

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

Report No.:AB5791

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Project Name	Skills Development Support Project
Region	Africa
Country	Islamic Republic of Mauritania
Sector	EDUCATION
Lending Instrument	SIL
Project ID	P118974
Parent Project ID	N/A
Borrower(s)	The Government of Mauritania
Implementing Agency	Direction des Projets Education & Formation (DPEF) within the Ministry of Economic Affairs and Development
Environmental Screening Category	[]A []B [X]C []FI []
Date PID Prepared	October 12, 2010
Estimated Date of Appraisal Completion	February 11, 2011
Estimated Date of Board Approval	April 26, 2011
Concept Review Decision	Processing Track 2 and Implementation Risk “High”

I. Introduction and Context

A. Country Context

1. Mauritania’s political landscape has been marked since August 2005 by a series of coups d’état and democratic transitions and has since July 2009 started on a new path to stability with the democratic election of its current president. Mauritania’s economic growth has been averaging 4.8 percent between 2001 and 2004, reaching 5.4 percent in 2005 and surging to 11.4 percent in 2006 due to the start of oil production¹. The non-oil GDP growth was 4.6 percent in 2006 and 5.9 percent in 2007 but the economic performance deteriorated sharply in 2008 to 2009 due to both domestic and external shocks. The global food and fuel price increases weakened the fiscal and external positions. At the same time, oil revenues were recently reviewed as having dropped. Due to these shocks, non-oil real GDP growth is estimated at -0.9 percent in 2009, down from 4.1 percent in 2008².

2. However, Mauritania urgently needs diversification from its natural resource revenues (oil, iron ore, copper etc.) as well as productivity gains in key economic sectors, including

¹ Despite recent socioeconomic progress, Mauritania ranked 137 out of 177 countries in the Human Development Index (2008)

² World Bank. Mauritania Country Brief. Accessed at:

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/MAURITANIAEXTN/0,,menuPK:362350~pagePK:141132~piPK:141107~theSitePK:362340,00.html>

manufacturing, agriculture, manufacturing and services. To develop a sustainable, diversified economy outside natural resource exploitation, the country needs to continue reforms to addresses critical constraints to growth that hamper private business development.³

B. Sectoral and Institutional Context

Sectoral context

3. The unemployment rate is high (approximately 48.3 percent of the working age population), which suggests a lack of employment opportunities, a mismatch of skills and labor market rigidities that often drives individuals into self-employment and precarious wage earning jobs.

4. Approximately 85 percent of the labor force is considered informal, with the majority being women in urban areas and between the ages of 19 and 25 years,⁴ leading to a low level of skilled workers available for the formal sector.

5. According to the National Household Survey (EPCV) 2004, one in every five firms in Mauritania reports skills and education of the workforce as the major constraint to their productivity, with specializations being mainly in law, economics and geography at the expense of engineering, accounting, mechanics, architecture and agronomy. Despite the lack of skills, Mauritanian firms are unlikely to provide training to improve their workforce's skills level and there is a gap between the education curricula and the labor market needs (as evidenced by a 50 percent unemployment rate among young graduates), prompting firms to hire foreign workers instead and thus creating a vicious cycle. To make matters worse, 48.8 percent of the work force does not know how to read and write fluently, 41.9 percent does not know how to read and write at all and approximately 43.9 percent of the population never actually went to school, making them unsuitable for the formal sector.

6. As the government rolls out the implementation of institutional reforms that aim at making the provision of TVET demand-driven by (i) strengthening a new autonomous institution; (ii) developing more flexible training modes; (iii) monitoring the insertion of graduates to jobs; and (iv) developing school financing and management mechanisms based on performance, the project will provide support through the strengthening of the Technical and Vocational Training Support Fund (TVTF) and the improvement of the institutional efficiency of TVET.

Institutional Context

7. Recently an institutional reform has been launched to make TVET more demand-driven. Currently the institutional framework is composed of:

³ Global Competitiveness Index (2009). Mauritania lags in the World Bank (2009) Doing Business Survey in which it ranks 160 out of 181 economies and ranks 131th out of 134 countries in terms of business competitiveness

⁴ 96 percent of the population in the informal sector is between the ages of 19 and 25 years

- (i) **the newly created Ministry of Employment and Vocational and Technical Training** (responsible agency for TVET subprograms);
- (ii) **an inter-ministerial committee** (review sector policies and coordinate training programs);
- (iii) **the National Institute to promote Technical and Vocational Training** (INAP/FTP - has broad responsibilities over the coordination of sub-sector activities);
- (iv) **Technical and Vocational Training Support Fund (TVTF)** - a financially autonomous body with the objective to help enterprises better define and articulate the private sector demands for training.

C. Relationship to CAS

8. The CAS covering FY 2008-2011 identifies weak human resources as one of the major constraints to economic growth and lists the improvement of human capital and employment creation as major areas of intervention, which will be supported through this operation.

II Proposed Project Development Objectives

A. Proposed PDO

9. The Development Objective of the proposed operation is to increase the efficiency of the production of skilled workers by: (i) strengthening the Technical and Vocational Training Support Fund (TVTF) and (ii) improving the institutional efficiency of TVET.

B. Key Results

10. The Project has indicators for each project components. The baseline and target values for these indicators as well as their definition and data collection responsibilities will be detailed in the Project Implementation Plan. Major outcome indicators, as agreed upon with the Government, to be achieved by 2015 include the following:

PDO	Project Outcome Indicators	Use of Project Outcome Information
Increase the efficiency of the production of skilled workers by: (i) strengthening the Technical and Vocational Training Support Fund (TVTF); and (ii) improving the institutional efficiency of TVET.	<ol style="list-style-type: none"> 1. Direct project beneficiaries (number) of which are female (%); 2. % decrease in unit cost in the institutions implementing performance based contracts; 3. Number of youth trained in apprenticeship and short term insertion training; 4. Number of TVET graduates finding employment three months after graduation. 	Government is committed to a more performance-based management Government is committed to the empowerment of TVET and Higher Education autonomous.

III. Preliminary Description

A. Concept

1. Description

Part A: strengthening Technical and Vocational Training Support Fund (TVTF) (US\$7.0 million).

- a) Strengthening the current TVTF to allow financial support to new training modes and program such as such as internships, apprenticeships and sandwich program developed by training institutions;
- b) Adjusting and improving the Fund's financing mechanisms and administrative procedures in order to expand its capacity to promote innovative training scheme;
- c) Developing short term job insertion training and apprenticeship by expanding the Technical and Vocational Training Support Fund (TVTF) for insertion of about 15,000 youth over a five-year period;
- d) Creating several funding windows under the TVTF to accommodate informal sector, formal sector, public sector etc.

Part B: Improving institutional efficiency of TVET (US\$5.0 million).

- a) Implementing performance contracts in 16 existing TVET institutions to increase their capacity from 3,200 to 7,200 students and the relevance of their programs by upgrading the skills of training instructors, involving employers, renewing curriculum.
- b) Strengthening the capacity of the National Institute for the Promotion of Technical Training (INAP/FTP) and the Ministry of TVET to implement a result-based policy for TVET by improving the management information system, training the administrators to provide managerial support to TVET institutions, updating the regulatory framework and implementing a monitoring and evaluation system.

IV. Safeguard Policies that might apply

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

V. Tentative financing

Source:	(US\$12million)
Borrower/Recipient	1.2
IBRD	N/A
IDA	12
Others (specify)	
Total	US\$13.2million

VI. Contact point

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Borrower/Client/Recipient

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Implementing Agency:

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

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