



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 18-Feb-2022 | Report No: PIDA32719





BASIC INFORMATION

A. Basic Project Data

Country Cabo Verde	Project ID P175828	Project Name Cabo Verde Human Capital Project	Parent Project ID (if any)
Region AFRICA WEST	Estimated Appraisal Date 14-Feb-2022	Estimated Board Date 11-Apr-2022	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Republic of Cabo Verde	Implementing Agency Fund to Promote Employment and Training, Ministry of Family, Inclusion and Social Development, Ministry of Education, Ministry of Infrastructure, Territorial Planning, and Housing	

Proposed Development Objective(s)

To improve access to basic services and labor market relevant training in Cabo Verde.

Components

Support education reforms to better prepare in-school youth for future employment
 Improve access to professional training for youth and women in key growth sectors
 Strengthen access to basic services and social and productive inclusion for poor and vulnerable
 Project Management
 Contingency Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	26.00
Total Financing	26.00
of which IBRD/IDA	26.00



Financing Gap	0.00
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DETAILS

World Bank Group Financing

International Development Association (IDA)	26.00
IDA Credit	26.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

Cabo Verde’s economy experienced robust growth over the last decade but was severely hit by the COVID-19 pandemic, exacerbating income inequality, increasing rates of unemployment, and undermining investments in human capital. Prior to the crisis, Cabo Verde experienced robust and accelerating economic growth driven by a thriving tourism sector. The crisis, however, reversed this progress, with the Gross Domestic Product contracting by 14.8 percent in 2020, the second largest reduction in Sub-Saharan Africa (SSA). In addition, prior to the pandemic, the national moderate poverty rate was expected to reach 26 percent in 2020, but after the crisis the national poverty is estimated to have increased to 45 percent. These increases in poverty and inequality rates have had a disproportionate negative effect on women and youth. Despite these challenges, the overall unemployment rate had been steadily declining, reaching 11.3 percent in 2019; the number of youth ages 15-35 not in education, employment, or training (NEETs) had also been declining on average by 4.1 percent each year, reaching 27.8 percent in 2019. However, in 2020, the overall unemployment rate grew to 14.5 percent and the number of NEETs reached a new high of 77,480 (35.4 percent of youth ages 15-35). Of these NEETs, more than half are female (53.4 percent) and the majority live in urban areas (72 percent). Although only slightly more men than women are unemployed, because women are the majority among informal workers, domestic employees, and the labor force in the tourism sector, they have been disproportionately affected as the crisis considerably reduced the demand for these services.

Due to weak economic participation and more limited opportunities, the majority of extreme poor in Cabo Verde are women and those from female-headed households. Nearly 43 percent of the extreme poor live in



households where a single mother is the only breadwinner, compared to 29 percent for Cabo Verde as a whole. Although Cabo Verde performs relatively well across a range of gender indicators, more needs to be done to improve women's economic empowerment. According to the Global Gender Gap Index in 2021, women's economic participation has been steadily increasing in Cabo Verde. However, there are pervasive issues preventing the equality of economic opportunities for women, including: (i) the primary burden of household chores and lack of childcare; (ii) limited access to financing; and (iii) lack of knowledge on income-generating activities. Although more girls remain in school, women have a lower participation rate in the labor force, present a weak presence in technological and scientific areas, earn incomes that are on average lower than those earned by men, and are more affected by underemployment. Women, especially single mothers, are highly vulnerable because of the barriers they face in participating in income generating activities, training and accessing childcare services.

In Cabo Verde, poverty is further aggravated by climate-related shocks, such as droughts and floods, further threatening livelihoods and food security. The 2021 World Risk Report ranked Cabo Verde 11th out of 171 countries in terms of risk to disasters. While floods pose the most significant risk to households, desertification of land, persistent droughts and rising sea levels are other important recurring risks. Poor households living in inadequate homes, built with inadequate materials, are particularly exposed to natural hazards and climatic events. A recent study also suggests that the droughts have a significant impact on the most vulnerable populations, particularly women. Droughts in Cabo Verde have caused substantial losses to agricultural production, reducing work opportunities, and increasing food prices.

Cabo Verde's demographic transition is taking place faster than elsewhere in Africa, emphasizing the need to urgently equip youth and women with relevant labor market skills. The share of the working age (between 15 and 64 years old) population rose from 7.6 percent in 1990–2000 to 41.4 percent in 2001–2013. At the same time, there has been a sharp decrease in total fertility rate (births per woman) - from 3.5 in 2000 to 2.3 in 2018. As a result, the share of the population of working age is expected to peak around 2030. It is critical that Cabo Verde acts now to address the growing youth unemployment and equip youth with skills needed for employment in order to reap the maximum benefits of its demographic dividend.

To promote economic growth and reap the demographic dividend, the Government recently developed a new National Strategy for Sustainable Development (2021-2030). This strategy, referred to as "*Ambição 2030*," provides a comprehensive picture of the country's current state of development, discusses sector-specific plans to diversify its economy, and identifies strengthening human capital as the key element to the country's development over the next 10 years. The country aims to accelerate economic growth by strengthening its human capital base and by increasing opportunities for employment in five accelerator sectors – (i) tourism and industry; (ii) the blue economy; (iii) the digital economy; (iv) renewable energy; and (v) agriculture - with an ambitious goal to ensure 100,000 opportunities for employment by 2030. To support economic growth and job creation, the World Bank has active engagements in several of these key sectors including tourism, the blue economy and digital economy in addition to a focus on State Owned Enterprise (SOE) reforms and private sector



growth. There is a need now to link the potential jobs and employment opportunities being created with further investments to produce the required trained human capital to fill these jobs and benefit from economic growth.

Sectoral and Institutional Context

The 2018 Systematic Country Diagnostic for Cabo Verde identified inadequate human capital as one of the country's most significant binding constraints to achieving the World Bank's twin goals of reducing extreme poverty and boosting shared prosperity. Compared to many of its neighbors, Cabo Verde performs very well on many human development indicators. However, one area where Cabo Verde stands out is the lack of human capital with the skills aligned with the needs of the labor market. According to enterprise studies from several countries in West Africa, firms which rated the lack of trained human capital as a major constraint to growth and development was highest in Cabo Verde. Addressing weak human capital outcomes will require a whole-of-government approach across several sectors. Evidence shows that in Cabo Verde: (i) the education system is failing to ensure in-school youth acquire skills relevant to the labor market and needed for future employment; (ii) the supply of high-quality professional training programs for unemployed youth, especially in key growth areas, is lacking and existing programs are often poorly aligned with potential opportunities for employment; and (iii) greater attention needs to be given to equity concerns—ensuring vulnerable populations and particularly women—have access to basic services and living conditions linked to better human capital outcomes.

In terms of access to education, Cabo Verde has some of the highest education indicators in SSA. Universal primary education was achieved in 2012 and the school-life expectancy is 12.7 years on average, and even higher for girls. While access indicators are positive, dropout and repetition rates in secondary education remain high and highlight the need to improve education quality. Major challenges in the current system include: (i) a disconnect between the curricula/subjects taught and needs of the labor market; (ii) low teacher qualifications; and (iii) insufficient attention paid to learning outcomes. To address these issues, the Government has been undertaking an expansive reform of the entire education system starting with basic education in 2017. The World Bank Education and Skills Development Enhancement Project (P164294) has been directly supporting these reforms including: (i) reforming the school curriculum for Grades 1-8; (ii) developing a new overall strategy for teacher professional development; and (iii) establishing a new unit within the Ministry of Education responsible for monitoring learning outcomes. With the reform for basic education complete, the Government now intends to expand the reform to include secondary education as well.

One of the major objectives of the secondary education reform is to modernize the general curriculum for Grades 9-12 so the skills students acquire better align with the skills needed for future employment. The current curriculum is too academic without sufficient attention to Science, Technology, Engineering and Mathematics (STEM) subjects, digital skills, foreign languages, and socioemotional and entrepreneurial skills which are all key for strengthening the country's human capital and employability of its citizens. There is also a need to incorporate into the formal curriculum aspects related to global citizenship, climate change and gender



sensitivity and girls' empowerment. Although enrolled in school, gender bias and lack of female examples results in many girls studying areas that are less linked to potential job opportunities. To successfully implement this new curriculum in both basic and secondary education, significant attention also needs to be given to teacher pedagogical skills to move away from traditional lecture style only classrooms to using more effective teaching pedagogies that promote applied learning, teamwork, etc. Per the recommendations of the 2018 Public Expenditure Review for education, the Government has been increasing the amount of the education budget dedicated to support in-service teacher training and other efforts to enhance the quality of education. Aligned with the newly developed strategy for teacher professional development, the Ministry of Education has now: (i) recruited more than 320 Pedagogical Coordinators with the specific role to support and mentor teachers at the school level; and (ii) developed detailed plans to use distance learning platforms to deliver high-quality teacher training content that will be complimented at the local level through face-to-face sessions.

The system for monitoring student learning outcomes in Cabo Verde is still very nascent; further strengthening this system is imperative to improving learning outcomes for in-school youth. Cabo Verde is one on a small list of countries that still lack internationally comparable data on learning outcomes. With the support of the ongoing Education and Skills Development Enhancement Project (P164294), a new unit within the Ministry of Education responsible for learning assessments was established and the country implemented one of its first national learning assessments in 2019. This assessment was carried out in Grades 2 and 6 to establish a baseline for the ongoing reforms in basic education. Now that the new curriculum for Grades 1-8 has been finalized, the Government intends to conduct a follow-up assessment to measure the impact the new curriculum has had on improving education quality. To have internationally comparable data and be able to be included in the World Bank's Human Capital Index, the Government has also confirmed its interest in becoming formal members of a regional assessment known as the Programme for the Analysis of Education Systems (PASEC). This regional assessment of learning outcomes in reading and mathematics for Grades 2 and 6 has traditionally only included Francophone countries in Africa but recent discussions have opened the possibility that Lusophone countries will also be able to participate. A robust system that regularly monitors learning outcomes and focuses on using results at the school level is critical to ensure that when students reach the end of basic education, they have the required foundational skills required to continue their education and find employment.

The significant number of youth that have dropped out before completing secondary education has also resulted in a large population of out-of-school youth without sufficient skills required for employment. To address this, Cabo Verde has established an expansive professional training system led by the General Directorate of Employment (DGE), within the Ministry of Finance. The country has more than 20 different general public training centers disbursed across the islands which operate as part of the Institute of Employment and Professional Training (IEFP) and then three specialty schools – the Cabo Verde School of Hospitality and Tourism (EHTCV), the Center for Renewable Energy and Industrial Maintenance (CERMI) and the newly established Ocean School (EMAR). Efforts are also underway to establish a specific school focused on developing skills required for the digital economy. However, relevant skills development opportunities for the considerable number of out-of-school youth are still limited and often do not meet the needs of the economy. The current



system is fragmented and characterized by: (i) a supply-driven course offering that is not closely-aligned with opportunities for employment and job market demands; (ii) few initiatives to promote partnerships with potential employers; and (iii) a need for additional high-quality training courses in areas which have the greatest potential for employment, including tourism and the blue economy.

A stronger focus on results and ensuring employability of training graduates is at the heart of the reforms needed for Cabo Verde's skills development sector. The skills development sector has benefitted from significant financing from development partners such as Luxembourg, the International Labour Organization, the United Nations Development Programme, and to a lesser extent, the World Bank over the past several years. However, coordination and easy access to information on the performance of the sector is often not readily available. More and better information about training programs, employment opportunities, and employability of training graduates is critical for different actors (i.e., training providers, policy makers, the private sector, and donors) to improve efficiency and ensure greater accountability for training results. Currently, the National Institute for Statistics (INE) conducts sample-based tracer studies at a national level for professional training graduates 12 months after graduation. However, most training centers pay little attention to the results of these studies and rarely use them to make decisions on course offerings year-to-year.

To strengthen access to professional training opportunities for Cabo Verdean youth, the country established a Skills Fund (FPEF - *Fundo de Promoção do Emprego e de Formação*). With the support of the ongoing Education and Skills Development Enhancement Project (P164294), the FPEF has been implementing a pilot grants program with the aim to promote partnerships with industries and potential employers in order to improve alignment of training courses with the needs of the labor market, improve training quality, and ensure stronger employability of training graduates. These grants finance training activities in key growth sectors based on a partnership between training institutions and the private sector. The grants program facilitates a stronger role of the private sector, as both a provider and a partner with public institutions through shaping program content, course delivery, and on-the-job training. The grants also include targets to enroll greater numbers of women (at least 50 percent) and poor and vulnerable youth from the poorest quintiles (at least 10 percent) to increase their potential for employment. The Government intends to expand this grants program to increase enrollment in programs aligned with opportunities for employment in the growth sectors identified in the *Ambição 2030*.

In addition to improving the education and skills development systems, the Government is committed to "leaving no one behind" and has developed targeted programs to ensure all of its citizens, and particularly women, have access to basic services linked to better human capital outcomes. In order to target the poorest populations, and with the support of the World Bank's ongoing Social Inclusion Project (P165267), the Government has established a social registry known as the *Cadastro Social Único* (CSU). To ensure use of this social registry, a law stipulates that poverty-targeted interventions in Cabo Verde should use the CSU to identify beneficiaries. The CSU currently contains data for more than 75,000 households (over 300,000 people which is over 50 percent of Cabo Verde's entire population) and ranks them according to their estimated welfare status using a proxy-means test (PMT). The system, previously managed by the General Directorate of Social Inclusion



(DGIS) in the Ministry of Family, Inclusion and Social Development (MFIDS), helped improve targeting and coordinate various interventions for the poorest and most vulnerable. However, in order to strengthen the independence of the social registry, the MFIDS recently created a National Social Registry Management Commission with the specific mandate to manage the social registry. This new unit reports directly to the Minister of MFIDS and the Government plans to prepare a specific law to govern the unit.

One of the key Government programs using the CSU and targeting poor and vulnerable households to improve their human capital outcomes is the Social and Productive Inclusion Program (PISP). The PISP is led by the MFIDS and builds on the existing cash transfer program (RSI). The program provides additional support to a subset of RSI beneficiaries through both a Family Accompaniment (AF) and Productive Inclusion (PI) intervention. The AF aims to provide additional guidance and support to address key constraints to their social and productive inclusion and link them to relevant services at the municipal level. The PI intervention aims to help households become more resilient (including to climate-related and other types of shocks), employable and self-sufficient, by improving their existing small businesses and assisting in the creation of new productive activities. The World Bank's Social Inclusion Project (P165267) is supporting a pilot of the PISP in nine municipalities across several islands and the Government intends to build on lessons learned and scale-up this program nationally.

Another key program designed to improve poor and vulnerable households' access to basic services linked to better human capital outcomes is the Requalification, Rehabilitation and Accessibility Program (PRRA) led by the Ministry of Infrastructure, Territorial Planning and Housing (MIOTH). One of the PRRA's goals is to improve the living conditions and quality of life of families and communities in poorer neighborhoods. Cabo Verde's human capital outcomes for its poorest households are negatively impacted by inadequate living conditions including lack of access to water, sanitation, fuel and electricity, and a dwelling resilient to natural hazards, which are critical for improved human capital outcomes. Overall, Cabo Verde has experienced a rapid urbanization with a lack of spatial planning and access to basic services. As reported by INE, in 2019 out of a total of 158,431 households, 8.6 percent lacked access to electricity, 12.7 percent did not have access to adequate cooking facilities, 14.4 percent lacked basic sanitation facilities, 44.6 percent lacked access to the public water distribution network, and 54 percent are without adequate in-house bathrooms. Nearly one-quarter (23 percent) of the population living in the capital, Praia, lives in informal settlements, which are often structurally unsafe, disconnected from services like water and electricity, built near unpaved streets and inaccessible during heavy rains due to a lack of proper drainage and water systems. The PRRA focuses on improving access to public services such as water, sewage and electricity for poor and vulnerable households identified by the CSU as being in the poorest two quintiles.

The PISP and PRRA demonstrate the important potential of the CSU to contribute to better coordinated and targeted human capital related interventions. To ensure a continued functional and relevant CSU, additional support is needed in the following areas: (i) expanding the coverage of the CSU, including ensuring inclusion of informal workers; (ii) regularly updating household data; (iii) strengthening the technical capacity of the newly established National Social Registry Management Commission to manage the CSU; (iv) strengthening the ability



of the CSU to be used to respond to climate-related and other types of shocks; and (v) continued investments in the system, IT and storage solutions. There is also a need to focus more attention on how the data is used. There are at least ten different programs using the CSU to target beneficiaries (including the training grants program under FPEF, PISP, and PRRA) but the processes are mainly manual, which makes them labor intensive and prone to errors. Another key challenge is the lack of feedback from the programs, confirming which households were provided with what type of support. This seriously hampers the ability of the MFIDS to have a clear overview of support provided and adequately coordinate targeted support to the poorest and most vulnerable households.

In view of the above, the Government has requested that the World Bank expand its current support and target five areas to improve employability of youth and women and strengthen access to basic services for better human capital outcomes in Cabo Verde: (i) reforming the secondary education system to better prepare in-school youth for future employment; (ii) improving access to professional training programs for unemployed youth and women in key economic growth sectors including tourism and the blue economy; (iii) enhancing institutional capacity and delivery systems, particularly the coverage and functionality of the CSU; (iv) expanding the PISP as a complement to the RSI to improve the employability and self-sufficiency of poor and vulnerable and women in particular; and (v) improving living conditions and access to basic services for poor and vulnerable households.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To improve access to basic services and labor market relevant training in Cabo Verde.

Key Results

The proposed Project would directly benefit both in-school and out-of-school youth and women in Cabo Verde. All youth enrolled in secondary education would benefit from the improved school curriculum and attention to learning outcomes and all in-service teachers would benefit from the new professional development system and efforts to improve their teaching skills. By improved accountability and targeting of professional training programs, more youth and women are likely to earn certificates in growth sectors and gain employment based on training received. Additionally, beneficiaries of the PISP and the support to improve access to basic services would support youth and women identified as poor and vulnerable through objective targeting criteria, using the social registry. The PISP intervention would support households across all 22 municipalities and the support to improved housing and access to basic services would focus on poor and vulnerable households living on the island of Santiago.



D. Project Description

The proposed Project would include five components: Component 1: Support education system reforms to better prepare in-school youth for future employment; Component 2: Improve access to labor market relevant professional training for youth and women; Component 3: Strengthen access to basic services and social and productive inclusion for poor and vulnerable; Component 4: Project Management; and Component 5: Contingency Emergency Response Component (CERC).

Table 1. Proposed Project Components

Component 1: Support education system reforms to better prepare in-school youth for future employment (US\$7.0 million)
1.1 - Ensure all youth in secondary education acquire skills relevant to the labor market
1.2 - Strengthen the system for teacher professional development
1.3 - Monitor learning outcomes and use results to improve education quality
Component 2: Improve access to labor market relevant professional training (US\$5.2 million)
2.1 - Improve the employability of professional training graduates
2.2 - Increase the supply of quality professional training courses in tourism and the blue economy
Component 3: Strengthen access to basic services and social and productive inclusion for poor and vulnerable (US\$13.4 million)
3.1 - Strengthen social protection delivery systems
3.2 - Enhance economic and social inclusion for poor and vulnerable households
3.3 - Improve access to basic services and living conditions for poor and vulnerable households
Component 4: Project Management (US\$0.4 million)
Component 5: Contingency Emergency Response Component (US\$0.0)

Component 1 – Support education system reforms to better prepare in-school youth for future employment



This component aims to improve the quality of the current education system and ensure all in-school youth acquire skills relevant to the needs of the labor market. The proposed Project would: (i) support the curriculum reform in secondary education in subject areas which directly align with skills needed in the labor market; (ii) focus on strengthening the system for teacher professional development; and (iii) strengthen the system to monitor learning outcomes and improve education quality.

Sub-component 1.1 - Ensure all youth in secondary education acquire skills relevant to the labor market (US\$4 million)

With the financial support of the World Bank, the Ministry of Education has now successfully reformed the national school curriculum for basic education. One of the major objectives of the reform has been to modernize the curriculum so the subjects and areas covered better equip students with the skills needed for future employment. This reform is to be expanded into secondary education (Grades 9-12). The proposed Project would support the development of new learning materials for Grades 9-12 with direct links to potential employment opportunities. Key subject areas identified for project support include foreign languages, sciences and technology, entrepreneurial skills, digital skills, socio emotional skills, and specific courses like accounting and business management. Attention would also be paid to: (i) incorporate aspects related to climate change in the science curriculum; (ii) ensure all materials are gender sensitive, adapted to girls' needs, and promote girls' empowerment; and (iii) integrate aspects on global citizenship transversally. In addition to the science behind climate change, the new curriculum will also include awareness on climate change adaptation and mitigation activities (i.e., local impacts of climate change, flood response, water/soil conservation). On gender, the learning materials used to teach STEM subjects and entrepreneurial skills will incorporate examples of women in these fields of study and successful women entrepreneurs. New course materials will also include a course in Grade 9 on life sciences that will include address aspects related to reproductive health and cultural factors that contribute to teenage pregnancy. The proposed Project would provide financial support for: (i) technical assistance of experts from the University of Cabo Verde (UNICV) to develop course programs; (ii) technical assistance to hire subject experts and develop course materials based on global best practices; and (iii) technical assistance to coordinate the development and approval of all new course materials, based full-time within the National Directorate of Education.

Sub-component 1.2 – Strengthen the system for teacher professional development (US\$1.8 million)

Poor learning outcomes are often directly linked to weak teacher training systems. To address a global learning crisis, the World Bank has recently developed two new tools/programs to improve the design of teacher training programs, particularly in lower middle-income countries. These programs, known as TEACH and COACH, include evidence-based tools which identify specific teaching practices shown to significantly improve learning outcomes. The proposed Project would strengthen implementation of the curriculum reforms by also focusing on strengthening the current system for teacher professional development and



implementation of the new teacher training strategy. First, a pilot of TEACH would be carried out in a sample of schools to identify current teaching practices and where greater attention is required. Training to implement TEACH would be targeted to central and regional staff in addition to the approximately 320 Pedagogical Coordinators. Based on initial results, it is expected existing tools used to monitor teacher performance would be adapted to incorporate evidence-based good practices similar to those identified by TEACH. Then, a specific training and mentoring program to improve teaching practices, using tools that are part of the COACH program, would be developed. Both TEACH and COACH related training activities would be taken to scale to benefit the over 6,000 basic and secondary education teachers in the country across all 22 municipalities.

The Ministry of Education intends to establish multi-media training centers in schools across the country to support teacher training activities via distance learning. This is expected to reduce costs and give greater attention to training at the school level which has been shown to have the most impact on transforming what actually happens in the classroom. The proposed Project would support the purchase of equipment for the centers, technical assistance to develop the distance learning platform to manage teacher training courses and train Ministry of Education staff in its use, and technical assistance to develop both synchronous and asynchronous training activities for teachers. In addition to training focused on effective teaching pedagogies, online training materials to accompany the secondary education reform would be developed.

Sub-component 1.3 - Monitor learning outcomes and use results to improve education quality (US\$1.2 million)

This sub-component intends to strengthen the assessment system in the education sector in order to ultimately improve human capital outcomes. With the support of the proposed Project, the new unit within the Ministry of Education responsible for learning assessments would be further strengthened. A national assessment in grades 2 and 6 was carried out in 2019 to establish a baseline for the ongoing reforms in basic education. Now that the new curriculum for Grades 1-8 has been finalized, the proposed Project would support the implementation of a follow-up national assessment in grades 2 and 6 to determine the impact the new curriculum has had on improving education quality. The proposed Project would also strengthen the current assessment system and availability of data on learning outcomes by directly supporting Cabo Verde's official participation in PASEC. The proposed Project would support Cabo Verde's participation and the package of support offered by CONFEMEN to build institutional capacity to carry out a standardized international assessment of learning outcomes in grades 2 and 6. In addition to carrying out the above national and international learning assessments, the proposed Project would support activities to effectively disseminate assessment results to all key stakeholders, with particular attention on school leaders and teachers.

Component 2 - Improve access to labor market relevant professional training



This component aims to improve the results of the existing professional training system and ensure professional training investments lead to greater employability of youth and particularly women. Due to a lack of data, there is little data-driven decision making, an inefficient use of resources and not enough attention paid to training outcomes and employability of training graduates. Specific activities have been identified to be supported by the proposed Project with the main goal of increasing the employability of professional training graduates.

Sub-component 2.1 - Improve the employability of professional training graduates (US\$3.4 million)

This sub-component will focus on improving the efficacy of the professional training system. Several initiatives are underway with the support of other donors to improve the availability of data on job opportunities and available training.

Tracer Studies to Monitor Employability. The proposed Project intends to support the development and implementation of simple tracer studies to be conducted by all public professional training institutions to ensure greater accountability and awareness of employability of training graduates. These tracer studies would be conducted by all public professional training institutions (i.e., IEFP, EHTCV, CERMI, EMAR). The proposed Project would support technical assistance to develop the questionnaires and build capacity of staff at the 15 public professional training institutions, the DGE, the National Labor Market Observatory, and the FPEF. Additionally, the FPEF has been supporting the development of a robust monitoring and evaluation system to track training results. The proposed Project would build on this system and support technical assistance to update this system to be able to regularly update and incorporate the results of the tracer studies carried out every six months by the various public training institutions. The tracer studies will be designed to also collect detailed data on the employability rates of women in particular to determine particular overall challenges and those specific to certain sectors like the blue economy. This data will then be used to identify additional support and follow-up actions.

Professional Training Grants with the Private Sector. The FPEF has piloted a grants program that finances training programs based on evidence of labor market needs and supports public private partnerships for the training to increase employability of training graduates. The partnership can be in terms of in-kind support, curriculum development, trainers, providing internships, etc. It is required that proposals demonstrate evidence on how the training aligns with current needs of the labor market and employability of training graduates. Under the proposed Project, this grants program would be scaled up further. Based on lessons learned from the pilot, the grant amounts would remain between US\$50,000-200,000 but instead of being based on a call for proposals, they would be awarded on a rolling basis based on need and demand. Instead of being limited to ICT and tourism, the training programs to be financed would be open to any of the accelerator sectors identified under the *Ambição 2030* (i.e., tourism, blue economy, digital economy,



renewable energy, and agriculture) where there is clear evidence of potential jobs and labor market needs. The grants program would be administered based on the processes and procedures identified in FPEF's recently approved operations manual. Prior to expansion, the operational manual would be updated to incorporate lessons learned from the pilot emphasizing the need to (i) strengthen the role of the private sector even further; and (ii) reduce the transaction costs of the program by simplifying the FM procedures and grant supervision practices. Similar to the pilot, youth from the poorest quintiles (Groups 1 and 2) and women will be prioritized when selecting training beneficiaries.

Sub-component 2.2 - Increase the supply of quality professional training courses in tourism and blue economy (US\$1.8 million)

The Government aims to diversify its economy and reduce asymmetries in economic growth across islands. Currently, there is a lack of training opportunities in key sectors and particularly for those living outside of the capital. Two of the key accelerator sectors identified in the Government's *Ambição 2030* Strategy are tourism and the blue economy and plans are underway to expand investments in these areas. The proposed Project has identified specific areas and human capital needs linked to the Enhancing the Sustainability, Resilience and Diversification of the Tourism Sector in Cabo Verde Project (P176981) and intends to expand training opportunities particularly on the island of Sao Vicente to align with these interventions. The proposed Project would support the development and delivery of at least six new high-quality, internationally certified training courses linked to the blue economy. Given the nature of jobs in the maritime industry, it is critical that all courses be developed based on international standards, so the graduates' certificates are both nationally and internationally recognized.

The Escola do Mar was recently created to respond to the need to dramatically increase opportunities for vocational and professional training and accelerate potential growth in the blue economy. The establishment of this new school is in the early stages, etc. The proposed Project intends to support the further establishment of this school and build their capacity to carry out high-quality, internationally certified courses linked to the blue economy. The potential list of courses identified include the following: (i) Maritime and Recreational Activities; (ii) Coastal and Maritime Tourism Guides; (iii) Handling and Preservation of Fish; (iv) Installation and Maintenance of Refrigeration and Air Conditioning Equipment; (v) Shipbuilding and Repair Operators; and (vi) Maintenance and Engine Repair. The proposed Project would finance (i) technical assistance for curriculum development and the training of trainers by a similar fully established ocean school for which there are existing or planned signed protocols (i.e., Azores, Lisbon); (ii) software to upgrade the existing navigation simulators and other limited equipment required to ensure quality of the courses; and (iii) operational costs to carry out the training activities either at the campus in Sao Vicente or also other targeted islands with large fishing communities or potential for maritime tourism. All of the courses supported by the Project would incorporate modules into the curriculum that address issues related to climate change and environmental sustainability including coastal conservation to reduce vulnerability to climate-



induced flooding and erosion, climate adaptation measures for protection of marine areas, and protecting marine biodiversity. The vast majority of the current jobs in the blue economy are held by men. To ensure women are also positioned to benefit from the potential new jobs to be created, particularly in the areas of maritime and recreational activities and coastal and maritime tourism, the Escola do Mar will be required to ensure at least 30 percent of the beneficiaries in these courses are women and the courses will be tailored to be gender sensitive and address any obstacles particular to women to enter the labor market in these areas.

Component 3: Strengthen access to basic services and social and productive inclusion of poor and vulnerable

This component aims to provide critical support to youth and women in poor and vulnerable households to improve their access to basic services, social and productive inclusion and thereby strengthen their employability. It would do so by supporting activities targeted to poor and vulnerable households, particularly women. The component includes three sub-components: 3.1 – Strengthen Social Protection Delivery Systems; 3.2 – Expand the Social and Productive Inclusion Program; and 3.3 – Improve access to basic services and living conditions for poor and vulnerable households.

Sub-component 3.1 - Strengthen social protection delivery systems (US\$0.9 million)

This sub-component intends to strengthen social protection delivery systems to strengthen human capital outcomes, through support to the CSU and other delivery systems. It would do so by supporting several different areas identified below.

Expanding coverage of the CSU, ensuring up-to-date information and enhancing its use. To make sure that the CSU contains relevant data, support would be provided to register poor and vulnerable households that are not yet included in the CSU, including informal workers that benefited from the temporary income support for informal workers (RSO) in 2020 and households that are particularly affected by climate-related risks, such as droughts and floods. Support would also be provided to update information on households that are due for updating (every two years as per the CSU law). To strengthen the use of the CSU, the proposed Project would support: (i) the implementation of a revised PMT formula; and (ii) stronger interlinkages with other key programs contributing to improved human capital outcomes (including the FPEF and the PRRA), including clear use of the CSU data for targeting of beneficiaries, as well as ensuring feedback of information and sex-disaggregated data on households benefitting from specific interventions. Support would include technical assistance to the CSU unit both at the central and local levels to lead on these activities, as well as necessary support for upgrading of equipment for data collection, seminars and workshops with key line ministries and NGOs.



Strengthening the shock-responsiveness of the CSU. The proposed Project intends to increase the ability of the Government to rapidly expand its safety net to protect households negatively affected from shocks, such as drought and floods, by strengthening the shock-responsiveness of the CSU by expanding the coverage to households that are particularly exposed to climate-related shocks and introducing risk related data into the CSU (including climate-related maps). The proposed Project would support technical assistance for the CSU unit.

Strengthening the system and storage function of the CSU. To ensure that the CSU system is up-to-date, safe and efficient, support would be provided for: (i) system modifications needed to accommodate the revised PMT and the “*Bilhete de Identidade*” and “*Cartão Nacional de Identidade*” transition; (ii) adjustments to the consultation application, existing modules (i.e., data analysis, reporting, programs, etc.) and training to use the new modules; (iii) system changes required to ensure the interoperability with key programs and efficient flow of information; (iv) support for software updates in the short-run and software upgrades in the medium-term; and (v) storage of existing data, as well as exploring options for future solutions for MFIDS to host the data. Special attention will also be given to enhancing data recovery and backup systems for the CSU, in order to prevent data loss in the event of expected climate change-exacerbated natural disasters. This would include system maintenance costs of the current system (i.e., licensing fees and data storage) and then technical assistance to make necessary system adjustments to improve cost-efficiency, sustainability, and ability of the MFIDS to manage the system. The proposed Project would also build on the existing Grievance Redress Mechanism (GRM) in collaboration with the MFIDS and municipalities, to also capture the PISP and create a direct link with the CSU MIS to give access to the CSU management team to manage GRM claims related to the CSU.

Strengthening the Management Information System (MIS) for the PISP. MFIDS has been piloting a new AF module to register data for beneficiaries for the PISP and collecting information for the PI intervention using Kobo toolbox. As the PISP expands, it will however be critical to ensure that the operational processes are digitized and that an MIS is put in place for PISP implementation, including modules for the AF and the PI interventions (i.e., automatic feedback of information into the social registry, register the participation of families in group activities, etc.). The proposed Project would include technical assistance for the development of the MIS, as well as training of program implementers on the use of this system at central level of MFIDS and for the municipal offices.

Sub-component 3.2 -Expand the Social and Productive Inclusion Program (US\$6.75 million)

This sub-component will support the strengthening and the expansion of the existing PISP. The PISP builds upon the existing RSI cash transfer program and provides additional support to families through: the AF intervention, aiming to ensure stronger social inclusion of households; and the PI intervention aiming to help



households become more resilient (including to climate-related and other types of shocks) and self-sufficient, by improving their existing small businesses, assisting in the creation of new productive activities and strengthening their employability through training. Based on lessons learned, the design of the existing intervention would be modified and the implementation capacity of the MFIDS and the municipalities strengthened. The proposed Project would support a gradual geographic expansion and increase of beneficiaries of the PISP and would also provide cash transfers to targeted women to enable access to childcare services as they participate in the PI intervention. The current PISP intervention is already gender-sensitive and almost all PI beneficiaries in the initial phase are women. During the expansion, additional emphasis would be given to ensure that: (i) the PI intervention leverage AF activities designed to specifically address existing gender norms that prevent women from being able to engage in income generating activities and/or take fully advantage of the PI intervention; and (ii) the AF and PI interventions include aspects that build the resilience of households vulnerable to the impacts of climate change and make them more able to adapt to climate-related shocks, such as droughts.

Family Accompaniment (AF). The PISP expansion would target youth and women, classified as belonging to the poorest quintile, considered particularly vulnerable to climate change. It would also be geographically targeted, starting the expansion in the nine municipalities where the PISP intervention is currently being implemented and then gradually expanding further to all 22 municipalities across the country. All PISP beneficiaries would receive AF support, either at an individual or group level. To enhance efficiency and be able to reach more households, follow-up with households would not only be done on an individual basis (as is currently the case), but also through group sessions. At the *individual household level*, approximately 2,000 households considered to be particularly vulnerable and in need of more intense support would receive direct support for preparing and executing individualized Family Support Plans. These plans would identify key constraints and challenges and concrete proposals for how to address them, including referrals to existing interventions. Municipal social technicians would then undertake monthly visits to these households to ensure regular support for implementation of the Family Support Plans. The *group sessions* (benefitting all PISP households) would consist of: (i) information sharing and referrals for existing relevant programs and services; and (ii) training around the nine areas identified in the AF manual (and included in the individualized Family Support Plans). The municipal social technicians would prepare annual plans identifying topics to be discussed in the group sessions in coordination with the municipal offices and the DGIS. Investments through the proposed Project for the AF intervention would include operational support related to the organization of the group sessions, technical assistance - through hiring of project staff at the national level to manage the AF, but also through engagement of additional technical officers at the municipal level.

Productive Inclusion (PI) Intervention. Support would be provided to gradually expand the PI intervention to approximately 5,650 households across all 22 municipalities. This intervention would continue to be coordinated by the MFIDS and implemented in collaboration with key implementing partners (mainly NGOs). This intervention aims to address some of the key constraints identified to hamper economic participation and opportunity for women in Cabo Verde, including: (i) lack of childcare; (ii) lack of access to financing; and



(iii) lack of knowledge on income-generating activities, networking structures, and how to access markets. Priority sectors for the PI activities would continue to be childcare services, agriculture, livestock, fisheries and tourism. However, as part of the expansion, additional potentially profitable sectors and ones with limited participation of women would also be included. Particular attention would also include aspects related to building the resilience of these households who are vulnerable to the impacts of climate change through specific training to increase their understanding and importance of how to better adapt to climate change and diversify their livelihoods. Since the majority of the RSI beneficiary households are female headed (around 84 percent), the PISP expansion would particularly benefit women from the poorest quintile.

The PI intervention would be implemented through two modalities: (i) Support for Income Generating Activities (IGA) for approximately 90 percent of beneficiaries including specific training related to entrepreneurship, small business management and financial literacy and a start-up cash transfer grant of US\$400; and (ii) Vocational/Professional Training for approximately 10 percent of beneficiaries. Both modalities would be coupled with coaching for all PI beneficiaries for a period of at least six months. This would entail support to households to increase their confidence, strengthen their financial and digital literacy, strengthen their soft skills, and other specific training to support their economic inclusion and self-sufficiency. Support under the proposed Project would include: (i) technical assistance – through hiring of staff at the national level to manage the PI intervention, but also through engagement of additional technical officers at the municipal level; (ii) IT equipment; (iii) operational costs. Costs related to training, both at the national and municipality level would also be supported. NGOs would also be contracted to deliver the IGA activities and to undertake the coaching activities.

Cash Transfers for access to childcare. To reduce the barriers for women to participate in the PI intervention, cash transfers (of around US\$25 per month) would be provided to approximately 2,000 female-headed households with children under the age of five to ensure their access to childcare services as they participate in the PI intervention. Each household would receive such cash transfer support for a period of one year.

Communication. The sub-component would also provide support for communication activities to ensure general program awareness and increase the awareness of beneficiaries of specific topics. To complement the group sessions under the AF, a communication plan would be prepared and implemented, with a focus on parental education, using community radios, social network channels, etc. to reinforce key messages and information around key topics. A communications expert would be engaged at the central level to lead these efforts while on the ground activities would be coordinated by the social technicians of the municipal chambers in coordination with the DGIS.

Sub-component 3.3 – Improve access to basic services and living conditions for poor and vulnerable households (US\$5.75 million)



This sub-component would finance works to improve access to basic services and living conditions for vulnerable households in selected neighborhoods in Praia. The aim of this sub-component would be to improve the quality of life of urban communities and address inadequate living conditions characterized by dwellings with dirt floors; inadequate ceilings and walls; lack of or inadequate sanitary systems, including sewage systems and in-house bathrooms; and lack of adequate kitchen facilities. Interventions under this sub-component would be divided into three categories, including: (i) improvement of households' access to basic services; (ii) interventions to address houses' structural deficiencies and ensure their physical integrity; and (iii) requalification of public spaces in the immediate surroundings of targeted households. Specific works to be financed under this sub-component would include: (i) the installation of toilets and faucets, including the construction of septic tanks for those dwellings without access to a sewage system; (ii) urban requalification such as the paving of streets and access to houses, construction of drainage systems, and afforestation in housing located on dirt roads; and (iii) providing adequate cooking facilities including the installation of kitchen sinks, faucet fixtures, and connections to water and sewage systems.

The delivery of investments under this sub-component would be aligned with and informed by sub-components 3.1 and 3.2. The selection of beneficiaries would follow a holistic neighbourhood approach – interventions will be prioritized in dense urban areas where improvements of multiple neighbouring houses can generate synergies in the improvement of human capital outcomes of the neighbourhood as a whole – with targeting embedding climate and disaster risk and gender considerations. The selection of beneficiaries would be done in close collaboration with the MFIDS and using the data from the CSU to ensure that beneficiaries selected for support are registered and belong to the poorest quintile (Group 1 of the CSU). In addition to this poverty criteria, households headed by women and those with the presence of elderly and disabled would be prioritized. Moreover, MIOTH and MFIDS would work together to ensure that households that have been identified through the AF (under sub-component 3.2) to be in need of improved living conditions and reside in areas where the housing upgrading would take place, are also included. For other beneficiaries, MIOTH, MFIDS and the local municipalities would work together to ensure that families are aware of the government programs and services that can support them towards overcoming poverty, including accessing employment opportunities.

This sub-component is also aligned with the Bank's Green, Resilient, Inclusive Development (GRID) approach by systemically and simultaneously addressing the challenges of urban poverty and climate change through targeted investments that will increase urban quality of life for the most vulnerable urban residents. For instance, the proposed Project will contribute to greater resilience of the housing stock amongst poor and vulnerable populations, contributing to Cabo Verde's mitigation and adaptation efforts. Each intervention financed under this sub-component must adhere to strict resilience standards related to building codes and/or construction standards and promote the use of materials that have been proven resilient to natural and climate-related hazards. Additionally, each housing improvement solution must also be located



in areas suitable for construction. By improving access to basic services and improving cooking facilities, the proposed Project is also helping drive transitions towards low-carbon, sustainable urban development.

Component 4: Project Management

This component will provide support for the management and implementation of the proposed Project. It will finance activities related to project management, including project coordination, procurement, financial management (FM), monitoring and evaluation (M&E), project communication, citizen engagement, and environmental and social safeguards. This component will also cover office equipment, operating costs, and independent audits, and contributions to shared costs for safeguards, procurement, and FM specialists at UGPE. A Project Manager specifically for the proposed Project will be recruited. The proposed Project will also directly cover the costs of hiring an Engineer to support implementation of sub-component 3.3 and other projects managed by UGPE with infrastructure investments.

Component 5: Contingent Emergency Response Component (CERC)

This component will be a Contingent Emergency Response Component (CERC) to enable a speedy response to future crises if needed. This component will have an initial zero budget allocation, but would allow for rapid reallocation of project funds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause major *adverse* economic and/or social impacts. To trigger this component, the Government would declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding. This component could also be used to channel additional funds should they become available because of an emergency. A specific Emergency Response Operations Manual would be prepared for this component, detailing FM, procurement, safeguards, and any other necessary implementation arrangements.

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



Summary of Assessment of Environmental and Social Risks and Impacts

The project is expected to cause minimal or negligible risks to and impacts on human populations and the environment. However, the project will have windows for the opportunities in relation to the enhancement of ESF related social aspects, such as gender inclusion, and improvement of equitable access to project benefits to vulnerable groups (youth and women). A screening of the SEA/SH risks has been conducted and resulted in Moderate risks. All relevant expected environmental and social risks and impacts of the project will be addressed in the project's Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP), Labor-Management Procedures (under ESS2), GBV/SEA/SH Action Plan, and Resettlement Policy Framework. The first two are to be finalized, consulted upon and disclosed by appraisal; the last three are to be finalized, consulted upon and disclosed by effectiveness.



E. Implementation

Institutional and Implementation Arrangements

A high-level, multi-ministerial Human Capital Project Steering Committee would be created for the purpose of oversight and ensuring strong coordination across ministries working to strengthen human capital outcomes. This steering committee will be led by the Vice Prime Minister and include all Ministers from all of the line ministries implementing activities supported by the Project (i.e., the Ministry of Finance, the Ministry of Education (MOE), the Ministry of Family, Inclusion and Social Development (MFIDS), and the Ministry of Infrastructure, Territorial Planning and Housing (MIOTH). It is expected that this Steering Committee will meet once each year to discuss the previous year's implementation progress of the Project and agree on the annual workplan and budget for the upcoming year.

The proposed Project is also expected to establish a Technical Committee to be led by the Project Manager based at UGPE. This Technical Committee will be comprised of focal points from each of the line ministries and directorates responsible for leading specific project activities. The Technical Committee will meet at a minimum on a quarterly basis to discuss technical aspects and resolve implementation bottlenecks when necessary. In terms of responsibilities, MOE would be technically responsible for implementation of Component 1; the General Directorate of Employment (DGE) within the Ministry of Finance would be in charge of overseeing implementation of Component 2 in general while the Skills Fund (FPEF) would be responsible for administering the professional training grants program under Component 2.1; MFIDS would be in charge of implementation of sub-components 3.1 and 3.2; and MIOTH would be in charge of implementation of sub-component 3.3. The Special Projects Management Unit (UGPE) would have the overall responsibility for project management as well as the fiduciary responsibility for all activities.

Fiduciary management and coordination of the Project would be primarily carried out by UGPE under the Ministry of Finance. UGPE is the management unit in charge of nearly all World Bank projects in Cabo Verde and is familiar with World Bank fiduciary procedures and its overall procurement and financial management (FM) performance has consistency been satisfactory. It is expected that the UGPE would appoint a Project Manager who would be the one primarily responsible for coordinating implementation across Ministries, working with UGPE's Monitoring and Evaluation Specialist to prepare semiannual progress reports, and streamlining communication with the World Bank team. UGPE's Environmental and Social Specialists will help to manage social and environmental risks and successful implementation of the required ESF instruments. It is expected that the Project Manager would work closely with the UGPE fiduciary staff and key focal points from the four implementing ministries.

UGPE's portfolio of number of projects will remain relatively the same – shortly after the Human Capital Project begins, two to three other World Bank projects will close. Currently, it is expected that the existing Procurement and Financial Management staff, two Environmental and Social Specialists, and the Senior Monitoring and Evaluation Specialist at UGPE will be sufficient to support project implementation. However, this will be reviewed regularly during project supervision missions and UGPE may be required to hire additional staff if the current team is insufficient to handle the existing workload across projects.



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