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Report No: PAD4562

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 7.2 MILLION (US\$10.00 MILLION EQUIVALENT)

AND A

PROPOSED GRANT FROM THE IDA19 SUB-WINDOW FOR REFUGEES AND HOST COMMUNITIES
IN THE AMOUNT OF SDR 3.6 MILLION
(US\$5.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF DJIBOUTI

FOR A

DJIBOUTI SKILLS DEVELOPMENT FOR EMPLOYMENT PROJECT

March 1, 2022

Education Global Practice
Middle East And North Africa Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective January 31, 2022

SDR 0.72	=	US\$1
US\$ 1.39	=	SDR 1
DJF 178	=	US\$1
US\$ 0.01	=	DJF 2

FISCAL YEAR

January 1 - December 31

Regional Vice President: Ferid Belhaj

Country Director: Marina Wes

Regional Director: Keiko Miwa

Practice Manager: Andreas Blom

Task Team Leader(s): Louise Mengue Abessolo Mvono and Venkatesh
Sundararaman

ABBREVIATIONS AND ACRONYMS

AFD	French Development Agency (<i>Agence française de développement</i>)
AfDB	African Development Bank
ANEFIP	Agence Nationale De L'emploi, De La Formation Et De L'insertion Professionnelle
AWPBs	Annual Work Plans and Budgets
CAP	Certificate of Professional Competence (<i>Certificat d'Aptitude Professionnelle</i>)
CDE	Economic Development Council (<i>Conseil de Développement Économique</i>)
COC	Chamber of Commerce
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
DA	Designated Account
DGA	Directorate General for Administration (<i>Direction de service de la gestion des projets</i>)
DGETFP	Directorate General of Technical Education and Vocational Training (<i>Direction Générale de l'Enseignement Technique et de la Formation Professionnelle</i>)
DJF	Djiboutian Franc
DP	Development Partner
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
FGM/C	Female Genital Mutilation/Cutting
FM	Financial Management
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GoD	Government of Djibouti
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
ICT	Information and Communications Technology
IFR	Interim Financial Report
IGBs	Institute Governing Boards
IGAD	Intergovernmental Authority on Development
IPF	Investment Project Financing
MENA	Middle East and North Africa Region
MENFOP	Ministry of Employment and Vocational Training (<i>Ministère de l'Education et de La Formation Professionnelle</i>)
MT	Ministry of Labor (<i>Ministère du Travail</i>)
NGO	Nongovernmental Organization
OJT	On the job training
PDO	Project Development Objective
PFM	Project Financial Management
PFS	Project Financial Statements
PIC	Project Implementation Committee
PIU	Project Implementation Unit
PPSD	Project Procurement Strategy for Development

PMU	Project Management Unit
POC	Project Oversight Committee
POM	Project Operational Manual
PSC	Project Steering Committee
PSU	Project Services Unit
QIP	Quality Improvement Package
SCD	Systematic Country Diagnostic
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
SG	Secretary General
SORT	Systematic Operations Risk-rating Tool Sexual Harassment
SWGs	Sector Working Groups
TDP	Training Development Plan
TVET	Technical and Vocational Education Training
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	US Agency for International Development
WBG	World Bank Group
WBL	Work-Based Learning
WHR	IDA Window for Host Communities and Refugees



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Djibouti	Djibouti Skills Development for Employment Project	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P175483	Investment Project Financing	Moderate

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
23-Mar-2022	31-Dec-2027

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To improve employability and employment outcomes of technical and vocational education and training graduates with a focus on women, persons with disabilities and refugees in priority economic sectors.

Components

Component Name	Cost (US\$, millions)
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C1:Direct Training	5.70
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C2:Improving TVET Sectoral & Institutional Governance, Architecture & Service Delivery Mechanisms & Program Management	9.30
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Organizations

Borrower:	Ministere De L'Economie et des Finances Project Oversight Committee
Implementing Agency:	Ministère de l'Education Nationale et de la Formation Professionnelle

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	15.00
Total Financing	15.00
of which IBRD/IDA	15.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	15.00
IDA Credit	10.00
IDA Grant	5.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Djibouti	10.00	5.00	0.00	15.00
National PBA	10.00	0.00	0.00	10.00
Refugee	0.00	5.00	0.00	5.00
Total	10.00	5.00	0.00	15.00

Expected Disbursements (in US\$, Millions)



WB Fiscal Year	2022	2023	2024	2025	2026	2027	2028
Annual	0.50	2.10	2.45	3.45	3.58	2.92	0.00
Cumulative	0.50	2.60	5.05	8.50	12.08	15.00	15.00

INSTITUTIONAL DATA

Practice Area (Lead)

Education

Contributing Practice Areas

Digital Development, Energy & Extractives, Finance, Competitiveness and Innovation, Social Protection & Jobs

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate
9. Other	● Substantial
10. Overall	● Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description



SCHEDULE 2, Section I. A. 2. " In order to ensure proper oversight of the Project and coordination among the Recipient's ministries involved in the Project, the Recipient shall: (a) maintain at all times during the implementation of the Project, the CDE, as a steering committee for the Project, with composition and mandate adequate to carry out the Project and in charge of overall oversight and strategic guidance for the Project (including approval of the Annual Work Plans and Budgets) as further detailed in the Project Operations Manual; and (b) not later than one (1) month after the Effective Date, execute and thereafter maintain the Memorandum of Understanding detailing the roles and responsibilities of all the Recipient's ministries involved in the Project."

Sections and Description

SCHEDULE 2, Section I. A.3. "The Recipient, through MENFOP, shall maintain at all times during Project implementation, the Project Technical Committee ("PTC") to be in charge of overall Project implementation and coordination, with composition, mandate, staffing and other resources satisfactory to the Association, all in accordance with the provisions of the Project Operations Manual."

Sections and Description

SCHEDULE 2, Section I. A.4. "The Recipient, through MENFOP, shall maintain at all times during Project implementation, the Project Implementation Unit ("PIU") to be in charge of overall Project management and monitoring, with composition, mandate, staffing and other resources satisfactory to the Association, all in accordance with the provisions of the Project Operations Manual. To this end, the Recipient shall no later than one (1) month after the Effective Date, hire and thereafter maintain, throughout Project implementation, key staff under the PIU, all with experience and terms of reference, acceptable to the Association, as further detailed in the Project Operations Manual."

Sections and Description

SCHEDULE 2, Section I. B. 2. "Work Plans and Budget For purposes of implementation of the Project, the Recipient shall: (a) by no later than one (1) month after the Effective Date, prepare a draft work plan and budget for Project implementation, setting forth, inter alia: (i) a detailed description of the planned activities, including any proposed Operating Costs and Training, under the Project for the period covered by the plan; (ii) the sources and proposed use of funds therefor; (iii) procurement and environmental and social safeguards arrangements therefor, as applicable and; (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity; (...)"

Sections and Description

SCHEDULE 2, Section I.C.7. "Without limitation upon the provisions of paragraph 2 above, if 60 days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall, through MENFOP : (a) not later than 30 days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association."

Conditions



Type Effectiveness	Financing source Trust Funds, IBRD/IDA	Description Article V, 5.01 (a) The Recipient has adopted the Project Operations Manual in form and substance satisfactory to the Association.
Type Effectiveness	Financing source Trust Funds, IBRD/IDA	Description Article V, 5.01 (b) The Association is satisfied that the Recipient has an adequate refugee protection framework.
Type Disbursement	Financing source Trust Funds, IBRD/IDA	Description SCHEDULE II- Section III- Part B- Notwithstanding the provisions of Part A (under this Section), no withdrawal shall be made: (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 200,000 may be made for payments made after February 21, 2021 but prior to the Signature Date for Eligible Expenditures under Category (1), or (b) for payments made under Category (2) until and unless the Association has received the executed copy of two Training Agreements; all in form and substance satisfactory to the Association; or (c) for payments made under Category (3) until and unless the Association has received the executed copy of two Performance Agreements, all in form and substance satisfactory to the Association.



I. STRATEGIC CONTEXT

A. Country Context

1. **Djibouti is a relatively small country located strategically in the Horn of Africa.** It has borders with Ethiopia along the west and southwest, Eritrea along the northwest, Somalia on the southeast, and the Gulf of Aden to the east. It is one of the smallest countries in Africa with a total land area of about 23,200 square kilometers¹ and is divided into six administrative regions: the capital city of Djibouti, Ali Sabieh, Arta, Dikhil, Obock, and Tadjourah².

2. **Djibouti's main resources are its strategic location and people.** This access to the coastline allows Djibouti to play a crucial and oversized role in regional trade, including with Ethiopia. Djibouti is an arid country with nearly nine-tenths of its land area classified as desert, and with little arable land. About 9 percent of land is considered as pastureland and about 1 percent are forests. Arid lands scattered with shrubs dominate the landscape which consists of plateaus, plains, volcanic formations, and mountain ranges³. Djibouti has limited natural resources and is prone to natural disasters which can be further exacerbated by water scarcity, poor water management, and poor land-use planning. Precipitation is truly scarce and does not support an agricultural base and requiring Djibouti to import nearly all of its food requirements⁴. Therefore, the economy is quite dependent on the service sector, specifically the commercial activities that supports the trade sector given the country's strategic location as a Red Sea transit point with about two-thirds of the port's activities supporting imports and exports to and from Ethiopia. The country is home to about a million individuals and is multiethnic in nature with Somalis, Afar and Arabs. Djibouti city accounts for about 70 percent of the country's population, with the remaining population spread across the five regions. In these administrative regions, the rural share varies quite a bit ranging from 40 percent of the population in Ali Sabieh to 77 percent in Tadjourah. On aggregate about 15 percent of the population live in rural areas, with the rest residing in the country's cities and towns.

3. **Djibouti's stability in an otherwise unstable region has made the country a destination for refugees from neighboring countries.** The fragile, conflict and violence (FCV) context in countries surrounding Djibouti, heightens the need for the country to respond to the needs of refugees and host communities and prepare for likely future refugee flows, asylum seekers and migrants. Unrest in neighboring countries has forced refugees to seek shelter in Djibouti since the mid-seventies. United Nations High Commissioner for Refugees (UNHCR) update on refugees and asylum seekers in Djibouti as of January 31, 2022, states that there are 34,810 such individuals in the country. These populations are concentrated in three regions - Djibouti City (7111), Ali Sabieh (24886) and Obock (2813). There are two locations within Ali Sabieh - Ali-Addeh (17018) and Holl-Holl (7868). These numbers represent the total number of refugees and asylum seekers, with the number of refugees only in these locations amounting to: Djibouti City (5864), Ali Sabieh (14743) and Obock (2813). The numbers in the two locations of Ali-Sabieh being as follows - Ali-Addeh (11797) and Holl-Holl (2946). This represents a total of 8865 households with 3033 in Djibouti, 2454 in Holl-Holl, 4442 in Ali-Addeh, and 1614 in Obock. Approximately 54.53 percent are men

¹ Djibouti is often referred to as one of the smallest countries in Africa and this is accurate. It is the 8th smallest country in Africa with only Eswatini, the Gambia, Capo Verde, the Comoros, Mauritius, Sao Tome and Principe and the Seychelles being smaller. However, relative to other regions of the world it is not that small. For example, Israel, Kuwait, and Singapore are all smaller than Djibouti in size (Wikipedia, <https://www.nationmaster.com/country-info/stats/Geography/Land-area/Sq.-km>).

² Which are also names of townships in these districts.

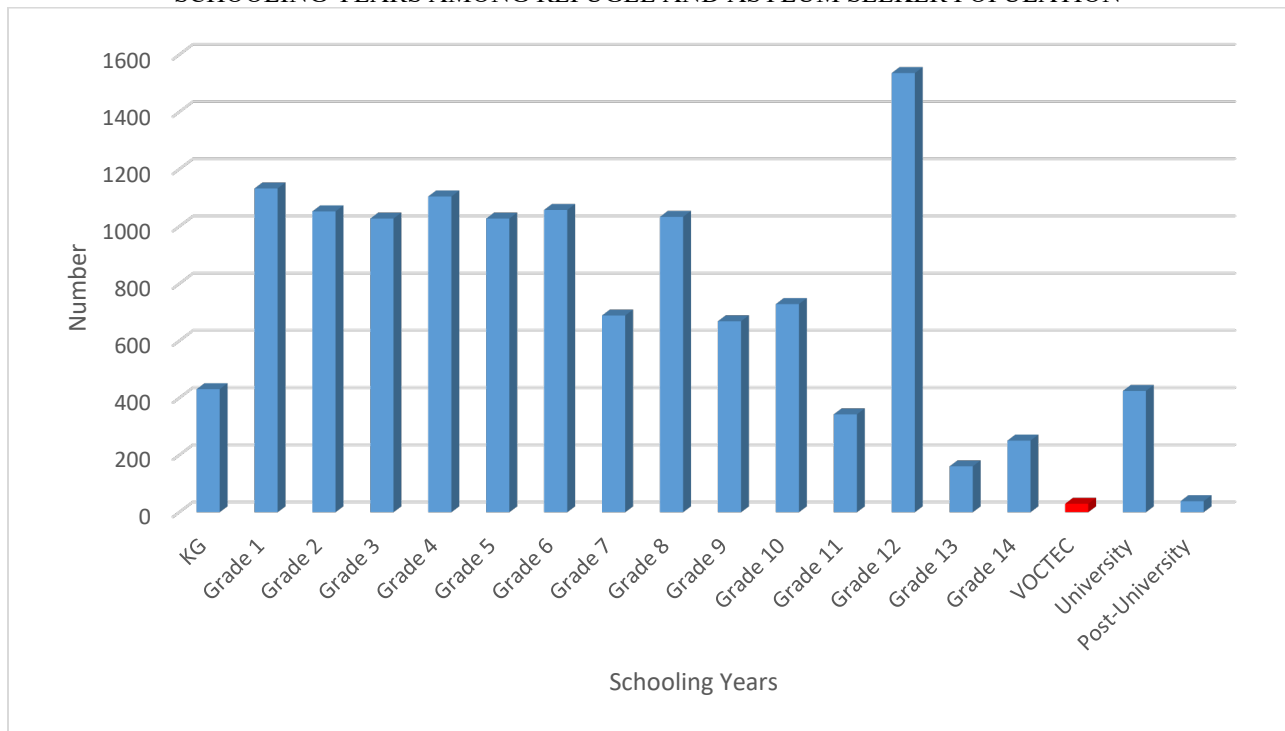
³ Some of these mountains are about 2,000 meters (m) in height.

⁴ The country recently leased tracts of land in Ethiopia to grow food in an attempt to lower its import bill. Facts in paragraph 2 are also from the same source.



and 45.47 percent are women of the overall refugee population. A majority of these individuals (57.47 percent) are between the ages of 18-59 years or the working age group. Approximately 38 percent of the refugee population is less than 17 years of age. The current number of refugees and asylum seekers constitutes about 3.4% of the total population living in Djibouti, making it one of the countries with a significant ratio of refugees and asylum seekers/population in the world. The share of refugees only is about 2.34 percent of the overall population of the country. Educational attainment is very low across the population of refugees and asylum seekers with 53 percent of the population having no schooling at all. Figure 1 below illustrates attainment across the population of refugees and asylum seekers.

FIGURE 1
SCHOOLING YEARS AMONG REFUGEE AND ASYLUM SEEKER POPULATION



Source: UNHCR (2022)

4. **Djibouti is considered highly vulnerable to climate change.** While strategic location defines much of Djibouti's current economic growth strategy, location is also a concern for Djibouti when considering the impacts of climate change and the trends expected to be seen in the coming years. The Notre Dame Global Adaptation Initiative (ND-GAIN) Index places Djibouti at 117 out of 181 countries, implying that the country is vulnerable to climate change impacts and is expected to experience adverse impacts from increased temperatures, aridity, reduced precipitation, and rising sea levels⁵. Mean annual temperatures are projected to increase by 1°C every twenty years, with monthly average temperatures expected to rise by 1.9°C by the 2050s and a staggering 4.5°C by 2100. These temperature increases are likely to be associated with intense heat waves, with cold spells and cold nights expected to decrease which will have significant consequences for human, animal health, biodiversity, and water resources. Precipitation patterns are less clear, with a marginal increase in rainfall patterns expected

⁵ World Bank (2021), Djibouti Climate Risk Country Profile, The World Bank.



through to the end of the century, although the timing of precipitation is likely to impact both livestock grazing periods tended to by nomadic groups and for the very small part of the country that supports agriculture. The country is highly vulnerable to droughts, floods, heat waves, and earthquakes. Its strategic coastline also increases exposure to risks posed by sea level rise, and thereby potentially affecting the country's strategic port assets and its ability to use tourism as means of economic growth. As one of the most water scarce countries in the world, these climate related events would continue to play havoc with human and livestock populations in the coming century. Further studies are needed to better understand some of these anticipated patterns in Djibouti to improve government's planning and preparation. For example, recent studies using data from 14 weather stations covering the period 1946-2017, illustrates spatial and temporal variability and specifically identifies two spatially coherent regions - eastern coast and western inland areas of the country, and across January-February (JF); March-May (MAM); June-September (JJAS); and October-December (OND) over the year. The study also notes significant positive correlation in rainfall variability with Indian Ocean Dipole (IOD) and OND period, and negative correlation between JJAS and El Niño Southern Oscillations (ENSO). The Project will emphasize green investments (e.g., water harvesting systems, renewable energy options for Technical and Vocational Education Training (TVET) institutions where possible, etc.) and incorporate foundational classes on the country's vulnerability to climate change as a core course for all students and trainees in long term (greater than a year old) skills development programs.

5. **Djibouti is a lower-middle income economy with a nominal gross domestic product (GDP) equivalent to US\$2.6 billion in 2016 (DISED⁶).** For nearly two decades, Djibouti has experienced sustained and strong economic growth. For a decade between 2003 and 2013, real GDP growth averaged around 4.5 percent per year, this increased to about 7 percent per year between 2013 and 2016⁷, and the country has witnessed economic growth rates of 8.4 percent and 7.5 percent in 2018 and 2019 respectively. This relatively rapid growth in recent years, driven mainly by investments in physical capital, rent from military bases, and the importance of the transport and logistics sector, however, has not been inclusive and has not resulted in improved development outcomes for its citizens and residents⁸.

6. **Therefore, Djibouti remains a relatively poor country and with high levels of inequality.** About 21 percent of the population is characterized as being extremely poor according to estimates based on the official poverty line of about US\$2.17 a day 2011 PPP or spending less than DJF 117,783 per adult equivalent per year. Using the World Bank's (2018b) poverty line for lower middle-income economies of US\$3.20 a day (2011 PPP), appropriate for an economy at Djibouti's level of development, the extreme poverty rate would be closer to 32 percent. Inequality in Djibouti is one of the highest in the Middle East and North Africa Region (MENA) region with an estimated Gini coefficient of 0.42 and where the highest income decile consumes about sixteen times as much as the lowest decile, and twice that of the ninth decile (World Bank 2019). Extreme poverty in rural areas of the country is significantly higher with about 62.6 percent of the population being classified as such. According to UNHCR, in 2017 around 74 percent of the refugees lived on less than US\$3 per day. Refugee population predominantly lives in the poor neighborhoods of Djibouti City under precarious living conditions where they are generally welcomed and develop friendly interactions with host communities.

⁶ *Direction Statistique et des Études Démographique.*

⁷ This impressive record of economic growth puts Djibouti ahead of countries with similar characteristics, such as, Cabo Verde, the Comoros, Sao Tome and Principe. This also places Djibouti's economic growth record ahead of countries that had similar per capita GDP in 2013, such as, Albania, Guinea-Bissau, Mauritius, and Mali (World Bank 2019; <http://documents1.worldbank.org/curated/en/825601576251871028/pdf/Challenges-to-Inclusive-Growth-A-Poverty-and-Equity-Assessment-of-Djibouti.pdf>).

⁸ The elasticity of growth to employment shows that for every percentage point increase in GDP, employment grows by 0.38 percent.



7. **Capital accumulation has driven Djibouti's recent growth.** Sustained growth prior to the pandemic has been driven by capital accumulation with capital stock growing by 21.4 percent between 2005-2015 and contributing to about 12.8 percentage points over this period with total factor productivity remaining negative though should signs of improvement. However, over the same period, labor has grown by only 2 percent, and contributed only 0.8 percentage points to growth.
8. **The government's policy priorities emphasize jobs and job creation.** The lack of movement in labor helps explain growth's limited impacts on poverty. Investments in physical capital were not matched by corresponding increases in human capital, and thereby gains that could have been exploited by the growth in physical capital did not materialize. Hence, the Government of Djibouti's increased focus on improving its human capital outcomes, by investing in health, social protection, and education services, given the realization that capital accumulation alone will not help improve economic growth beyond a certain point but that investing in its people will all the country to transition towards a knowledge economy, and allow the population to better harness the opportunities that become available.
9. **The pandemic has significantly slowed economic growth in Djibouti, although it is anticipated that growth will pick up as the pandemic is brought under control with increased global access to vaccines.** The pandemic slowed Djibouti's growth in early months of the pandemic due to both the slowdown in global economic activity and the government's own lockdown measures to restrict the spread of the virus. It was estimated that Djibouti would lose about 0.75 percent of GDP per week of general lockdown as it attempted to flatten the curve. In the medium- to long-term, economic growth is expected to rebound given successful global efforts in controlling the spread of the pandemic since its outbreak. Economic activity recovered in 2021 due to the fact that global and regional trade rebounded and increased the demand for the transport and logistics sector. GDP growth in Djibouti has reached 5.1 percent in 2021, compared to a low of 0.5 percent in 2020.
10. **Djibouti is keen to harness this growth potential for social and human capital improvements of its population and refugees living in the country.** There are numerous growth opportunities and trajectories for Djibouti to consider as it continues to consolidate its role as a trade conduit between economic partners including Ethiopia, as a base for peace and stability in an otherwise volatile Horn of Africa, and as it ambitiously positions itself as a regional digital hub. To ensure that these opportunities lead to sustained improvements in the quality of life for its citizens and the refugee population, Djibouti has focused on improving their skills set to help them access emerging opportunities, while simultaneously supporting efforts to increase the country's key growth sectors. The government recognizes that the jobs agenda needs to be a central feature of this economic transformation, and to ensure that future growth is not a jobless one. Ensuring that the country has the needed stock and flow of education and skills to harness this growth potential is one of the key policy priorities of the country. Furthermore, the recognition of refugee skills is an important and growing area in the policy space and policy makers recognize that there are qualified individuals whose skills and talents can contribute to the country's economy and that including them in education and training programs could help the labor market integration of refugees.
11. **The COVID-19 crisis has had significant impacts on Djibouti's educational system across all levels.** The transaction of educational services in Djibouti has taken a severe hit due to the COVID-19 crisis, and the implications of this will manifest itself in the years to come. The Djiboutian government did respond quickly in the early months of the pandemic between March and September 2020 and resorted to alternative learning modalities. Preliminary data from pulse surveys suggests relatively good student participation through these



alternative modalities during this period and this is shown in Table 1. Since September 2020, schools have largely reopened and a majority of children, including those from refugee’s communities have been able to return to school, and the few who have not been able to go back to school noted that schools were unprepared to receive students (World Bank 2020)⁹. Though the preliminary results from pulse surveys have been favorable, more detailed work would be needed to truly ascertain both short- and long-term impacts.

Box 1: COVID 19 Impacts in Djibouti

The pandemic has disrupted economic activity in Djibouti and while the impact till date has been relatively limited, it continues to threaten lives and livelihoods of Djibouti’s citizens. The first case of the coronavirus disease (COVID-19) was detected in Djibouti on March 18, 2020. As an immediate measure, the Government suspended international air-travel, and this eventually led to a general lockdown starting March 27, 2020. Nevertheless, Djibouti went on to become the country with the highest prevalence of coronavirus in East Africa at one point in time, although this is no longer the case. Subsequently, all schools, colleges and higher education institutions were also ordered to shut down to help prevent the transmission of the virus. Government restrictions started to be eased initially on May 11, 2020, and more fully in the fall of 2020 when schools were reopened. As of February 28, 2022, there have been about 15,547 confirmed positive cases of COVID-19, with 189 deaths. However, the apparently low incidence of COVID-19 should be interpreted with caution due to the unpredictable nature of this virus, the inflow of workers from other countries, and the relatively poor health infrastructure in the country. Djibouti has administered a total of about 160,785 COVID-19 vaccination doses resulting in vaccinating 140,347 individuals or about 14.0 percent of the population. About 100,337 completed vaccination doses have been given or about 10.01 percent of the population. The Djiboutian government started the vaccine campaign in mid-March 2021. About 366 doses are administered each day in Djibouti, and at this rate 70 percent of the population would be fully vaccinated in 3,394 days or by June 2031. [<https://covidvax.live/location/dji>].

TABLE 1
EDUCATION ACCESS IN DJIBOUTI DURING EARLY MONTHS OF THE PANDEMIC (percent)

	ALL	BALBALA	REST OF DJIBOUTI CITY	OTHER URBAN CENTERS	NON-POOR	TOTAL
Proportion that watched Educational TV programs (Students aged 6-10 years old)	73.5	86.0	75.0	45.3	73.4	73.8
Proportion that watched Educational TV programs (Students aged 11-18 years old)	82.2	85.6	84.8	73.9	82.9	78.9

Source: World Bank (2020a)

12. **In line with the Global Compact on Refugees, Djibouti has demonstrated its openness and commitment to providing adequate protection to refugees.** Over the last 40 years, Djibouti has taken significant steps towards protecting migrants and refugees, including: (a) institutional and legislative strengthening; (b) improving access to basic services, particularly education and health¹⁰; and (c) promoting social protection and economic prosperity. The National Refugee Law which came into force in 2017 helped to ensure the integration of refugees into the national systems such as health, education, and the labor market. The Government of Djibouti meets all three criteria to access financing through the IDA19 Window for Host Communities and Refugees (WHR) including:

⁹ World Bank (2020b), *Monitoring COVID 19 Impacts on Households in Djibouti Report No. 2*. Washington DC, November 2020.

¹⁰ Given the significant impact by COVID in Djibouti and recognizing the need to support refugee and migrant populations. the Government has been proactive in rolling out COVID-19 Vaccinations for these populations and ensuring access to mental health care.



(a) with a population of 23,420 refugees only as of January 31, 2022, the refugees constitutes about 2.34 percent of the total population living in Djibouti, making it one of the countries with a significant ratio of refugees/population in the world; (b) the World Bank Group (WBG) in consultation with UNHCR (February 16, 2022) has determined that the framework for the protection of refugees remains adequate for the purpose of the IDA 19 WHR; and (c) the Government of Djibouti has articulated a strategic approach to move towards long-term solutions that benefit refugees and host communities.

13. **There are also regional efforts to integrate these vulnerable populations.** In 2017, the Intergovernmental Authority on Development (IGAD) member states¹¹ also agreed to take collective responsibility to ensure that every refugee, returnee, and members of host communities have access to quality education, including skills and competencies, in a safe learning environment without discrimination, and integrate refugees into national education policies of IGAD member states, and the declaration also agreed to adopt an action plan to support this goal. The focus on skills and competencies is further strengthened by an effort underway within IGAD member states to look at a potential role for skills development and recognition to help support and extend the impact of a regional system on labor mobility within and between member states.

B. Sectoral and Institutional Context

B.1 CHARACTERISTICS OF THE LABOR MARKET

14. **Labor force participation rates in Djibouti are low¹² and only about 45 percent of the working age population of Djibouti, i.e., those who are 15 years old and above, participate in the labor market¹³.** This has restricted the development of a private sector which typically supports job growth and the development of a vibrant and dynamic labor market. The country also has high total unemployment rates and even higher youth unemployment rates in the order of about 10.3 percent and 21 percent¹⁴ respectively. Refugees are vulnerable to economic exclusion; a study of the Government of Djibouti (GoD)¹⁵ shows that the employment rate, i.e., the proportion of working people in the population aged 15 and over, is 29.2 percent, or less than a third of all refugees and asylum seekers. Furthermore, Djibouti has a very large informal sector which also contributes to high rates of underemployment and poor quality of employment. There is significant variation in labor force participation by gender and age, with men's participation rate estimated to be 59 percent compared to only 32 percent for women in Djibouti¹⁶. This can be attributed to some extent to the significantly high prevalence of Female Genital Mutilation/Cutting (FGM/C) in Djibouti (93 percent of women) and the multiple underlying links between FGM/C, education, and labor force participation¹⁷. For those above 25 years of age, the main working

¹¹ Refer to the Djibouti Declaration on Regional Conference on Refugee Education in IGAD Member States, 14 December 2017.

¹² Modeled ILO estimates and retrieved on January 29, 2021, suggests that LFP rates are about 64 percent and that this hides significant differences across sub-populations. Refer to <https://data.worldbank.org/indicator/SL.TLF.ACTI.ZS?locations=DJ>.

¹³ This ratio has remained unchanged over the last 25 years when it was estimated to be about 46.3 percent in 1996 and notwithstanding two decades of growth (World Bank, 2019).

¹⁴ There are other documents which suggest that nearly three-fourths of youth are unemployed. These numbers are difficult to corroborate. Especially using more standard definitions of unemployment and the age brackets which define youth in Djibouti.

¹⁵ République de Djibouti, 2020, Rapport enquête profilage dans les villages de réfugiés 2019, MASS, INSD, WFP, UNHCR.

¹⁶ Only 14 percent of the women are employed relative to population, while about 38 percent of the men are engaged in work.

¹⁷ The physical and psychological short term and long terms consequences can negatively affect girls who have been subjected to FGM/C from attending and/or succeeding school. Moreover, FGM/C is also correlated with early marriage and early pregnancies. FGM/C is often regarded as a rite into womanhood and is the prerequisite for a girl to be married and sexually active. FGM/C can thus further lead to girls dropping out of school to become wives and/or mothers. FGM/C consequences for a woman's health negatively affect her productivity and type of employment opportunity. A World Bank sponsored Report attributed some of the economic costs of FGM/C to a loss of productive labor through increased mortality or morbidity as direct or indirect consequences of the practice, and a decline in productivity (and income) due to FGM/C-related disability linked to the long-term health complications of the practice.



age group, participation rates are 55 percent and 53 percent for age cohorts 25-39 years old, and 40-60 years old respectively. There are also high levels of economic inactivity among the youth with only about a third of the population in the 15 to 24-year range participating in the labor force¹⁸. This is despite the fact that this cohort has a higher level of literacy and a higher share have completed the primary cycle compared to other age cohorts. This illustrates the difficulties in making the transition from schooling and training to jobs. About 45 percent of the youth are still in school, while 5 percent are already in the workforce. However, perhaps the most concerning statistic regarding the youth is that nearly 22 percent are unemployed and almost 28 percent are neither in education, employment or in training.

15. **The labor market in Djibouti is highly segmented.** There are three broad buckets into which workers in Djibouti can be placed - the small formal private sector which accounts for about 10 percent of those in the workforce, the over-bloated public sector, and the sizeable informal private sector. These two sectors combined account for 90 percent of those employed, with about 43 percent working in the public sector¹⁹. Refugees, particularly skilled and semi-skilled Yemenis refugees, are highly present in the formal and informal private sector. No statistics are available on the share of refugees in the labor market, but clear distinction could be made between very entrepreneurial and skilled Yemenis and the rest of refugees present in Djibouti.

16. **Highly qualified and skilled individuals continue to self-select into the public sector which has enormous appeal.** About half of the public employees (45 percent) have at least a secondary education and the public sector accounts for about 70 percent of all Djiboutian workers with this level of education. The public sector offers tenure and relatively high wages, and this accounts for the skewed distribution of educated workforce between the private and public sectors²⁰ with high skilled workers becoming concentrated in the public sector, while there is an over-representation of low-skilled workers on the private sector side. Formal labor market opportunities are less available for working women than for working men, so this results in the informal private sector employing 63 percent of working women, while a third of women work in the public administration (in contrast to about 48 percent for men). The 'private formal' market is a small employer and does not recruit people of high skills. The informal private sector is a large employer, and a large employer of unskilled or semi-skilled workers. Over half of the country's population works in small firms which engage 10 or fewer workers, which in reality translates into a large number of one-person retail firms, or individuals working as microentrepreneurs. This is illustrated below in Figure 2.

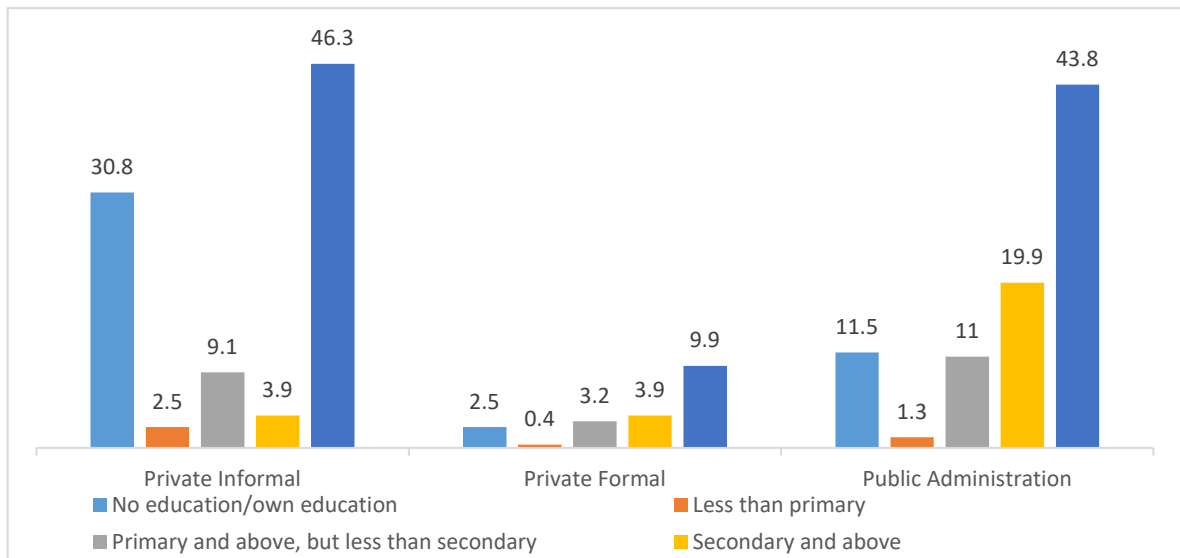
¹⁸ The participation rate for cohorts of the population in the prime working ages of 25-39 years and 40-60 years are 55 and 53 percent respectively.

¹⁹ The formal sector accounts for only about 38700 individuals in the country or about a tenth of the population.

²⁰ On average, workers in the public sector earn DF 104,161 per month while those in the (informal) private sector earn DF 84,221 per month.



FIGURE 2
SEGMENTATION IN THE DJIBOUTIAN LABOR MARKET



Source: World Bank 2019

17. **Labor market informality is characteristic of the Djiboutian labor market.** In Djibouti, informality is correlated to poverty and vulnerability. Poverty rates are also associated with the sector in which the household head works, being six times higher when the household head is employed in the informal private sector as compared to when s/he works in the formal sector. Vulnerability is also higher among those with a household head working in the informal sector. In terms of the development of skills, the informal sector poses significant challenges given that it is difficult to forecast the set of the skills needed to support the economic activities contained therein and there are many other constraints in the informal sector space, which makes it unlikely that training alone will help overcome these constraints. There are many reasons for such labor market characteristics including *inter alia*:

- **Skills gaps:** Existence of significant skills gaps in the market may explain why labor force participation rates are low, and Djiboutian workers simply do not have the necessary skills to take advantage of emerging opportunities in the formal labor market.
- **Links between education and skills and jobs:** There is a weak positive correlation between employment rates and educational attainment in Djibouti, although higher educational attainment by no means guarantees greater opportunities in the labor market. In fact, the concern of *skilled unemployment* is quite significant. While individuals with secondary or more education show higher rates of employment than those with no education, there are almost no differences between those with no schooling and those with primary schooling.
- **Reservation Wages:** Another perplexing concern is that Djiboutians seem to have a high reservation wage, and it is not clear as to why the reservation wage is so high in a country with widespread poverty, high



unemployment, and not very large amounts of remittances coming into the country from the Djiboutian diaspora²¹.

B.2 THE SUPPLY SIDE FOR SKILLS DEVELOPMENT

18. **Education is valued by the Djiboutian population, and this is evidenced in the positive educational mobility across the population of the country.** For the overall population of the country, there is evidence of positive education mobility for the entire population. About 36 percent of the population aged 25 years or older, have higher educational attainment than their parents' generation, while about 60 percent have the same attainment as those in their parent's generation. There is considerable variation across population subgroups with non-poor men showing the greatest mobility rates, while poor women show the least mobility. The World Bank's Poverty Assessment also estimates returns to schooling, the returns to be employed in the public sector. The analysis finds that every additional year of formal education increases wages by 7.8 percent and that working in the public sector is associated with a wage premium of 18 percent even after accounting for other worker characteristics.

19. **The Djiboutian schooling system is a 5+4+3 system with 5 years of primary schooling, 4 years of lower secondary schooling and 3 years of secondary schooling with Skills Development Programs beginning at the end of compulsory schooling.** The pre-primary cycle covers 2 years although access is severely curtailed. The primary and lower secondary cycles are considered as compulsory, and general and vocational secondary programs begins after the completion of compulsory schooling. Students at the secondary level can opt to follow two paths – a general education path that spans three years or a technical and vocational education path that spans either one or two or three years which is a function of the area of specialization of the student. Upon completion of the compulsory school cycle – primary plus lower secondary – students have the option of studying in one-year, two-year or three-year cycles. These are described below:

- A short cycle of one (1) year after which the trainee leaves the school system and receives the qualification of a *Certificate of Professional Training*.
- This is an entry level qualification and is also open to out-of-school youth who do not qualify for *Certificate of Professional Aptitudes (CAP)* and to adults without qualifications, irrespective of whether they are employed or not, and who are seeking their first certification.
- The CAP offers a two-year cycle and is also opened to school leavers in the 9th year of general schooling. Students who wish to and qualify for continued training, have the opportunity to enter the second year of the *Diplôme du Baccalauréat professionnel (BAC PRO)* cycle which allows for a quicker transition into the labor market.
- Students who have successfully completed their Year 9 in General Education or holders of the CAP, are eligible for the three-year cycle and are eligible to receive the BAC PRO upon completion.

20. Each of these levels requires the student/trainee to develop *knowledge, attitudes, and practice* in their specific areas of interest in a manner demonstrating progressive responsibility and capacity to function autonomously. The ratio of theory to practice changes as trainees move from shorter duration programs (1 year)

²¹ Reservation wages can be high for a number of reasons – for example, overgenerous unemployment benefits making working less desirable and high levels of overseas remittances. For example, in Caribbean Island states and in the Pacific Island Countries, reservation wages are high, fueled by sizeable remittances as a percentage of GDP being channeled back to these countries. This is not the case in Djibouti.



to longer term programs (3 years), with higher level trainings requiring trainees to demonstrate the acquisition of both theoretical and practical knowledge.

21. As part of its support to education, the Ministry of National Education and Vocational Training (MENFOP) coordinates provision of appropriate curriculum in appropriate languages among the main refugee groups from Somalia, Eritrea, Ethiopia, and Yemen. MENFOP has continued to prioritize refugee education during the COVID-19²²-related school closures, ensuring logistics for refugees to undertake end-of-school exams. Another key step taken by the Government of Djibouti to support further education and training opportunities for refugees in the country was the signing of a Presidential Decree²³ that helped establish the provision of the appropriate high school graduation certificates that allows refugee students to access higher education and vocational training opportunities in the country and gives them access to scholarships.

B.3 KEY CHALLENGES IN IMPROVING OUTCOMES OF SKILLS DEVELOPMENT PROGRAMS

22. **Vocational training is at the heart of the economic and social challenges of Djibouti.** With the new national vocational training policy adopted this year by the Council of Ministers, the reformed vocational training system is expected to achieve: (a) an increase in the number of new entrants to vocational training of at least 20 percent, (b) a reduction in the imbalance in access between the capital and the administrative regions with most of the training infrastructure concentrated around Djibouti Ville, (c) significant reforms in institutional governance that improves coordination horizontally across public institutions, and vertically from the highest governing bodies to the point of service delivery, the creation and operationalization of new governance structures and modalities with a specific focus on improving institutional level autonomy, (d) the establishment of sustainable mechanisms for financing the vocational training system; and (e) integration of vocational training graduates in excess of 50 percent into productive employment in the labor market.

B.3.1 Key Challenge 1: Improving System Level Governance

23. **The TVET Subsector in Djibouti is in the process of implementing a revised, comprehensive policy to help develop and grow the sub-sector.** Until recently the technical education and vocational training lacked a clear vision, and precise definition of the system's role, objectives, and functioning. In 2019, the Djiboutian government developed the *Politique Nationale de Formation Professionnelle* (or the National Vocational Training Policy) which now provides a more comprehensive assessment of the TVET sector and the reforms that will be needed to improve the functioning of this subsector. However, the training policy fall short of distinguishing interventions and targeted activities between different social groups including youth, women, refugees, and other vulnerable groups.

24. **The GoD has established the Direction Générale de l'Enseignement Technique et de la Formation Professionnelle (DGETFP) or the General Directorate of Technical Education and Professional Training.** This was established in 2012 and was expected to be responsible for development and the conduct of the country's policies on technical education and vocational training. This office was restructured in 2018 and was expected to help the planning, budgeting, and implementing TVET programs, carry out all monitoring and evaluation functions, function

²² The UNHCR and the World Bank have worked systematically to include persons of concern in the COVID-19 response efforts in a number of low- and middle-income countries. The two agencies also undertook a set of telephone surveys to look at the socio-economic impacts of the COVID-19 policies adopted around the world and children's mental health.

²³ This decree was signed in September 2020 and thereby expanding access to skills development opportunities for refugee populations.



as an inspectorate, and most importantly, support and ensure coordination across a range of bodies involved in the delivery of technical education and vocational skills. However, it is now realized that the DGETFP, the key arm of the government in the technical education and vocational training space, lacks the autonomy, manpower, financing, and other resources needed to support such a broad set of functions. This constrains the DGETFP's ability to fulfill its objectives to support skills development and support the employability of Djibouti's youth. The fragmented training system requires an institutional architecture that is different and that can support coordination both vertically and horizontally through the TVET ecosystem; rope in the private sector to support program development and ensure that programs are relevant to the needs of the market; support a revolving door between industry and academia so that trainers have both practical and real world knowledge, and the content and pedagogical skills to impart this to the next generation of workers. In short, the sector needs a strategic rethink, modernized governance structures, expansion of institutional autonomy, and numerous other reforms on the role of public and private stakeholders, certification, program equivalence, pathways development, implementable policies on the recognition of prior learning, strengthening, and diversifying the volume and source of funding, training of trainers, decentralization of training provision, adaptation to different groups – including youth, women, refugees and other vulnerable groups- and the development of quality assurance mechanisms. The country's new TVET policy recognizes these shortcomings and has clear plans to modernize the system and the government has exhibited a willingness to look at the reforms that will be needed. It falls, however, short of allowing refugees to benefit from vocational trainings.

25. **Institutional governance needs to evolve with an emphasis on institutional autonomy on all matters academic, administrative and to a more limited sense, financial.** The present system over-emphasizes the role of the ministerial department in the management and functioning of all training institutions. To improve efficiency of operations, institutions should be given a greater degree of autonomy in areas of administration, academics, and financing, and should also be supported in developing procedures for procurement, financial management, and auditing. Simultaneously, the reforms should support centralized systems for quality assurance, promotion of program efficiency, and monitoring and evaluation of institutional outputs and outcomes, and support for the development of leadership, staff, and trainer skills.

26. **Successful skills development projects in Djibouti have worked across government ministries and other bodies.** This provides a workable template for success. For example, *Agence Française de Développement's* (AFD) support to the transport and logistics sector has been through a tripartite arrangement which brings together MENFOP, Ministry of Labor, the Chamber of Commerce and the AFD. Similarly, the US Agency for International Development (USAID) has worked closely with *Ministère des Affaires Sociales et des Solidarités* (MASS), MENFOP, and other private sector bodies to support their long-standing Workforce Development Program. The Project design will use these lessons learned in the design of the operation.

27. **The TVET and Skills Development System in Djibouti is inflexible with medium-long term programs.** Most TVET programs in Djibouti run a minimum of a year and for as long as three years and are modelled less to teach job specific skills. They are also less likely to distinguish between different target groups including refugees. These programs need to be significantly reformed to make the overall skills development system more flexible, by converting these one year long programs into modularized, stackable short- and micro- programs which would support flexibility in terms of entry and exit to programs, increase access to groups who are unable to joins skills development programs due to the high barriers to entry, establish a skills ladder, make skills development an option for those who are already in the workforce, and allows for better targeting of resources. Developing



modularized course curricula will be a key objective of the Project and will be implemented for all priority programs.

28. **Quality Assurance mechanisms are not fully in place, and the elements that are in place, do not function as needed.** The TVET system in Djibouti would benefit from the development of the country's quality assurance procedures and mechanisms. This would involve a range of different activities from the development and establishment of a national vocational qualifications' framework²⁴ Additionally, efforts would have to be made to ensure that program curriculum, student assessment mechanisms, practical work, and portfolio development are all strengthened through the trainee's program.

29. **Internationally Recognized, Industry Approved Certification and Portability:** The government recognizes the need to support internationally recognized and industry-approved certification as a way to increase the portability of skills. Skills portability is critical in a country like Djibouti where the nature of the labor market and high levels of youth unemployment make it a critical issue. Furthermore, since the available local certificates are not competence based, it is difficult for employers to select the workers they need without competence-based approaches to training, and which are carefully scrutinized and studied by all. Given that such certificates provide a signal of both program relevance and more importantly, verifiable skills, it is expected to give Djiboutian youth, and other country residents such as refugees, an advantage in the labor market. The portability of certificates also helps broaden the catchment area for work for Djiboutian youth making them competitive with youth from other countries in the labor attracting nations of the Middle East – especially the countries in the Gulf Cooperation Council. In these countries, Djiboutian youth would also have the additional advantage of cultural similarities and an important linguistic advantage over other potential migrants from say, India or the Philippines. Finally, for a relatively small country like Djibouti, access to online skills acquisition opportunities is expected to be a more efficient way to develop the skills of its populations rather than establishing in-country institutions to cover the range of skills needed to support a growing and diversifying economy like Djibouti. It also allows for the use of externally developed set of standards to support skills development and in a range of areas, considering that skills standards will not have to be nationally developed. It will be more efficient in the long term given the rapid changes taking place in the demand for labor in Djibouti and beyond, and the significant advances being made in technology that is likely to make skills acquisition through such means a standard for future learners.

30. **Integration with System Partners.** There is a need to build close working partnerships between the training system and institutions, and representatives of the private sector, employers, chamber of commerce, and other relevant stakeholders including youth organization, Nongovernmental Organizations (NGOs) working vulnerable population as well as organizations supporting refugees' education and training in Djibouti such as UNHCR and United Nations Children's Fund (UNICEF). These partnerships should be developed and strengthened in the coming years to ensure that the supply side for training is able to cater to the needs of local businesses, employers, and the private sector. Partnerships can support the development of mandatory training programs, internship opportunities, and apprenticeships to support school to work transition and on the job training (OJT) and in general help prepare trainees for the world of work^{25,26}. Furthermore, such partnerships can also support direct training opportunities for those already in employment through Work-Based Learning (WBL) opportunities.

²⁴ Preferably a comprehensive framework that covers the entire education and training system, but which can be constructed in parts. This will help ensure articulation across levels.

²⁵ <https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=SZ>

²⁶ Labour Force Survey, 2016.



In addition, it is critical that the supply side for training actively explore and initiate programs directly with employers and workers. This outreach is typically lacking in most institutional settings and must be a key component of the work plans of any training provider. This will be the main thrust of the first component of the Project.

B.3.2 Key Challenge 2: Ensuring Broad-Based Access to Skills Development Programs

31. **Access to post-basic training remains severely curtailed.** Despite the number of institutions, training opportunities relative to needs are few in the context of Djibouti. Furthermore, most training programs are set up for those who complete at least compulsory schooling before entering the formal system for further training and seem to be geared for the few employment opportunities that emerge in the formal sector, even while recognizing that most jobs remain firmly embedded in the informal sector. There are very limited opportunities for those who drop-out of school early or for those who never went to school, and instead have entered the workforce directly and function in the informal sector. However, even with this relatively high barrier to entry, vocational programs are considered inferior and have a negative stigma associated with them and tend to be viewed as an option only for the underprivileged and not others. Thus, while a sizeable share of the population does not have the opportunity to acquire more training even if they wished to do so, there is another group who chose not to do so even when they are able to access these programs. It is critical that the reforms undertaken by the government help ensure that those who do not meet the high barriers to entry but are most likely to work in these areas are given opportunities by creating pathways and ladders to gain entry and broaden the set of requirements of access by supporting programs that can validate acquired experience or through recognition of prior learning programs. While there are really no apparent systemic barriers within the training sector that prevents women from participating in technical education and vocational training programs, the number of women in non-traditional programs and courses continues to be small. The USAID's Workforce Development program's Gender Assessment reveals that a combination of prevalent social norms, parental influence, and poor communications, impacts decisions by women to participate in these programs. The assessment also highlights financial barriers for women to access to TVET (to cover the cost of courses including equipment as well as the cost of transportation), supply-side barriers (discrimination and harassment during trainings, few female trainers playing as role models, lack of targeted trainings to female needs/interests due to their limited participation in decision-making, etc.). These issues will need to be addressed to help improve system equity in terms of gender. Notwithstanding these concerns, it does need to be acknowledged that the official statistics suggest that nearly 41 percent of students in the TVET sector are women, suggesting that the sheer lack of opportunities and access in other programs (such as, higher education) does result in a significant number of women accessing these programs. Nevertheless, it is important and critical to support not only the expansion of opportunities for more women, but also to increase the range of opportunities thereby incentivizing women and young girls to access training in non-traditional programs.

32. **The government is committed to ensuring access to quality education for all students considered as vulnerable, which include girls from host communities, refugees, and children with special needs.** Girls' enrollment is lower at all education levels and makes up 49 percent of preschool, 46 percent of primary, and 45 percent of lower secondary school students^{27,28}. Girls' participation rates across levels are lower even though girls' do better in school, i.e., have lower repetition rates at primary level and their scores on the national primary

²⁷ World Bank (2019) Djibouti Expanding Opportunities for Learning Project.

²⁸ The estimates of the share of girls and women in technical and professional education are several, and some place this as high as 41 percent. The Education Plan similarly estimates that nearly 50 percent of all trainees will be women.



school examination are slightly better than boys. Notwithstanding these facts, girls still experience a higher dropout rate in the fifth grade, and which partially accounts for the disparities in enrollment in lower secondary. Also, only 38 percent of women report having completed at least primary education compared to about 57 percent of the men. Nearly 46 percent of girls are estimated to be out of school compared to about 39 percent of boys. There are also significant differences in primary school enrollment with only about 60 percent of girls enrolled compared to about 69 percent of boys, even while the gender gap in literacy rates for cohorts born between the mid-50s and mid-70s was around 24 percentage points and has now narrowed to about 2 percentage points for cohorts between the ages of 10-14 years. According to the initial results of a survey of out of school children in 2019, the average percentage of out-of-school girls in lower secondary is 18 percent while it stands at 13 percent for boys. The lower rates of enrollment for girls at the lower secondary level are particularly prevalent in rural areas of the country, with the average percentage of out-of-school girls in rural areas at the lower secondary level being 47 percent compared to 31 percent for boys. The top two reasons listed for the non-schooling of girls according to this study are: (a) their lack of interest; and (b) their parents' refusal to send them to school because they are girls. Therefore, renewed, and targeted efforts are needed to be undertaken to reach gender parity especially in lower secondary.

33. **Djibouti has put into place policies and strategies to narrow the gender gap in education.** Elimination of the gender disparity in education is a key priority for the country which aims to produce future leaders, teachers, and lawmakers as part of the country's efforts to fight for the equal rights for all citizens. This is a critical goal and perhaps most important from the viewpoint of improving girls' education in Djibouti. There are numerous partners supporting this transformation in the country. The country has partnered with organizations like UNICEF to support the expansion of access to educational opportunities for girls through programs such as the Gender Equality and Basic Education program; and with WFP which supported school meals programs and included special provisions for girls who attended at least 21 days of school per month such as can of cooking oil to take home²⁹. Numerous other partners have also emphasized the importance of expanding access for girls in the education and training areas.³⁰

34. **The country has also put into place programs to support educational development for refugee children.** The GoD signed the "*Djibouti Declaration on the Education of Refugees in Intergovernmental Authority on Development Member States*" on December 14, 2017. Thereby affirming its responsibility for the education of all school-age children within its borders. In line with this, MENFOP is currently taking over the operation of all refugee village/camp schools and is working to develop long-term sustainable education services for refugee children in Djibouti. MENFOP has developed a roadmap for this transition which is regularly followed up by senior officials of the ministry. MENFOP has been keeping track of refugee related data since 2017/18 and include these in their annual educational statistical tables. A recent out of school children (OOSC) survey 2019, estimates that about 42 percent of 6-10-year-old refugees and 40 percent of 11-14-year-old refugees are enrolled in schools nationally. Rural regions, which are home to over 80 percent of all refugees, are home to about large out of school populations amounting to 44 percent of 6-10-year-olds and 38.7 percent of 11-14-year-olds. MENFOP also support language specific interventions for refugee populations to support the large number of Somali, Yemeni and other sub-population needs in these settings. The proposed operation will also focus on support to youth members of the refugee population both in terms of training and access to job opportunities. There are three

²⁹ <https://www.borgenmagazine.com/education-in-djibouti/>

³⁰ The Project had initially envisaged the use of differentiated training costs to incentivize training providers to target the most disadvantaged groups and increase their access to training opportunities. This approach, which has been used successfully in other similar projects, but the lack of a reliable set of estimates on area and location specific unit costs makes the use of this approach impossible. A key project objective will be to establish unit costs by the Project mid-term for programs in these priority areas.



refugee preschools that serve a total of 686 students, and three primary refugee schools and five accelerated learning centers that serve 3,529 students. At the lower secondary level, there are 743 refugee students enrolled in three schools³¹. Finally, the skills need among refugees might be significantly different from those belonging to the host country, and therefore care must be taken when designing programs that support refugee populations in countries like Djibouti, where TVET systems have experienced limited growth, there will be a need to develop a balanced approach to competing needs.

35. **MENFOP is committed to accommodating special needs students at school. Stigma continues to be attached to various disabilities in Djibouti.** To address this, MENFOP has set up an Office for Special Needs, has a basic strategy, and classes for visually- and hearing-impaired students at the primary level. In 2017-18, the first cohort of hearing-impaired students graduated from a specialized TVET program. MENFOP has set targets in their Education Sector Plan (*Plan d'Action de l'Education – PAE 2017-20*) of enrolling 600 students in the next three years, which presents significant challenges due to the overall constraints within MENFOP. A costed plan would allow for a harmonized approach and mobilization of the necessary resources to ensure sustainability of these kinds of initiatives. Given the low levels of formal sector opportunities in the country, labor migration in the region should be viewed as possible alternative solutions to job-creation within the country. Unfortunately, the systems are not yet in place to support a structured labor migration and mobility program in the country, and all efforts currently in place are *ad hoc* in nature, for example, engaging with the diaspora for engagement in Djibouti and the development of a Diaspora Strategy, and the support for 50 Djiboutian migrant workers in food processing in Canada. Various ministries are engaged with these efforts, though the Project will work with the Ministry of Labor and Administrative Reform to support the advance of structured labor mobility programs.

B.3.3. Key Challenge 3: Institutional Governance Focusing on Financing, Physical and Human Resources

36. **Education budget allocations are mostly used to cover recurrent salary expenditures, crowding out capital expenditures on infrastructure, professional development, and education innovation.** In 2018, the education budget stood at US\$130 million, of which 45.1 percent was allotted to primary education (grades 1-6). Education spending represented 19 percent of the national budget. In 2016, investment spending as a percentage of the total national investment spending stood at 6 percent while recurrent spending in education as a percentage of overall recurrent national spending stood at 17.3 percent. Salaries, transfers, and subsidies accounted for 93.4 percent of recurrent education expenditures in 2016.

37. **The TVET system is poorly financed and resourced.** Although allocations to the TVET sector have increased in recent years, through the establishment of a Special Fund for the development of the TVET sector, routine budgetary allocation to the department for the functioning of the institutions, and from external sources through development partner cooperation, the new strategy still identifies funding as a key constraint. This will continue to thwart the development and quality of the training sector unless this is addressed. While TVET may be underfunded in Djibouti, there is also a need to recognize that steps need to be taken to improve the efficiency of use of available resources. A clear mapping of the use of available financing, its allocative and productive efficiencies, and the outcomes it is able to buy, would need to clearly understand to strengthen the overall system. It would be important to improve the use of data in decision making in this sector, conduct efficiency studies across a range of providers to better understand how resources are allocated and used across different activities within the TVET sector. Furthermore, Djibouti should consider alternative mechanisms to raise financing for TVET,

³¹ These numbers have been obtained from the Expanding Opportunities for Learning Project (P166059) and pre-date COVID. These numbers will be updated regularly as part of the Project.



such as, a levy on private sector participants, an expat levy, and perhaps training levies targeted at the transport and logistics sector – the main stay of the Djiboutian economy. Furthermore, there is very little understanding of the unit costs for training and therefore no way to plan the expansion and contraction of programs, the costs needed to support a quality assured program, the level of support needed for the basic package of teaching and learning materials and associated expenditures.

38. The Role of Information and Communications Technology (ICTs) and other related technologies in training system. The pandemic has laid bare the incredible divide between those students who have access to broadband connectivity and associated devices, and those that do not have such access. This provides the necessary impetus to build system resilience, and build back better, in order to ensure that over the medium term, Djibouti’s TVET system is able to cope with future shocks without having to shut down. Even though online learning is not ideal and as many teachers and trainers have stated, there is perceptible weaknesses in transacting classroom activity through this medium, events of the last year have illustrated the need for system resiliency. TVET is particularly impacted by this pandemic given the significant share of *practical work* that requires face to face transactions and elevates the risk of transmission of the virus. The physical constrains and lack of access to internet in remote areas such as villages of Ali-Addeh and Holl-Holl are impeding provision of ICT related training. MENFOP’s ICT strategy already has in place a ‘*one child, one tablet*’ policy initiated by the country’s President but lack behind in remote areas. Expanding digital connectivity, adopting open-source software, increased use of audio-visuals in classroom transactions, and gradual shift towards augmented reality and virtual reality (AR/VR) devices for simulating practical environments for training could help build resiliency for future emergencies.

39. The professional development system for trainers in Djibouti is weak and consists only of initial training: The most important element in any training system is the set of trainers who will train the next generation of workers. The quality of trainers represents that vast chasm between program success and program failure. The current stock of trainers in the Djiboutian system have not been adequately trained in recent years neither at pre-service stage nor through in-service training. There are very few programs available for the continuing training for trainers in Djibouti and given the length of time some of them have been trainers, they have little understanding of current skills needs in the productive sectors. The system needs to increase the cross-fertilization between industry and the training sector, so that trainers can make their programs more relevant and without the constant rebuilding of skills through participation in industry settings, many training programs would become outdated and obsolete. Improving efforts to establish systemic changes to finance the training of trainers would be important. Furthermore, strengthening partnerships between industry and training providers would support the development of market relevant training programs. The sector also needs to become less centralized, so that decisions on training can be taken at the institution level and does not require MENFOP’s clearance. The Project will contribute to addressing these challenges by supporting the development of programs oriented towards outcomes, and the use of Competency Based Assessments will strengthen pedagogical practices of the trainers. The process for curriculum development will include a job analysis to describe duties and tasks and validation by industry representatives on the agreed set of competency standards as well as the drafting of the curriculum.

B.4 THE PRIORITY ECONOMIC SECTORS IN DJIBOUTI

40. The priority economic sectors include the following: Transport and Logistics, Construction and Related Trades, Foundational ICT Skills, Energy and Selected Services; Tourism and Hospitality, Creative Industries, Nursing



and Midwifery, and Agriculture, Livestock, and Fisheries Sectors. This note identifies the likely number of trainees every year to receive skills development support in these sectors. The total number of beneficiaries per year who receive training support amounts to about 1800 individuals per year and will comprise of both nationals and refugees. These are summarized in the paras below.

41. Transport and Logistics: There are a range of jobs that exist within the transport and logistics sectors of the economy. Given the huge importance of the Djibouti Port – these would include marine and port operations, stevedores, traffic service operations, port managers, marine pilots, harbor masters, and engineers. Beyond these are a range of other possibilities include forklift drivers, truckers, maintenance staff, custodial staff, cooks, carpenters, etc. Based on assessments with clients, employers, government officials, Chamber of Commerce, and in comparison, with similar sectors in other countries– it is anticipated that the Transport and Logistics sector should account for about 1,500-6,500 workers in various capacities. This would also be based on how quickly economic growth and global trade rebound in the post-COVID-19 period given the significant disruption in supply chains, shipping, berthing, and unloading delays that is being witnessed now. The Project anticipates an annual throughput of about 75-120 new trainees every year across all target groups.

42. Construction and Related Trades: The construction sector is a labor absorbing sector and one in which there are clear demands for skills. The construction sector is expected to absorb between 2500 and 3000 workers. Not all of these would be salaried workers but would include those who are self-employed. The Djibouti construction market is more of a Do-It-Yourself (DIY) market than what is found in more traditional labor markets in construction sectors elsewhere. However, given the huge demand for urban development, this vision of a DIY market is still expected to support needed skills across urban Djibouti and even in more difficult to reach areas. The Project anticipates an annual throughput of about 375 new trainees to prepare potential candidates for upcoming construction work. With the economy positioned to regain momentum in the near future, the construction sector is expected to employ a high number of workers across all target groups, with the Project helping the country prepare for the adequate supply of skilled labor.

43. Foundational ICT Skills: The Project will support the development of core or foundational digital skills in the workplace. This will be done through regular TVET institutions, specialized TVET institutions and through the use of training institutions in the private sector which meet the requirements to register as training organizations with the MENFOP. Foundational digital skills allow the learner to significantly expand their knowledge base and is critical given the fact that most jobs of the future will require some level of digital skills. The program would provide the learner with the skills needed to be work safely and legally while online, work with a range of applications including email services, conferencing, and group work applications, understand the usefulness of social media to improve outcomes, engage in business, advertisement, etc., and the use of computers for office work, computing, and other similar tasks. The Project will also support higher order computer skills under the same umbrella for a select set of trainees. The Project anticipates that upwards of 750 trainees can benefit from such programs in Djibouti every year across all groups targeted for support under this Project.

44. Energy and Related Services: The energy and renewable energy sectors are a growing sector worldwide. Nearly 11.5 million individuals participated in the renewable energy sector, with many more millions participating in the non-renewable energy sector globally. Djibouti is punching above its weight on the renewable side – through solar energy, geothermal opportunities, and wind power. It is also a sector that absorbs a high proportion of women workers with the global workforce share of women amounting to about 32 percent. Based on



preliminary assessments, Djibouti should have the capacity to absorb about 1200 workers in this sector. The Project aims to support about 225 trainees in this sector over the span of the Project.

45. Tourism and the Hospitality Sector: Tourism is one of the eight priority economic sectors identified for support under the proposed Project. While the COVID-19 pandemic has had a far-reaching and unfortunate impacts on global tourism – both leisure and business, there is an assumption that tourism will rebound in the coming years in Djibouti which receives more business tourists than leisure travelers. Globally, experts believe that leisure travel will be back to pre-pandemic levels in early 2022, with business travel lagging a few years behind. In Djibouti, it is expected that the business tourists will dominate tourist inflows in the coming years. Just before the pandemic hit in March 2020, the GoD had worked with the International Organization for Migration (IOM) to develop an E-Visa system to facilitate travel to the country and supported the development of the tourism sector, and are now hoping that such measures, plus low overall COVID rates would help revive business tourism in their strategically located country. The construction of new hotels in Djibouti City will add significantly to the demand for skills in Djibouti and the Project aims to support the needs of this sector through relevant training. It is expected to be a demand of about 1,200 individuals in this sector during implementation.

46. Creative Industries: This sector has been added to cater to the youth of Djibouti who fancy opportunities in the creative sectors of the economy. While there is latent evidence of this as a growing sector, these are not adequately captured in national data. However, there is significant evidence to suggest that investing in skills that support jobs in the creative industries would prove attractive to a range of youth, typically the more educated and skilled youth in the country who would not wish to engage in work of a manual or menial nature. Creative industries are a very broad term and covers a range of potential work areas including advertising and marketing; architecture; art and design – both the traditional variety and in the graphics and digital space; crafts and artisanry; fashion design; TV, radio, media, movies, and film; journalism; writing; and music. Not all areas will be selected but some of these will be identified by the government in consultation with sectoral and development partners to determine areas to support. It is expected that upwards of 50 trainees per year can be supported in these sectors by the project.

47. Nursing and midwifery: Djibouti ranks in the bottom quarter of countries in terms of maternal mortality rates. The maternal mortality rate in Djibouti is 248 deaths per 100,000 live births. A significant share of these deaths, 22 percent, can be attributed directly to the widespread practice of FGM/C in Djibouti³², especially since the worse forms of FGM/C are prevalent in the country³³. Furthermore, Djibouti has a serious shortage of reproductive and maternal health care workers. At present, Djibouti has about 7 workers per 10,000 who engage in work in this sector, and this is even below the African average of 12.4 per 10,000. Lack of medical professional and community worker is more pronounced in rural areas. The Project will work closely with relevant stakeholders to strengthen training for midwives, nurse attendants and community health workers in Djibouti city but also in the regions including refugees hosting areas of Ali-Addeh, Holl-Holl and Obock. The Project anticipates training about 50 individuals per year in this critical area and aims to support insertion into the workforce.

³² A WHO study showed that women who have been subjected to FGM/C face higher risk of dangerous and complicated childbirth. In the case of a type III FGM/C (the most common type practiced in Djibouti), the risk of hemorrhage after birth is 70 percent higher, cesarean section is 30 percent higher, and extended hospital stay are 98 percent higher than for those who have not undergone any mutilation.

<https://www.who.int/reproductivehealth/publications/fgm/fgm-obstetric-study-en.pdf> <https://news.un.org/fr/story/2006/06/93232>

³³ Also known as FGM Type 3 or infibulation (this is the narrowing of the vaginal opening through the creation of a covering seal. The seal is formed by cutting and repositioning the labia minora, or labia majora, sometimes through stitching, with or without removal of the clitoral prepuce/clitoral hood and glans. - WHO, 2021).



48. **Agriculture, Livestock and Fisheries:** While Djibouti has only limited potential in the area of agriculture, there are significant opportunities to support livestock and fisheries. In fishing, the Government is aiming to tap into the skilled Yemeni refugees based in Obock to train local Djiboutians and attract workers in this sector, providing good twinning and entrepreneurial opportunities. There are currently very little numbers and sensible standards that can be used to determine the approximate number of trainees across these areas. However, the government has committed to developing a feasibility study for this sector and about 200 trainees will be supported over the project implementation period.

C. Relevance to Higher Level Objectives

49. **The proposed Project is fully aligned with the WBG’s Systematic Country Diagnostic (SCD) 2018 suggesting a multi-pronged approach required to support reforms in education.** It is evident that sweeping, deep, and sustained reforms will be needed to improve outcomes for trainees both in terms of learning and labor market outcomes, both in the informal and formal sectors. In addition to the SCD, the proposed Project is fully aligned with the WBG’s Country Partnership Framework (CPF) for FY21-26 (Report No. 147787-DJ), where Focus Area 1 emphasizes “*support human capital, inclusive and private sector-led growth and job-creation and economic transformation by fostering private investment and entrepreneurship*” and Focus Area 2 emphasizes “*...strengthen the role and capacity of the state to deliver service, promote inclusion and modernize public institutions*”. The project is also fully aligned with the MENA regional strategy which aims to support jobs and transformation and advance gender equity.

50. **The proposed Project is fully aligned with the objectives enshrined in the Djibouti National TVET Strategy and will focus on supporting and strengthening job market outcomes for Djiboutian youth.** This will be in both the informal and formal sectors through improving the quality of the provision of TVET programs in Djibouti. This will strengthen the country’s human capital and while simultaneously helping to establish training corridors which are deeply connected to the labor market. The proposed Project will directly contribute to the WBG’s twin goals of ending extreme poverty and boosting shared prosperity by investing in training and work force development activities that would support Djibouti’s objectives of strengthening its human capital through training for all categories of groups.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

51. To improve employability and employment outcomes of technical and vocational education and training graduates with a focus on women, persons with disabilities and refugees in priority economic sectors.

PDO Level Indicators

52. The Key Results include the following indicators:

- Increased enrollment in priority TVET sectors (disaggregated by gender, refugees, and persons with disabilities).



- Share of girls/women, refugees, persons with disabilities completing TVET programs increased.
- Share of trainees employed 6 and 9 months after completion of their programs in relevant sectors (disaggregated by gender, refugees, and persons with disabilities).

B. Project Components

Description

53. The proposed Project will help develop a responsive skills development sector to address current and emerging labor market needs, while simultaneously contributing to the establishment of systems to support the long-term growth of the training sector. Given that formal job growth in Djibouti is very low, the Project will emphasize employability and employment outcomes in both the informal and formal sectors, as well as in the private and public sectors of the economy. As skills development programs *do not create jobs*, the Project will help improve employment outcomes in three ways – (a) improve program relevance with access to internships, apprenticeship programs, OJT and WBL opportunities directly with the public and private sectors, (b) support development of skills for new economic areas by expanding the set of priority sector, and (c) increase the pool of jobs by identifying online job opportunities and opportunities for migrant workers outside of Djibouti. The Project will strengthen the quality and relevance of skills development programs in Djibouti in these priority sectors and help develop more flexible training systems. All training providers, public, private, foundations, and non-government entities will be eligible to benefit from this Project conditional upon agreeing to undertake specific reforms. Djibouti’s youth³⁴ will be the primary targets for support with the specific aim of increasing access for girls/women, persons with disabilities, and refugees. In line with national engagement of integration of refugees into country systems, the Project will establish mechanism to allow refugees to benefit of training programs alongside nationals and support access to employment opportunities. Interventions and policy actions will be based on the national TVET policy.

54. Five cross cutting themes will underpin all Project activities:

- a) **inclusion for all** – with a specific emphasis on improving opportunities for women, differently-abled individuals, and refugees;
- b) **data driven decision making** – Project decisions will be based on data, and the Project will support low-cost and appropriate data collection procedures to be applied across the sector;
- c) **building back better** – to ensure that the system is resilient to unanticipated shocks and can continue to function in the aftermath of such shocks;
- d) **critical skills** - life skills, foundation skills³⁵ and employability training will be required of all graduates of these programs; and
- e) **greening of the TVET sector** - focusing on the development of a green sector through the building of green infrastructure, acquisition of equipment and resources which minimize the environmental footprint, support training in sectors which emphasize sustainability such as green energy, climate resilient farming, etc.

³⁴ Although not formally defined or enshrined in the government documents, the du jour definition in Djibouti of youth includes those between the ages of 15-24 years. However, for the purposes of this Project, the definition of youth will be expanded to include all individuals between 15-35 years of age, and this is the age range used by the Government for training purposes.

³⁵ Such as language and socio emotional skills.



55. The Project will be anchored on two (2) components which link training to actual opportunities in the market to improve employment outcomes, help set up the enabling environment for increased employment outcomes, support institution level reforms to improve the quality, relevance, and effectiveness of service delivery. These are detailed in the following paragraphs.

COMPONENT 1: DIRECT TRAINING (TOTAL US\$5.70 MILLION, IDA US\$5.70 MILLION)

56. This component will support the immediate training needs in the country through the following: (a) internships, apprenticeships, on the job training, and work-based learning opportunities; (b) online acquisition of skills and jobs through existing skills and online job platforms, and (c) expanding job opportunities through labor mobility programs. All decision making for Component 1 will be delegated to the Economic Development Council/*Conseil de Développement Économique* (CDE), while MENFOP will remain as the implementing agency and the Ministry of Labor as grant co-agent. The results framework provides the number of women, persons with disabilities, and refugees supported under each sub-component.

57. **Sub-Component 1.1: Improving Employability and Employment Outcomes through Work Based Programs:** This sub-component will finance school to work transition opportunities to support trainee insertion into the world of work through internships, apprenticeships, OJT and WBL opportunities. The Project will support a workforce training grant that will competitively award grants to a range of employers in selected economic sectors to help meet the skills needs in these organizations. The grants will be used for training both existing and new employees, including from the key disadvantaged groups. While the details of the functioning of this Grant window will be developed in the Project Operations Manual (POM) some criteria for selection are likely to include inter alia: (a) years in operation with greater points awarded to employers who have been in existence for a longer period of time; (b) training duration limited to two or three months per training module, (c) training that favors employment-growth³⁶ and (d) willingness to take on trainees from disadvantaged groups including women, persons with disabilities and refugees. Grant seekers will be invited on a quarterly basis for direct placement opportunities in industries, work environments, contractor agencies, etc. and for mentored training through OJT scholarships and Work Based Learning. Trainees will be assessed after the period of training to determine the acquisition of specific skills. Payments to these work environments will be staggered to ensure that trainees skills are developed, with final payments made after post-training skills are assessed. Given that the training levels are expected to vary extensively across training needs³⁷ the sub-component will also finance the development of (a) necessary guidelines and implementation modules for technical, financial, business-development, and managerial support training needed for labor market success and training materials and equipment within a certain threshold; (b) training grants of different sizes to cover the differing training needs; (c) quality assurance measures, procedures and audits. Selection criteria for training programs and candidates promoting objectiveness, inclusiveness and transparency will be established.

58. **Sub-Component 1.2: Online Acquisition of Skills and Jobs through Scholarships Reimbursement and Incentive Payments:** This sub-component will finance access to innovative learning and work opportunities for Djiboutian and refugees' youth through established *online international training platforms* including *inter alia* Coursera, EdX, Cisco Learning Network Store, etc., *online job-platforms*, including *inter alia*, Freelancer, Upwork,

³⁶ For example, based on the ratio of existing to new staff with employers with a smaller ratio of these indicators receiving more consideration.

³⁷ For example, from the requirements of local Banks to the need for semi-skilled labor in the construction sector. The pool of individuals from which the selection will take place will be large and could include those who have successfully completed the equivalent of a school leaving certificate program, those transitioning from school or university, and those already in the workplace in companies and industries in priority economic sectors.



Guru, Workana, etc., and efforts to develop *online entrepreneurs*. One concern with this approach is that it is expected to increase the skills gaps across the income spectrum of households in Djibouti, with trainees from higher income households having a higher likelihood of participation and completion, and thereby exacerbating the allocation of skills across households. This is also likely given that the technical and knowledge pre-requisites for such innovative and self-directed learning will be high and is expected to favor households at the higher end of the income spectrum. Notwithstanding this concern, it will be a significant means of building skills in Djibouti, helping to increase access and develop resiliency in training systems. The specific modalities needed to support this component, will be detailed in the POM.

- **Innovative, Self-Directed Learning:** A select set of in-demand certificates will be identified by the Project Steering Committee and these programs will be listed on relevant websites. These programs will be accessible to all youth in the country, and specific efforts will be made to recruit candidates from the most disadvantaged sub-groups such as women, refugees, and persons with disabilities. All candidates who wish to undertake one or more of these courses would be required to register for the course of their choice and complete one or more of these programs and obtain an internationally- and industry-recognized certificate associated with these programs. Successful graduates will be eligible for full reimbursement of program costs upon presentation of the acquired certification. This puts in place the right incentives for the acquisition of such skills and ensures scarce government resources are used most efficiently³⁸. The emphasis on internationally recognized and/or industry-certification allows recipients to have the desired portability of skills needed by employers and the labor market. It also expands the geographic coverage over which these skills could be deployed allowing Djiboutian youth and members of the refugees' population access to neighborhood labor markets that they have not been able to tap into before in significant numbers particularly in the culturally and in some cases linguistically similar countries of the Gulf Cooperation Council.
- **Online Gig Workers:** The sub-component will support access to online job platforms such as Freelancer, Upwork, Guru and Workana. This opportunity to work in the Gig Economy is a growing trend in Africa with a recent survey showing that nearly 1.3 percent of adult Africans earn money through such work opportunities. The specific platform to be selected will be decided by the Project Steering Committee. Detailed guidelines will be developed to support this initiative, including support for connectivity and device access as needed. The initial cohort will focus on providing opportunities for a total of 100 individuals, of which 50 will be women, selected based on their skills, aptitudes, and familiarity with digital technologies. These candidates will be trained on how to access opportunities in the online marketplace, how to establish and highlight their specific skills set, and join the community of online Gig Workers. Given the limited access to devices and broadband connectivity in the country, the Project will partner with existing IT training providers to provide access to these candidates and in situ support as needed, to get them started on these platforms. Given the global evidence on why youth are less likely to be employed, the Project will support workers gain a foothold in the online labor market and help increase the likelihood of being hired competitively through this initial opportunity to demonstrate their skills and abilities. Women, persons with disabilities, and refugees who successfully compete in this market and earn USD 2000 in compensation, will be eligible to receive a matching allocation from the Project as a way to secure the purchase of a personal device and connectivity access. The specific modalities that will be put into

³⁸ Online skills acquisition programs while potentially useful are not without problems. Student and trainee motivation is key to online success and existing evidence from Massive Open Online Courses illustrates that completion rates can be as low as 10 percent. The process of reimbursement helps ensure that scarce government resources are not wasted on subsidizing those who fail to complete the online programs but reward students who complete successfully.



place for this sub-component, will be detailed in the POM.

- **Online Entrepreneurs:** As Djibouti's digital infrastructure grows, online trading and e-commerce is expected to grow and become increasingly popular whereby a greater share of Djiboutians will buy and sell services and goods through online systems and platforms. Support for the development of such online entrepreneurs will require knowledge and skills needed for business establishment and development and develop an organizational structure and environment for such work and be fully aware of the challenges and risks involved in such efforts. This component will support the development and access to learning modules and tools to support skills needed to succeed as online entrepreneurs and these will focus on a range of factors such as convenience for the customer, business created through government support, online networking and partnerships, reliability as a supplier of products and services, etc. For a select number of candidates, the project will consider supporting access to seed resources.

59. **Sub-Component 1.3: Developing Labor Mobility Options for Djibouti:** Given that job creation in Djibouti is slow, this sub-component supports both Djiboutian nationals and members of the refugee population in Djibouti, with opportunities to access overseas labor markets. The sub-component will finance the development of guidelines and the establishment of partnerships with neighboring Gulf Cooperation Council countries and others, to accommodate and accept a minimum of 250 Djiboutian and refugee workers annually in these countries³⁹. The sub-component will finance (a) capacity building at the MENFOP, MT, Djibouti Chamber of Commerce (COC), the Ministry of Foreign Affairs, and other similar commercial and professional bodies, (b) provide technical assistance to the GoD to put in place plans to develop and establish Bilateral Labor Agreements (BLAs), (c) finance life-skills, language and IT Literacy training for potential migrants pre-departure, and (d) reimburse preparation and travel costs associated with first time migrant workers limited to the acquisition of passports and other travel-related expenses up to the lowest category of air-travel. The Project will also work closely with partner agencies including GIZ, SDC and others who are recognized world leaders in supporting programs of this nature. As noted in Para 13, IGAD member states are looking to develop mechanisms to support a regional system on labor mobility within and between member states and this component will coordinate closely with IGAD to ensure compliance with this framework.

60. While 'inclusion for all' is a key objective of this Project this will need to be carefully choreographed and planned. The Project aims to support three key groups – women, differently-abled individuals, and refugees. In Djibouti, existing social norms, traditional harmful practices (FGMC/C and child marriage), the role played by parents, the lack of a communications strategy, and financial barriers impacts decisions by women to participate in TVET and skills development programs in Djibouti. There are range of other concerns as well, such as, discrimination and harassment during trainings, female trainers as role models, and lack of targeted trainings to female needs/interests due to their limited participation in decision-making. Effective policy options will need to include those that can address some or all of these factors including expansion of the supply of training, building networks to support transition from training to work, and a targeted communications and media strategy. A similar set of issues need to be addressed with regards to integrating persons with disabilities into training and employment programs including the lack of data and information on the number and type of disabilities, accessibility of the training system, lack of access to the world of work, inherent biases, etc. The Project will need to put in place measures to address these issues during implementation and the Project will support a strong

³⁹ This will complement work already being undertaken by the GoD to support investments in the country by offering potential investors a streamlined, single window approach to accessing Djibouti and its markets – for example, by making it possible for expatriates to obtain e-Visas to enter the country and by making it easier for the Djiboutian diaspora to access their origin country more readily.



communications strategy. Finally, to ensure the inclusion of representatives of the refugee populations and to help them integrate into the labor markets in host communities, a number of issues need to be addressed during implementation with the most important ones focusing on incomplete and overlapping legal frameworks, lack of information on refugee status and skills, failure to recognize skills in host country, segregated education and training systems, stigma and bias, and lack of connections to professional networks and the world of work. The Project will address a number of these issues during implementation through incentives, over-sampling of the refugee population, supporting efforts to recognize and certify skills within the refugee population through well-defined RPL mechanisms in priority economic sectors and through a coherent communications strategy.

COMPONENT 2: IMPROVING TVET SECTORAL AND INSTITUTIONAL GOVERNANCE, ARCHITECTURE AND SERVICE DELIVERY MECHANISMS AND PROGRAM MANAGEMENT (TOTAL US\$9.30 MILLION, IDA US\$9.30 MILLION)

61. Component 2 strengthens the existing skills development architecture in Djibouti. It does this through a minimalist, bottom-up approach. This will be implemented through two sub-components. In which the first sub-component will modernize and operationalize TVET governance in Djibouti, in line with the country's national strategy for TVET development, and to ensure that training programs are relevant and aligned with labor market needs. The second sub-component supports putting in place Quality Improvement Packages and associated investments to strengthen training provision in the country. The final sub-component supports all aspects of project implementation – including financial management, procurement, and environmental and social safeguards.

62. **Sub-Component 2.1: Modernizing Education and Skills Governance:** The revised TVET policy includes a number of reforms aimed at improving coordination within and across ministries, the private sector, and other participants in the skills development ecosystem, including the insertion of the refugees in the TVET policy and strategic documents. The Project will help design structures to support *an all of government approach* to skills and jobs. There are three parts to this sub-component:

- **Knowledge base for TVET governance:** A key element of this design would be to support the establishment of an independent authority for TVET and skills development. The sub-component will finance a White Paper to develop the procedures, regulations, and guidelines needed to improve sector coordination horizontally across government ministries⁴⁰, with the private and business sectors⁴¹, and support vertical integration through the skills development chain to the point of service delivery⁴². Specifically, the sub-component will finance: (a) knowledge products on TVET sector governance, (b) knowledge tours to relevant comparator to better understand how skills development activities are governed⁴³, and (c) the development of a White Paper supporting the establishment of an independent TVET body.
- **Sector Working Groups (SWGs):** These *ad hoc* committees, comprised of public and private sector actors, will help revise and modernize existing curricula, training, and assessment guides. The key task will fall

⁴⁰ For example, revisions to agriculture training courses cannot be undertaken without the participation of the Ministry of Agriculture, and other similar coordination failures currently common in the Djiboutian training landscape.

⁴¹ Strong ties developed between MENFOP, training institutions, the Chamber of Commerce, private sector players, employers and businesses and other stakeholders.

⁴² Ensure a clear line of sight communications between ministries, departments and other higher-level agencies and the frontline training provider both in the public and private sector.

⁴³ The initial idea is to include the following countries: Kenya, Morocco, and the Philippines. These countries have been chosen as they give different approaches employed to get to these different TVET authorities.



to MENFOP's curriculum writing department, and in some cases, the entities that have been entrusted with task of helping build skills in particular sectors⁴⁴. For example, if MAERSK was contracted to provide training on procurement and shipping logistics', then these SWGs could simply adopt these training standards used by MAERSK and locally contextualized for Djibouti. For the SWG focused on the shipping industry, participants could include the MOF, MENFOP, MT, Transport Ministry, Port Authority, Industry leaders, etc. and other stakeholders.

- **Institute Governing Board (IGB):** Each participating public or private sector training institution should have a governing board to provide it strategic guidance. This part of the sub-component will strengthen institutional autonomy along three dimensions - financial, academic, and administrative, and will establish atop each participating institution. The IGB will provide governance and strategic oversight, help support and manage management structures and practices, and support resource development efforts for their institutions by reaching out to partners in the private and other sectors. The IGBs will consist of a mix of private and public sector actors, and efforts will be made to ensure that women are fully represented. Guidelines and byelaws for the IGBs will be developed as part of this sub-component. The IGBs will be headed by a representative of the private sector, with the Director of each institute being an ex-officio representative on the IGB. One position on the IGB would be reserved for a woman representative⁴⁵.

63. **Sub-Component 2.2: Strengthening Program Quality and Relevance⁴⁶:** This sub-component will finance the development and implementation of Quality Improvement Packages (QIPs) for priority economic sectors to be transacted in specific training institutions. These holistic QIPs will develop materials, guidelines and training modules covering a range of issues including: (a) skills standard and competencies⁴⁷; (b) course curricula to match these new skills standards with an emphasis on modularized short-term or short-duration units, courses and programs⁴⁸; (c) teaching-learning materials, equipment and infrastructure; (d) quality assurance procedures, (e) training of trainers on new standards and approaches; (f) ICT infrastructure and broadband access, and (g) monitoring and evaluation guidance and support. The sub-component will enhance TVET service delivery by having each participating institution or department develop a Training Development Plan (TDP) or do so by partnering with an appropriate entity⁴⁹ and incorporating the specific QIPs developed above. The MENFOP and training provider will jointly review and coordinate on these individual TDPs, before agreeing on a final TDP. The TDPs will support a range of investments through both soft and hard inputs based on a set of institute specific interventions from the menu of options offered by the QIPs. This menu would include *inter alia* curricular reforms, modified teaching-learning material and assessment systems, human resources development, equipment and infrastructure addition and upgrading, and certification procedures. This component can also support the construction of two new institutions in specific priority areas including *digital, automotive technologies, and/or*

⁴⁴ For example, if a MAERSK took on the responsibility of providing training in transport and logistics, then the task of developing training materials would fall to MAERSK with MENFOP and other government entities simply adopting these training materials.

⁴⁵ This could be an executive, a government official, or even an ex-student or trainee.

⁴⁶ This process will be led by MENFOP and supported by MT and the CoC. Close coordination will also be needed with key and participating line ministries, employers and employer associations, private sector representatives, state-owned enterprises, international military establishments, etc.

⁴⁷ Including the development and adoption of the text establishing the National Certification and Qualifications Framework (CNCQ).

⁴⁸ The establishment of skills pathways across a continuum of learning standards from foundational skills to advanced skills for priority sector programs. This will also include the development and introduction of modularized, stackable shorter duration courses selected from existing short, certificate and diploma courses which can be completed continuously for full time trainees or by module over a longer period of time leading to a qualification.

⁴⁹ For example, if the MENFOP and a globally recognized private training provider like CISCO Academy were to enter into a partnership, the technical content of the QIP would already be available and the Project would finance additional infrastructure, hardware, and software to meet CISCOs' needs, cover on a declining basis cost of trainers, and offer support to Djiboutian trainees to help them participate. This modality of public-private partnerships will be explored for a range of economic sectors.



energy. The government has committed to finding private sector partners to run these institutions and provide these institutions will full autonomy. In addition, all participating institutions will also commit to upholding and ensuring that core institutional policies on sexual harassment, gender-based violence, bullying, academic integrity and plagiarism, and guidelines for faculty, staff, student, and trainee misconduct are known to all stakeholders in the system. An institutional and individual Code of Conduct will be prepared and made accessible to all members of these institutions at the faculty and trainer level, and at the student-trainee level. The Project will develop gender specific modules to engage and involve women in a range of non-traditional training sectors⁵⁰ and once the Project is able to establish a meaning set of costs for different training packages, training providers can be incentivized to find women candidates for these non-traditional sectors and receive a higher compensation for doing so. This approach provides a degree of sustainability to TVET financing.

64. **Sub-Component 2.3 Project Capacity Building, Management, Monitoring and Evaluation:** This sub-component will finance all aspects of project administration and implementation. Technical assistance will be provided on three different dimensions under this component:

(a) Capacity development to manage and implement project activities: A range of project management skills including development of work plans and budgets, financial management and technical audits, procurement, environmental and social safeguards, and communications strategy will be developed for the key involved agencies including MENFOP, MT, CDE and related entities.

(b) The role for Monitoring and Evaluation will be split between two ministries with immediate project related activities falling within the purview of MENFOP, and longer-term system support being the responsibility of MT. The project will support capacity building of the technical capabilities of *Observatoire de l'emploi et des qualifications* (ONEQ) and the National Agency of Employment and Vocational Training (ANEFIP), the development of survey instruments and processing tools, support other surveys and studies, and support for the development of a functioning labor market system. The project will also contract a globally recognized academic institution to conduct independent, high-quality monitoring and evaluation of programs, carry out tracer and employer satisfaction surveys, student and teacher evaluations, and impact evaluations over the entire project period. Finally, a communications strategy will be employed to support the reforms envisaged under this project, and strengthen the participation of girls and women, persons with disabilities, and refugees.

65. **Beneficiary Selection:** Beneficiary selection in a project of this nature is not a trivial task and will not be detailed out here. Firstly, the program contains many different types of beneficiary units – for example, formal and informal training providers; retail and other enterprises; micro, small, and medium enterprises (MSMEs), and other employers. Secondly, selection must also be made at the individual level where hundreds of beneficiaries, from both national and refugees, will be eligible to receive support through a diverse set of instruments. Finally, the Project will need to match the training options, with the beneficiary units and with specific individuals. For example, a set of criteria would be needed to establish the level of training for each individual, the pre- and co-requisites needed for participation in that program, provider best suited to provide the training, and the potential beneficiary unit where the individual could find placement opportunities to enable the desired employment

⁵⁰ Although in the context of Djibouti, women are engaged in non-traditional sectors and there do not seem to be any structural barriers prohibiting this and that there may be more awareness building of this fact that is necessary. For example, in Nepal, the World Bank supported women to become engaged in the transportation sector as drivers under the Adolescent Girls Employment Initiative Project. Although women were highly underrepresented in this sector, there were not structural barriers prohibiting them from doing so. Whereas two years ago, it would not have been possible to train women to do this in Saudi Arabia as there was a ban on women driving.



outcomes. Additionally, given the target populations envisaged in the Project, the Project will oversample the desired population sub-groups, develop targeted communication campaigns and aggressively recruit for participation. These steps will be detailed out in the POM.

66. **Location of Training Centers:** As per the UNHCR's update on refugees and asylum seekers in Djibouti as of January 31, 2022, states that there are 34,810 such individuals in the country. These populations are concentrated in three regions - Djibouti City (7,111), Ali Sabieh (24,886) and Obock (2,813). There are two locations within Ali Sabieh - Ali-Addeh (17,018) and Holl-Holl (7,868). These numbers represent the total number of refugees and asylum seekers, with the number of refugees only in these locations amounting to: Djibouti City (5,864), Ali Sabieh (14,743) and Obock (2,813). The numbers in the two locations of Ali-Sabieh being as follows - Ali-Addeh (11,797) and Holl-Holl (2,946). These locations have TVET training institutions that will be supported under the program in terms of institutional upgrading.

C. Project Beneficiaries

67. The direct beneficiaries of the Project will include:

- A total of 6,000 students will benefit directly through this program at the Diploma and Certificate levels supported by this program. 50 percent of these will be girls in targeted vocational and skills development programs by the end of the project period. [IRI#10]
- Short terms courses are almost non-existent in the context of Djibouti and there will be a significant thrust made through this Project to support the development of such modularized courses. It is expected that by the end of the Project roughly 10,375 individuals will be participating in short-term training programs throughout the country with about half of these being young women. [IRI#12]
- A total of about 2,250 workers will be assessed for prior skills and certified using the mechanisms developed to validate acquired experience and certify these skills. [IRI#13]
- Training of Trainers: Trainers will participate in both initial training and continuous training through this project. Over 300 trainers will be able to participate in professional development programs, of which about 40 percent will women by the end of the Project period. Similarly, about 25 master trainers will receive opportunities for continuous professional development opportunities. Additionally, training for Institution Directors, and training for ministry staff involved with the skills development sector. [IRI#16]
- Through the life of the Project over 5,400 individuals will be able to complete WBL opportunities through apprenticeships, internships, OJTs and WBL programs and efforts will be made to raise the share of women to about 50 percent. [IRI#1]

Refugee Beneficiaries

- The total number of refugees directly supported under the Project will be about 3,165. The Project is expected to benefit indirectly another 14,250 family members of these refugees who benefit from participation in the program⁵¹. We estimate that nearly 8,900 members of the host community would also benefit from these interventions⁵².

⁵¹ There is not much information on the mean or median household size of families in refugee camps. We have used a mean of between 4 and 5 members in the typical household. There is some evidence to suggest that urban households are a bit larger at 6 members in such settings.

⁵² Estimation of the benefits to host communities is more complicated given that there are a number of factors that impact on such outcomes. We use a



- An additional 1,300 refugees would benefit from accessing formal skills development programs over the five years of the Project; an additional 265 benefit through direct placement programs in work-based learning environments; a total 225 refugees would benefit from online training and jobs opportunities, and from labor mobility programs; and finally, nearly 1,375 refugees would benefit from short-term training opportunities.
- Since *ex ante* the government does not know the distribution of refugee skills, the project will support the integration of refugees in formal skills development programs in a systematic manner. Assessment of refugee skills will be a key feature of the project and will help in their economic and labor market integration. For this the project will oversample the refugee population and aggressively recruit participants through targeted communications campaigns.

D. Results Chain

68. The theory of change for the proposed operation is based on the existing features of the supply and demand for skills in Djibouti.

69. The first component focuses on improving program outcomes by directly supporting efforts to improve access, equity, and quality in the TVET sector. It achieves this by transforming TVET and skills development institutions into more autonomous institutions capable of managing not only the day-to-day affairs of the institution, but also their engagement with the demand side. This is the fundamental change needed to improve the vibrancy of the training sector. However, autonomy is not a panacea for success. Autonomy is a necessary condition but not sufficient. This autonomy has to be married with institutional leadership, management, and governance that all pull in the same direction, and which uses evidence to make decisions and not decisions purely on the basis of legacy. The component supports efforts to improve managerial capacity at the institution level. Skills development courses are those where trainees are able to demonstrate an acquired skill. For skills training to be of high quality, trainees need to be able to practice and not simply learn the theory behind what needs to be done. To have a high quality and relevant TVET program means that students need to be able to practice on the equipment that they are likely to find in the marketplace. So, this component not only supports infrastructure support, but also supports training providers to procure critical equipment to train students in a hands-on manner. The Project also supports the modernization of course curricula in selected sectors to match current global standards. Finally, this component recognizes that Djibouti's ability to produce large numbers of well-paying jobs in the immediate future will be limited. This component therefore does not only rely on training but supports entrepreneurship opportunities for trainees across the spectrum of trainees from low- semi- skilled and beyond.

70. The second component helps set the stage for long term growth of the TVET sector by putting in place the appropriate governance and institutional structures aligned with the government's strategy. It improves collaboration with the private sector and engages the private sector to work more closely and collaboratively with the supply side training in an effort to ensure that all programs offered are relevant to the needs of the labor market. Component 2 will aim to enhance all aspects and manners of project administration and implementation including financial management and audits, procurement, environmental and social safeguards, communications strategy, and monitoring and evaluation. Furthermore, the Project will build responsible institutions capacity to monitor and evaluate skills development programs. The Communications Strategy will employ a gender, persons

simple rule of thumb to estimate the benefits to host-communities. We make three assumptions: (a) the benefits would accrue at the same rate as the ratio between the number of refugees (and related groups) and the size of the host communities in which they reside; (b) the larger the share of the refugee population relative to the host community, the greater the benefits to the host community; and (c) the per refugee impact is the same across all regions and hence we use a simple population weighted approach to estimate host community.



with disabilities, and refugees' lens to ensure that any and all interventions would be designed in such a way as to result in an enhanced focus on youth of three categories and help incentivize the participation of women and girls in non-traditional program areas.

71. Despite willingness of authorities, the weakness of the TVET system highlighted above constrained the integration of the refugees in training programs. The Project, and for the first time in the context of Djibouti will support the integration of refugees in formal skills development programs at an educational and training level where hitherto their participation has been limited and does so in a systematic and sustained manner. A key feature of this effort will be the assessment of refugee skills which will help improve the economic and labor market integration of refugee populations. Refugee integration in the socio-economic fabric of life is important to support not only their own welfare, but to help in how host country citizens understand their role *vis a vis* refugee population and to help improve government support to addressing this important and chronic issue that Djibouti has grappled with over the last few decades. As one of the few stable countries in the region, Djibouti offers an oasis of peace and safety for populations from regional countries which have been in conflict for decades. Even when viewing these refugees as temporarily displaced persons, the Djiboutian government has shown a level of maturity and tolerance that is laudatory.

72. This theory of change is represented schematically in Table 2.



	INPUT/ACTIVITY	OUTPUTS	OUTCOMES	IMPACT
Improving TVET Service Delivery; employability and employment outcomes online and at the Institution Level	<ul style="list-style-type: none"> - Improving TVET service delivery and modifying institutional management, planning, program development, M&E, and implementation support. - Infrastructure development. - Curricular, Teaching and Learning Resources. - EdTech Investments for Sustainability. - Supporting Regional Partnerships. - Strengthen links between training and entrepreneurship. - supports direct placement of trainees through OJT scholarships, apprenticeships, and internships. - Job Search Services, Scholarship Reimbursement, Labor Mobility. 	<ul style="list-style-type: none"> - Improved institutional management. - Strengthened teaching and learning infrastructure and strengthened use of technology. - Increased trainee access through internships, apprenticeships, and work-based learning. - Mechanisms for regional partnerships in skills development activities developed and enhanced access to specialized skills training. 	Improved efficiency of TVET programs, employability rates improved, increased throughput of students, fewer dropouts, increased share of women, refugees and person with disabilities represented.	To improve employability and employment outcomes of technical and vocational education and training graduates by strengthening system governance, increasing access, supporting inclusiveness with a focus on the disadvantaged including girls, refugees, and persons with disabilities, and emphasizing program quality and relevance.
Improving TVET Sectoral and Institutional Governance; and supporting program management	<ul style="list-style-type: none"> - Strengthen institutional and governance structures for TVET. - Sector and system financing. - Improve coordination across all stakeholders both vertically and horizontally. - Establishment of relevant standards in selected trades. - Sector Skills Councils. - Project management, M&E. 	<ul style="list-style-type: none"> - Improved coordination across stakeholders in the TVET ecosystem. - Strengthened role of industry and private sector in the TVET sector. - Establishment of skills standards in selected sectors. 	Improved coordination and outcomes in the TVET Sector.	

TABLE 2 – THEORY OF CHANGE



E. Rationale for Bank Involvement and Role of Partners

73. The World Bank engages in skills development and TVET work globally. It does this through two primary channels - analytical and advisory services in this sector and related areas such as labor market analysis, jobs strategies, etc. In addition, the World Bank has also developed and deployed across numerous countries benchmarking tools for workforce development (the SABER Workforce Development (WfD) tool), and tools to benchmark training provider characteristics, through the Training Provider Assessment (TAP) tools. The World Bank is also engaged in directly supporting such activities through project financing across many countries and have gained significant experience in working with governments on these matters. Finally, the issue of jobs, skills development and the primary concern on unemployment and underemployment of youth all require cross-sectorial solutions that would engender a whole of government approach. The World Bank is uniquely positioned to play this supporting role given the diversity of expertise within the World Bank structure. The Project will gain from lessons learned through other projects in the region and elsewhere, and crowd in multiple global practices and entities across the World Bank Group.

74. The World Bank coordinates regularly with other development partners to ensure that resources are carefully and judiciously used. Numerous international development agencies and bilaterals support development activities in Djibouti. Other development partners who engage in the education and training space include the Islamic Development Bank, the AFD, and the USAID. These agencies support efforts to improve education quality for school-age population. Additionally, these agencies also support training and work force development in Djibouti and work through the technical education and vocational training structures. UNHCR, IOM, and other NGOs provide targeted programs of support to refugees to support skills development and economic integration. These activities include training programs, distribution of start-up kits to enable refugees to develop self-reliance business opportunities, and other support as needed to help them establish business ventures.

75. The AFD has financed the reinforcement of "professional" skills and the training of trainers, as well as work-based learning of young people. They have` also supported the development of the 'education blueprint' aiming to reform the education and training sector and focus it towards addressing the youth unemployment crisis in the country. The AFD has worked closely with the Djiboutian private sector and other stakeholders to provide quality training to support workforce development to help in the modernization of key economic sectors. For example, AFD, together with MENFOP, the Djiboutian Chamber of Commerce, and the Ports Authority have put together a Transport and Logistics program aimed at creating opportunities for Djiboutians to work and contribute to this growing sector. Similarly, the USAID has developed a range of interventions to support workforce development targets in Djibouti. For example, its Economic Growth Initiatives program has expanded access to quality TVET programs, improved linkages with the private sector and supported job placement and other labor market intermediation services, thereby contributing to the development of the Djiboutian workforce. Among the non-traditional development partners, China is by far the largest and they have supported the building of training facilities in the country to support workforce development. The Project aims to work with a range of partners to ensure that there is strong coordination across partners.

F. Lessons Learned and Reflected in the Project Design

76. The Project design draws upon the experience of IDA 18 and 19 Window for Host and Refugees supported projects in Djibouti, including *inter alia* the Integrated Cash Transfer and Human Capital Project (P166220), Expanding Opportunities for Learning (P166059), Second Additional Financing for Improving Health Sector



Performance Project (P168250) and older projects, such as, the Education and Training Sector Memorandum (1984) and the Urban Development Project (1993). The government showed willingness and openness to improve the refugee's protection framework despite changes in the political landscape and delays imposed by the socio-economic impact of COVID-19, such as the integration of the health systems and the inclusion of refugees in the prevention and response protocols.

77. The Project will support skills development activities for youth in Djibouti to enable them to acquire skills to assist them in their search for gainful employment. The Project will help build needed public and private training architecture in Djibouti, improve the quality of learning and competences, help incentivize desired results and outcomes, and build a data and evidence driven training system. Access, equity, and quality of skills development programs form the core of the Project, with the Project emphasizing the share of girls and women, persons with disabilities and the share of refugees. The Project will sensitize managers and administrators of the TVET sub-sector and train them on why and how to strengthen program equity⁵³. The proposed design is kept simple as this the Bank's first foray in many years in the skills development sector in Djibouti and will be used to further our understanding of the skills development ecosystem. The Project aims to employ an external academic entity to help build country capacity to monitor and evaluate progress and outcomes under the Project and allow for project implementers to course correct as needed. Globally, there is still a deficit of evidence with respect to *what works and what does not* in translating the acquisition of skills to labor market outcomes, and it is important to understand this transition in the context of the Djiboutian labor market. The design initially considered a results-based financing approach but decided against this and has kept it as a simple investment project financing instrument, recognizing that there was a trade-off between the results orientation and the need to keep the project implementation relatively simple.

78. The Project also builds on the enormous experience gained in recent years on implementing skills programs around the world – with a move away from merely supporting hard infrastructure, to overhauling the governance, regulatory and management structures supporting skills development. This Project also lays significant emphasis on making the necessary reforms to the governance and administrative structures supporting the supply side of skills. It recognizes that there is an eco-system for skills development, and not just public sector institutions that are expected to build skills within societies and communities. The Project also recognizes that direct action is often needed to link skilled individuals to the world of work, and the Project directly supports an appropriate mix of apprenticeships, internships, work-based learning, and other opportunities that help integrate youth into the world of work in line with the World Bank's latest Jobs and Economic Transformation Framework of 2019. On the technical front of skills development – the Project supports three specific interventions: (a) supports both initial and continuous professional development of teachers and trainers; (b) focuses on the development of QIPs for priority economic sectors, and (c) helps to introduce short-term, modularized programs to allow for more flexible entry and exit options for trainees, especially those who do not have the flexibility to engage in full time training as they are already in the workforce.

79. The Project will strengthen coordination – both horizontally and vertically – across the eco-system and help build partnerships with the private sector. It also establishes Institute Governing Boards for each participating institution which will be chaired by representatives of the private sector. This is expected to strengthen industry and private sector relationships. Finally, most work in Djibouti takes place in the informal

⁵³ The World Bank's Adapting Skills Training to Address Constraints to Women's Participation framework provides the guard rails to support equitable access.



sector. This Project helps to strengthen both the level of skills and the certification of skills for those who have acquired their skills through non-formal means.

80. The main lessons learned from a review of these various efforts include the following: (a) the need for a sustained and focused effort on improving employment outcomes for citizens and residents of Djibouti, (b) a clear vision which has now been incorporated into the countries vocational education and training policy, (c) leadership – which is clearly being demonstrated in the governments engagement with the Bank and other development partners on the need to support an operation of this nature, (d) keeping it simple – ensure that the Project is simple and easy to implement, (e) the marry with the public sector (supply side for skills) with the demand side, and (f) strengthen the use of evidence. The Project is designed to address all of these issues.

81. One of the most important lessons learned and incorporated in this proposed operation is the recognition of refugee skills. Perceptions regarding refugees has often been that that they were a burden on host communities, placing stress on public expenditures and impacting upon services negatively. The decisions of the Government of Djibouti and changing perceptions globally have begun to recognize the contributions that refugee populations can make through the skills and other resources they possess to support production in the host country. The Project will support Djibouti's commitment to supporting refugee populations, by complementing this with longer term development measures that can support populations that have been forcibly displaced. The Project will support further strengthening of such policy measures. This approach is also well aligned with efforts by other development partners working in Djibouti and the region. There are already efforts underway to recognize and certify refugee skills not only in Djibouti but also to develop mechanisms to identify equivalence and recognition of diplomas across regional players and beyond, for example, Djibouti has also entered into bilateral agreements with Kenya, Ethiopia, and others to recognize their degrees in Djibouti.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

82. The implementing arrangements needs to be viewed through three separate lenses. At the very top of this arrangement will be the Project Steering Committee (PSC) which will be responsible for ensuring that the Project is implemented to meet the needs of the country, maintain a high degree of fidelity with the project design, and use the high-powered nature of the PSC to support an all of government approach to skills development with a focus on employability and employment outcomes⁵⁴. The PSC will be formed as a subset of the CDE. The CDE is charged with planning and monitoring the execution of policies and strategies to promote the economy of Djibouti, and its mandate is fully aligned with the objectives of this Project which aims to support the employability and employment outcomes of Djiboutian youth. The PSC will provide oversight on all aspects of project implementation. The PSC will be responsible for the following: (a) decisions pertaining to the allocation of financial resources through the Workforce Training Grant, (b) approve the Annual Work Plans and Budget (AWPBs) for the Project, and (c) provide strategic guidance on the Project. The CDE has the legal mandate to coordinate across ministerial boundaries and adopt an all of government approach. The Chair of the PSC will be decided by the Borrower. The original membership of the CDE includes the ministers of Foreign Affairs; Economy and Finance; Investments; President of the Ports and Free Zones Authority; Secretary General of the Government; and the

⁵⁴ The POC will be a high-powered committee enabling and strengthening the ability to make real time decisions and support overall implementation efforts. Furthermore, the POC will be able to ensure the participation of key ministries and agencies as needed.



Economic Affairs Advisor to the President of the Republic. However, the byelaws of the CDE allows the President to appoint *at least two and not more than five* other members. The CDE will be expanded to include the ministers of MENFOP and MT as part of the CDE for the duration of the Project thus allowing both to be represented on the POC. The specific Terms of References for the PSC will be developed and included in the POM.

83. The implementing agency for the Project will be MENFOP. A Project Technical Committee (PTC) will help the MENFOP coordinate with the governmental ministries covering the key economic sectors. The PTC will be chaired by the Secretary General of MENFOP, will act as the Secretariat for the PSC. The PTC will consist of one representative, at the Secretary General level, from the following agencies: (a) Ministry of Finance, (b) Ministry of Education and Vocational Training, (c) Ministry of Labor, (d) Ministry of Communication and Culture, (e) Ministry of Habitat, Urban Planning, Environment and Town Planning, (f) Ministry of Infrastructure and Transport, (g) the Chamber of Commerce, (h) the Ports Authority, and (i) two representatives of the private sector. The PTC will meet quarterly to review implementation against stated milestones. The Project through a performance agreement will support activities to strengthen the capacities of ONEQ and ANEFIP. Additionally, capacity building on procurement, financial management, and social and environmental safeguards will be supported through a range of partner institutions.

84. The day-to-day administration of the Project will rest with the DGETFP and a *notional* Project Implementation Unit (PIU)⁵⁵ which will be created and loosely connects all participating ministries and stakeholders and helps to streamline all implementation related functions, and support coordination with the PTC and the PSC. Each represented ministry in the PTC will assign or delegate a staff to support the Project and act as their ministry's representative in the PIU. The PIU will include a dedicated Project Director and three technical specialists to cover TVET governance; curriculum, assessment, and quality assurance; and monitoring and evaluation. The PIU will also bring on board additional staff to support fiduciary (both procurement and financial management) and safeguards related activities but embed them in existing implementation structures in MENFOP which are in place to support other on-going projects - *Expanding Opportunities for Learning* (P166059) and *Education Emergency Response to COVID-19* (P174128). This will ensure that World Bank projects help strengthen ministerial capacity in a manner that does not add to the MENFOP's administrative burden.

85. The implementation arrangements for the Project ensures that the issue of refugee integration will reach the Council for Economic Development (CDE), the highest-level policy body in the country. The issue of including refugee candidates/beneficiaries into the training system will be managed and determined by the implementing agency, MENFOP, together with guidance from the CDE.

B. Results Monitoring and Evaluation Arrangements

86. Monitoring and evaluation mechanism. A wide variety of mechanisms will be used to measure project outcomes including but not limited to administrative data collected through both the MENFOP and MT, other centrally sourced data in the country, standardized data collected from training providers, and data from periodic surveys, tracer studies, labor market analysis, and studies planned to be carried out annually to support project implementation. This multi-level data gathering system will be supported by the Project and will develop a linked system of information allowing different data to be mapped across sub-systems. This will help address one of the key issues in collecting data from TVET systems – avoidance of data from a fragmented system. The Project places

⁵⁵ A draft training plan for select PIU and other staff is included in Annex 3.



significant emphasis on ensuring that youth, and specifically those belonging to the most disadvantaged groups – women, refugees, and persons with disabilities, will be able to participate in this program and hence data gathered will be disaggregated by sub-group. Data gathered at the training provider level will include information on leadership and management, school resources, teacher and student management, infrastructure information, program initiation and completion, beneficiary surveys, and TVET satisfaction survey. Project implementation will be monitored through supervision missions and others conducted jointly by the Government and the World Bank. A set of technical, infrastructure and process evaluations and audits will be supported regularly to inform the project of adaptation measures being undertaken by the project. Lessons learned from relevant assessments will be used for course correction during project implementation.

C. Sustainability

87. Project sustainability in this context is difficult to assess given that the overwhelming share of development expenditures comes from development partners. Most of government financing is used to cover recurrent expenditure in the post-basic education and training sector. However, there are several factors that play an important role – (a) there is very high level of government commitment to strengthen the role of TVET and skills development in the country in an effort to address the serious issue of unemployment, including for youth, as well as underemployment issues in Djibouti; (b) the government has developed a TVET strategy that is quite ambitious and plans for significant reforms to support the sector; (c) there are several development partners keen to support the sector and the government has emphasized the need for coordination and collaboration across agencies, which is expected to contribute to system sustainability; and (d) the government has expressed and demonstrated a willingness to work closely with the private sector to support the development of skills and job growth in the country, and this is also expected to contribute to system sustainability. The Project will also support the establishment of institutions, rules and regulations and other processes that are expected to support coordination across stakeholders in the economy to support the country’s skills development agenda. The stakeholders recognize the need for diversification of funding sources to ensure that the TVET sector can be continuously and sustainably financed in the future, and the government has recognized that institutions at this level need financial autonomy coupled with institutional accountability to support program outcomes.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

88. Expected Development Impact. The Project will address what the GoD considers as its all-encompassing priority – jobs for Djiboutian citizens. The Project will address unemployment concerns through a three-pronged approach - by supporting reforms of the skills development ecosystem, improving the delivery of skills development and TVET services for youth, and by directly supporting entrepreneurial and work-based learning. The Project will target support to specific growth-oriented sectors of the economy, which could include inter alia construction and related trades, transport and logistics sector, foundations skills and public sector uses of ICT, renewable energy sector, and agriculture, animal husbandry and aquaculture.

89. The Project will support the creation of pathways in selected sectors that traverses the line between basic training, vocational education, and tertiary programs. If skills are seen as a continuum, then these pathways will allow individuals to make the transition between one level and another, and therefore keep open the options for



further skilling. The focus of the Project will be on the development of marketable and market relevant technical skills and life skills. In addition, a selected number of trainees will also benefit from entrepreneurial and business development training. Skills deficits alone do not seem to explain the high rates of youth unemployment and underemployment in the country. There are a number of other structural issues that seem to have direct impact on the ability of youth to transition from school and training to the world of work. For example, the current labor laws are not conducive to hiring fresh high school or university graduates since there is little flexibility in the kind of contracts that employers can offer these potential entry level workers.

90. This disincentivizes employers from hiring young people as the cost of a poor hire is steep and employers will typically not be inclined to take such risks. While these structural issues cannot be addressed through this one project, project specific entry ways can be created by lowering the cost of a poor hire by subsidizing internships and apprenticeships. Even with all these issues addressed, the problem is still considerable given that Djibouti produces too few formal sector jobs every year. While enhanced productivity through high quality skills development programs, and labor market frictions can be addressed through subsidized internships and apprenticeships and other social protection initiatives, the county will still need to generate new jobs to absorb the growing number of people who enter the labor market every year. To achieve this objective, the Project will provide entrepreneurial support and support them with business development and management skills and help finance their plans through government grant financing. The Project will also explore whether this financing can be supported through commercial banks, backed by a public guarantee.

91. The Project is expected to have a range of impacts upon implementation. These impacts will include system wide improvements in the training sector, will help ensure that market needs are taken into account in deciding program structures, content and syllabus, and that programs are outcomes oriented and based on the assessment of individual capacities, rather than input focused. Other system wide impacts will be that the entire system for training and workforce development is expected to function in a more coordinated manner that will increase system efficiency and returns on investments. The involvement of the private training sector will ensure that public financing is used to incentivize the entire ecosystem and create a supportive environment for further private training investments. These investments are also expected to have larger macro impacts as Djibouti aims to expand its set of economic opportunities and diversify its economy to help build resilience and the development of skills in the country will strengthen Djibouti's overall competitiveness. Finally, these investments will also have direct impact on beneficiaries and trainees by improving their ability to access more and better jobs, command higher wages and earn higher incomes, and improve their overall quality of life since the impact of having a job is broader than merely having an earning potential. The Project design will also include a number of evaluations to determine project impacts.

92. The Project also recognizes that there are likely to be significant economic impacts by integrating refugee populations into the key economic sectors. There is very little information on the economic impacts of refugees in low-income countries. This is due to a host of methodological problems that need to be addressed including data limitations, attribution issues, and methodological concerns. The Project intends to use data to drive information and will help collect a range of information of the impacts on both refugee households and host community households to obtain a clearer understanding of the economic impacts of this effort to integrate refugee skills to meet the needs of the labor market.



B. Fiduciary

(i) FINANCIAL MANAGEMENT

93. The overall implementation arrangements have been described earlier and will be briefly described here again. Within MENFOP, the Secretary General will take the lead for implementation and work with various directorates within the ministry to implement different aspects of the Project. All externally financed projects are managed through the Project Services Unit (PSU), DGETFP will be responsible for all aspects of technical programming of the Project, and the Directorate General for Administration (DGA) will oversee all aspects of project financial management and procurement, and for monitoring of results and reporting. Activities that are financed under this Project will be incorporated within the annual work plans and budgets of these various line departments given their specific roles and responsibilities in delivering the activities of those specific directorates.

94. The Project will be implemented entirely by MENFOP and they will be responsible for all aspects of Financial Management (FM) of the project, covering the establishment and management of the designated account (DA), annual budgeting, financial reporting, funds flow management and supervision, and financial audits. The POM will include detailed documentation on all project procedures to be carried out for Financial Management. The proposed credit will be implemented in accordance with World Bank policies which are standard for the implementation of the Project. The fact that MENFOP is already implementing two World Bank projects (PRODA and COVID 19 Response) and has acquired significant experience in managing IDA financed operations, are significant mitigating factors in terms of MENFOP's institutional capacities. The responsibility for the overall implementation of the Project will fall to the Secretary General (SG). Directorates within MENFOP will take the lead for specific activities during project implementation.

95. MENFOP will be in charge of project management, including financial management and accounting and will prepare (a) AWPBs; (b) the Interim Financial Reports (IFRs): Interim financial reports are presented 45 days after the end of each quarter (c) annual audits: The verification report and management letter must be presented each year six months after the end of the financial year (d) Designated account for the management of funds: A separate designated account (DA) in dollars Americans will be opened in a commercial bank in Djibouti accepted by the World Bank. The risk associated with Financial Management is Substantial.

Annual Work Plan and Budgets (AWPBs)

96. These participating directorates will be responsible for preparing the AWPBs. The AWPBs will have to be approved by the PSC. The AWPBs will be presented to the PSC for endorsement by October 15 of every implementing year, thereby allowing all activities identified under the AWPB to be included in the following year's budget submission documents. The AWPB is a sovereign document but given that this is a funded and agreed upon program, the AWPB should be in fully alignment with the Project documents. The AWPB preparation process should commence on second Monday of August of every year and be completed by second Thursday of October every year. The AWPBs will be placed on MENFOP's website and Facebook page every year for a week to seek consultations and comments. The Project will produce monthly budget execution reports, and this will be monitored on a regular basis. While the approval process around the AWPB will be strict, it will still be considered as a living document, which will allow for a more flexible implementation process and be updated as needed. However, all updates will only be on a quarterly basis – the frequency at which the POC will convene. The monthly execution report will allow for close monitoring which would compare planned budget execution with actual



execution, which will allow for an easier implementation of the Project and will be part of the quarterly unaudited IFR.

Accounting and Reporting Arrangements

97. While there is an existing contingent of staff within MENFOP's PSU to be able to deal with the FM aspects of the Project, there may be a need to bring on additional staff as needed to support these functions. Fiduciary assessments of other projects in MENFOP have rated FM risk as being Substantial. Efforts are underway to put into place in MENFOP an acceptable FM system, wholly aligned with financial management requirements of the World Bank Policy/Directive on IPFs. When these proposed measures are fully complied with, MENFOP will have met the financial management requirements as per World Bank directives/guidelines. The Project directly contributes to the strengthening of staff capacities with a series of capacity building activities planned for the FM staff and financed by the Project. The AWPBs will include a training plan both on World Bank procedures but more broadly on academic areas of accounting and FM as well supporting online acquisition of qualifications.

Technology

98. The Project will support the acquisition of a commercially available software that supports multi-site multi-project functions to support the FM objectives of the Project.

Fund Flows and Disbursement Arrangements

99. A Designated Account (DA) in US Dollars will be opened at a commercial bank in Djibouti. This commercial bank would meet some minimum standards and would be acceptable to the World Bank. The DA will cover expenditures related to Goods, Works, Consulting and Non-Consulting Services of the project. All payments and withdrawal of eligible expenditures under the DA will be made based on Statement of Expenses (SOEs) submission. Procedural details will be noted in the Disbursement and Financial Information Letter and all disbursements would be subject to the terms of the Financing Agreement. MENFOP will be responsible for timely and periodic submissions of Withdrawal Applications (WAs) to claim the funds. However, it must be noted that the use of a Designated Account will be subject to the resolution of pending lapsed loans under the country's portfolio.

Accounting Standards

100. Previous projects implemented by MENFOP have adopted a set of general accounting principles which includes inter alia: (a) accrual accounting is the approach that will be used, (b) project transactions and activities will be separated from other MENFOP activities, and (c) all sources and uses of project funds, including payments made and expenses incurred, will be part of project accounting. The Project financial reporting will include unaudited IFRs and annual Project Financial Statements (PFS). The PSU will be responsible for preparing periodic reports and bookkeeping for project activities and generate annual PFS and quarterly unaudited IFRs.

Audit Arrangements

101. Annual audits will cover all aspects of the Project, including but not limited to - uses of funds, committed expenditures, financial operations, internal control and financial management systems and a comprehensive review of statement of expenditures. Audit reports need to be submitted to the World Bank by June 30 every



year. Quarterly unaudited IFRs will be submitted to the World Bank within 45 days after the end of the quarter to which they relate and be in a form and have content that is considered satisfactory to the World Bank. These un-audited IFRs will include consolidated expenditures incurred by all implementing agencies supporting Project activities.

102. The PFS will be audited by an independent, qualified private sector auditor, recruited on the basis of TORs which are acceptable or satisfactory to the World Bank. Audits will be carried out in compliance with the International Standards of Auditing, and the Auditor will provide a formal opinion on the Annual Financial Statements (AFS). The auditor will also provide a Management Letter outlining the findings, comments and providing recommendations to improve FM performance through changes to internal control mechanisms or the accounting system in place. Audit documents are due within six months (or 180 days) of the end of the Fiscal Year.

(ii) PROCUREMENT

103. **Procurement Assessment:** Procurement under the Project will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, November 2020 (Procurement Regulations). The Project will be subject to the World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", October 15, 2006, revised in January 2011, and as of July 1, 2016; and other provisions stipulated in the Financing Agreements.

104. As per Project description, procurement would mainly include consultants' services for training, strategic studies, and surveys, small works for infrastructure development and school rehabilitation, and some goods. The MENFOP, with support from World Bank, has prepared a Project Procurement Strategy for Development (PPSD) with a procurement plan based on market and risk analysis. As outcomes from the PPSD, and given the relatively small size of financing, contracts are not complex or with high value. In addition, there is a need to ensure that contracts with same nature are merged to avoid similar contracts being launched several times. Also, taking into consideration the client's capacity being gradually built through the two existing projects under implementation with World Bank financing, the risk associated to procurement is considered as moderate at this stage of project preparation.

105. **Procurement risk assessment:** MENFOP will implement the Project with fiduciary management and procurement overseen by specialized officers in the DGA (*service de la gestion des projets*) with prior experience in managing IDA financed operations. Based on the agreed implementation arrangement and taking into consideration lessons learned during implementation of previous IDA-financed projects, the main procurement risks anticipated are related to delays in procurement processing due to work overload in managing multiple World Bank financed projects, in addition to other donors' financings and inappropriate recordings of procurement documents.

106. Based on these risk factors, the Project procurement overall risk is assessed as Moderate. The associated mitigation measures will include: (a) Ministry to reinforce the existing staff dedicated to procurement by an additional resource person; (b) World Bank to continue close support for capacity enhancement; and (c) proper procurement documents recording per project, also taking advantage of usage of STEP.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

107. **ESS9 Financial Intermediaries. This ESS is not relevant.**

108. **Institutional arrangement for Environment and Social Safeguards Management.** MENFOP is already familiar with the environmental and social requirements, as it is implementing three projects under the ESF.⁵⁶ The PMU already includes an E&S focal point, a social development focal point and an environmental and social consultant for the implementation of these projects. While there have been improvements in MENFOP's capacity to manage environmental and social risks, the capacity remains limited especially at a regional level.

109. In light of this new Project and with the aim of not stretching thin the PMU existing resources, there will be a need to either increase the existing environmental and social consultant's time with MENFOP or hire a junior environmental and social specialist to help him supervise the implementation of ESF instruments across the four projects (the three ongoing and this Skills projects). Moreover, E&S focal points will have to be nominated within each supported TVET institution and training centers to supervise the implementation of ESF instruments. Some of these training centers will fall under the jurisdiction of other governmental ministries, and their inputs to the updated ESF instruments is fundamental. Finally, there will be a need to train focal points at the TVET institutions in supervising the implementation of the ESF instruments and report on this to the PMU. Training of E&S focal points has been included as part of the ESCP.

110. **Gender.** The Project notes that the female labor force participation stands at 32 percent (59 per cent for males), with women mostly employed in the informal sector. Although the female share of enrollments in TVET/skills development sector is estimated to be about 41 percent according to official Djiboutian statistics, the evidence suggests that a significant share of these maybe in very traditional roles, with limited market relevance. Significant skills gap seems to be one of the main reasons for this as - especially women - they tend to have a more limited access to technical education and vocational training programs. This translates into poorer performance in the labor market, but the reasons for that are more complex and cannot be solely attributed to their participation in a specific area or field of training.

111. In general, Djibouti's TVET program suffers from limited access, equity, quality, and program relevance. These concerns are further heightened for women and girls who face a combination of prevalent social norms, parental influence and control, and lack of access to labor market information and poor communications – all of which impacts decisions by women to participate in these programs and to participate in the labor force. A slew of other factors that inhibit the participation of young women in the training sector and workforce includes

⁵⁶ Expanding Opportunities for Learning Project (P166059), its additional financing (P175464) and the Education Emergency Response to COVID-19 (P174128).



financial barriers for women to access to TVET⁵⁷, supply-side barriers⁵⁸. Addressing these issues will help improve system equity in terms of gender and the Project does this by supporting significant reforms across the entire system – from governance, identification of priority sectors, training packages consisting of motivated learners, well-prepared trainers – pedagogically, content-wise, and industry experience, and quality assurance procedures. The Project will bridge the gap between training and the world of work by subsidizing trainee employment through internships, apprenticeships, WBL opportunities, etc., with a specific aim of improving the opportunities for youth in general, but with specific emphasis on girls and women, persons with special needs, refugees.

112. The Project aims to track progress on this front by: (a) ensuring that all individual level indicators, both at the Outcome and at the Intermediate levels – are disaggregated by all priority target groups; (b) increase the share of female trainers in the system; (c) the participation of women trainees in non-traditional areas and then support their transition to the labor market; (d) make efforts to include women on the institute governing boards; (e) ensure that all infrastructure support is done with gender in mind; (f) develop gender specific guidelines for emergency response; and (g) strengthen communication with regards to gender and opportunities both the TVET space and in terms of access to work-based learning opportunities. By expanding the set of training areas, the Project will increase the participation of women by adding areas that have both immediate relevance for the labor market and falls within a set of acceptable norms and demands by female and women trainees and will support the estimation and establishment of unit costs to help incentivize the participation and training of women by training providers in the ecosystem by systematically increasing the fee to unit-cost ratio along the spectrum of trainees from the least to the most-marginalized. Additionally, given that online-earning opportunities uniquely benefit women workers, especially in otherwise conservative environments, the Project will prioritize online work opportunities for women through international platforms such as Freelancers and Upwork – where women can work and earn for themselves and their families from the safety of their own households. All trainees will benefit from soft skills and life-skills training, which specifically will include training on gender issues.

113. The Project also supports the development and endorsement of a set of institute level policies at the both the institute and individual level with respect to issues of sexual harassment, gender-based violence and other forms of discrimination. All participating institutions and partner agencies will be asked to help institutionalize a Code of Conduct covering these issues.

114. Selection procedures to ensure the participation of girls and women in the training programs will be developed and included in the POM. Given the ground realities in Djibouti, the use of an incentive mechanism based on financial rewards would not be possible at this point in time, and a quota approach would not be appropriate for this Project. The Project would therefore rely on oversampling the relevant population sub-groups and then aggressively recruiting from these sampled populations. The Project will put in place a professional communications strategy to support these objectives.

115. **Sexual and Gender Based Violence.** Sexual harassment remains an issue of concern in Djibouti, even though information on this is difficult to obtain. The UNFPA together with the Community Systems Foundation (CSF) is establishing a Gender-Based Violence (GBV) Management of Information System (MIS) to support policy and planning related to all issues associated with GBV. These developments have taken place against a backdrop

⁵⁷ To cover the cost of courses including equipment as well as the cost of transportation.

⁵⁸ Discrimination and harassment during trainings, few female trainers playing as role models, lack of targeted trainings to female needs/interests due to their limited participation in decision-making, etc.



of an increasing concern with respect to GBV in Djibouti⁵⁹, recognizing that the siloed nature in which government agencies work, makes it difficult to collect reliable and consistent information on an issue of this nature⁶⁰. There is a form of GBV that is endemic in Djibouti and this is FGM/C⁶¹. The prevalence of FGM/C among 15 to 49 years of age is 93.1 percent⁶². There are regional differences in prevalence with 94.7 percent of women in Obock having undergone FGM/C. The Government has put into place significant legislation which outlaws the practice and has criminalized FGM/C in 1995 through the Penal Code, Article 333, and amended by Law No. 55 of 2009 on *Violence against Women Specifically on Female Genital Mutilation*. The penalty associated with the crime is up to a 5-year sentence, and a fine of DJF 1 million. FGM/C is still heavily practiced although 51 percent of women aged between 15 to 49 believe that the practice should stop. Despite the law, there have been very few prosecutions since the law has passed⁶³.

116. The Project has been screened for sexual abuse and exploitation and sexual harassment (SEA/SH) and the risks have been rated as moderate. In addition to the requirements and obligations of civil works contractors, all vocation training institutions benefitting from the Project, regardless of whether they are under MENFOP's mandate, other public agencies, or the private sector, will have to implement measures to prevent SEA/SH. MENFOP has already prepared a protocol against all forms of violence under PRODA, which needs to be officially adopted, disseminated, and implemented. This will be a key social risk mitigation measure under the Project. Moreover, institutions outside MENFOP's jurisdiction will also have to develop, adopt, and implement a similar protocol. Finally, the Project will support the development of life-skills training for all trainees where modules on GBV/SEA and FGM/C will be covered in collaboration with partners and help develop a partnership between MENFOP, the Ministry of Women and Family, the National Union of Djiboutian Women (UNFD), the UNFPA/UNICEF Joint Program on FGM and the World Bank FGM Legal Working Group. Given the importance of the role of the private sector in the Project, the Project will also help integrate the private sector's role in addressing these key issues.

117. **Citizen's Engagement.** Citizen's engagement was not as central a feature of the preparation process as best practice should suggest. Of course, the main reason for this is that most of the preparation has taken place during COVID-19 lockdowns and restricted travel periods, making deep and meaningful citizen's engagement more complicated. The preparation team, with the support of locally based consultants, has reached out to both a range of training providers and businesses and employers in priority economic sectors to get a better understanding of their views on a project of this nature. Consultations were conducted with a wide, but expected, set of stakeholders including policy makers, ministry officials from MENFOP, MT, MOF, etc., development partners, private sector employers, and other stakeholders to the skills development, employment, and jobs sector. The preparation team also consulted with students and trainees, but this was more limited in scope and is something that the Project will continue with during implementation and will gather information on student and employer satisfaction, and other information obtained through graduate tracking surveys, etc. The Project mandates the establishment of a Grievance Redress Mechanism and individuals will receive the necessary training

⁵⁹ https://www.communitysystemsfoundation.org/uploads/1/9/9/2/19920247/djibouti_gbv_mis.pdf

⁶⁰ Even in more advanced and liberal societies there is significant underreporting of such events.

⁶¹ Some literature on this treats GBV and FGM/C as different issues, although here will treat the FGM/C as a subset of the types of GBV.

⁶² The prevalence of FGM among women aged 15-49 in the capital region of Djibouti is 92.9 percent. The prevalence in the rest of the country is 94.9 percent. Women aged 15-49 who live in rural areas are more like to undergo FGM/C (95.5 percent) than those who live in urban areas (93.1 percent).

[https://www.28toomany.org/country/djibouti/28 Too Many](https://www.28toomany.org/country/djibouti/28%20Too%20Many). The latest available data for the World Bank refer to 94.4% of prevalence.

<https://data.worldbank.org/indicator/SH.STA.FGMS.ZS?locations=DJ>

Female genital mutilation prevalence (percent) - Djibouti | Data

Female genital mutilation prevalence (percent) - Djibouti from The World Bank: Data

⁶³ Djibouti Gender Justice and the Law (2018).



to manage these systems that are not typically found in Djibouti. This is further elaborated in the following section. However, the manner in which Citizens can and should be engaged are significantly different today than they were two or three decades ago. It is important for both the Government and the Bank that Citizen Engagement is viewed through the lens and belief that better decision making, policy formulation and program implementation happens, with strengthened results for local communities, when central and local governments, employers' associations and businesses, local communities and the immediate beneficiaries have a heightened level of engagement. The Project will aim to enhance participation by local communities in decision making that directly or indirectly affects their own lives – for example, the performance and outcomes of a training institute in the areas where they live, the consumables used, the wastes generated, and potential impacts of a large number of outsiders – students/trainees – accessing these areas frequently, etc. Given that it is critical for Directors of training institutions and TVET centers to have an understanding of the needs of the labor markets in their catchment areas, the Project will support the development of formalized citizen engagement plans (CEPs) for each institution⁶⁴. The CEPs will help identify the purpose and objective of these plans, the manner in which these engagements will take place and here the team intends to put into place digital/online means of Citizen's Engagement⁶⁵, ensure that target groups are identified and involved, support efforts to ensure continuous participation, establish clear roles and responsibilities, and lines of communication. The Project will put in place a system to obtain feedback from beneficiaries, stakeholders, and citizens at large. Specifically, the Project will use methods similar to those used by corporations to obtain feedback from consumers. The Project will contract User Experience survey approaches to collect beneficiary feedback. The Project will do this using a variety of approaches but with a specific focus on the use of technology to obtain real time feedback. The focus on refugees will be included in all CE assessments and engagements to support a clear understanding of the benefits to refugee and host communities.

V. GRIEVANCE REDRESS SERVICES

118. Grievance Redressal Mechanisms will be developed as part of the Project and will be accessible to allow students and trainees and other stakeholders to file complaints if negative impacts are perceived from project interventions. An important feature of the Grievance Redress Mechanism (GRM) will be a system that protects the identify of those complaining, and it will support confidential and safe reporting. A characteristic of the system will have to be that responses are delivered in timely manner. A specific GRM related to GBV/SEA/SH will also be part of the project design and will create a safe space for victims, and provide mechanisms to support survivors through existing community, non-government, or government services.

119. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity

⁶⁴ This will need to be institute specific and cannot be a one size fits all approach given the different environments in which these institutions exist.

⁶⁵ By establishing institute specific websites, social networking platforms and tools, and making it possible for access to feedback on a more continuous basis allowing a significant ability to make significant changes or leapfrog in current Citizen Engagement plans.



to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

120. The World Bank's Systematic Operations Risk-Rating Tool (SORT) is used to assess project risks in this section. This includes Development Outcome Risk – that is, the risk to the Borrower's ability to achieve expected outcomes in World Bank supported projects. Efforts are made to mitigate these risks based on design, government capacity, simplicity of the project, etc. Furthermore, the main implementing agency is already managing two ongoing projects financed by IDA and while their capacity is stretched, they have gained experience by implementing these ongoing programs and have the necessary internal systems in place to manage this Project. It is proposed that this Project will support additional staff to cover fiduciary and safeguards related issues but that they will not be siloed as 'project staff' but instead will be used to augment ministry capacity in these areas. This will help MENFOP streamline activities, build stronger teams to cover fiduciary and safeguards issues, and integrate these functions more permanently into the ministry's structure. Efforts will be made to ensure that this Project financed positions will be transitioned to the ministry's ordinary budget during Project implementation.

121. **The overall risk rating is assessed as SUBSTANTIAL.** This is due to substantial-risk ratings related to several aspects of the Project, in particular, the Fiduciary and Institutional Capacity for Implementation and Sustainability risks. Other risks are also rated at this level – including Political and Governance, Macroeconomic (given the uncertainties regarding the global economy due to the pandemic). Sector Strategies and Policies and Technical Design of the Project are rated as moderate, and the Project has been kept simple given that this the Bank's first engagement in the sector and this is a complicate sector in general. These risks together constitute a substantial-risk rating overall.

122. **Institutional Capacity for Implementation and Sustainability risk is assessed as SUBSTANTIAL.** This is the first engagement in a sector which must be multi-sectorial in nature. Training is only useful if: (a) it supports relevant growth sectors of the economy and helps address the shortage of qualified workers or (b) where training is able to lead to increased self-employment opportunities or (c) establish a set of skills that allows for new economic sectors to emerge. Therefore, projects such as this require a high level of coordination across government agencies, between the government and the private sector, and with communities across the country. While this may be broadly true for all education sector projects, it might be even more pertinent to projects that are related to skills development and employment. The Project aims to address the sustainability issue through three different mechanisms – a sub-component that focuses on developing additional channels for raising revenues for TVET, another sub-component that focuses on improving service delivery and hence the efficiency with which training institutions support outcomes, and finally, a sub-component that focuses on improving system wide efficiencies to ensure that there is minimal wastage in the system. All of these contribute to a greater fiscal space for training and supports broadly corporate goals around maximizing finance for development. The de-concentrated and de-centralized governance system implemented through the Project will provide the oversight needed to ensure that financial management and procurement systems operate as expected and reduce the risk of abuse. This will also improve the capacity to implement the Project and support sustainability risks.



123. **Fiduciary risk is rated SUBSTANTIAL.** On procurement side, the main risk remains with delays in procurement processing due to work overload in managing many projects by the existing unit. The risk will be mitigated by outsourcing an additional procurement staff fully dedicated to this project. As such the residual procurement risk is considered as Moderate.

124. The Financial Management risk is assessed as Substantial for a number of reasons, but particularly based on the experience for the existing engagements with MENFOP. Furthermore, a review of ISRs reveals that across the portfolio, the country's FM risk levels are high. Furthermore, the design of the Project is expected to include fund transfers through a variety of subsidiary entities and agencies, and this always increases FM risks. Furthermore, this also make program audits more difficult to be undertaken. Finally, given that the Project is going to support activities through geographically dispersed areas, which always increases FM risks as control systems tend to become weaker at this level. Finally, ministerial staff working on FM issues are already carrying a heavy workload. This will become heavier with the addition of a new operation. It is imperative that the current team be strengthened and augmented both in numbers and in capacity. So, the main mitigation measures to be implemented would be augmentation of capacity and continuous training of fiduciary personnel both at the center and in subsidiary institutions supported through the program.

125. **'Other risk' related to the pandemic is rated SUBSTANTIAL.** The other risk is related to the pandemic. While there are hopeful signs that the pandemic can be brought under control through a careful combination of vaccinations and other measures, this is still not fully certain. The virus continues to evolve and change, and each new *variant* is likely to place enormous pressures and stresses on the global economy and lead to a slowdown in recovery efforts. In meetings with private sector representatives in Djibouti, they clearly expressed concern that the pandemic will continue to depress business sentiment and thwart recovery efforts. The Project will support resilience measures in the country's skills development and training systems to minimize the impacts in the event that Djibouti is struck by another wave and training efforts will slow down considerably and will closely engage with employers, business houses and other stakeholders regularly to lower and mitigate this risk.

126. **Finally, 'Other risk' related to refugee protection is Moderate.** To be able to access the Refugee Sub-window, the country's refugee protection framework must remain adequate regardless of how a sub-window operation performs. As the PAD has illustrated, Djibouti is proactively engaged on this issue and continues to uphold its commitments to refugees, despite the challenging circumstances and external shocks brought about by the pandemic and which threatens to undermine this engagement. This key risk will be mitigated at the country level through regular and intensive dialogue between the UNHCR, other partners and the World Bank to identify and anticipate potential protection-related concerns. The World Bank is expected to coordinate regularly with the UNHCR to monitor the adequacy of the protection framework in Refugee Sub-window countries.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Djibouti

Djibouti Skills Development for Employment Project

Project Development Objectives(s)

To improve employability and employment outcomes of technical and vocational education and training graduates with a focus on women, persons with disabilities and refugees in priority economic sectors.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Increase employability and employment outcomes							
PDO# 1- Increased enrollment in selected TVET areas - disaggregated by gender, disability and refugee status (Text)		T: 4700; W:1880; R: 220; D: 47;	T: 5360; W: 2250; R: 325; D: 55;	T: 6020; W: 2650; R: 425; D: 75;	T: 6680; W: 3100; R: 550; D: 100;	T: 7340; W: 3500; R: 675; D: 130;	T: 8000; W: 4000; R: 800; D: 160;
PDO#2- Share of girls/women, refugees, and persons with disabilities completing TVET programs increased (Percentage)		0.00	20.00	25.00	30.00	35.00	40.00
PDO#3- Share of trainees employed 6 and 9 months after completion of their programs in similar sectors - disaggregated by gender,		5.00	10.00	20.00	30.00	40.00	50.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
disability and refugee status (Percentage)							

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
C1: Improving TVET Service Delivery; Employability & Employment Outcomes; Support Program Management							
IRI # 1: Number and share of students engaged in Apprenticeships, Internships, OJT and WBL (disaggregated by gender, disability and refugee status) (Text)		N/A	T:440; W: 185; R:30; D: 5;	T: 720; W: 320; R: 50; D: 10;	T: 1040; W: 480; R: 85; D: 15;	T: 1400; W: 675; R: 125; D: 25;	T: 1800; W: 900; R: 180; D: 35;
IRI # 2: Number of trainees reimbursed after completing qualifications online (disaggregated by gender, disability and refugee status) (Text)		N/A	T: 100; W: 40; R: 5; D: 5;	T: 200; W: 80; R: 15; D: 5;	T: 300; W: 140; R: 25; D: 5;	T: 400; W: 190; R: 35; D: 10;	T: 500; W: 250; R: 50; D: 10;
IRI # 3: Number of individuals engaged in Online Gig Work (disaggregated by gender, disability and refugee status) (Text)		N/A	T: 100; W:40; R: 5; D: 5;	T: 200; W: 80; R: 15; D: 5;	T: 300; W: 140; R: 25; D: 5;	T: 400; W: 190; R: 35; D: 10;	T: 500; W: 250; R: 50; D: 10;
IRI # 4: Number of Bilateral Labor Agreements signed (Number)		0.00	0.00	1.00	2.00	4.00	6.00
IRI # 5: Annual number of		N/A	T: 50; W: 20; R: 5; D: 1;	T: 100; W: 45; R: 10; D:	T: 150; W: 70; R: 15; D:	T: 200; W: 95; R: 20; D:	T: 250; W: 125; R: 25; D:



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
short-term migrant workers from Djibouti (disaggregated by gender, disability and refugee status) (Text)				2;	3;	4;	5;
C2: Improving TVET Sectoral & Inst Gov, Architecture & Serv Delivery Mechanisms & Program Management							
IRI # 6: Rehabilitate and Upgrade Existing TVET Institutions in Interior Areas and implement QIPs (Text)		None	LET Obock,LET Tadjourah,LET Dikhil	LH D'Arta,CF de Damerjog,LEP of Ali Sabieh			TBD
IRI # 7: Rehabilitate and Upgrade Existing TVET Institutions in Djibouti-ville and implement QIPs (Text)		None	Lycée Industriel et Commercial, LET Gabode, CF of the Stadium				TBD
IRI # 8: New Institutions in Djiboutiville and implement QIPs (Text)		None	PPP in Digital, PPP in Automotive, PPP in Energy	Coffee and Barista Training Center.			TBD
IRI # 9: Other non-traditional schools through partnerships (Text)		None	Centre de Leadership et de l'Entrepreneuriat, Institute Djiboutien Des Arts	Fédération Djiboutienne de Tennis, Fédération Djiboutienne de Football			TBD
IRI # 10: Number of Certificate, Diploma Students who complete their training (disaggregated by gender, disability and refugee status) (Text)		3,980 (Girls/Women: 1,630), (Disability status:), (Refugee status:)	4,400 (Girls/Women: 1,890) , (Disability status:), (Refugee status:)	4,800 (Girls/Women: 2,160), (Disability status:), (Refugee status:)	5,200 (Girls/Women: 2,440), (Disability status:), (Refugee status:)	5,600 (Girls/Women: 2,740), (Disability status:), (Refugee status:)	6,000 (Girls/Women: 3,000), (Disability status:), (Refugee status:)
IRI # 11: Share of girls and women in TVET programs		41.00	43.00	45.00	47.00	49.00	50.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
increased. (Percentage)							
IRI # 12: Number of short-term training programs completed (disaggregated by gender, disability and refugee status) (Text)		N/A	T: 5275; W: 2265; R: 315; D: 55;	T: 6550; W: 2950; R: 460; D: 85;	T: 7825; W: 3675; R: 625; D: 120;	T: 9100; W: 4460; R: 820; D: 160;	T: 10375; W: 5185; R: 1040; D: 210;
IRI # 13: Number of individuals who are certified through newly developed RPL procedures (disaggregated by gender, disability and refugee status) (Text)		0.00	150 (Girls/Women: 50), (Disability status:), (Refugee status:)	300 (Girls/Women: 100), (Disability status:), (Refugee status:)	450 (Girls/Women: 150), (Disability status:), (Refugee status:)	600 (Girls/Women: 200), (Disability status:), (Refugee status:)	750 (Girls/Women: 250), (Disability status:), (Refugee status:)
IRI # 14: Number of trainers undertaking initial training (disaggregated by gender, disability and refugee status) (Text)		380 (Girls/Women: 100)	420 (Girls/Women: 125), (Disability status:), (Refugee status:)	480 (Girls/Women: 155), (Disability status:), (Refugee status:)	560 (Girls/Women: 200), (Disability status:), (Refugee status:)	660 (Girls/Women: 255), (Disability status:), (Refugee status:)	720 (Girls/Women:250), (Disability status:), (Refugee status:)
IRI # 15 Beneficiary, Stakeholder and other feedback (Number)		0.00	1.00				2.00
IRI # 16: Number of trainers engaged in CPD (disaggregated by gender, disability and refugee status) (Number)		0.00	20.00	80.00	100.00	60.00	40.00
IRI # 17: Share of trainers who have recent (< 3 years ago) industry experience (Percentage)		5.00	10.00	15.00	20.00	25.00	30.00
IRI # 18: Modernizing Education and Skills Governance (Text)		(a) No regulation in place. (b) No regulation in place. (c) No regulation in place.	(a) Project Steering Committee established under the CDE, Chaired by [];(b) Project	(a) Budget line created and financed by ordinary budget, 25% ; (b) Budget line created and	(a) Budget line financed by ordinary budget, 50%; (b) Budget line financed by ordinary	(a) Budget line financed by ordinary budget, 75% ;(b) Budget line financed by ordinary budget, 75%;	(a) Budget line financed by ordinary budget, 100% (b) Budget line financed by ordinary budget, 100%



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
			Technical Committee established; (c) Sectoral Working Groups (SWG) established; and (d) Institute Governing Boards (IGBs) established.	financed by ordinary budget, 25%; (c) Budget line created and financed by ordinary budget, 25%; and (d) (c) Budget line created and financed by ordinary budget, 25%	budget, 50%; and (c) Budget line financed by ordinary budget, 50%; and (d) Budget line financed by ordinary budget, 50%	and (c) Budget line financed by ordinary budget, 75%; and (d) Budget line financed by ordinary budget, 75%	(c) Budget line financed by ordinary budget, 100% (d) Budget line financed by ordinary budget, 100%
IRI # 19 Share of TVET graduates in project supported training programs who report that they are satisfied with their acquisition of employability skills. (disaggregated) (Percentage)		0.00	20.00	30.00	40.00	50.00	60.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
PDO# 1- Increased enrollment in selected TVET areas - disaggregated by gender, disability and refugee status	Increased enrollment in selected TVET areas disaggregated by gender, refugee status, and persons with disabilities	Annual	Technical and Vocational Education Management Information System (TVEMIS)	Paper based collection at every institution	MENFOP



<p>PDO#2- Share of girls/women, refugees, and persons with disabilities completing TVET programs increased</p>	<p>Students will be tracked upon admissions to TVET programs and their dropout or completion dates will be recorded. This will be the basis for reporting this information.</p>	<p>This information will be reported on a quarterly basis.</p>	<p>Every participating institution will be required to maintain student records from the time of admission to the completion or termination of their programs.</p>	<p>A standardized data capture instrument will be used by each participating institution to gather and maintain student information.</p>	<p>MENFOP</p>
<p>PDO#3- Share of trainees employed 6 and 9 months after completion of their programs in similar sectors - disaggregated by gender, disability and refugee status</p>					

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
<p>IRI # 1: Number and share of students engaged in Apprenticeships, Internships,</p>	<p>Sub-component 1.1</p>				



OJT and WBL (disaggregated by gender, disability and refugee status)					
IRI # 2: Number of trainees reimbursed after completing qualifications online (disaggregated by gender, disability and refugee status)	Sub-component 1.2				
IRI # 3: Number of individuals engaged in Online Gig Work (disaggregated by gender, disability and refugee status)	Sub-component 1.2				
IRI # 4: Number of Bilateral Labor Agreements signed	Sub-component 1.3				
IRI # 5: Annual number of short-term migrant workers from Djibouti (disaggregated by gender, disability and refugee status)	Sub-component 1.3				
IRI # 6: Rehabilitate and Upgrade Existing TVET Institutions in Interior Areas and implement QIPs	Information updated on implementation of civil works and procurement and use of other QIP inputs.	Quarterly	At the institute level and the DGETFP	Field visits and progress made against stated plans	DGETFP
IRI # 7: Rehabilitate and Upgrade Existing TVET Institutions in Djibouti-ville and implement QIPs	Sub-component 2.2				
IRI # 8: New Institutions in Djiboutiville and implement QIPs	Sub-component 2.2				
IRI # 9: Other non-traditional schools through partnerships	Sub-component 2.2				
IRI # 10: Number of Certificate, Diploma Students who complete their training (disaggregated by gender, disability and refugee status)	Sub-component 2.2				



IRI # 11: Share of girls and women in TVET programs increased.	Sub-component 2.2				
IRI # 12: Number of short-term training programs completed (disaggregated by gender, disability and refugee status)	Sub-component 2.2				
IRI # 13: Number of individuals who are certified through newly developed RPL procedures (disaggregated by gender, disability and refugee status)	Sub-component 2.2				
IRI # 14: Number of trainers undertaking initial training (disaggregated by gender, disability and refugee status)	Sub-component 2.2				
IRI # 15 Beneficiary, Stakeholder and other feedback	Technology based beneficiary feedback	Biannual	Survey conducted by PMU	Survey using technology	DGETFP
IRI # 16: Number of trainers engaged in CPD (disaggregated by gender, disability and refugee status)	Sub-component 2.2	Annual targets	Data collected from the DGETFP.	Administrative Records and Trainer Files	DGETFP
IRI # 17: Share of trainers who have recent (< 3 years ago) industry experience	Sub-component 2.2	Quarterly	Each participating institution would have to maintain a data set that will be updated quarterly given the introduction		



			of short cycle courses.		
IRI # 18: Modernizing Education and Skills Governance	Sub-component 2.1	Annually	Annual Work Plan and Budgets	DGETFP will gather data from AWPBs	DGETFP
IRI # 19 Share of TVET graduates in project supported training programs who report that they are satisfied with their acquisition of employability skills. (disaggregated)	Indicator will be disaggregated by economic sector, gender, refugee status and disability status. The findings compiled through the beneficiary surveys will be used to plan and implement time and bound actions or action plans to address this feedback. The results of the beneficiary survey will inform the development and implementation of the CEPs.	Annually	Survey conducted by PMU	Survey using technology	DGETFP



ANNEX 1: Implementation Arrangements and Support Plan

1. The Project will be implemented by MENFOP with support from other ministries and agencies as needed with key roles placed by the MOF, MT, and other related ministries and agencies. A Project Steering Committee (PSC) will be established under the aegis of the CDE. The CDE is linked to Djibouti's Presidential office and the PSC will play a key role in project implementation. The PSC will ensure that the Project is diligently implemented, maintaining fidelity with the objectives of the Project, and carefully balances direct support for employability and employment outcomes with efforts to strengthen the system for skills development system in Djibouti. The PSC will remain in place for the entire duration of the Project and during implementation decisions will be taken to determine whether or not the PSC should be transitioned into a more permanent structure or continue to function on an *ad hoc* basis. The Chair of the PSC will be decided by the Borrower and the specific terms of reference for the PSC will be developed in consultation with the implementing agency and other key stakeholders. This high-level steering committee will provide the needed coordination across agencies, approve the Annual Work Plans and Budgets (AWPBs) of the implementing agency, ensure that project resources are used to provide direct support to the training needs of employers, enterprises, and other key stakeholders, while simultaneously strengthening the country's training ecosystem. The PSC may provide overall strategic guidance on the issues of education, skills and jobs.
2. The Implementing Agency for the Project will be the MENFOP. The decision to make MENFOP the Implementing Agency for the Project is predicated on the following:
 - has the mandate to support all aspects of the supply-side for training.
 - the new TVET policy supports coordination and brings into the skills-development of the decision-making process across a range of stakeholders including – government ministries, SOEs, the Chamber of Commerce (COC), the private sector, and employers into the decision-making process for skills development.
 - possesses the *physical plant* or structures needed for training, and
 - prior experience and capacities to manage and implement an IDA project.
3. MENFOP will be in charge of all Project management activities, including financial management and procurement functions, the environmental and social safeguards, annual work plans and budgets (AWPBs), all project documentation and reporting, monitoring and evaluation of project inputs and outcomes, project evaluation, progress reports and all studies associated with project implementation.
4. The Borrower recognizes the importance of *an all of government approach* for the implementation of a project focused on skills, jobs and employment which crosses institutional boundaries and needs to be viewed more holistically. A sub-ordinate committee will be established to support this holistic approach and will be a Project Technical Committee (PTC). The PTC will consist of one representative, at the Secretary General level, from the following agencies: (a) Ministry of Finance, (b) Ministry of Education and Vocational Training, (c) Ministry of Labor, (d) Ministry of Communication and Culture, (e) Ministry of Habitat, Urban Planning, Environment and Town Planning, (f) Ministry of Infrastructure and Transport, (g) the Chamber of Commerce, (h) the Ports Authority, and (i) two representatives of the private sector. The PTC will be chaired by the MENFOP Secretary General. The PTC will support project implementation and meet quarterly to review implementation progress



against stated milestones. The PIC will support all aspects of project implementation, support the development of AWPBs for submission to the POC for approval.

5. The proposed structure new National TVET Policy puts into place a system to support TVET services and is oriented towards the placement of trained people into work opportunities within and outside of Djibouti. This governance model brings together (a) public authorities, (b) private sector representatives, and (c) worker and professional representatives from everywhere to support the skills development sector in the country. The new TVET policy envisages governance at three different levels – at the policy level where the National Council of Professional Training (CNFOP) plays a key role in understanding the demand, establishing a course of action to meet this demand, and then assesses whether or not this has been met. The second tier is the System Level – where the newly established Djiboutian Agency for Professional Training (ADFOP) provides the necessary resources and helps coordinate the sector. Finally, at the ‘pedagogical level’ the training providers function to actually delivers skills development services to the population. However, all of these new entities are anchored at MENFOP, with links to other line ministries. However, there is an inherent flaw in the proposed structure with MENFOP playing the role of standards setter and regulator, service provider, and as the agency that would evaluate how well MENFOP has performed on the other two fronts. Furthermore, MENFOP is also placed at the center of all implementation structures and partnerships. Given that the autonomy of the training sector, specifically the DGETFP was a critical concern noted in the TVET policy, there is a need to develop a structure with independence, and some arms-length relationships between these different functions.

6. The PSC helps achieve this independence and arms-length relationship needed for the success of the system, without diluting the importance of the role that line ministries like MENFOP and MT will play in the process. While the role of the CDE/PSC is *ad hoc* in the current form, during implementation the Borrower in consultation with all stakeholders, can choose to transform this *ad hoc* committee into a permanent national level policy sub-committee or something equivalent. Such a permanent committee could help manage the fragmentation in the skills development ecosystem in Djibouti– on both the supply and demand side.

7. The administration of the Project will be largely integrated with the functions of the Directorate General of Technical Education and Vocational Training (DGETFP) of MENFOP. However, a notional Project Implementation Unit (PIU) will be created to help streamline all implementation related functions, and support coordination with the PSC and the PTC. This PIU will include a dedicated Project Director and three technical specialists. The technical specialists will have skills in TVET governance; curriculum, assessment, and quality assurance; and monitoring and evaluation. The PMU will also bring on board additional staff to support fiduciary (both procurement and financial management) and safeguards related activities but embed them in existing implementation structures in MENFOP which are in place to support other on-going projects - *Expanding Opportunities for Learning* (P166059) and *Education Emergency Response to COVID-19* (P174128). This will ensure that Bank projects help strengthen ministerial capacity and in a manner that does not add to the MENFOP’s administrative burden. The individuals currently leading on Fiduciary and Safeguards activities under these existing projects will take on a leadership role for all projects being implemented by MENFOP, while qualified new staff will be brought on board as consultants to support all fiduciary and safeguards activities. The project(s) involved support MENFOP and MT staff will be embedded with MENFOP staff to learn project implementation by participating in key activities. There is also a need to strengthen ministerial capacity of



MENFOP and MT to manage programs of this nature. Therefore, the project will support developing ministerial capacities in MENFOP and MT⁶⁶.

8. Given MENFOP's central role and given the capacity they have acquired and built by implementing IDA financed operations, the existing PIU in MENFOP will take on a key role in project implementation. The Director General (DG) will play the role of the overall project lead and will use this base to coordinate all relevant ecosystem partners both within and outside of MENFOP. Specialized activities under project implementation such as fiduciary management, environmental and safeguards related activities and monitoring and evaluation will be carried out by staff of the *service de la gestion des projets* (DGA) and the PMU. The Directorate General for Technical and Vocational Education and Training will provide all needed to technical support for the operation, such as, the preparation of AWPBs, develop detailed specific activities, the necessary timelines for implementation of activities, developing and planning for procurement related activities with other staff in MENFOP more clearly aligned with these activities. A standard format will be used to develop AWPBs and planned calendar for implementation of activities.

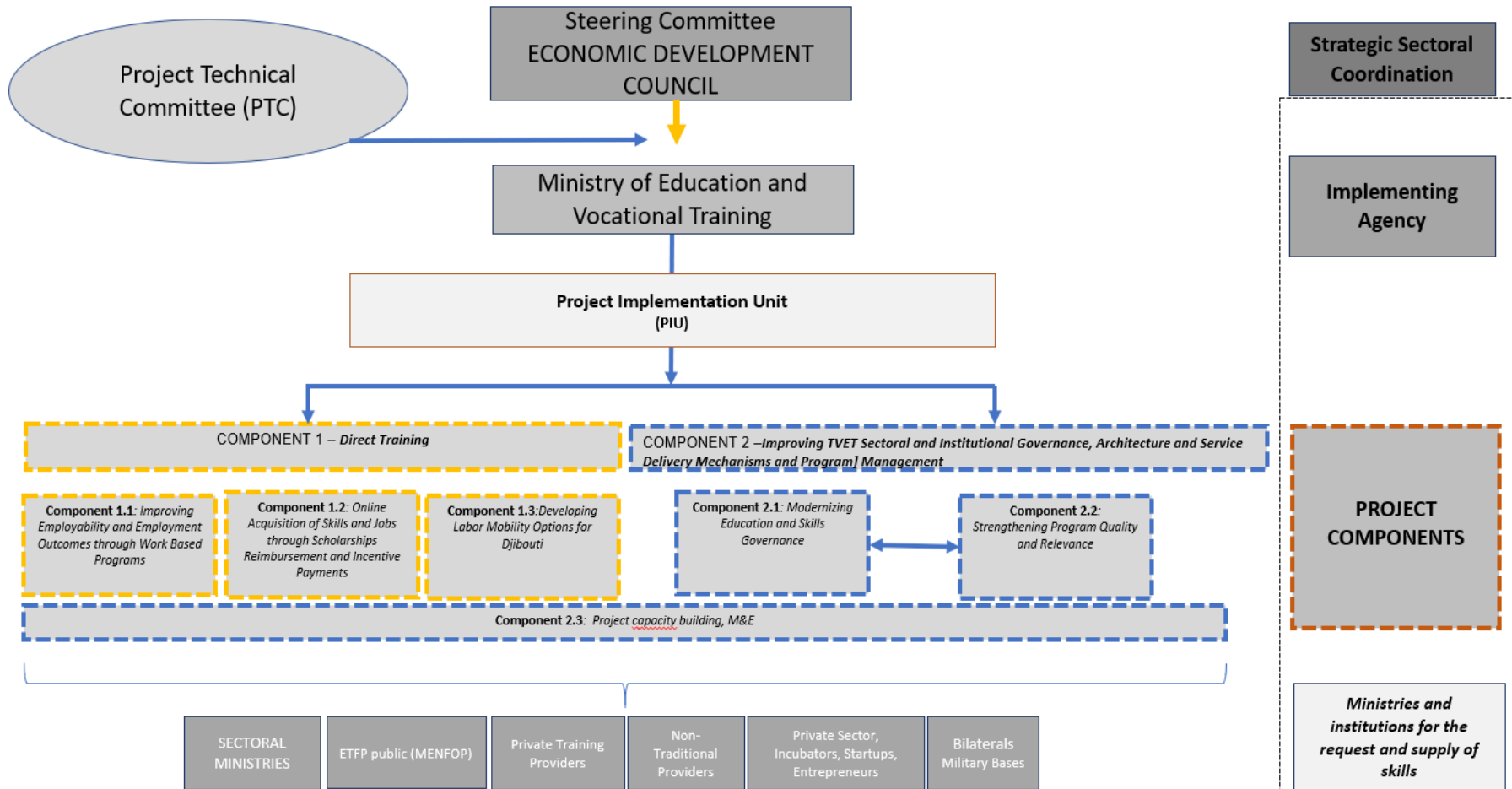
9. The MT is the second most important ministry in the education, skills and jobs arena and will play an important role during project implementation. The representatives of the MT will be deputy chairs on the PIC. MT has had no prior experience in managing an IDA project or a component of a project and their capacity to support implementation is limited. MT capacity – both technical and administrative capacity - will be built during the first couple of years of project implementation. More direct involvement of MT in the Project will be revisited during the Project mid-term review. The project through a performance agreement will support activities to strengthen the capacities of ONEQ and ANEFIP. Additionally, capacity building on procurement, financial management, and social and environmental safeguards will be supported through a range of partner institutions.

10. To boost MENFOP's and MT's abilities to bring in other stakeholders and partners, the Project will further support changes to institution level governance and where each institution will establish an *institution governing board* (IGB) with representation from the private sector and the public sector. The IGB will be chaired by a representative of the private sector where possible.

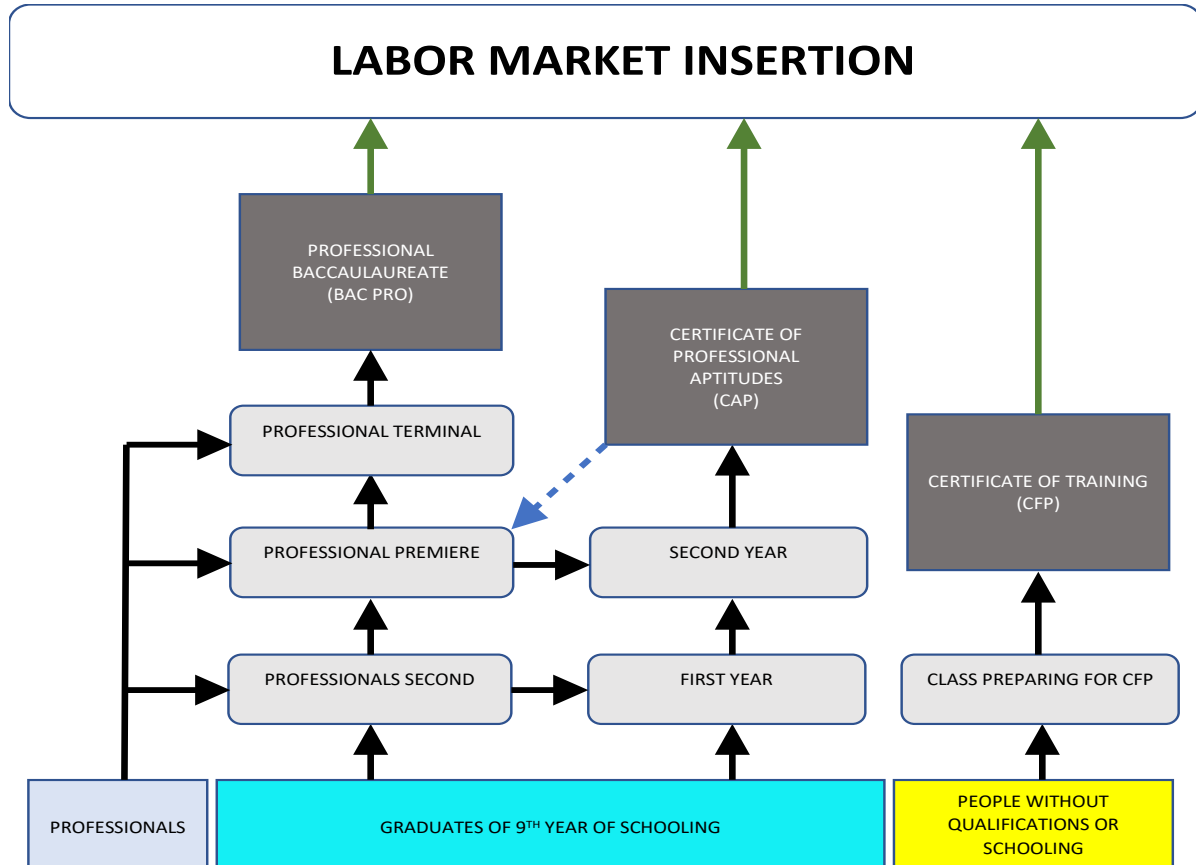
⁶⁶ Alternatively, the government could decide that the role for engineering and safeguards could be spun off and permanently commit to use independent entities to support activities of this nature. Similar decisions could also be made with regards to Monitoring and Evaluation, and even some fiduciary activities.



Implementation Organogram



ANNEX 2: Structure of Post Compulsory System and Current Training System



Source: MENFOP (2019)

There is a relatively sizeable network of training institutions in Djibouti to support post-compulsory education and training. This consists of eleven functioning institutions grouped into technical secondary schools and vocational training centers. These eleven institutions fall under the aegis of MENFOP. There are thirteen other training institutions that do not report to MENFOP, and these training institutions can be grouped into three categories: (a) belong to other departments or ministries, (b) run by associations or organizations, and (c) for public or private enterprises⁶⁷. These are illustrated in Table below.

⁶⁷ Refer to Annex 1 for a full list of institutions.



LIST OF TRAINING INSTITUTIONS

TECHNICAL SECONDARY SCHOOLS	VOCATIONAL TRAINING CENTRES	OTHER DEPARTMENTAL DEPARTMENTS	ASSOCIATIONS OR ORGANIZATIONS	QUASI-PUBLIC OR PRIVATE ENTERPRISES
Industrial and Commercial High School (LIC) Gabode Technical High School (LTG) Arta Hotel School (LHA) Ali-Sabieh Technical High School (LTAS) Dikhil Technical High School (LTD) Tadjourah Technical High School (LTT) Obock Technical High School (LTO)	Centre de Formation du Stade (CFS) Boulaos Training Centre (CFB) Damerjog Training Centre (CFD) Arta Hotel and Tourism Trades Training Centre	Social Action Centre for Women's Empowerment (CASAF) National Institute of Public Administration (INAP) Djibouti Institute of Arts (IDA) Health Personnel Training Centre Service National Adapte (SNA)	UNFD Training Centre Center of the Protestant church Tadjourah CARDJIN Centre National Centre for Youth (CNPJ) Technical high school of the Al-Rahma Complex Djibouti Football Association Djibouti Tennis Association	Djibouti Telecom National Training Center (CNFDT) Djibouti Chamber of Commerce Training Center Regional Maritime Training Center in Doraleh Transport Trades Training Center and Ports Logistics

Source: MENFOP (2019)



ANNEX 3: Training Plan

Initiated in CY2022

Project Implementation Unit:

- PIU Staff trained in Financial Management (FM), Procurement, and Environmental and Social Safeguards (ESS) on World Bank OLC or equivalent. This will include a total of 10 staff including 6 from MENFOP and 4 from MOT.
- 5 Procurement Staff from MENFOP and MOT receive overseas procurement training at World Bank designated hub or equivalent.
- 5 Financial Management Staff from MENFOP and MOT are given access to a Complete Online Certificate of Accounting Technician Program or equivalent.
- 7 Monitoring and Evaluation Staff from MENFOP and MOT and affiliated agencies have access to online Certificate Program on M&E, Access to J-PAL Training Sessions or equivalent.
- 7 Environmental and Social Safeguards staff enroll in online Certificate Program on Climate Change or equivalent.

Senior Leadership Training:

- Senior Staff Access to INSEAD's Leadership Communication with Impact Program or equivalent [online] – 5 MENFOP, 3 MT; 2 MOF.
- Senior Staff Access to INSEAD's Gender Diversity Program or equivalent [online] – 5 MENFOP, 3 MT; 2 MOF.

Building TVET Technical Skills:

- Curriculum Development: 15 MENFOP Curriculum Experts complete customized hybrid program consisting of an initial online module and followed up with in-class learning at an expert institution;
- Technology for Teaching: 15 MENFOP Master Trainers and Senior Trainers complete customized hybrid program consisting of an initial online module and followed up with in-class learning at an expert institution;
- Educational Entrepreneurship: 11 MENFOP and 4 MOT staff complete customized hybrid program consisting of an initial online module and followed up with in-class learning at an expert institution; and
- Instructor Development Program: 11 MENFOP and 4 MOT staff complete customized hybrid program consisting of an initial online module and followed up with in-class learning at an expert institution.

Study Tour

- Quality Assurance Mechanisms: 12 person staff study tour consisting of staff from the following ministries – MENFOP, MT, MOF, COC
- Sector Skills Councils: 12 person staff study tour consisting of staff from the following ministries – MENFOP, MT, MOF, COC
- Migrant Labor Programs: 12 person staff study tour consisting of staff from the following ministries – MENFOP, MT, MOF, COC, MOFA



- Work Based Learning: 12 person staff study tour consisting of staff from the following ministries – MENFOP, MT, MOF, COC
- National Qualifications Framework and TVET Governance: 12 person staff study tour consisting of staff from the following ministries – MENFOP, MT, MOF, COC