safeguards Specialists on the Team

Catherine Asekenye Barasa, Social Safeguards Specialist
Ben Okindo Ayako Miranga, Environmental Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies | Triggered? | Explanation (Optional) |
|--|------------|--|
| Environmental Assessment OP/BP 4.01 | Yes | Environmental and social impacts of rehabilitating academic/research institutions are expected to be low to moderate. As the project designs are not known at the time of project preparation, generic ESMFs were prepared for Kenya, Uganda and Tanzania proposing a screening mechanism and follow up preparation of ESIA or ESMP based on national and OP 4.01 requirements. During implementation center-specific assessment or plan will be prepared to manage environmental and social impacts, which will include a set of public consultations and disclosure. |
| Performance Standards for Private Sector Activities OP/BP 4.03 | No | |
| Natural Habitats OP/BP 4.04 | No | |
| Forests OP/BP 4.36 | No | |
| Pest Management OP 4.09 | No | |



| | | |
|--|-----|--|
| Physical Cultural Resources OP/BP 4.11 | Yes | Physical cultural resources could be affected if a supported training center is located near such resources or have physical cultural resources on their campus. Once the selection of the supported universities has been finalized, the specific location of campuses will be known and the potential impact on physical cultural resources will be assessed concretely. The ESMFs (and subsequent ESIA/ESMPs) include “chance finds” and cultural resource management procedures. |
| Indigenous Peoples OP/BP 4.10 | No | |
| Involuntary Resettlement OP/BP 4.12 | No | Project activities are only expected to include minor civil works since the project focuses on quality improvements. All civil works will take place on existing campus grounds. During project preparation if there are activities identified that require land acquisition and/or restriction of access to resources or loss of livelihoods, a RAP or a compensation notes will be prepared for such institutions. |
| Safety of Dams OP/BP 4.37 | No | |
| Projects on International Waterways OP/BP 7.50 | No | |
| Projects in Disputed Areas OP/BP 7.60 | No | |

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

Environmental and social impacts of rehabilitating academic/research institutions are expected to be low to moderate. An ESMP will be prepared for to describe typical activities planned under the project to cover each candidate institution to manage environmental and social impacts. The ESMP will be prepared, consulted upon, and disclosed before appraisal. Before implementation, each institution will undergo a training on ESMP application and review of relevant safeguards implementation arrangements.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: No indirect or long term impacts are anticipated due to proposed activities in the project area.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Project interventions are designed at a center level with a target to minimize environmental and social risks and avoid land acquisition and resettlement. A clear covenant on limiting the civil works allowed under the project will be



established.

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

As the design of the specific project interventions is not known at the time of project preparation, and ESMF will be prepared by the project implementation team for each of the countries, with a screening checklist and generic mitigation measures for the types of infrastructure activities proposed. Once the designs are finalized, each center will prepare either an ESIA or ESMP (based on the requirements of the WB OP4.01 and national legislation), which will be publicly disclosed following a set of public consultations. Each center-specific ESIA or ESMP will be reviewed and approved by the Regional Coordination Secretariat. The Regional Coordination Secretariat will also be responsible for ensuring proper oversight of the adherence to of selected institutions to safeguards requirements set forth in the ESIA/ESMPs.

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

Before the project launch a safeguards workshop will be held with the representatives of all participating centers to review the safeguards compliance requirements and appropriate mitigation measures. A Grievance Redress Mechanism will be established throughout the project structure to collect and respond to any public information requests/ grievances related to project activities.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

| | | |
|-----------------------------|-----------------------------------|--|
| Date of receipt by the Bank | Date of submission for disclosure | For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors |
| 31-May-2018 | 31-May-2018 | |

"In country" Disclosure

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

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?



Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

The World Bank Policy on Disclosure of Information

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

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

All Safeguard Policies

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

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

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

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

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APPROVAL

| | |
|----------------------|---|
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|----------------------|---|

Approved By

| | | |
|---------------------------|----------------|-------------|
| Safeguards Advisor: | | |
| Practice Manager/Manager: | Toby Linden | 28-Jun-2018 |
| Country Director: | Paul Nounba Um | 28-Jun-2018 |