



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING

OF
MALDIVES: ENHANCING EMPLOYABILITY AND RESILIENCE OF YOUTH PROJECT

APPROVED ON JUNE 14, 2019

TO

REPUBLIC OF MALDIVES

EDUCATION

SOUTH ASIA

Regional Vice President:	Hartwig Schafer
Country Director:	Faris H. Hadad-Zervos
Regional Director:	Lynne D. Sherburne-Benz
Practice Manager/Manager:	Mario Cristian Aedo Inostroza
Task Team Leader(s):	Shobhana Sosale, Suhail Kassim



ABBREVIATIONS AND ACRONYMS

BCC	Business Center Corporation
BDS	Business Development Support
DA	Designated Account
E&S	Environment and Social Safeguards
FM	Financial Management
GoM	Government of Maldives
IA	Implementing Agency/ies
IDA	International Development Association
IP	Implementation Progress
IT	Information Technology
MoED	Ministry of Economic Development
MoF	Ministry of Finance
MoHE	Ministry of Higher Education
MoU	Memorandum of Understanding
MMA	Maldives Monetary Authority
MTR	Mid-Term Review
PDO	Project Development Objective
PMU	Project Management Unit
TVET	Technical Vocational Education and Training



BASIC DATA

Product Information

Project ID P163818	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 14-Jun-2019	Current Closing Date 31-Dec-2024

Organizations

Borrower Republic of Maldives	Responsible Agency Ministry of Higher Education, Ministry of Economic Development
----------------------------------	--

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to improve the relevance of technical and vocational skills and foster entrepreneurship to promote youth employment in priority sectors.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-64430	14-Jun-2019	25-Jul-2019	03-Sep-2019	31-Dec-2024	10.00	0	10.00
IDA-D4800	14-Jun-2019	25-Jul-2019	03-Sep-2019	31-Dec-2024	10.00	4.44	5.79

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

Background

1. The Maldives: Enhancing Employability and Resilience of Youth (MEERY) Project (P163818, IDA Grant US\$10 million and IDA Credit US\$10 million for a total project financing of US\$20 million) was approved by the Board on June 14, 2019. The Project has been effective since September 3, 2019. The current closing date of the project is December 31, 2024. The project development objective (PDO) is *to improve the relevance of technical and vocational skills and foster entrepreneurship to promote youth employment in priority sectors*. The project comprises four components: (i) *Component 1: Fostering Skills Development and Entrepreneurship in Priority Sectors*, (ii) *Component 2: Promoting Entrepreneurship and Employment through Skills Development and eLearning Strategy*, (iii) *Component 3: Project coordination, Monitoring and Evaluation*, and (iv) *Contingent Emergency Response Component (CERC)*. The Project includes Ministry of Higher Education (MoHE) related skills development activities, and Ministry of Economic Development (MoED) related entrepreneurship activities. The MoHE is currently the principal implementing agency.

Rationale for Restructuring the Project

2. The rationale for the restructuring and proposed changes is to accelerate project implementation by facilitating both the MoHE and the MoED to implement their respective activities. Towards achieving this, MoED will be included as a second implementing agency for the project. MoED will set up a separate Project Management Unit (PMU) to handle the day-to-day operations of the MEERY Project MoED activities. The Project restructuring will only result in a change in the implementation arrangements. There will be no change in the activities. The restructuring does not entail additional costs, there is no additional financing. The closing date of the project will remain as December 31, 2024.

Project Status

3. The *Project Development Objective (PDO)* is to improve the relevance of technical and vocational skills and foster entrepreneurship to promote youth employment in priority sectors. The PDO continues to be relevant and requires no change. Progress towards achieving the PDO is *Satisfactory*.

4. The Project is in full compliance with the *legal covenants* as set out in the Project Financing Agreement.

5. The *Project Closing Date*, as discussed with the Ministry of Finance (MoF) and as set out in the Project Financing Agreement, will remain December 31, 2024. It is not the policy of the MoF to facilitate project extension. Therefore, all Project activities would need to be completed by December 31, 2024.

6. Driven by the onset of the COVID-19 pandemic and resulting in enhanced needs for skilling, reskilling, and upskilling of the workforce, the *scope of the Project* is now expanded countrywide and is



open to all priority sectors. This was determined by the Government of Maldives (GoM) during the Mid-Term Review (MTR) in September 2021.

7. The *Project design* continues to be relevant and requires no change.

8. The *Project Results Framework* is already clearly set out permitting the division of roles and responsibilities between the MoHE and the MoED for achieving the 3 outcome level indicators and 14 intermediate level indicators. The breakdown of indicators by implementing Agency (IA) is provided in Table 1.

Table 1. Results Framework
Ministry of Higher Education (MoHE) and Ministry of Economic Development (MoED)

PDO Indicators by Objectives / Outcomes	Target (June 2024)	Responsibility for Data Collection
Employers satisfied with graduates from the skills development programs in the project priority sectors	60	MoHE
Youth employment: Targeted trained youth in wage employment in an area relevant to technical and vocational skills within six months of graduation, of which females	Total: 50% Females: 25%	MoHE
Entrepreneurship: New businesses registered by targeted trained youth after receiving business support services, of which females	Total: 40 Of which females: 15	MoED

Intermediate Results Indicators	Target (June 2024)	Responsibility for Data Collection
Localized labor market surveys carried out.	3	MoED
Curricula and/or National Competency Standards revised and/or developed in priority sectors to reflect employer requirements and will include modules on entrepreneurship and soft skills. Revision or development of curricula and/ or National Competency Standards will also include revision or development of associated teaching learning materials.	100	MoHE
Number of trainers, instructors and assessors trained on the new and/or revised curriculum and competency standards.	125	MoHE
The number of youth completing market-relevant short-term vocational, technical and soft skills development training in priority sectors supported by the project. Target age group: Youth ages 16-35 years who are not in employment, education or training.	3,000	MoHE
BDS providers who are trained as ToT and to provide services to the new and existing entrepreneurs.	30	MoED
Number of youth benefiting from BDS services	100	MoED
Number of business plan competitions held.	2 (End of 2022)	MoED
21st century skills development strategy adopted.	Yes	MoHE
Basic and intermediate Information Communication Technologies (ICT)-based teaching and learning packages for	10	MoHE



digital skills developed and utilized through eLearning Platform/eLibrary		
Number of job seekers and employers registered on the jobs platform. Baseline: job seekers registered - 4,878 businesses registered - 44 EOP Target: job seekers registered - 5,000 (in addition to the baseline figures) businesses registered - 100 (in addition to the baseline figures).	6,000	MoED
Employer satisfaction survey completed	4	MoHE
Direct beneficiaries are people or groups who directly benefit from project interventions (youth graduating from improved skills development programs, youth receiving market-relevant short-term skills development training, instructors, teachers and assessors who receive training, youth receiving Business Development Support (BDS) services, BDS providers and trainers who receive training, etc).	3,500	MoED and MoHE
A social media campaign on positive imaging around women working in the tourism sector and enabling safer work environments for women in this sector, and the role of parents and young men as partners.	A social media campaign to address the issue that has elicited some positive results.	MoED and MoHE
Beneficiaries satisfied with the skill development training, BDS services or other project activity (%)	80	MoED and MoHE

9. The *Environmental and Social (E&S) Safeguards management rating* at the time of the September 2021 MTR was rated as *Satisfactory*. The project has managed to maintain good performance and ensured regular reporting and proactive response by the PMU team and regular Safeguards updates have been submitted for Bank review. The Project will continue to be category ‘B’, and the risk rating remains ‘Moderate’ since the restructuring will only change the implementation arrangements and there will not be any change in the activities. The restructured Project activities will be implemented by both MoED and MoHE. With the enhanced implementation arrangements, the MoED will have a dedicated PMU and a Social Safeguards Specialist and Environmental Safeguards Specialist like the current MEERY Project PMU. MoED, as the new IA will comply with the Project’s Environmental and Social Management Framework (ESMF), which has been revised and disclosed on the MoHE and MoED websites on February 8, 2022, and the World Bank website on February 11, 2022.

10. Project implementation Progress (IP) is *Moderately Satisfactory*. However, implementation pace needs to be significantly stepped up. Towards addressing this issue, the GoM has requested that the Project be restructured to include the MoED as an additional IA for the Project. In this regard, this Restructuring Paper sets out the proposed changes.

11. The division of roles and responsibilities between the MoHE (supply-side) and the MoED (demand-side) are already well established in the Project design. Table 2 below shows the division of components, subcomponents, and estimated allocations before and after restructuring. Project design details are provided in the Project Appraisal Document (PAD).



Table 2. Division of Components and Subcomponents by Implementing Agency

Ministry of Higher Education			Ministry of Economic Development		
Supply-side of the equation			Demand-side of the equation		
Project Development Objective (PDO)					
To improve the relevance of technical and vocational skills in priority sectors			To foster entrepreneurship to promote youth employment in priority sectors		
Components and Subcomponents	Current Budget Allocation	Estimated Budget Allocation * after Restructuring	Components and Subcomponents	Current Budget Allocation	Estimated Budget Allocation * after Restructuring
	Total costs including contingencies (US\$ million) equivalent IDA financing			Total costs including contingencies (US\$ million) equivalent IDA financing	
Component 1: Fostering Skills Development in Priority Sectors	4.82	4.10	Component 1: Fostering Entrepreneurship in Priority Sectors	5.18	5.90
Activities (b) Revision of skills [Technical Vocational Education and Training (TVET) and entrepreneurship] among others, soft skills, and socio-cultural norms and awareness aspects			Activities (a) Labor-market assessment and analysis for demand-driven skills identification		
Activities (c) Face-to-face skills delivery of pilot skills development programs			Activities (d) Support for entrepreneurship development		
<i>Subcomponent 1.1: Labor-market Assessment and Analysis for Demand-driven Skills Identification</i>	1.02	0.30	<i>Subcomponent 1.1: Labor-market Assessment and Analysis for Demand-driven Skills Identification</i>	0.00	0.72
<i>Subcomponent 1.2: Revision of Skills Development (TVET and Entrepreneurship) Curriculum</i>	0.80	0.80			
<i>Subcomponent 1.3: Face-to-Face Skills Delivery</i>	3.00	3.00			
			<i>Subcomponent 1.4: Support for Entrepreneurship Development</i>	5.18	5.18
Component 2. Promoting entrepreneurship and employment through skills Development and eLearning Strategy	5.45	3.40	Component 2. Promoting entrepreneurship and employment through skills Development and eLearning Strategy	0.00	2.05
<i>Subcomponent 2.1: Strategy Development, Strengthening and Diversifying Skills Development Programs</i>	2.30	2.30			
<i>Subcomponent 2.2: Information Technology (IT) infrastructure for Skills Development</i>	1.15	0.60	<i>Subcomponent 2.2: IT infrastructure for Jobs Platform</i>	0.00	0.55
<i>Subcomponent 2.3: Career Hubs for Education-Industry links and Entrepreneurship Promotion</i>	2.00	0.50	<i>Subcomponent 2.3: Career Hubs for Education-Industry links and Entrepreneurship Promotion</i>	0.00	1.50
Component 3: Project Coordination, Monitoring and Evaluation	4.55	2.50	Component 3: Project Coordination, Monitoring and Evaluation	0.00	2.05
Component 4. Contingent Emergency Response Component (CERC)	0.00	0.00	Component 4. Contingent Emergency Response Component (CERC)	0.00	0.00
Total Project Financing (US\$ million)	14.82	10.00		5.18	10.00



Notes: * To be adjusted for already expensed funds.

II. DESCRIPTION OF PROPOSED CHANGES

12. The rationale for the proposed changes is to accelerate project implementation by facilitating both the MoHE and MoED to implement their respective activities. The restructuring will entail the following changes:

- **Enhanced implementation arrangements.** During project preparation, it was agreed that a single Project PMU would be established in MoHE and would serve as the Secretariat to MoHE, the only IA. Pursuant to the finalization of Project restructuring, the MoED will be a second additional IA. The MoED will have a dedicated PMU financed through the Project that will coordinate MoED-managed Project activities. The current MoHE-based PMU will continue as-is and will coordinate MoHE-managed Project activities.
- During Project negotiations the MoED and MoHE had co-signed a Memorandum of Understanding (MoU). This MoU will no longer be operational once the Project restructuring is finalized and the amended Financing Agreement is signed.

13. **Reallocation of International Development Association (IDA) Project Financing between the MoED and the MoHE.** The overall Project financing is US\$20 million split as US\$10 million (IDA Grant: IDA D480-MV) and US\$10 million (IDA Credit: IDA 6443-MV).

14. Based on a review of the: (a) MoED-specific ongoing and proposed activities pertaining to entrepreneurship, incubation, and employment that comprise the demand-side of skills development, and (b) MoHE-specific ongoing and proposed activities pertaining to the supply-side of the skills development, the overall Project financing and activities will be apportioned as set out in Tables 3 and 4. below.

Table 3. Restructured Project Financing (January 2022)

Implementing Agency	US\$ Million				Total IDA Financing
	IDA Grant	Restructured IDA Grant	IDA Credit	Restructured IDA Credit	
Ministry of Economic Development	5.00	5.00*	0.18	5.00	10.00
Ministry of Higher Education	5.00	5.00*	9.82	5.00	10.00
Total Project Financing (US\$ million)	10.00	10.00	10.00	10.00	20.00

Notes:

- 1) *Adjusted for already expensed amounts during the period September 2019 (Project Effectiveness Date) to September 2021 (Mid-Term Review implementation date).
- 2) Total Grant amount of US\$7,821,088 available from January 2022 for disbursement after accounting for Grant funds of US\$2,178,912.48 already expensed by the MEERY Project during the period September 2019 to December 31, 2021.

Table 4. **Table 4. Disbursement Table under the Restructuring**

Category	Amount of the Credit allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Workshops and Incremental Operating Costs under the Project (MoHE)	3,650,000	3,534,920	100%
(2) Start-up Fund Awards under Part 1 of the Project (MoHE)	0	0	100% until the date of execution of this amendment letter
(3) Emergency Expenditures for the CER of the Project (MoHE)	0	0	100%
(4) Goods, works, non-consulting services, consulting services, Training and Workshops and Incremental Operating Costs under the Project (MoED)	3,650,000	2,704,600	100%
(5) Start-up Fund Awards under Part 1 of the Project (MoED)	0	1,060,480	With effect from the date of execution of this amendment letter – 100%
(6) Emergency Expenditures for the CER of the Project (MoED)	0	0	100%
TOTAL AMOUNT	7,300,000	7,300,000	

15. Disbursements

- In accordance with the amended Financing Agreement, both MoED and MoHE will draw down on the IDA Grant first before drawing down on the IDA Credit.

16. Financial Management

- The MoHE will continue to be responsible for Financial Management (FM) for the activities managed by them, using the FM arrangements already in place. The FM staff in the current MoHE-based PMU, the US\$ denominated Designated Account (DA) and other arrangements including submission of interim unaudited financial reports (IUFs) and audit reports will continue to operate within the MoHE for the relevant components and subcomponents managed by MoHE.
- Under the restructuring, the MoED will be responsible for overall FM arrangements for the activities managed by them, including budgeting, funds flow, accounting, financial reporting, internal controls, and auditing. The MoED will designate dedicated FM staff and other support staff as necessary to manage and coordinate the overall FM arrangements related to the



components and subcomponents to be managed by them. The World Bank has conducted an FM capacity and risk assessment to understand the capacity and the risks of the new IA to recommend the way forward. A new, dedicated US\$ denominated DA will be opened in the Maldives Monetary Authority (MMA) and will be managed by the MoED-PMU. Disbursements to the Designated Account will be report-based, and the IUFs will be prepared on a quarterly basis. MoED will submit them to the World Bank within 45 days of the end of each quarter. The external audit will be carried out by the Auditor General of Maldives and the MoED will submit to the World Bank the audit reports for relevant components and subcomponents of the Project within six months of the end of each fiscal year.

- A virtual FM assessment of the existing financial management arrangements in the MoED was carried out by the World Bank team. The assessment revealed that MoED has well-functioning financial management arrangements in place. The World Bank funded operations being implemented by the ministry are satisfactory. MoED is in the process of hiring finance staff as necessary and in the interim, experienced finance staff will provide support to the MoED-PMU to manage and coordinate overall financial management arrangements of the Project.
- Towards ensuring smooth implementation progress, the MoED will hire up to five PMU staff effective March 1, 2022. The ongoing MEERY Project IDA Grant will reimburse the MoF for any salary paid to the five PMU staff until the project restructuring is completed.
- Project disbursements will be reports-based using interim unaudited financial reports (IUFs). A Designated Account (DA) denominated in US dollars will be set up at the Maldives Monetary Authority (MMA) for the MoED to receive IDA funds. Advances to the DA will be made based on six-monthly projected expenditures. The funds will be used solely to finance eligible expenditures. Actual expenditures incurred will be tracked and recorded in the IUFs prepared by the PMU and will be submitted on a quarterly basis to the World Bank, and within 45 days after the end of each quarter.

17. Procurement

- The MoHE will be responsible for all procurement envisaged under the MoHE-managed activities, and MoHE will continue to manage their existing STEP account.
- The MEERY Project restructuring introduces the MoED as a second IA of the Project. A procurement capacity and risk assessment has been conducted for the MoED to determine the capacity of the MoED to handle procurement under the MEERY Project.
- It is noted that MoED is currently functioning as the Implementing Agency for the CEISP and is therefore familiar with the World Bank's procurement procedures to some extent.
- In addition to the other staffing arrangements, the MoED-PMU will be staffed with dedicated procurement staff. The Project anticipates adopting a hybrid PMU model wherein the procurement staff will oversee the procurement activities of all three ongoing/upcoming Bank funded projects at the MoED—the MEERY, CEISP and SAILS Projects. The hiring of the Procurement Specialist for the MoED-PMU is in progress. In the interim, the Ministry has assigned a staff to carry out procurement functions.



- A new STEP component account will be created for MoED to independently manage the procurement of MoED-managed Project activities.
- Each ongoing contract currently being managed by the MEERY Project PMU on behalf of the MoED will be reviewed by the two IAs (MoHE and MoED) to assess whether the MoHE-PMU will bring the ongoing contract to a logical conclusion and to the satisfaction of the MoED, and/or be transferred to the new MoED-PMU by amending the contracts on a case-by-case basis.
- Each ongoing procurement process currently being managed by the MEERY Project PMU on behalf of the MoED will be reviewed by the two IAs (MoHE and MoED) to assess whether the MoHE-PMU will bring the ongoing procurement to a logical conclusion and to the satisfaction of the MoED, after which the contract will be signed between the selected contractor and the MoED; and/or the ongoing procurement process will be dropped and the new MoED-PMU will re-launch it subsequent to Project Restructuring.
- Defer the launch of the procurement process for new MoED activities by the new MoED-PMU following the formalized Project Restructuring.
- The MoED will supplement the existing PPSD covering the procurement activities envisaged for the activities under their component.
- The MoED will prepare the Procurement Plan based on the outcome of the PPSD.

18. Project Institutional and Implementation Arrangements

- The Project Steering Committee (PSC) continues to be relevant and necessary to guide Project implementation. There will be no change in the composition of the PSC. *Ad hoc* Project Technical Committees will continue to be convened to inform the MoED's and the MoHE's Project implementation activities.
- The restructuring will result in two PMUs, one for the MoED and one for the MoHE. The MoED has indicated that there is an existing PMU for ongoing World Bank projects. To ensure adequate capacity to implement the MoED-specific MEERY Project activities, the MoED will prepare a list of additional specialists and analysts required. The consultants will be financed through the MEERY Project under the Incremental Operating Cost (IOC) expenditure category. The World Bank will review and clear only the terms of reference for the positions upon receiving the MoF cleared versions through the MoED. The contracting of the consultants will be based on GoM policies and procedures.
- The existing MEERY-PMU that has already been established, is housed in the MoHE, and is operational, will continue to implement the MoHE-managed Project activities. There will be no change to the existing staffing complement of the MEERY Project MoHE-PMU until the current contracts end. After which, staffing requirements will be reviewed and adjusted accordingly given that some proposed activities/components that were originally envisaged to be carried out by the MoHE-PMU will now transfer to the MoED-PMU.

19. The details of the restructured Project Institutional and Implementation Arrangements and Support Plan are provided in **Annex 1**.



Environment and Social Safeguards Aspects

20. The Project restructuring will only result in a change in the implementation arrangements and there will be no change in the activities. Hence the Environmental and Social risk rating will continue to be 'Moderate'. The restructured Project activities will be implemented by both MoED and MoHE. With the enhanced implementation arrangements, the MoED will have a dedicated PMU and a Social Safeguards Specialist and an Environmental Safeguards Specialist like the existing PMU at the MoHE. The Project will continue to fund soft interventions and rehabilitate/renovate existing infrastructure. The Project will continue to have substantial positive social impacts for youth, including young women. Rehabilitation/renovation will take place in the existing sites and land of the concerned institutions, and no new land is expected to be allocated from existing State land or acquired from private owners. Therefore, no involuntary resettlement or displacement of people is anticipated.

21. The associated environmental impacts due to the rehabilitation work will most likely be in the form of civil works related impacts such as dust, noise, and worker and public health and safety as well as waste generation during the rehabilitation works. These impacts are mostly localized and can be managed via Environmental and Social screening and management plans with appropriate site-specific mitigation actions. The scale and magnitude of potential impacts associated with the proposed activities will be rated as 'Moderate'.

22. A separate mission was held on November 15–18, 2021 to consult and plan the restructuring with key stakeholders from the MoF, MoED and MoHE. The Grievance Redress Mechanism (GRM) processes and procedures have also been updated to include the MoED. In view of the restructuring, the Environmental and Social Management Framework (ESMF) has been revised jointly by both IAs reflecting the changes in the implementation arrangements, documenting the consultations done and updating the GRM procedures. Going forward, MoED, as the new IA will also comply with the revised Project's ESMF in terms of due diligence processes and procedures as outlined in the revised ESMF. The revised ESMF has been publicly disclosed on the MoED and MoHE websites on February 8, 2022 and World Bank website on February 11, 2022.

Project Risk Rating

23. The overall Project risk rating continues to be '*Substantial*'. The macroeconomic risk has been upgraded from '*Moderate*' to '*Substantial*'. This is primarily due to the onset of the COVID-19 pandemic that has resulted in lost livelihoods, reduced revenues for the government due to intermittent lockdowns that has affected the tourism industry (the main revenue earner for the Maldives) and created fiscal constraints. This is also affecting the education and skills development sector.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Implementing Agency	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Overall Risk Rating	✓	
Institutional Arrangements	✓	
Financial Management	✓	
Procurement	✓	
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Disbursement Estimates		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
APA Reliance		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓



IV. DETAILED CHANGE(S)

IMPLEMENTING AGENCY

Implementing Agency Name	Type	Action
Ministry of Higher Education	Implementing Agency	No Change
Ministry of Economic Development	Implementing Agency	New

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-64430-001 Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: Goods, works, non-consulting services, consulting services, Training and Workshops and IOC for MoHE under the Project			
7,300,000.00	0.00	3,650,000.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: Start-up Fund Awards under Part 1 of the Project (MoHE)			
0.00	0.00	0.00	100.00	100
iLap Category Sequence No: 3	Current Expenditure Category: Emergency Expenditures for the CER of the Project (MoHE)			
0.00	0.00	0.00	0.00	100
iLap Category Sequence No: 4	Current Expenditure Category: Goods, works, non-consulting services, consulting services, Training and Workshops for MoED under the Project and IOC			
0.00	0.00	3,650,000.00		100
iLap Category Sequence No: 5	Current Expenditure Category: Start-up Fund Awards under Part 1 of the Project (MoED)			
0.00	0.00	0.00		100
iLap Category Sequence No: 6	Current Expenditure Category: Emergency Expenditures for the CER of the Project (MoED)			



	0.00	0.00	0.00	100
Total	7,300,000.00	0.00	7,300,000.00	

IDA-D4800-001 | Currency: XDR

iLap Category Sequence No: 1	Current Expenditure Category: Goods, works, non-consulting services, consulting services, Training and Workshops and IOC for MoHE under the Project			
6,200,000.00	1,203,205.50	3,534,920.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: Start-up Fund Awards under Part 1 of the Project (MoHE)			
1,100,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: Emergency Expenditures for the CER of the Project (MoHE)			
0.00	0.00	0.00	0.00	100
iLap Category Sequence No: 4	Current Expenditure Category: Goods, works, non-consulting services, consulting services, Training and Workshops for MoED under the Project and IOC			
0.00	0.00	2,704,600.00		100
iLap Category Sequence No: 5	Current Expenditure Category: Start-up Fund Awards under Part 1 of the Project (MoED)			
0.00	0.00	1,060,480.00		100
iLap Category Sequence No: 6	Current Expenditure Category: Emergency Expenditures for the CER of the Project (MoED)			
0.00	0.00	0.00		100
Total	7,300,000.00	1,203,205.50	7,300,000.00	

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance	● Substantial	● Substantial

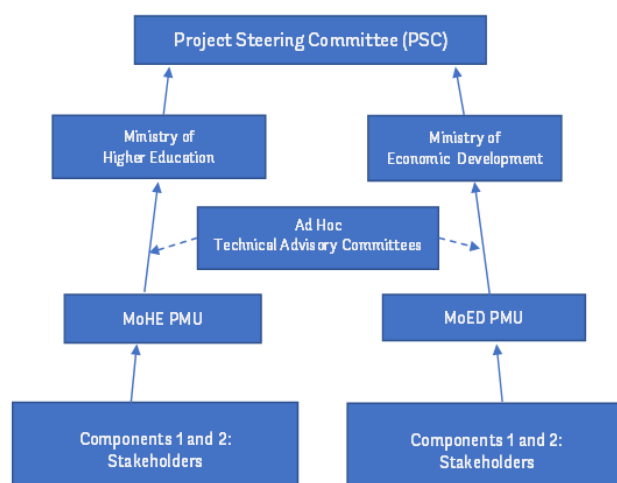


Macroeconomic	● Moderate	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate
Other		
Overall	● Substantial	● Substantial

Restructured Institutional and Implementation Arrangements and Support Plan

24. The MoF will be the executing agency, and the MoHE and the MoED will be the two implementing agencies for all technical aspects for the Project. The Memorandum of Understanding (MoU) signed during negotiations between the MoHE and the MoED will no longer be operational and will cease to exist. Each of the two implementing agencies will have its own Project Management Unit (PMU) and each of the PMUs as the Secretariat for the Project in the respective Ministries will be responsible for all fiduciary and safeguards aspects. Each of the PMUs will prepare and submit to the World Bank, separate IUFs and periodic Project progress reports including monitoring and evaluation details, and report on their respective Results Framework indicators (see Table 1 of the Restructuring Paper). The Project Operations Manual (POM) will set out the revised and detailed implementation arrangements, including the fiduciary and the safeguards requirements, and the M&E aspects for the restructured Project. Figure 1 below shows the revised institutional and implementation arrangements for the Project.

Figure 1. Revised Institutional and Implementation Arrangements for the Project



25. The details of the institutional and implementation arrangements are provided below:

National Level

26. On behalf of the GoM, the MoF will be the Executing Agency, and the MoHE and the MoED will be the implementing agencies for all technical aspects of the Project. The MoHE and the MoED will implement the activities of the Project in line with their respective mandates and responsibilities. In keeping with the demand-led approach and supply-side response to the Project design, the implementing ministries will implement the Project through their respective PMUs. In addition, implementation will factor the regulations of the National Environmental Authority, Project-relevant commercial banks, the Physical Facilities Development Division, and the Procurement section of the MoHE and the MoED (see the table 3A).



27. Project implementation will be led by a **Project Steering Committee (PSC)** co-chaired by the MoHE and the MoED and will comprise representatives/members from the MoF; Ministry of Communications, Science, and Technology; the TVET/Skills Development Authority; Ministry of Environment; and other Ministries from the priority sectors for the economy. The PSC will coordinate the various agencies to forge synergies and establish and maintain consistency. The MoHE and the MoED will take turns to convene the PSC. The PSC meetings will take place at a minimum bi-annually. Extraordinary meetings of the PSC can be convened depending on the decision of PSC members. *Ad hoc* **Technical Advisory Committees (TACs)** will be established by the MoHE and the MoED for the respective PMUs to focus on the various activities of the two main components of the Project.

28. **Project Oversight and Reporting.** Each PMU will be headed by a Director, designated formally by the MoED and MoHE for their respective PMUs. A, Project Manager and Assistant Manager or an Operations Officer will provide periodic reports to PMU Director on all aspects pertaining to coordination, implementation, and monitoring of day-to-day activities, and on all fiduciary and safeguards aspects of the Project.

29. The respective MoHE and MoED PMUs will include: (a) a Project Director to head the PMU, (b) an Assistant to the Project Manager or an Operations Officer, (c) a monitoring and evaluation (M&E) Officer, (d) a Procurement Officer, (e) a Financial Management Officer, (f) an Environment Safeguards Officer, (g) a Social Safeguards and Gender and GRM Officer, and (h) a Communications Officer. The PMU staff would either be hired or designated from existing projects to perform the functions.

30. **Communications, the MEERY Project Website and Social Media.** The MoHE and the MoED will select the Project Manager and an Assistant to the Project Manager or an Operations Officer respectively who will oversee and coordinate the activities of the MoHE and the MoED and ensure smooth collaboration between the MoHE, MoED, and the PMU specifically to maintain the “MEERY” branding for the Project. The respective MoHE-PMU and MoED-PMU Communications Officers will post all Project-specific aspects on the existing MEERY Project Website. The MEERY Project Twitter handle¹, Instagram handle², and other public social media touchpoints (such as the MEERY Project Facebook page), will be utilized for all social media messaging. The MoHE will share the Twitter and Instagram handles with the MoED-PMU.

Decentralized Operations

31. The Project will follow the principle of subsidiarity, where power and responsibility are devolved to the maximum extent possible to the front-line service delivery agencies, the implementing partners (in this case the skills development/training institutions), schools, the MPI and its regional training centers, the BDCs/business center corporations (BCCs), specific resorts, and other private sector entities. The

¹ The MEERY Project Twitter handle is the username that appears at the end of the MEERY Project unique Twitter URL. For example, <http://twitter.com/handle> (handle appears after the @ sign in the profile URL and is unique to the MEERY Project Twitter account).

² The MEERY Project Instagram Handle is an Instagram Username that operates on the same principle as the username. Serves much like a phone number and uses chats and other features to communicate.



island administrative councils (IACs), city councils, island women’s committees and other administrative levels will support the MoHE-PMU and the MoED-PMU as required with the M&E activities.

Table 3A. Key Activities and Responsible Agencies

Key Activities	Responsible Agencies
Component 1. Fostering Skills Development and Entrepreneurship in Priority Sectors	
1.1 Labor-market Assessment and Analysis for Demand-driven Skills Identification	PMU/TC/MoED
1.2 Revision of Skills Development (TVET and Entrepreneurship) Curriculum	PMU/TC/MOHE/MNSDA (formerly TVET Authority)/MQA/MPI and its regional training centers, public and private vocational and technical training institutions
1.3 Face-to-Face Skills Delivery	PMU/MoHE/MoED
1.4 Support for Entrepreneurship Development	MoED/PMU
Component 2. Promoting Entrepreneurship and Employment through Skills Development and eLearning Strategy	
2.1 Strategy Development, Strengthening and Diversifying Skills Development Programs	PMU/TC/MoHE/MNSDA (formerly TVET Authority)/MQA/MPI and its regional training centers, public and private vocational and technical training institutions
2.2 a. IT infrastructure for Skills Development and	MoHE/PMU
2.2 b. Jobs Platform	MoED/PMU
2.3 Career Hubs for Education-Industry links	PMU/MoED/BCC PMU/MoHE in collaboration with the MoED/BCC (event management firm to manage logistics)
Component 3. Project Management, Monitoring and Evaluation	PMU/MoHE/PMU, and PMU/MoED
Component 4. Contingency Emergency Response Component (CERC)	MoF, MoHE, MoED

Project Operations Manual

32. The POM satisfactory to the World Bank has already been prepared by the MoHE-PMU prior to Project Effectiveness to guide Project implementation by the various agencies. The POM includes a brief description of education sector issues that the Project is expected to address, the detailed description of Project components, implementation strategies and cost estimates, and the time schedule of activities. Additionally, the POM includes the Project design and management structure; outcome and intermediate indicators; and procurement, FM, and environmental safeguards arrangements. Towards restructuring the Project, the POM will be revised to factor the changes to the implementing arrangements of the Project, the revised institutional arrangements to include the changes to the roles and responsibilities of the MoHE-PMU, and to add the MoED-PMU staff, roles, and responsibilities.