



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
GUINEA - STEPPING UP SKILLS PROJECT
APPROVED ON SEPTEMBER 30, 2014
TO
REPUBLIC OF GUINEA

EDUCATION

AFRICA WEST

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|---------------------------|-----------------|
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The World Bank

Guinea - Stepping Up Skills Project (P146474)

ABBREVIATIONS AND ACRONYMS

PDO: Project's Development Objective



BASIC DATA

Product Information

| | |
|--|--|
| Project ID P146474 | Financing Instrument Investment Project Financing |
| Original EA Category Partial Assessment (B) | Current EA Category Partial Assessment (B) |
| Approval Date 30-Sep-2014 | Current Closing Date 30-Dec-2021 |

Organizations

| | |
|--------------------------------|--|
| Borrower Republic of Guinea | Responsible Agency Ministry of Higher Education, Ministry of Technical and Vocational Education and Training (TVET), Ministry of Youth and Youth Employment |
|--------------------------------|--|

Project Development Objective (PDO)

Original PDO

The objective of this project is to boost the employability and employment outcomes of Guinean youth in targeted skills programs.

Summary Status of Financing (US\$, Millions)

| Ln/Cr/Tf | Approval | Signing | Effectiveness | Closing | Net | | |
|-----------|-------------|-------------|---------------|-------------|------------|-----------|-------------|
| | | | | | Commitment | Disbursed | Undisbursed |
| IDA-H9850 | 30-Sep-2014 | 06-Oct-2014 | 31-Mar-2015 | 30-Dec-2021 | 20.00 | 15.98 | 2.38 |

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

Yes



Explanation

This restructuring triggers a waiver for OP7.30, currently in effect for Guinea.

Has the waiver(s) been endorsed or approved by Bank Management?

Yes

Explanation

After the evaluation mission, carried out from November 30, 2021 to December 10, 2021, the management approved the OP7.30 waiver for this project, to allow the extension of the closing date and the reallocation of proceeds.

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Implementation Status

1. The Guinea Stepping Up Skills Project is financed by an IDA Grant in the amount of US\$20 million. The Project was approved by the World Bank Board of Executive Directors on September 30, 2014 and became effective on March 31, 2015. The project development objective (PDO) is “to boost the employability and employment outcomes of Guinea youth in targeted skills programs.” More specifically, the PDO aims at improving the effectiveness of training programs in universities and vocational institutions, and providing professional opportunities to young, job-seeking graduates, by strengthening their skills through training, internships, personalized support for business creation, and jobs in the formal labor market. The Project is expected to benefit about 20,000 young people, including 18,000 in pre-service training (vocational and university-level) and over 2,800 unemployed graduates.
2. On June 12, 2019, the Project was extended by 12 months— from December 30, 2020 to December 30, 2021. The Project’s results framework was revised to: (i) add new indicators that better capture Project activities and achievements; and (ii) establish more realistic targets for a few performance indicators. Component costs and annual disbursement estimates were also revised to take into account the exchange rate losses observed over the life of the Project (from originally US\$20 million to US\$18.2 million).
3. The Project’s ratings remain Moderately Unsatisfactory because a series of exogenous factors—including the outbreak of the COVID-19 pandemic and political instability in Guinea— have slowed down Project implementation. The Project team has carried out all the preparation activities in compliance with the agreed action plan developed on June 12, 2019. Selection of beneficiaries and the arrangements with the private partners have been completed. Unfortunately, due to the challenges stemming from the COVID-19 pandemic, the training activities and the internship programs have been suspended, to cope with the high risks of contamination in training institutions and the participating companies.
4. The Project would be largely on track to achieve all five PDO indicators if not for the country lockdown and the restrictions stemming from the COVID-19. To date, PDO indicator #2 “Programs accredited by the new National Quality Assurance and Accreditation Agency” and PDO indicator #4 “Employers satisfied with trainees and placing them”, have both been overachieved. Three PDO indicators are lagging: (i) PDO indicator #1 “Students completing professional degrees fostering market relevant skills developed through the Competitive Fund” (39%) which, despite a slight increase, is still below the end-target of 80%; (ii) PDO indicator #3 “Targeted trained youth employed in an



area relevant to training 12 months after completing the training” (25%), which is still below the end-target of 70%; and (iii) PDO indicator#5 “Direct project beneficiaries” (9,562), which is still below the end-target of 20,800.

5. Results achieved so far under each component are summarized below:

(i) **Component 1: Fund for Skills and Employability.** Fifteen sub-projects – amounting to US\$5.7 million total—have been financed through the Competitive Fund, benefitting approximately 10,800 youth (of which, 30% are women). These sub-projects finance training programs in the areas of agribusiness, public works, environment, health, tourism and catering services, education, telecommunications, mining and energy. To date, in large part due to COVID 19 pandemic, only 5,754 out of 10,800 students (of which 32% are women) have been enrolled in these programs. This partially explains why the PDO indicator#1 measuring *Students completing professional degrees fostering market relevant skills developed through the Competitive Fund* is still below the end-target of 80%. Civil works have been fully completed for 13 sub-projects, of which 11, have been declared satisfactory by independent evaluation consultants. In addition, hardware and software equipment were already successfully delivered for 14 sub-projects. The teaching material and learning material of 7 subprojects have also been delivered and are currently in-use, while the remaining subprojects are on track to complete this activity by early 2022.

(ii) **Component 2: Education to Employment Program (E2E).** Track 2, which pertains to “*Firm-based opportunities (training, internships and jobs)*”, is delayed due to the interruption of internship programs during COVID-19 pandemic. Only 342 graduates out of the 1,400 planned, have completed their internship program. Track 1 and Track 3 have successfully achieved their respective objectives. Under Track 1, which finances “*Business start-up and entrepreneurship*”, 100 students received training in entrepreneurship. Ten projects have been selected to receive mentorship by an incubator for a period of one year and all have been successfully completed. So far, 21 firms have benefitted from the program. Under Track 3, which supports “*Short-term professional training*”, 1,699 have completed training of which 396 are employed. Some progress has also been made with regard to the accreditation of firms as service providers. To date, 8 firms have been accredited, and 14 other firms are currently being considered for accreditation. The latest assessment carried out by the Government and the World Bank determined that many of these firms are likely to be accredited. Regarding of relevance of training to the labor market, the percentage of “*Targeted trained youth employed in an area relevant to training 12 months after completing the training*” currently stands at 24%, while the rate of “*Employers satisfied with trainees and placing them*” is currently 59.26%.

(iii) **Component 3: Institutional Support and Regulatory Framework.** Significant progress has been observed under Component 3, including, *inter alia*: (i) the set-up of two agencies that are both well-functioning: ANAQ (*Agence Nationale d’Assurance Qualité*)—which has already provided accreditation for 40 programs and ONJ (*Observatoire National de la Jeunesse*)—which has recently released the annual yearbook of Ministry of Youth and Youth Employment. The inter-ministerial committee has successfully implemented 3 activities: (i) the revision of legal texts in full alignment with decrees 62¹ and 63²; (ii) the development of a new financing formula for public institutions taking into consideration the cost for each student, by field of study and level; and (iii) the establishment of new criteria and management of scholarships, making strong progress for the

¹ Décret N°062/PRG/SGG du 03 avril 2013 portant Gouvernance des Institutions Publiques d’Enseignement Supérieur et de Recherche Scientifique

² Décret N° 063/PRG/SGG du 03 avril 2013 portant Gouvernance des Institutions Privées d’Enseignement Supérieur et de Recherche Scientifique



indicator related to this (from 30 percent to 60 percent). The remaining two activities— namely the revision of the institutional guide taking into consideration the revised legal texts and the inclusion of specific budget lines for TVET institutions in the budget law—are likely to be completed by March 2022 and August 2022, respectively.

II. DESCRIPTION OF PROPOSED CHANGES

a) Proposed change of the Project closing date.

6. A second, 12-month extension of the closing date—from December 30, 2021 to December 30, 2022—is required to allow the Project to fully implement the remaining activities, disburse its outstanding balance, and hence its chances of more fully achieving its development objectives. As mentioned above, during 2021, the Government and the World Bank have jointly developed a time-bound 2022 Action Plan. Given the relative containment of the COVID-19 pandemic, the Project is prepared to swiftly implement all of the remaining activities outlined in the 2022 Action Plan. Moreover, thousands of youths have been already selected and they are waiting for the extension to benefit for Project activities.

7. It has also been established during the OP7.30 assessment that (i) this project remains a priority for the new transition government and (ii) the responsible Ministries have the capacity of implementing it as planned. The extension of the closing date would be granted without prejudice to the ongoing OP7.30 assessment. Financing of eligible expenditures from the credit account would only take place after resumption of disbursement is authorized by the Bank.

8. With the 12-month extension of the closing date, the following achievements are expected for the three lagging PDO indicators:

(i) **PDO indicator #1 “Students completing professional degrees fostering market relevant skills developed through the Competitive Fund”**. About 4,011 youths are already enrolled in the fifteen participating institutions under the competitive funds and waiting to be certified in 2022. An additional 4,548 youths, which initially were unable to enroll due to the COVID-19 pandemic, will also be certified in 2022. Once these additional beneficiaries are successfully certified, the achievement level for this indicator is expected to reach 117%—much higher than the established end-target value of 80%.

(ii) **PDO indicator #3 “Targeted trained youth employed in an area relevant to training 12 months after completing the training”**. With a 12-month extension of the closing date, it is expected that the end-value target of 70% will be achieved since: (i) the 450 youths will complete their internship programs ; (ii) the implementation of the training requested by 8 participating companies will be conducted; and (iii) the enrollment and internships for about 1,000 youths in the mining companies will be carried out . The successful implementation of these activities will also allow the Project to also carry out the impact evaluation.

(iii) **PDO indicator#5 “Direct project beneficiaries”**. In addition to the activities to meet the PDO indicator 1 and 3, the Ministry of Technical and Vocational Training and the Ministry of Higher Education and Scientific Research have already prepared two sub-projects on short time distance training (8 months) to benefit about 20,000 students. With the current number of beneficiaries (9,562) and the forecasted number of beneficiaries in 2022, the end-target value of 20,800 is expected to be achieved by September 2022.



b) Proposed changes on component costs

9. To implement the activities as presented by PDO indicators above, the component costs are revised as follows:

| Component | Original cost in US\$ million equivalent | Current cost in US\$ million equivalent (*) | Revised cost in US\$ million equivalent |
|------------------|---|--|--|
| Component 1 | 10.00 | 8.11 | 8.83 |
| Component 2 | 4.50 | 7.67 | 6.53 |
| Component 3 | 5.50 | 2.23 | 2.65 |
| Total | 20.00 | 18.01 | 18.01 |

(*) After the first restructuring on June 12, 2019

c) Proposed changes to disbursement forecast (refer to disbursement table below).

d) Proposed changes on reallocation of funds

10. To date, about US\$15.98 million (87.04%) has been disbursed and a reallocation of funds among expenditures categories is necessary as follows:

(i) For Category 1 Goods, works, non-consulting services, training, operating costs and consultants’ services for the Project: Increase the amount from SDR 5,830,000 to SDR 6,352,000 to cover: (i) the real costs of the new activities added during the first restructuring of the Project approved on June 12, 2019; and (ii) the additional operating costs associated with the 12-month extension of the Project’s implementation period.

(ii) For Category 2 Subgrants under Part 1: Decrease allocated amount from SDR 5,520,000 to SDR 4,696,000 to ensure proper alignment between the real costs associated with of the 15 sub-projects financed under this operation—and as agreed during the first restructuring of the Project approved on June 12, 2019.

(iii) For Category 3 Performance-based vouchers under Part 2: Increase the amount from SDR 1,603,000 to 1,905,000 to ensure proper alignment with the real costs associated with activities and to ensure the envisaged number of targeted beneficiaries is achieved.

III. SUMMARY OF CHANGES

| | Changed | Not Changed |
|----------------------|----------------|--------------------|
| Components and Cost | ✓ | |
| Loan Closing Date(s) | ✓ | |



| | | |
|--|---|---|
| Reallocation between Disbursement Categories | ✓ | |
| Disbursement Estimates | ✓ | |
| Implementing Agency | | ✓ |
| DDO Status | | ✓ |
| Project's Development Objectives | | ✓ |
| Results Framework | | ✓ |
| Cancellations Proposed | | ✓ |
| Disbursements Arrangements | | ✓ |
| Overall Risk Rating | | ✓ |
| Safeguard Policies Triggered | | ✓ |
| EA category | | ✓ |
| Legal Covenants | | ✓ |
| Institutional Arrangements | | ✓ |
| Financial Management | | ✓ |
| Procurement | | ✓ |
| Implementation Schedule | | ✓ |
| Other Change(s) | | ✓ |
| Economic and Financial Analysis | | ✓ |
| Technical Analysis | | ✓ |
| Social Analysis | | ✓ |
| Environmental Analysis | | ✓ |

IV. DETAILED CHANGE(S)

COMPONENTS

| Current Component Name | Current Cost (US\$M) | Action | Proposed Component Name | Proposed Cost (US\$M) |
|-----------------------------------|-----------------------------|---------------|-----------------------------------|------------------------------|
| Fund for Skills and Employability | 10.00 | Revised | Fund for Skills and Employability | 8.83 |
| Education-to-Employment Program | 4.50 | Revised | Education-to-Employment Program | 6.53 |



| | | | | |
|--|--------------|---------|--|--------------|
| Institutional Support and Regulatory Framework | 5.50 | Revised | Institutional Support and Regulatory Framework | 2.65 |
| TOTAL | 20.00 | | | 18.01 |

LOAN CLOSING DATE(S)

| Ln/Cr/Tf | Status | Original Closing | Revised Closing(s) | Proposed Closing | Proposed Deadline for Withdrawal Applications |
|-----------|-----------|------------------|--------------------|------------------|---|
| IDA-H9850 | Effective | 30-Dec-2020 | 30-Dec-2021 | 30-Dec-2022 | 30-Apr-2023 |

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

| Ln/Cr/Tf | Current Allocation | Actuals + Committed | Proposed Allocation | Financing % (Type Total) | |
|-------------------------------|----------------------|--|----------------------|--------------------------|----------|
| | | | | Current | Proposed |
| IDA-H9850-001 Currency: XDR | | | | | |
| iLap Category Sequence No: 1 | | Current Expenditure Category: GD, WRK, NCS, TR, OP COST, CONS | | | |
| | 5,830,000.00 | 5,185,732.29 | 6,352,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 2 | | Current Expenditure Category: SUBGRANTS PART 1 | | | |
| | 5,520,000.00 | 2,996,185.49 | 4,696,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 3 | | Current Expenditure Category: PERFORMANCE BASED VOUCHER PART 2 | | | |
| | 1,603,000.00 | 1,366,304.55 | 1,905,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 4 | | Current Expenditure Category: PPF REFINANCING | | | |
| | 147,000.00 | 146,576.37 | 147,000.00 | | |
| Total | 13,100,000.00 | 9,694,798.70 | 13,100,000.00 | | |



DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

| Year | Current | Proposed |
|-------------|----------------|-----------------|
| 2015 | 1,052,200.64 | 1,052,200.64 |
| 2016 | 792,717.22 | 792,717.22 |
| 2017 | 2,632,460.30 | 2,632,460.30 |
| 2018 | 2,726,384.96 | 2,726,384.96 |
| 2019 | 2,056,793.15 | 2,056,793.15 |
| 2020 | 4,000,000.00 | 3,565,092.00 |
| 2021 | 3,739,444.00 | 3,153,471.36 |
| 2022 | 1,200,000.00 | 2,120,879.97 |