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Report No: PAD2927

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 36.1 MILLION
(US\$50.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF CHAD

FOR THE

SKILLS DEVELOPMENT FOR YOUTH EMPLOYABILITY PROJECT

MAY 30, 2019

Education Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2019)

Currency Unit = XAF (Central African CFA Franc)

XAF 587.462 = US\$1

SDR 0.72162568 = US\$1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AFD	French Development Agency / <i>Agence Française de Développement</i>
BEP	Professional Training Diploma / <i>Brevet d'Enseignement Technique</i>
BT	Technical Training Diploma / <i>Brevet Technique</i>
CAP	Certificate of Professional Aptitude / <i>Certificat d'Aptitude Professionnelle</i>
CCIAMMA	Chamber of Commerce, Industry, Agriculture, Mining, and Arts / <i>Chambre de Commerce, d'Industrie, d'Agriculture, des Mines et d'Artisanat</i>
CETIN	Technical and Industrial Secondary School / <i>Collège d'Enseignement Technique et Industriel</i>
CFPT	Center of Professional and Technical Training / <i>Centre de Formation Professionnelle et Technique</i>
CNPT	National Council of Chad's Business Owners / <i>Conseil National du Patronat Tchadien</i>
CPF	Country Partnership Framework
CQA	Certificate of Qualification by Apprenticeship / <i>Certificat de Qualification d'Apprentissage</i>
CQP	Certificate of Professional Qualification / <i>Certificat de Qualification Professionnelle</i>
DA	Designated Account
DEFPP	Directorate of Employment, Vocational Training, and Skills / <i>Direction de l'Emploi, de la Formation Professionnelle et du Perfectionnement</i>
DEST	Directorate of Secondary Technical Education / <i>Direction de l'Enseignement Secondaire Technique</i>
DFFTP	Technical and Vocational Training Diploma / <i>Diplôme de Fin de Formation Technique et Professionnelle</i>
DFPA	Directorate of Vocational Training and Apprenticeships / <i>Direction de la Formation Professionnelle et des Apprentissages</i>
DGM	General Directorate of the Ministry / <i>Direction Générale du Ministère</i>
DHS	Demographic and Health Survey
DPO	Development Policy Operation
ECF	Extended Credit Facility
ECOSIT 3	Third Chad Consumption and Informal Sector Survey / <i>Troisième Enquête sur la Consommation et le Secteur Informel au Tchad</i>
ENSET	Teacher Training Institute for Technical Education / <i>Ecole Normale Supérieure d'Enseignement Technique</i>
ESMF	Environmental and Social Management Framework
EU	European Union
FM	Financial Management
FONAP	Vocational Training National Support Fund / <i>Fonds National d'Appui à la Formation Professionnelle</i>
GBV	Gender-based Violence
GDP	Gross Domestic Product
GER	Gross Enrollment Rate
HCI	Human Capital Index
ICT	Information Communication Technology
IDA	International Development Association
IE	Impact Evaluation
IFR	Interim Financial Report
ILO	International Labor Organization

IPF	Investment Project Financing
IRR	Internal Rate of Return
LEG	Local Education Group
LETCO	Technical and Commerce Secondary School / <i>Lycée d'Enseignement Technique et Commercial</i>
LETIN	Technical and Industrial High School / <i>Lycée d'Enseignement Technique et Industriel</i>
M&E	Monitoring and Evaluation
MEPD	Ministry of Economy and Development Planning / <i>Ministère de l'Economie et de la Planification du Développement</i>
MESRI	Ministry of Higher Education, Research, and Innovation / <i>Ministère de l'Enseignement Supérieur, de la Recherche et de l'Innovation</i>
MFB	Ministry of Finance and Budget / <i>Ministère des Finances et du Budget</i>
MFPTDS	Ministry of Civil Service, Work, and Social Dialogue / <i>Ministère de la Fonction Publique, du Travail et du Dialogue Social</i>
MNEPC	Ministry of National Education and the Promotion of Civics / <i>Ministère de l'Education Nationale et de la Promotion Civique</i>
MPA	Multi-phase Programmatic Approach
MPIEA	Ministry of Production, Irrigation, and Agricultural Equipment / <i>Ministère de la Production, de l'Irrigation et des Equipements Agricoles</i>
MPJSE	Ministry for the Promotion of Youth, Sports, and Employment / <i>Ministère de la Promotion des Jeunes, du Sports et de l'Emploi</i>
MVTMC	Ministry of Vocational Training and Micro Commerce / <i>Ministère de Formation Professionnelle et Petits Métiers</i>
NDP	National Development Plan
NGO	Non-Governmental Organization
NPV	Net Present Value
OBSEFE	Education, Training, and Employment Observatory / <i>Observatoire de l'Education de la Formation et Emploi</i>
ONAPE	National Office for the Promotion of Employment / <i>Office National de Promotion de l'Emploi</i>
PADE	Project for Support to Graduates Without Work Experience / <i>Projet d'Appui Diplômés sans Expérience</i>
PARSET2	Chad Education Sector Reform Support Project – Phase 2 / <i>Projet d'Appui à la Réforme du Secteur Education au Tchad – Phase 2</i>
PASEC	Analysis Program of the CONFEMEN Education Systems / <i>Programme d'Analyse des Systèmes Educatifs de la CONFEMEN</i>
PBC	Performance Based Contract
PBF	Performance Based Financing
PCU	Project coordination Unit
PFM	Public Financial Management
PIET	Interim Education Plan for Chad / <i>Plan Intérimaire de l'Education au Tchad</i>
PIM	Project Implementation Manual
PPSD	Project Procurement Strategy for Development
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SC	Steering Committee
SCD	Systematic Country Diagnostic
SES	Socio-emotional Skills

SFD	Saudi Fund for Development
SMART	Specific Measurable Achievable Relevant Time-bound
STEP	Systematic Tracking and Exchanges in Procurement
TA	Technical Assistance
TVET	Technical Vocational Education and Training
UNHCR	United Nations High Commissioner for Refugees Central African CFA Franc



TABLE OF CONTENTS

DATASHEET	1
I. STRATEGIC CONTEXT	7
A. Country Context.....	7
B. Sectoral and Institutional Context	8
C. Relevance to Higher Level Objectives.....	11
II. PROJECT DESCRIPTION.....	12
A. Project Development Objective	12
B. Project Components	12
C. Project Beneficiaries	19
D. Results Chain	20
E. Rationale for World Bank Involvement and Role of Partners.....	21
F. Lessons Learned and Reflected in the Project Design	22
III. IMPLEMENTATION ARRANGEMENTS	23
A. Institutional and Implementation Arrangements	23
B. Results Monitoring and Evaluation Arrangements.....	25
C. Sustainability.....	26
IV. PROJECT APPRAISAL SUMMARY	26
A. Technical, Economic and Financial Analysis	26
B. Fiduciary.....	28
C. Safeguards	31
V. KEY RISKS	33
VI. RESULTS FRAMEWORK AND MONITORING	36
ANNEX 1: Implementation Arrangements and Support Plan	47
ANNEX 2: Economic and Financial Analysis.....	62
ANNEX 3: Why do Socio-Emotional Skills Matter?	70



DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Chad	CHAD Skills Development for Youth Employability Project	
Project ID	Financing Instrument	Environmental Assessment Category
P164297	Investment Project Financing	B-Partial Assessment

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 checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input 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 checked="" 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)	

Expected Approval Date	Expected Closing Date
20-Jun-2019	31-Oct-2024

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The project development objective (PDO) is to improve access to skills training and labor market outcomes for project beneficiaries, and strengthen the technical and vocational education and training (TVET) sector in Chad

Components

Component Name	Cost (US\$, millions)
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Expanding Access to Skills through Improved Technical and Vocational Education	14,700,000.00
Employment Support for Youth and Improved Entrepreneurship Opportunities	24,400,000.00
Improving TVET System Governance and Institutional Capacity Building	5,900,000.00
Project Management and Monitoring and Evaluation	5,000,000.00

Organizations

Borrower: Republic of Chad

Implementing Agency: Ministere de l'Education Nationale et de la Promotion Civique
 Ministere de la Formation Professionnelle et des Petits Metiers
 Ministere de l'Economie et de la Planification du Developpement

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Grant	50.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
National PBA	0.00	50.00	0.00	50.00
Total	0.00	50.00	0.00	50.00

Expected Disbursements (in US\$, Millions)



WB Fiscal Year	2019	2020	2021	2022	2023	2024	2025
Annual	0.00	3.58	8.27	12.74	12.62	10.37	2.42
Cumulative	0.00	3.58	11.85	24.59	37.21	47.58	50.00

INSTITUTIONAL DATA

Practice Area (Lead)

Education

Contributing Practice Areas

Agriculture

Climate Change and Disaster Screening

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

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	Yes
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	Yes
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

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



8. Stakeholders	● Substantial
9. Other	
10. Overall	● High

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

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Performance Standards for Private Sector Activities OP/BP 4.03		✓
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11	✓	
Indigenous Peoples OP/BP 4.10		✓
Involuntary Resettlement OP/BP 4.12	✓	
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

Legal Covenants

Sections and Description

The Recipient shall, not later than one (1) month after the Effective Date, establish and thereafter maintain, throughout the Project implementation period, with composition, mandate and resources satisfactory to the Association, a technical committee, to be chaired by a representative of the MVTMC and to be comprised of representatives of the MNEPC, the private sector, and technical experts (“Project Technical Committee”) in



accordance with Schedule 2.I.A.2 of the financing agreement.

Sections and Description

The Recipient shall, not later than six (6) months after the Effective Date, recruit and thereafter maintain at all times during Project implementation a civil works engineer with experience, qualifications and on terms of reference acceptable to the Association in accordance with Schedule 2.I.A.3 of the financing agreement.

Sections and Description

The Recipient shall, not later than three (3) months after the Effective Date, establish and thereafter maintain, throughout Project implementation, and publicize the availability of Project grievance mechanisms, in form and substance satisfactory to the Association, to receive and address fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such grievance mechanism in a manner satisfactory to the Association in accordance with Schedule 2.I.H.7 of the financing agreement.

Sections and Description

The Recipient shall, not later than one (1) months after the Effective Date, establish and thereafter maintain, throughout the Project implementation period, with composition, mandate and resources satisfactory to the Association, a steering committee, to be chaired by the general director of the MVTMC and to be comprised of representatives of the Recipient’s ministries and agencies and representatives of the private sector that are key to the Project (“Steering Committee”) in accordance with Schedule 2.I.A.1 of the financing agreement.

Sections and Description

The Recipient shall, not later than six (6) months after the Effective Date, recruit an external auditor with experience, qualifications and on terms of reference acceptable to the Association in accordance with Schedule 2.I.A.3 of the financing agreement.

Sections and Description

The Recipient shall enter into a delegated management contract with ONAPE, in form and substance satisfactory to the Association by December 31, 2019 in accordance with Schedule 2.I.A.4(a) of the financing agreement.

Sections and Description

The Recipient shall enter into a delegated management contract with FONAP, in form and substance satisfactory to the Association by December 31, 2019 in accordance with Schedule 2.I.A.4(b) of the financing agreement.

Conditions

Type	Description
Effectiveness	The Recipient has adopted a Project Implementation Manual and the PBF Manual in accordance with Section I.B of Schedule 2 to the Financing Agreement which shall be in form and substance acceptable to the Association



Type Effectiveness	Description The Recipient has recruited to the Project Coordination Unit (“PCU”) staff referred to in Section I.A.3.(ii) of Schedule 2 of Financing Agreement.
Type Disbursement	Description The Recipient has recruited the Independent Verifiers in accordance with Section I.F.1 of Schedule 2 the Financing Agreement.
Type Disbursement	Description Receipt by the Association of the verification reports referred to in Section I.F.2 of Schedule 2 to this Agreement as prepared and approved by the Independent Verifiers and satisfactory to the Association.



I. STRATEGIC CONTEXT

A. Country Context

- 1. Chad is sparsely populated, with only 15 million people, and vast in size (being more than 1 million km²).** It is a low-income country, with a gross domestic product (GDP) per capita of about US\$823 in 2018. Chad has among the lowest human development indicators in the world. The country is divided into 23 regions located in three main geographical zones: a desert zone in the north, an arid Sahelian belt in the center, and a more fertile Sudanese savanna zone in the south. Adverse climate conditions including prolonged droughts in some areas and yearly floods in others, as well as wind erosion, and desertification, lead to recurrent food crises, as well as population displacement. Combined with security risks due to political instability and transit through Chad by terrorist groups (such as Boko Haram, and al Qaida in the Islamic Maghreb), as well as an uptick in migration, urban populations are projected to reach nearly 6 million by 2030, or 27 percent of the total population. Chad is home to an estimated 450,000 displaced people, the large majority of which are refugees¹.
- 2. The economy is largely dominated by agriculture and extractive industries, mainly oil.** However, the fall in oil prices over the last years has had a dramatic impact on an economy in which oil accounted for 30 percent of total GDP and 70 percent of government revenues in 2017. Almost half (47 percent) of the population was living under the national poverty line in 2011, the most recent year for which poverty numbers are available. The high level of poverty is accompanied by low human development, and Chad currently ranks last of 157 countries in the recent World Bank Human Capital Index (HCI) with an index estimated at 0.29 – meaning that Chad is losing 71 percent of its potential productivity. Life expectancy at birth is 51.9 years, expected years of schooling is 7.3 years, and mean years of schooling stands at just 2.3 years. Education attainment is highly unequal with people in the wealthiest quintile having an average of 6.7 years of schooling, compared with 1.0 for those in the poorest quintile.
- 3. Two thirds of the population are less than 25 years old and the proportion of young people will continue to increase dramatically in the coming years.** The population under the age of 24 will grow faster than the rest of the population through 2050, creating an even bigger “youth bulge.” The growing population and increasing dependency ratios are challenging for increasing employment, improving productivity, and adequately providing public services. The high population growth rate alone will result in extreme pressure on the health and education sectors, requiring a continuous increase in expenditures just to maintain coverage. This youth bulge will lead to a sharp rise in the number of young people seeking employment, and urbanization will push an increasing proportion of these youth to seek employment outside of the agricultural sector. Despite this shift, the agriculture sector, given its high proportion of the labor force, is expected to remain the largest source of employment in the near future.

¹ Based on the United Nations High Commissioner for Refugees (UNHCR) definition, refugees are people who are recognized as refugees under the 1951 Convention Relating to the Status of Refugees or its 1967 Protocol, the 1969 Organization of African Unity Convention Governing the Specific Aspects of Refugee Problems in Africa, people recognized as refugees in accordance with the UNHCR statute, people granted refugee-like humanitarian status, and people provided temporary protection. Asylum seekers--people who have applied for asylum or refugee status and who have not yet received a decision or who are registered as asylum seekers--are excluded. Country of asylum is the country where an asylum claim was filed and granted.



B. Sectoral and Institutional Context

Sector Context

4. **Low education and literacy levels are severe constraints to a productive labor force.** The education system in Chad is subdivided into early childhood education (almost nonexistent with a gross enrollment rate (GER) of 2 percent), six years of primary education, four years of lower secondary education, three years of upper secondary education, and higher education. However, according to the Demographic Health Survey (DHS) 2014-15, almost half (46 percent) of primary-school-age children in Chad do not attend school. Stark gender and regional inequalities remain, with a gender parity rate at 0.75. For those who do attend school, low learning outcomes are a perennial challenge, with only 15.7 percent of sixth graders equipped with sufficient competency in reading according to the 2014 Analysis Program of the CONFEMEN Education Systems, (*Programme d'Analyse des Systèmes Educatifs de la CONFEMEN*, PASEC) results. The low supply of science and technology skills is particularly acute, with just 67 girls nationally enrolled in mathematics and science tracks in the last year of upper secondary – or 0.1 percent of the total baccalaureate candidates.

5. **While the unemployment rate for the working age population is low in Chad (as in other parts of sub-Saharan Africa), the youth unemployment rate is notably higher.** It was estimated at around 9 percent for both 2016 and 2017, with young women more likely to be unemployed (at a rate of 10.6 percent). Comparatively, the unemployment rate for the working age population is estimated at 5.8 percent in 2017 up from 5.7 percent in 2016². Educated youth and youth in urban areas appear to be more likely to be unemployed, and if Chadians are working, the quality of their jobs tends to be low. According to the Third Chad Consumption and Informal Sector Survey (*Troisième Enquête sur la Consommation et le Secteur Informel au Tchad*, ECOSIT 3), more than 35 percent of the working age population is underemployed, especially in rural areas (36.4 percent, compared to 27.2 percent in urban areas).

6. **A high concentration of the labor force is in self-employed informal and low-productivity operations.** The vast majority of workers are in the informal sector which represents 95 percent of the workforce. Jobs in the informal sector are highly vulnerable with low earnings, and low dependability. Even outside of agriculture, 60 percent of jobs are in the informal sector. Of the 400,000 informal establishments outside of agriculture, most are engaged in trade and repair of vehicles or equipment, followed by manufacturing of food and beverages. As above, underemployment remains a major challenge. Within the informal sector 39.2 percent of the workers in the non-agricultural sector are estimated to be underemployed vs. 40.2 percent for agricultural workers.

7. **The agriculture sector employs 80 percent of the Chadian workforce and accounts for 52 percent of GDP.** It is also the second largest source of export income for the country after oil. The Government has, among other actions, prioritized the industrialization of agriculture with the aim of boosting exports to diversify the economy, but the sector is struggling to modernize and remains largely dependent on weather conditions³. Family farming often has low productivity and profitability and lacks resilience to shocks. While lack of equipment and technology contribute to low productivity and profitability, low education levels and lack of skills are also key determinants. Support for more productive self-employment and diversification of rural livelihoods is critical to supporting the high proportion of vulnerable rural Chadians.

² See World Development Indicators 2018.

³ Agriculture Sector Review Report (ASRR) 2017.



8. **A multi-tier system of technical and vocational education and training (TVET) exists, with several institutions that focus on providing differing levels of skills but is complex and poorly coordinated.** Students at the lower secondary level can seek a Technical and Vocational Training Diploma (*Diplôme de Fin de Formation Technique et Professionnelle*, DFFTP), which is awarded after two years of vocational study at a technical college. Students who pass the exit examination at the end of the lower secondary cycle can also enroll in a three-year program taught in a *lycée technique* (technical secondary school), leading to the degree of Technical Training Diploma (*Brevet Technique*, BT). Students who successfully complete middle school can also seek a Professional Training Diploma (*Brevet d'Enseignement Technique*, BEP) which can be obtained with two years of technical or vocational training in a *college technique* following successful completion of middle school. The technical and vocational education sector includes two industrial technical high schools, four industrial technical secondary schools, and twenty-one high schools specialized in commerce. In addition to these institutions there are eighteen apprenticeship and training centers with varying levels of capacity, which tend to focus on shorter term training.

9. **Although TVET and skills development efforts are a critical pathway for improving the stock of skilled workers for market relevant jobs, the subsector has suffered from numerous challenges which undermine their potential.** These include the following:

- (a) **Unsustainable funding.** Public technical and vocational training institutes receive funding from multiple resources, including a payroll tax on private businesses and a tax on foreign workers, but little coordination exists among these groups, and allocations do not rely on formal criteria related to needs or priorities. In many cases equipment, and basic inputs such as electricity, raw materials, and ventilation are outdated or non-existent within centers. Further, centers lack autonomy, have no way to generate additional revenue, and lack basic governing procedures at the institutional level.
- (b) **Low enrollment.** TVET centers have extremely low absorptive capacity despite demand and do not make use of efficiency measures in scheduling and shifting to maximize space and enrollment. In the 2014 school year, 157,042 students were enrolled in technical colleges, and 1,039 in vocational schools. The majority of students (5,563 students or 78.3 percent) chose the technical commercial schools while the remaining 21.7 percent enrolled in the technical and industrial streams. Private institutions account for 27 percent of total enrollment.
- (c) **Lack of diversity and access.** Access is particularly limited for Chadians living in rural areas, as well as women both in rural and urban areas. Furthermore, inclusion measures for participants with disabilities, even very basic ones, do not exist within the centers. Just 1.5 percent of enrollment at the secondary level is occupied by rural Chadians, given that the centers are concentrated in major cities, and there are few offerings focused on key sectors such as agriculture.⁴ The female imbalance is particularly acute (except for the commercial streams⁵). Girls account for only 5 percent of the total 2,518 enrollees in the industrial streams of the TVET institutions and there are extremely small numbers of female teachers and no female directors in any of the TVET institutions.⁶

⁴ N'Djamena is home to 37 percent of the TVET institutions and 48 percent of the sector's students. In Moundou, the country's second largest city, these numbers stand at 9 percent and 18 percent respectively.

⁵ Technical commercial streams graduate students in fields such as management, commerce, or business.

⁶ According to 2017-18 institutional annual reports there was one female out of 26 teachers (or 3.8 percent) and 10 females out of 70 teachers (or 14.3 percent) in the TVET schools of Moundou and N'Djamena respectively.



- (d) **Limited relevance and low quality.** The key factors driving low quality are: (i) program offerings do not appear to be driven by employment offerings and do not result in required skills for employment⁷; (ii) equipment is outdated or nonexistent, and hands-on application is often not possible; and (iii) poorly trained trainers and staff as well as outdated heavily theoretical curricula diminish the quality of training to students.
- (e) **Lack of industry involvement.** The French Agency for Development (*Agence Française de Développement, AFD*) is supporting development of standards which were previously non-existent or defunct, however there remains very little input from industry on training design. Further, there is little focus on and skills development in the areas of entrepreneurship and self-employment, even though these remain the main sources of employment.

Institutional Context and Government Strategy

10. **The technical and vocational training sector is highly fragmented both in terms of service delivery and financing.** At least seven ministries intervene in one way or another in the training sector. The three main ministries are (i) the Ministry of Vocational Training and Micro Commerce (*Ministère de Formation Professionnelle et Petits Métiers,*); (ii) the Ministry of National Education and Civics Promotion (*Ministère de l'Éducation Nationale et de la Promotion Civique, MNEPC*); and (iii) the Ministry of Higher Education, Research and Innovation (*Ministère de l'Enseignement Supérieur, de la Recherche et de l'Innovation, MESRI*). Each of these ministries manages training centers or schools which deliver diplomas or certificates to its graduates. However, many other ministries also manage training schools and centers in their specific sector without any relationship to the three major ministries. The Ministry of Civil Service, Labor, and Social Dialogue (*Ministère de la Fonction Publique, du Travail et du Dialogue Social, MFPTDS*) manages eight training centers and the Ministry of Production, Irrigation and Agricultural Equipment (*Ministère de la Production, de l'Irrigation et des Équipements Agricoles, MPIEA*) has 35 centers.

11. **The National Development Plan (NDP - 2017-2021), aims at developing Chad into an emerging regional country by 2030.** It champions the four strategic objectives of (i) strengthening national unity; (ii) strengthening good governance and the rule of law; (iii) the development of a diversified and competitive economy; and (iv) improving the quality of life of the Chadian population. As part of this approach, there is an emphasis on improved human capacity development and specifically improvement of technical and vocational education through outcome 4.2.2 which stipulates that the actions planned to improve the sector are: (i) building the human and material capacities of institutes of technical education; (ii) improving governance of the sector; (iii) improving access to, and the fairness and quality of, technical training centers and vocational training centers; and (iv) building the capacities of human resources.

12. **President Idriss Deby, reiterated the importance of education and youth employment, following the new constitution,** in a speech in May 2018, in which he presented the country's commitment to human capital development. This includes significant education reforms which aim to connect education to the world of work, ensure that skills development of young people is responsive to the most pressing needs of the country especially in the critical sector of agriculture, and ensuring more and better job opportunities for young women and men.

⁷ Opportunities in areas such as agriculture, forestry, and fishing are rarely offered even though they are the main sub-sectors of employment.



13. **The specific policy objectives for technical and vocational training are further outlined in the 2017 National Employment and Training Policy, and the 2014 Interim Strategy for TVET which is not yet validated.** The objectives of these strategies are to equip young and adult Chadians with the necessary skills to find decent jobs or create their own jobs in growth sectors. To this end, the Government is cognizant of the necessity to reform the technical and vocational training sectors by improving its quality and creating stronger links with the private sector. The system will also need to improve its absorptive capacity to be able to train even a small share of the massive number of youths (estimated at 2.5 million) that will enter the labor market during the next decade. Without comprehensive and profound reforms, the sector is very unlikely to be able to deliver these expected results.

C. Relevance to Higher Level Objectives

14. **The project will contribute to the strategic objectives of the World Bank’s Country Partnership Framework (CPF, 2016-2020)⁸ to provide more and better skills development opportunities for youth, and, ultimately, better livelihoods.** It is particularly consistent with CPF Engagement Theme 3 – Building Human Capital and Reducing Vulnerability, and Engagement Theme 2 which seeks to improve returns to agriculture and build value chains. Through strategic reforms to improve the system of technical and vocational training, improved capacity in technical and vocational schools to provide critical job relevant skills, and increased first work experiences for young people, especially targeted towards critical sectors such as agriculture, the project is expected to have both long term and short-term impacts on poverty reduction. Ultimately, the aim is to improve economic opportunities for young people in Chad, especially, for vulnerable youth and women.

15. **The project is aligned to the World Bank Education Sector Strategy 2020 and the Africa Regional Update 2019** which focus on improved quality of education, especially through strategic country level system reforms which are at the heart of the project. Further, the project supports the strategic aim to focus on learning for growth, development, and poverty reduction which depend heavily on skills that will serve young people well in the labor market.

16. **Finally, the project is aligned with the twin goals of the World Bank - to end extreme poverty and boost shared prosperity, as well as with the Human Capital Project which supports more and better investment in people to accelerate growth and reduce inequities.** Chad’s latest Systematic Country Diagnostic (SCD)⁹ (2015) suggested that the acquisition of post-basic and technical skills especially in rural areas is likely to be the most impactful intervention in terms of poverty reduction. The SCD found that focusing on technical skills like animal health, crop management, or use of techniques of intensive farming could potentially improve the productivity and earnings of rural households who make up the overwhelming majority of Chad’s poor.

⁸ Country Partnership Framework, Report No. 101813.

⁹ Systematic Country Diagnostic, Report No. 96537-TD.



II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

17. The project development objective (PDO) is to improve access to skills training and labor market outcomes for project beneficiaries, and strengthen the technical and vocational education and training (TVET) sector in Chad.

PDO Level Indicators

18. The PDO indicators are:
- Total beneficiaries of job focused interventions (gender disaggregated)(core)
 - Share of beneficiaries of skills development programs who are employed within six months of completion
 - Number of CFPTs and TVET centers that have a functioning board of directors with private sector participation

B. Project Components

19. To achieve the PDO, the project will employ a strategy focused around 4 components. Component 1 will support the expansion of quality training opportunities by strengthening the public sector system, while Component 2 aims at improving the school to work transition for those in secondary technical or post-secondary education and bringing training opportunities to out-of-school youth and those living in rural areas. The main objective of Component 3 is to strengthen the governance of the TVET public system which will have medium to long term impacts on the system's ability to deliver quality training and make quality improvements implemented by the project self-sustaining. Lastly, Component 4 will focus on project management and instilling a culture of monitoring and evaluation(M&E). Improving the quality of Chad's general education especially the pre-primary and primary cycles is also critical to development of skills development, thus the project is complementary to the current Education Sector Reform Support Project – Phase 2 (*Projet d'Appui à la Réforme du Secteur Education au Tchad – Phase 2, PARSET 2*), currently under implementation.

Component 1. Expanding Access to Skills through Improved Technical and Vocational Education (US\$14.7 million equivalent)

20. **This component aims to improve access to and quality of training to meet the needs of the of the Chadian economy in sectors with high labor potential.** This objective will be achieved through two sub-components: (i) creation of a new institutional and operations model Center of Professional and Technical Training (*Centre de Formation Professionnelle et Technique, CFPT*), including the construction and establishment of one CFPT; and (ii) the improvement of the quality and upgrading of existing technical and vocational secondary schools in the industrial stream including technical and industrial secondary schools (*Lycée d'Enseignement Technique et Industriel, LETIN*; and *Collège d'Enseignement Technique et Industriel, CETIN*) by providing performance-based payments based on performance-based financing (PBF)



agreements. Youth aged 14-29, who meet the qualifications for entry, will be targeted into the newly created and restructured institutions. At least 30 percent of the enrolled students would be female.

21. **Component 1 will roll out a new institutional management and operations model which utilizes industry linkages and reorients the programs around labor market insertion for graduates.** This includes adopting sector specific curricula currently under development with support from AFD and in-depth training of school managers and trainers to upgrade quality of teaching and institutional management. To this end, multi-year performance-based contracts (PBCs) will be signed between the Government and targeted institutions which incentivize improved relevance, quality, access, and employment outcomes. Greater autonomy of training institutions and several sector reforms are required to create an enabling environment for this results-based management and operations model and will be supported under Component 3.

Sub-component 1.1 Improving Access to Quality Skills through the Creation of a new CFPT and Expanded Opportunities through preexisting CFPTs (US\$5.2 million)

22. **The construction of a new CFPT will be funded to expand the availability of training spaces available and serve as a model center for replication with new quality standards.** The new institution will incorporate the new pedagogical and management models including participation from the private sector. The site will be in Sahr in the Moyen-Chari region as determined by . Collaboration between industry and the vocational training centers will be supported to facilitate more current and relevant training, as will training of school managers, and sector specific curricula under development with AFD, as mentioned above.

23. **The project will finance development of the PBC between the CFPT and which elaborate clear targets,** These indicators include: (i) the establishment of a Board of Directors; (ii) a minimum private sector and civil society participation of 40 percent in the Board of Directors; (iii) the number of young people registered by specialty area; (iv) the share of girls enrolled; (v) the share of enrollees participating in dual-training programs; (vi) the number of graduates certified; (vii) monitoring of graduates' insertion in the labor market; (viii) effective in-service training of trainers; and (ix) the implementation of a new financing model. The PBCs will be monitored by the and each CFPT through their own M&E systems and will be supported by the project coordination unit's (PCU's) M&E specialist.

24. *Main activities:* this sub-component will finance the construction of a new CFPT and the following activities through the PBCs: (i) the development and implementation of new pedagogical models and curricula; (ii) new administrative management involving the private sector; (iii) strengthening of the professional and teaching competencies of trainers; (iv) the provision of relevant equipment; (v) the purchasing of adapted textbooks; (vi) rehabilitation of existing infrastructures and equipment including accessibility measures for disabled persons; and (vii) information and sensitization campaigns to attract more female students.

Sub-component 1.2 Rehabilitation and upgrading of Collèges and Lycées Techniques et Industriels (US\$9.0 million)

25. **The project will support the reform and upgrading (modernization) of two to four collèges and lycées techniques et industriels through PBCs.** These institutions currently offer courses in construction,



electricity, and automotive mechanics, among others. The institutions are characterized by outdated equipment, limited hands-on and relevant training, heavily theory based teaching, and weak links with the private sector. The aim is to focus the course offerings, improve the management of the schools, strengthen practicum-based teaching and learning, introduce entrepreneurship and non-cognitive (socio-emotional) skills development¹⁰, and improve linkages with related industry to better prepare graduates for employability. Hardware (equipment, condition of buildings) will also be updated.

26. **The project will provide support for the preparation of operational manuals regarding the management of TVET schools, performance monitoring, and relationship with the private sector relations.** Technical assistance will be recruited to support the teams responsible for the management of TVET schools and the ministerial directorates in charge of technical education and vocational training. An Independent Verification Agent (firm) will be recruited to conduct an external evaluation of each performance contract and certify the level of achievement of the expected results. The technical audit report will be used to determine the amount of funds to be allocated for the following year.

27. *Main activities:* this sub-component will finance the following activities through the PBCs: (i) the development and implementation of new pedagogical models and curricula (in coordination with AFD programs); (ii) new administrative management involving the private sector; (iii) strengthening of the professional and teaching competencies of trainers; (iv) the provision of relevant equipment including for information, communication and technology (ICT); (v) the purchasing of adapted textbooks; (vi) rehabilitation of existing infrastructures and equipment, including accessibility measures for disabled persons; (vii) information and sensitization campaigns to attract more female students; (viii) governance reform and institutional financing; (ix) hiring of the independent verification agent; and (x) study tours for all relevant actors especially at the central level, directors, and a select number of teachers. The sub-component will also finance technical assistance (TA) to the TVET school to help them navigate through the implementation of institutional changes and improve their financial management (FM) capacity.

Sub-Component 1.3 Monitoring and Verification of PBCs (US\$0.5 million)

28. Given that the performance-based financing model is new, monitoring and verification of the activities financed under the PBCs will be essential to ensuring their implementation. As such, independent verifiers will be engaged to monitor and verify progress on the agreed targets/indicators by contract.

Component 2. Employment Support for Youth and Improved Entrepreneurship Opportunities (US\$24.4 million)

29. **This component seeks to provide first work experiences, and skills relevant to labor market demands, including entrepreneurship training, to youth.** Targeted young people may have completed the full education cycle or dropped out of the school system prior to completion. The objective is to provide

¹⁰ Recent advances in development and behavioral economics as well as in personality psychology and neurosciences have demonstrated the salience of individuals' socio-emotional abilities for living a productive life. Individuals' sense of their own worth, and their ability to set ambitious yet achievable goals for themselves, to sustain effort, to build relationships, and to negotiate positive outcomes are likely strong predictors of their performance at work. This may be particularly relevant for women facing discriminatory gender norms. The project will thus focus on providing socio-emotional skills training in addition to sector specific training to improve economic outcomes for students. More information on the formulation of training, its evaluation and importance can be found in Annex 4.



quality hands-on job training and entrepreneurship training including (a) internships for skilled graduates in their prospective professions; (b) apprenticeships; and (c) entrepreneurship for agricultural development. Apprenticeships and entrepreneurship approaches focus heavily on unskilled/low-skilled workers given that they are the most promising approaches to helping them transition into employment/self-employment. Further, the Component will introduce an innovative approach to training by incorporating socio-emotional skills (SES) training into apprenticeship and entrepreneurship training modules, given the growing body of research which shows higher returns to training which incorporates SES development rather than traditional business training alone.

Table 1: Summary Overview of Sub-components

Sub-component	Beneficiaries	Duration of Program	Implementing Agency
2.1. Internships to improve school-to-work	6,000 youth aged 15 to 29 registered in CFPTs, LETINs, or university	Six to 12 months	ONAPE and CNPT
2.2. Expanding opportunities for apprenticeships	7,500 out-of-school youth aged 15 to 35 with limited education and who are not in a wage job	Six to 24 months depending on the trade	FONAP , MFPDS
2.3 Agricultural entrepreneurship	8,000 out-of-school youth aged 15 to 39 living in rural areas and mostly engaged in the agriculture sector either wage worker or self-employed	Up to six months	ONAPE , and local non-governmental organizations (NGOs)

Sub-component 2.1 Internships to Improve School-to-Work Transition (US\$6.8 million)

30. **The internship program aims to improve the employment outcomes of graduates transitioning from secondary or post-secondary general education and TVET institutions into the labor market.** Chad’s educational system does not have sufficiently strong linkages with the private sector to facilitate the immersion of young graduates in enterprises during their time at school or following their graduation. The sub-component aims to address this practical skills gap of current graduates, while simultaneously reorienting the TVET institutional approach to focus on employment.

31. **Internships will last six months during which the internships are funded fully by the project.** After the first six months, the contract will be renewable for another six months, at which point the intern would be partially funded (50 percent) by the enterprise. Internships could, for example, include placements in hotels, healthcare, other service sectors, and construction firms which have been shown through data from the National Office for the Promotion of Employment (*Office National de Promotion de l’Emploi*, ONAPE) to recruit the highest numbers of workers. After one year, the intern then becomes eligible for recruitment, at which point the company would be wholly responsible for funding. The number of interns a company can hire over the course of the project and at any point in time will be limited (with optimal limit to be determined) to avoid abuse of the system by companies, as well as limits on the number of trainees a company can take without hiring any. The monthly internship stipend amount will not exceed 60,000 XAF (approximately US\$120), with girls receiving a higher stipend.



32. *Main activities:* The sub-component will finance (i) employment and internships recruiting camps in technical schools, training centers, and universities jointly hosted by ONAPE and the private sector; (ii) communications campaigns and partnership building in private companies; (iii) internship payments that include stipends, accident and medical insurance coverage; and (iv) TA to ONAPE to implement the program, establish a website, and support its decentralized branches outside of the capital city.

Sub-component 2.2 Expanding Opportunities for Apprenticeships (US\$9.2 million)

33. **An apprenticeship scheme will be developed to facilitate improved labor market integration for youth through a dual apprenticeship program which combines adapted training programs with on-the job training opportunities with craftspeople and professionals.** Dual training refers to a combination of practical, on the job training, and theoretical education to ensure an optimal blend of theory and practice. Training programs will combine this practical training and theory with an emphasis on hands-on experiences in various types of workshops. Training in training institutions will constitute 25 percent of the program, with 75 percent focused on hands-on application, and will be targeted to youth with a minimum level of education. Additionally, training in functional literacy, numeracy, and life skills/SES will be coupled with job specific training to improve employability.

34. **To encourage female participation the project will pay a higher stipend to girls.** The payment of the stipend will depend on attendance. The project will also encourage girls to join male-dominated trades which provide better employment prospects and higher earnings in the labor market through a targeted sensitization campaign.

35. *Main Activities:* the sub-component will finance: (i) training providers; (ii) stipends for the trainees paid via mobile money; (iii) training in functional literacy and numeracy and life skills by qualified training providers; (iv) a defined package of materials and equipment including all necessary protections; (v) accident and medical insurance coverage for apprentices; (vi) costs associated with training of trainers, upgrading of skills of apprentice instructors; (vii) costs associated with selection and placement of apprentices; (viii) development of new training guidelines and the design and implementation of the regulatory and operational framework for the apprenticeship program; and (ix) an institutional and organizational audit of the Vocational Training National Support Fund (*Fonds National d'Appui à la Formation Professionnelle*, FONAP).

Sub-component 2.3 Development of Agricultural Entrepreneurship (US\$9.0 million)

36. **The sub-component will aim to provide entrepreneurship training to youth in rural communities to improve livelihoods.** The goal is to provide necessary skills for addressing constraints related to (i) lack of entrepreneurship know-how (equipping small scale farmers with knowledge to diversify options and ideally transition out of subsistence farming); (ii) community organizing along agro-value chains (i.e. building the value chain so that it is possible to grow, harvest, transform products, and get them to markets); and (iii) limited means of food processing (e.g. addressing loss of mangoes during mango season due to limited technical skills and small scale equipment which result in not being able to transform/conservate them). The approach will also include SES training. The intervention is consistent with the large numbers of youth who remain in rural communities in Chad, and the majority of workers who are engaged in informal employment in the agriculture sector.



37. **The entrepreneurship sub-component is linked with the Climate Resilience, Agriculture, and Productivity Enhancement Project** (P162956, approved in May 2018) which aims to promote the adoption of improved technologies to sustainably increase productivity and enhance agricultural production systems climate resilience. The trainings will be targeted in Moyen-Chari and Salamat and are linked to the agriculture project sites which are targeted in the Sudanian Agro-Ecological Zone of which Moyen-Chari and Salamat are two of the three primary regions the third being Mandoul. The regions were selected given their high potential for agricultural activities but where risks of food and nutritional security are a serious concern. The entrepreneurship sub-component will complement the project interventions aimed at targeting the intensification of key value chains, namely rainfed cereals (sorghum, millet, corn, rice) and their associated crops (peanut, cowpea and sesame), as well as diversification of small-holder farms.

38. *Main Activities:* The sub-component will finance (i) a campaign to promote training activities and agriculture as a viable livelihood; (ii) the development of the training modules; (iii) delivery of training sessions via contracted local NGOs; and (iv) training of trainers.

Component 3. Improving TVET System Governance and Institutional Capacity Building (US\$5.9 million equivalent)

39. **This component is designed to strengthen the TVET system which suffers from weak governance and chronic underfunding.** Given the relative neglect of the sub-sector, the sustainability of the project depends on the capacity of the *collèges*, *lycées*, and CFPT to self-finance their activities. It is critical that the status of these schools is revised to provide them with more autonomy that allow them to generate revenue and afford them the flexibility to spend it. Thus, a new regulatory framework will be necessary as is improved institutional and management capacities of the ministries and institutions involved in project implementation and project execution.

40. **This component will also build the leadership and management capacity of CFPT and TVET school directors to improve service delivery and implement a new finance model.** TVET schools have often very low teacher-student ratios and teachers are underutilized working less than 12 hours per week on average. Re-organizing school calendars, better planning the use of classrooms and workshops, and organizing dual-training could substantially increase the number of students the institutions receive without jeopardizing its quality. To provide more training opportunities to youth, restructuring the current financing model which currently operates using several uncoordinated sources of funding is also critical. Rethinking the highly fragmented nature of the training fund and addressing the financing challenges and the fractured nature of the skills development sector in Chad in terms of both service delivery and financing is also necessary.

41. **Because the reforms envisioned in this component are necessary for the public sector TVET to perform, their effective implementation is a priority in the sequencing of the activities in Component 1.** As noted earlier, if the CETIN, LETIN, and CFPT continue to operate under the current model i.e. with no public financing, no possibility to generate own funds, no cooperation with the private sector, and an outdated governance structure with little accountability, it is very unlikely that any investment in this system will be sustainable. For example, new equipment will become old and rusty because of lack of maintenance funds, and teachers would be forced to quickly revert to theory-only teaching because they would lack the necessary material for labs.



42. *Main Activities:* this component will finance (i) TA to revisit the TVET national strategy and the national employment policy; (ii) roundtable and national consultations around the revised strategy; (iii) training of CFPT and TVET institution staff; (iv) capacity building activities of selected training institutions, government departments, private sector associations, and employment agencies, including capacity building for ONAPE to manage a website and generate databases to match supply and demand sides; (v) south-south exchanges through study tours; (vi) national awareness campaigns that promote TVET and especially girls in TVET.

Component 4. Project Management and Monitoring and Evaluation (US\$5.0 million equivalent)

43. **This component will support the Project Coordination Unit (PCU), M&E activities, and capacity building activities associated with the implementation of the project.** Chad Education Sector Reform Support Project – Phase 2 (*Projet d’Appui à la Réforme du Secteur Education au Tchad – Phase 2, (PARSET2)*) PCU which has successfully managed several projects is retained to manage the project. The PCU will be responsible for overall coordination, implementation, monitoring and evaluation of project activities, as well as FM, procurement, communication outreach, and supervision of implementation of the safeguards instruments.

44. M&E support to the PCU will include IEs and beneficiary surveys of interventions under Component 2, as well as support to the Gender Innovation Lab which will work with local institutions to carry out statistical analysis/employment surveys/labor studies/etc. monitoring of youth and follow-up activities during internships, and survey of youth after the completion of the internships, apprenticeships, and entrepreneurships. There will also be at least two IEs embedded in the project. This includes (i) working with the Gender Innovation Lab to evaluate the impact of the inclusion of socio-emotional skills in the skills training program on labor market outcomes such as likelihood of wage employment, self-employment, or net income; and (ii) measurement of whether the higher order outcomes of improved labor market insertion and earnings are achieved through an IE that includes sample surveys of beneficiaries before the training, soon after completing it and six to nine months after finishing the training. There will be a special focus on rural areas and girls.

Project cost and financing

Table 2: Project Cost per Component and Financing Source

Components/Sub-components	Project cost US\$ million	Percent IDA Financing
Component 1 Expanding Skills Development through Improved Technical and Vocational Education	14.7	100
<i>Sub-component 1.1: Creation of new CFPTs and Expanded Opportunities through preexisting centers</i>	5.2	100
<i>Sub-component 1.2: Rehabilitation and upgrading of Lycées Techniques and Industriels</i>	9.0	100
<i>Sub-component 1.3:</i>	.5	100
Component 2: Employment support for Youth and Improved Entrepreneurship Opportunites	24.4	100
<i>Sub-component 2.1: Internships for improved school-to-work transition</i>	6.8	100
<i>Sub-component 2.2: Expanding Opportunities for Apprenticeships</i>	9.2	100



<i>Sub-component 2.3: Development of Agricultural Entrepreneurship</i>	9.0	100
Component 3: Improving TVET System Governance and Institutional Capacity Building	5.9	100
Component 4: Project Management and Monitoring and Evaluation	5.0	100
Overall Project	50.0	100

C. Project Beneficiaries

45. **The primary beneficiaries of the project are in-school and out-of-school young Chadians aged 15 to 39 living in both urban and rural areas.** Given the long-term systemic reforms and improvements proposed, future young Chadians who receive training in the improved training institutions beyond the life of the project are also expected to benefit. Teachers and trainers who are going to be trained or re-trained are also direct beneficiaries. Intermediate beneficiaries are the public and private secondary technical schools, the vocational training institutions, as well as agencies engaged in vocational training and skills development. Finally, the private sector at large will be an indirect beneficiary of the medium- to long-term availability of a larger and better pool of skilled workers. Direct project beneficiaries will include:

- 31,500 youth attending technical and vocational education and training institutions and out-of-school youth in rural areas in regions covered by the project interventions;
- 500 teachers and trainers of teachers including at least 10 percent of women who will benefit from training programs, improved curricula, and better working environments;
- 10 technical and vocational education and training institutions who will benefit from PBCs.

46. **Gender and Inclusion.** The project will ensure that at least 30 percent of the beneficiaries are female. Currently roughly 5 percent of students in TVET institutions are women.¹¹ The project will also support the emergence of a stronger pool of female teachers in these institutions where they represented less than 4 percent in 2014-2015. As mentioned above, the project will support information and sensitization campaigns to improve female participation in the activities under Components 1 and 2, as well as additional funding as part of Component 2 to cover costs of childcare where applicable. The campaigns will target students in primary and lower secondary schools, parents, as well as teachers and school directors who could play a critical role in directing more girls into the scientific and technical streams and will be implemented with the support of civil society, national NGOs, and women’s organizations. In addition to targeting women, centers in Component 1 will incorporate accessibility measures which accommodate persons with disabilities. These inclusion measures will be included as part of construction works and equipping of centers.

¹¹ Excluding the commercial secondary schools which had 49 percent female enrollment in 2014/15 (last year where this statistic is available) compared to 5 percent for the technical and industrial stream of secondary technical education.



D. Results Chain

Table 3: Project Results Chain

Activities	Outputs	Project outcomes	Higher level objectives
Component 1 – Expanding Skills Development through Improved Technical and Vocational Education			
<ul style="list-style-type: none"> • Construction of a new model CFPT • Rehabilitation and equipment of LETIN including ICT equipment • Adaptation of curricula including for digital skills • Training and upgrading of trainers including in digital skills 	<p>The public TVET institutions provide better teaching and learning environment and deliver higher quality content through better trained teachers. The TVET student body is significantly more gender balanced.</p>	<p>The number of graduates from the public TVET institutions increases substantially. TVET graduates have better quality skills relevant for the labor market.</p>	<p>Graduates from the public TVET system have improved job placement rate and higher earnings. The economy has better skilled workforce. Self-employment rate improves, and labor market earnings increase.</p>
Component 2: Employment support for Youth and Improved Entrepreneurship Opportunites			
<p>Significantly expand opportunities for</p> <ol style="list-style-type: none"> 1. apprenticeships; 2. Internships; and 3. agricultural entrepreneurship <p>to educated and less educated youth in urban and rural areas by financing the programs. Link public training institutions and universities with private sector</p>	<p>More youth in TVET schools or universities receive internships and get their first contact with the private sector soon after graduation.</p> <p>More vulnerable youth out-of-school or uneducated are provided a training and acquire basic skills.</p>	<p>Educated youth have a better school-to-work transition through internship.</p> <p>Less educated or uneducated vulnerable youth acquire better skills that are relevant in the labor market (including self-employment opportunities)</p>	<p>Educated youth find gainful employment in the private sector or through self-employment much faster and at a higher rate.</p> <p>Rural youth engage in more productive agricultural activities and trade activities, including through self-employment.</p>
Component 3: Improving TVET System Governance and Institutional Capacity Building			
<ul style="list-style-type: none"> • Reform public TVET system by providing financial autonomy to schools that can provide services to the public • Create a board of directors that includes private sector for public institutions • Reinforce links between TVET institutions and private sector • Roundtable with all stakeholders to revisit the TVET national strategy and employment policy • Capacity building for major institutions 	<p>TVET institutions that are financially viable and can function without public resources.</p> <p>A less fragmented and better managed TVET schools and overall sector</p> <p>More relevant training content including the expansion of digital skills because of private sector involvement.</p> <p>Better funding for TVET especially apprenticeships.</p>	<p>Increased enrollment in TVET schools especially girls</p> <p>Improved quality of acquired skills especially in the digital sector</p> <p>Increased number of apprenticeships offered to vulnerable youth</p> <p>Better information system to match demand and supply of skills</p>	<p>A self-sustaining, more attractive public TVET sector that provides quality skills to a larger number of young Chadians including girls</p>



E. Rationale for World Bank Involvement and Role of Partners

47. **Chad’s skills development sector has recently started to attract donors’ attention and financing.** Many donors are now active in helping the country develop the skilled workforce it needs for its economic development. The major donors are the AFD, the European Union (EU), the Swiss Cooperation, and the Saudi Fund for Development (SFD). Donors mainly intervene in the construction, rehabilitation, and equipping of training centers and TVET institutions. AFD’s programs also include the promotion of TVET through sensitization campaigns, while the EU’s Bal-Al-Mal project and the Swiss Cooperation’s *Formation et Insertion des Jeunes au Tchad* (Training and Integration of Chad’s Youth) project have a focus on the overall governance of the TVET system. The Swiss Cooperation is testing an interesting new model with a 12-year project that commits them to a medium-term engagement. This resembles the World Bank’s new Multi-phase Programmatic Approach (MPA) which could be explored in Chad in the near future. SFD is supporting the Government by building two CETIN, two LETIN, and one *Lycée d’Enseignement Technique et Commercial* (Technical and Commerce secondary school, LETCO) across the country. SFD’s support is mainly focused on the hardware i.e. infrastructure and equipment. Those new TVET institutions will need trained teachers and should operate under the new model including private sector participation. While not directly active in the skills development arena, many other partners such as UNICEF, UNESCO, and Education Can’t Wait are helping through their involvement in the basic education where their support for quality of education has a direct bearing on the skills agenda.

48. **The current project builds on existing donors’ programs and aims at reinforcing the overall skills development sector by supporting the Government’s bold reforms as delineated in the 2017-2021 NDP.** All the donors involved in the skills sector are also active in the education sector. They are also all part of a strong coordination mechanism, namely the local education group (LEG), which can also help support the skills development agenda. A full mapping is provided below.

Table 4. Donor Mapping in the Skills Sector

Donor	Projects	Main interventions	Target sectors	Period	Amount
French Development Agency (AFD)	Vocational Training Support Project to Improve Enterprise Competitiveness in Chad (AFPACET)	Training to identify training needs and develop the demand of continuing education; Rehabilitation, equipment of the selected training organizations to implement pilot programs of dual apprenticeship training; Creation of a private and inter-ministerial public advisory committee on learning facilitated within CONEFE; Improving tax collection in FONAP regional offices; providing the tools for programming, management, M&E of activities and training of antenna personnel in their use	Building, Public Works, livestock (including Tannery, Milk transformation) and Crafts	2013-2019	US\$7.9 million
French Development Agency (AFD)	Small Enterprise Support project (PAPE 1)	Sensitize people of entrepreneurship; Support to develop business plans; Support promoters to search for funding	All sectors including agro transformation, services and trade.	2016-19	US\$1.7 million



French Development Agency (AFD)	Small Enterprise Support project (PAPE 2)	Sustain, consolidate, and scale up the area of Small Enterprise House; Strengthen access to financing for entrepreneurs; Strengthen the BAN Association in its pivotal role of promoting entrepreneurship in Chad	All sectors including agro transformation, services and trade.	June 2019-2023	US\$11.3 million
European Union (EU)	BAB AL AMAL (Gate for Jobs in Chadian Arabic)	Construction Training Center; Rehabilitation of vocational training centers; Establishment of a training process alternating and creation of teaching materials and curricula; Short and long term vocational training; Piloting and governance of vocational training institutions; Assistance with the structuring of professional associations	Building, Public Works, livestock (including Tannery, Milk transformation) and Crafts	2017-2021	US\$10.7 million
Swiss Cooperation	Training and integration of young people in Chad (FORMI)	Construction and rehabilitation, equipment of training centers, Training of trainers, Apprenticeship, Support for the integration of young people and women trained, Governance of vocational training	Agriculture and breeding, Mechanics, Construction, Crafts, Electricity, Rural mechanics.	2017-2029	US\$18,1 millions
Saudi Fund for Development	Professional Training Development Project	Construction and equipment of two (2) high schools of industrial technical education; Construction and equipment of two (2) colleges of industrial technical education; Construction and equipment of a (1) high school commercial technical education.	Mechanics; Electrotechnical; Electromechanical, Construction (BTP), fluids and sewing	2017-19	US\$30 million

F. Lessons Learned and Reflected in the Project Design

49. **As this is the first World Bank skills development operation in Chad, the project is drawing lessons from operations implemented by donor partners¹², as well as best practices from World Bank job skills training projects in other countries facing similar issues and challenges.¹³** These projects found that operations in this area should: (i) clearly define whether the goal is to facilitate transition into wage employment or to promote self-employment and entrepreneurship; (ii) use tailored outreach strategies for girls or any vulnerable group; (iii) manage expectations by educating candidates about expected returns before they select a trade; (iv) pay careful attention to costs such as transport, childcare, and lunch; v)

¹² Interesting lessons can be learned from the FORMI Project of the Swiss Cooperation, the European Union’s Bab-Al-Amal, or AFD’s Projet d’Appui à la Formation Professionnelle pour l’Amélioration de la Compétitivité des Entreprises au Tchad (AFPACET) and Projet d’Appui à la Petite Entreprise (PAPE) projects. This project will also build on the current or planned projects such as the SFD’s project to build and equip 4 CETIN and LETIN on which the PDCEJ will lean to effectively expand TVET opportunities in the public sector by training more teachers.

¹³ These include Cote d’Ivoire’s Emergency Youth Employment and Skills Development Project and its follow-up additional financing (P122546 and P151844), Republic of Congo’s Skills Development for Employability Project (P128628), Gabon’s Skills Development and Employability Project (P146152), Niger’s Skills Development for Growth Project (P126049), Togo’s Personal Initiative Training, and Tanzania’s P4R Education and Skills for Productive Jobs (P152810).



consider that training on SES may prove more effective than traditional business training; and (vi) incorporate post-training support into these programs such as start-up capital, wage subsidy and job search assistance.

50. **In addition, technology innovations are built into the project where possible to maximize project outcomes based on successful examples from the above-mentioned projects.** At the trainee level this includes (i) digital literacy training as part of the rollout of new curriculum in Component 1 to ensure that center graduates are equipped for technological developments in their respective fields; and (ii) mobile payments to apprenticeship beneficiaries in Sub-component 2.2. At the institutional level digital record keeping will be introduced to trace employment outcomes of graduates, and digital literacy will be part of directorship training. Lastly, at the system level improved web design to improve information sharing for youth looking for work, and innovations in database management will be introduced to improve employability data within several key implementing agencies as was done in the example of Cote d'Ivoire.

51. **In addition to lessons learned from relevant donor partners and approaches in countries, several lessons learned from prior experiences in Chad were integrated into project design. These include:**

- *Build project ownership from the onset:* Past experience with the PARSET2 project demonstrated the need to build ownership of the project early on to ensure adequate implementation. By building upon sustained dialogue at the MNEPC level, the project was prepared in close coordination with a national preparation team that included all the ministries and agencies that are active in the skills development agenda as well as the private sector.
- *Focus on Implementation Readiness.* Initial lags in disbursement during project implementation necessitated the use of PPA to support more rapid launch of project activities. It was used here to support feasibility studies for construction and rehabilitation of TVET institutions and to hire TA for the drafting of and training on the management of PBCs.
- *Use knowledge to support evidence-based reforms:* The dearth of data within Chad within the education sector has made it crucial to ensure that data collection and evidence building exercises are supported both during project preparation and implementation. As a result, the project's design builds on the recent "Education and Skills Development for Competitiveness in Chad" Advisory Services and Analytics (P132615) on employment and the informal sector, and the 2014 SABER-WfD (Workforce Development). In addition, to address the limited evidence base, the project will also finance several studies to inform implementation as well as to build a foundation for future reform.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

52. **The project will be implemented over a five-year period.** The MNEPC with technical support from , MFPDS, and two main agencies ONAPE and FONAP.

53. **Steering Committee (SC).** A system-wide SC will be established within one month of the effectiveness date to provide guidance to the project on an annual basis. The representative of the will be the President of the SC and the representative of the MNEPC will assume the Vice-Presidency. The SC will



have representatives of Ministry of Economy and Development Planning (*Ministère de l'Economie et de la Planification du Développement*, MEPD), the MESRI, the Ministry of Finance and Budget (*Ministère des Finances et du Budget*, MFB), the MFPTDS, the Ministry of Youth Promotion, Sports, and Employment (*Ministère de la Promotion des Jeunes, des Sports, et de l'Emploi*, MPJSE), and the Ministry of Production, Irrigation, and Agricultural Equipment (*Ministère de la Production, de l'Irrigation et des Equipements Agricoles*, MPIEA). It should also include representatives of civil society and private sector.

54. **The role of the SC is to provide guidance and advice for strategic direction of the project and approve the annual budget and action plan.** In those cases where specific action is needed to address issues that go beyond the scope of any single ministry, the president of the SC can bring together the relevant parties to find solutions to problems that are inter-ministerial in nature, which may be presented to the committee as necessary.

55. **At the annual meeting, the MNEPC and with support from the PCU will provide results for the year and will set out its intended results and necessary resources for the following year.** The annual meeting will be done before the end of September of each year to ensure that the decisions taken by the SC are reflected in the budget submission for the following year. The first meeting of the SC is expected to take place exceptionally in April 2020 while the first annual work plan will be devised by the preparation team with the support of the PCU. During the first two years of implementation the SC may meet more frequently to ensure smooth implementation and address necessary adjustments.

56. **Technical Committee. In addition to the SC a Technical Committee will be established within one month of the effectiveness date and will be responsible for reviewing and validating the PBCs.** The Technical Committee will be chaired by a representative of the and will be comprised of representatives of the NEPC, private sector, and technical experts.

57. **Project Coordination Unit (PCU). The PCU from the education project PARSET2 housed within MNEPC will manage the project given prior experience and good performance.** The PCU will be responsible for daily project coordination, as well as the administration of the financing, procurement, FM, disbursement, monitoring, reporting and evaluation, and environmental and social safeguards. It will consist of a qualified project coordinator, procurement specialist, FM specialist, and M&E specialist. In addition, the PCU will be responsible for recruiting full-time social and environmental safeguards specialists to ensure that the environmental and social safeguards requirements are met, as well as an internal auditor and accountant. Within six months of effectiveness the PCU will be required to hire a civil works engineer who will help oversee the CFPT construction and the rehabilitation program of the *lycées* and *collèges d'enseignement technique et industriel*.

58. Technical implementation of the project will be the responsibility of each concerned department within the MNEPC, , MFPTDS, and MEPD. The project will support MVTMC to create and equip a technical unit as the ministry is new and needs special attention. Detailed project implementation mechanisms will be provided in the Project Implementation Manual (PIM), which will be completed by effectiveness, as well as a detailed PBF manual to guide PBF implementation.

59. Each relevant MNEPC and MVTMC director will nominate focal points who will be heads of components and sub-components and will work with the PCU coordinator and the M&E specialist to



convene the appropriate government officials to finalize the work plan for each component. These will be key contributions to the overall project work plan to be developed by the project coordinator under the guidance of the SC which will be discussed with MNEPC and MVTMC and communicated to the World Bank. Thereafter, once a quarter, the PCU will report on progress to the MNEPC and MVTMC as well as key development partners within the LEG and will share the work plan for the following three months.

60. **Annual reviews will be held in November/December of each year**, bringing together all key stakeholders in the system. At those reviews, the MNEPC and MVTMC officials will provide updates on the status of the technical and vocational education and training sector, including information regarding the start of the school year (enrollments, recruitments, trainings, and so on). Each functional/central directorate will present its results, and each regional directorate will do the same. The arrangements will be formalized in the project implementation manual. More details on the project implementation arrangements can be found in Annex 1.

B. Results Monitoring and Evaluation Arrangements

61. **Project M&E will use the results framework to assess progress in the implementation of project activities and to measure the outcomes.** In addition, M&E will be performed through: (i) regular monitoring of activities and related indicators; (ii) bi-annual implementation support missions; (iii) a mid-term review; and (iv) a comprehensive evaluation of project outcomes at the end of project implementation. Project M&E information will inform the mid-term review and annual reviews of the TVET sector strategy as well as the national employment and vocational training policy.

62. **Based on inputs provided by the relevant technical units within MNEPC and MVTMC, the PCU will prepare reports on implementation progress** under the different components of the project, and on progress towards targets established in the results framework. These reports will cover six-month periods throughout the life of the project and will be delivered to the World Bank within 30 days following the end of the period covered, and for the World Bank's implementation support missions. PARSET's M&E specialist will coordinate the project's M&E activities in close collaboration with the Directorate of Secondary Technical Education (*Direction de l'Enseignement Secondaire Technique, DEST*), the Directorate of Vocational Training and Apprenticeships (*Direction de la Formation Professionnelle et des Apprentissages, DFPA*), and the Directorate of Employment, Vocational Training, and Skills (*Direction de l'Emploi, de la Formation Professionnelle et du Perfectionnement, DEFPP*).

63. **For monitoring the results of the overall project, including the evaluation of the project's impact on employment and learning outcomes of different training program as well as the introduction to SES, a solid mechanism for data collection will be established.** Most of the data for monitoring project outcomes will come from regular project reports and surveys supported under the project. The project will finance a beneficiary survey for its citizen engagement and a baseline will be implemented within the first year of project implementation after all beneficiaries are identified. The surveys will complement the Grievance Redress Mechanism (GRM) established under the project and ask beneficiaries to identify (i) any current complaint they may have; and (ii) whether past complaints have been addressed to their satisfaction. Feedback garnered from these surveys will be used to inform ongoing project implementation. The survey will be repeated at mid-term and six months before the closure of the project and expected to be longitudinal. In addition to collecting citizen feedback, it will track (i) youth satisfaction with the training or



internships; (ii) labor market outcomes of beneficiaries with a tracer study; (iii) firms and employer satisfaction with the quality of the interns or new hires; and (iv) CFPT, TVET schools, private training providers satisfaction with the overall project including the PBCs.

64. In addition, the Africa Region Gender Innovation Lab will support the project to carry out at least two IE studies especially of SES which are being shown to have massive impacts on labor market outcome such as employment rates and earnings. This IE will involve at least two rounds of data collection and will employ randomization to compare the impacts of various types of SES training.

C. Sustainability

65. **There is strong evidence of ownership of the proposed project on the part of the Government and the private sector as well.** The project effectively responds to a request from Chad's Government to the World Bank for assistance in the implementation of interventions to that will lead to a more effective TVET sector. The Government's commitment to the TVET sector is also expressed in the NDP, as detailed earlier, with an action plan to which this project is closely aligned. Ownership and commitment to the project's objectives and reforms was signaled by the establishment and engaged participation of a national project preparation team, including all relevant ministries, agencies, and the private sector.

66. **Notwithstanding the Government's commitment in the NDP, sustainability appears as a major challenge in the technical and vocational training public sector.** No technical or vocational secondary public school seems to operate normally because of the lack of public funding. The main reason for lack of sustainability is financial and the inability (mostly legal and administrative) of *lycées, collèges*, or CFPTs to generate revenue. Thus, the approach to focus on system wide reforms was taken to provide more autonomy to these structures through changes to their governance structure and financing model to allow them to partake in revenue generating activities. Supporting the private training providers, and/or working with private sector institutions is also important for sustaining results of the project beyond its closing date.

67. **Finally, the project design has incorporated measures to promote the sustainability of project interventions, including** (a) continual training of trainers as part of performance contracts to update skills and content delivery; (b) the involvement of the private sector in supply and demand approaches to skills development; (c) the promotion of effectiveness and efficiency in the operation of vocational training institutions (largely articulated in performance contracts); and (d) the strengthening of the institutional capacity of agencies and public institutions involved in the delivery of formal and nonformal training.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

Economic and Financial Analysis

68. **The economic analysis of the project indicates an internal rate of return (IRR) of 16.3 percent and a positive Net Present Value (NPV) of US\$63.9 million.** These estimates are based on conservative assumptions of the expected impact of Components 1, 2, and 3. The return constitutes a lower bound given



that benefits from spillover effects which are likely to be significant, are not accounted for. Components 1 and 2 will help produce better teachers and increase the number of students in TVET sector with higher quality technical skills. This will therefore lead to a better skilled workforce with a significantly higher productivity making the project economically sound and justified. Component 3 will provide long-term effects in the skills development sector with deep institutional reforms as well as capacity building efforts at all levels.

69. **The total project cost is US\$50 million, of which about US\$39.1 million will directly support the youth training programs through the strengthening of TVET institutions or the direct financing of internships, apprenticeships, and entrepreneurs.** Components 1 and 2 will directly benefit a total of about 31,500 youth and 500 directors, teachers, and trainers in TVET institutions. The expected economic benefits of these two components are: (i) an increase in the number of young Chadian, including female, who will go into TVET; (ii) an increase in the quality of the skills acquired by the youth; (iii) an increase in the share of beneficiaries who are working either in a wage job or self-employed; and (iv) an increase in productivity and average earnings, with special emphasis on rural beneficiaries.

70. **There are also several non-economic or non-monetary benefits of improving the skills, employment opportunities, and incomes of youth.** A large share of Chad's population is made up of children and youth, and the project is expected to contribute to closing the 'opportunity gap' for youth and thereby contribute to greater political stability and reduced risk of unrest. The 2013 World Development Report, "Jobs", found that the main reasons for joining rebel groups included being idle and needing to earn income. Other non-economic benefits include improvements in the health and welfare of families, including especially the families of the young women trained in the project. There is much evidence available showing that by educating and empowering young women and raising their incomes, there are substantial beneficial impacts on health and welfare outcomes, and even survival rates, for their children. Another non-economic benefit is a potential reduction in fertility for these young women as a result of their greater integration in the labor market and economic empowerment, which will further increase the ability of families as well as the Government to invest more in the health and education of each child and thereby accelerate the much-needed progress in human development outcomes in Chad.

71. **Value added of World Bank's support.** The World Bank is a key supporter of Chad's education sector through the current Chad Education Sector Reform Support – Phase II (P132617) which is a follow up to the first PARSET project. PARSET 2 is mainly focused on improving the quality of primary education which is a key for the improvement of TVET as primary education feeds TVET. The World Bank has already established a constructive and evidence-based dialogue with the Government through various analytical and advisory activities including a SABER-WfD delivered in 2016 and an "Education and Skills Development for Competitiveness in Chad" (P132615) report delivered in 2018. Building on the lessons of past investments and studies, the proposed project would continue to deepen the World Bank's engagement in the sector for better results. The project will also expand on knowledge generation and bring to bear a sharper focus on quality of education across the board. With its regional and global experiences in supporting client countries in education and skills development the World Bank is in a good position to assist the Government in translating global best practices into context specific solutions for Chad.



Technical Analysis

72. **At the technical level, the project is designed to improve skills development by simultaneously working on short- to medium term issues and addressing longer-term bottlenecks.** The project provides short- to medium-term solutions to the main problems related to youth training and employment in Chad, which are (i) low quality of technical training which leads to market-irrelevant skills; (ii) high unemployment or underemployment of youth especially in rural areas and educated urban youth; and (iii) low productivity and earnings of low-skills youth engaged in the informal sector. The project tackles these issues by incorporating in its design lessons learned from a high number of similar projects which have been successful. The project's design includes elements from projects in Côte d'Ivoire and Gabon especially on the use of PBCs. The project has drawn lessons from the Congo Skills Development for Employability Project (P128628) that addressed several constraints facing the target group of youth: (i) job-relevant skills constraints; (ii) job search constraints; and (iii) firm start-up constraints. The Niger Skills Development for Growth Project (P126049) also inspired this design especially the component aimed at facilitating the school-to-work transition for young graduates.

73. **To address longer-term issues, the project aims at helping the Government implement deep institutional reforms and help build the capacity of the TVET system.** The reforms will focus on (i) the sustainable financing of public TVET institutions which are the ones that will cater to the skills needs of the large youth population for the foreseeable future; (ii) the highly fragmented nature of the skills development sector; and (iii) the integration of the private sector into the boards of directors of the public training institutions. This two-track design is appropriate to the context of the country at this time, given the large cohorts of youth that need immediate attention as well as the need to think about longer-term reform, and where future jobs will be. The design is also complementary to the on-going investments in construction, rehabilitation, and equipping of public skills development institutions.

B. Fiduciary

Financial Management

74. As part of the project preparation phase, an FM assessment was completed in April 2019 in accordance with the FM Manual for World Bank-Financed Investment Operations effective on March 1, 2010, and reissued on February 10, 2017, and the supporting guidelines. As stated above, the project will be implemented by the PCU of the MNEPC which is currently implementing the IDA-funded PARSET 2 project (US\$65 million equivalent). The FM performance of PARSET 2 was most recently rated *Moderately Satisfactory* mainly due to the absence of an internal auditor and the low disbursement rate recorded during the last fiscal year. The project's compliance was however deemed satisfactory for the other financial requirements including timely submission of unaudited interim financial reports (IFRs), proper book keeping and appropriate banking arrangement.

75. FM risk for the proposed project is considered **Substantial**, due to the following key risk factors:

- (i) Although the PCU has experience in coordinating World Bank-financed projects, shortcomings were identified in the past and managing a new project poses additional risks. These shortcomings and additional risks may jeopardize the project's performance if the PCU is not properly strengthened.



- (ii) The project will finance multi-year PBCs with various CFPTs and LETINs. PBCs will be monitored by the MVTMC, MNEPC, participating CFPTs, LETINs and the PCU of the MNEPC, through their own M&E systems. The lack of prior experience in the implementation and monitoring of PBCs by the participating entities increases the fiduciary risk of the proposed project.
- (iii) The project requires implementation across different ministries and entities¹⁴ thus requiring specific coordination mechanisms, which if not fully in place may cause delays. The coordination mechanism between the PCU and the various implementing agencies has not yet been properly defined.
- (iv) The coordination of the FM function, budgeting, flow of funds and reporting of project activities might be complex and challenging due to the involvement of a significant amount of entities that will be implementing certain activities with the subsequent risk of delays in implementation, budgeting, reporting and disbursements.

76. To address the challenges mentioned above, the following mitigation measures have been proposed:

- (i) A capacity assessment of the various entities that will participate in the implementation, M&E of PBCs with proposal of accompanying mitigation measures.
- (ii) Preparation and adoption of an operations manual for performance-based contracts (PBF manual) and PIM in close collaboration with the various entities involved in their implementation;
- (iii) Hiring an independent verification agent (firm) with terms of reference, qualifications, and experience satisfactory to IDA. The mission of the independent verification agent will be to report on the accuracy of the quantitative and qualitative data used to disburse under the PBC Program. The verification will also include a review of the design and implementation of procedures at all levels, from the recipient to the central level. The independent verification will be conducted quarterly, and a report will be issued to the PCU;
- (iv) Recruitment of a qualified and experienced internal auditor with terms of references (ToRs) acceptable to IDA;
- (v) Strengthening the existing FM capacity through the recruitment of an accountant; and training tailored to the FM team that will oversee the fiduciary aspects of PBCs; and
- (vi) Defining the coordination mechanisms between the PCU and other implementing entities, as well as clear deadlines and requirements for budget preparation, transfer of funds, and reporting, to update the FM procedures in the PIM.

Procurement

77. **Applicable procurement rules and procedures.** Procurement for the proposed project will be carried out in accordance with the procedures specified in the World Bank “Procurement Regulations for Investment Project Financing (IPF) Borrowers” (Procurement Regulations), dated July 2016, and revised on November 2017 and August 2018, and the World Bank’s Anti-Corruption Guidelines: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (dated October 15, 2006 and revised as of July 1, 2016), as well as the provisions stipulated in the Financing Agreement.

78. **All goods works and non-consulting services will be procured in accordance with the requirements set forth or referred to in Section VI. Approved Selection Methods:** Goods, Works and Non-Consulting

¹⁴ the MVTMC, the MNEPC through its PCU, MFPTDS, the MEPD, CNPT, ONAPE, FONAP, local NGOs, etc.



Services of the “Procurement Regulations,” and the consulting services will be procured in accordance with the requirements set forth or referred to in the Section VII. Approved Selection Methods: Consulting Services of the “Procurement Regulations”. The Procurement will also be guided by the Project Procurement Strategy for Development (PPSD) and Procurement Plan approved by the World Bank.

79. **National Procurement Arrangement.** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market, as specified in the Procurement Plan in Systematic Tracking and Exchanges in Procurement (STEP), the country’s own system may be used. When the Recipient uses its own national open competitive procurement arrangement as set forth in Public Procurement Code, such arrangements shall be subject to paragraph 5.4 of the procurement regulation and the followings conditions: (a) the procurement is open to eligible firms from any country; (b) the request for bids/request for proposals document will require that Bidders/Proposers submitting Bids/Proposals present signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank’s inspection and audit rights ; and (c) maintenance of records of the procurement process. When other national procurement arrangements other than national open competitive procurement arrangements are applied by the Recipient, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulation.

80. **Procurement Risk Assessment for the project.** A summary procurement risk assessment of the PARSET PCU was carried out by the World Bank and is rated as **High** prior to mitigation. The risks are associated with the current country procurement system, delays experienced in various World Bank-financed projects with approval of bids evaluation reports, possible delays in approval of contracts, and the experience of overall poor management of contracts. Thus, despite the fairly strong arrangements in place at the level of the PARSET PCU, due to existing weaknesses in the Chad’s national procurement system, the World Bank team recommends the following measures to ensure adequate implementation and reduce this risk to substantial:

- (i) the recruitment of a procurement specialist dedicated to the project to ensure the quality of project procurement;
- (ii) the training of the team in charge of procurement on the New Procurement Policy for IPFs, as this project is subject to the World Bank's new Procurement Framework; and
- (iii) the elaboration of a project implementation manual including procurement.

81. **Institutional Arrangements for Procurement.** As above, the PARSET’s PCU will be responsible for the implementation of all fiduciary activities comprising procurement and FM and capitalizes on the decade of experience of the PCU. An additional procurement specialist will be recruited specifically for this project, given limited staff within PARSET2, and the procurement challenges elaborated above. The PCU will work in close collaboration with the structures in charge of the procurement of the ministries and agencies benefiting from the project as well as the Public Procurement Committee (*Commission de Passation des Marche’s Publics*).

82. **Project Procurement Strategy for Development (PPSD) Summary.** A PPSD has been prepared to ensure that procurement activities are packaged to minimize the risk. From the analysis of the PPSD, it can be concluded that the national environment is favorable for the procurement of works, goods, and services necessary for the proper implementation of the project. It is able to meet the needs for acquisition of targeted goods and services that will be purchased according to the procedures. The local market is also



open to the sub-regional and international markets. Procurement of goods, non-consulting services, consulting services will be carried out in accordance with the " World Bank Procurement Regulations for IPF Borrowers", revised in November 2017 and August 2018, and the national regulations subject to the provisions of paragraph 5.4 of the said regulations. Provisions will be taken to minimize the risks associated with procurement, including through scrupulous compliance with the procurement provisions of the PIM. The procurement strategy developed will allow the procurement of goods and services in quality and time for the achievement of project objectives.

83. **Procurement Plan.** The Procurement Plan covering the first eighteen (18) months of the project implementation was approved prior to negotiations. Any updates of the Procurement Plan shall be thereafter submitted for World Bank approval. The Procurement Plan, including its updates, shall include for each contract (a) a brief description of the activities/contracts; (b) the selection methods to be applied; (c) the cost estimates; (d) time schedules; (e) the World Bank's review requirements; and (f) any other relevant procurement information. In accordance with paragraph 5.9 of the World Bank Regulations for IPF Borrowers, the Recipient shall use the World Bank's online procurement planning and tracking tools to prepare, clear and update its Procurement Plans and conduct all procurement transactions.

84. **PIM.** The PIM will define the project's internal organization and its implementation procedures, and will include, among others: (a) the procedures for calling for bids, selecting consultants, and awarding contracts; (b) the internal organization for supervision and control including operational guidelines defining the role of the executing agency and reporting requirements; and (c) disbursement procedures.

C. Safeguards

(i) Environmental Safeguards

85. **Environmental and Social Assessment Category and safeguard policies triggered:** The project triggers three safeguard policies: OP/BP 4.01(Environmental Assessment), OP/BP 4.11 (Physical Cultural Resources) and OP/BP 4.12 (Involuntary Resettlement). The project is Category B as the civil works under Component 1 are expected to generate potential social and environmental risks and negative impacts including creation of a new CFPT under Sub-component 1.1 and upgrading of *Lycees Techniques et Industriels* under Sub-Component 1.2. The negative impacts are expected to be moderate and mostly site specific. As Component 2 will also deal with training on agricultural entrepreneurship, the project will also have a focus on providing training on good agricultural practices.

86. **Framework approach:** The Borrower has prepared an Environmental and Social Management Framework (ESMF) for the project as specific locations of the project interventions have yet to be defined. The ESMF was publicly disclosed and provides procedures for handling "chance finds" (Physical Cultural Resources OP/BP 4.11) during implementation. The ESMF has been disclosed in country on May 14, 2019 and at the World Bank's Website on May 16, 2019.

87. **Institutional arrangements for implementing safeguards:** The PCU will have a qualified social safeguards specialist and a qualified environmental safeguard specialist, both with ToRs satisfactory to the World Bank. It is anticipated that the social safeguards specialist will have skills, competences, and prior exposure to gender and gender-based violence (GBV) issues and the environmental specialist will have skills,



competences, and prior exposure to operational health and safety guidelines. These two experts will have roles and responsibilities to ensure the project's compliance with the World Bank's social and environmental safeguards policies, including mitigation of GBV risks.

88. **Environmental and Social monitoring and reporting:** The PCU will lead the monitoring and oversee the implementation of environmental and social risks management, including the contractor's Environmental and Social Management Plans and genuine consultation of beneficiaries. With close collaboration with the focal points in the field (relevant decentralized ministries such as *the Direction des Evaluations Environnementales et de la Lutte Contre les Pollutions et les Nuisances* (Direction of Environmental Evaluations and of the Fight Against Pollution), the PCU will also ensure that environmental and social, and M&E reports are prepared and submitted in a timely manner. The PCU will work closely with the World Bank social and environmental safeguards specialists to ensure due diligence, compliance and capacity strengthening on safeguards. In addition, the World Bank's environmental safeguard specialists and social safeguard specialists will both provide further technical guidance to the PCU through proactive, regular supervision missions and in-field technical capacity strengthening of the environmental and social safeguard specialists. Other implementing partners, such as the contractors, will have social and environmental clauses in their contracts to ensure conformity with the environment and social policies triggered under the project.

(ii) Social Safeguards

89. The project is focused on improving skills and employment outcomes of Chadian youth, with an emphasis on improving the public TVET system, building overall capacity, improving the governance of TVET institutions, creating linkages with the private/entrepreneurial sector and improving M&E. It is not anticipated that project activities will require any land acquisition or physical resettlement; the new training facility will be built on land already managed or owned by the Government and the small scale civil works to rehabilitate secondary technical schools will be undertaken within existing schools. In order to provide guidance regarding any unforeseen impacts, a Resettlement Policy Framework (RPF) has been prepared and reviewed by the World Bank (in addition to the ESMF) and disclosed on May 14, 2019. If any negative impacts on other users are identified during project implementation, the Borrower will prepare a site-specific Resettlement Action Plan (RAP) as outlined in the RPF. The site-specific RAPs will be consulted with the project affected peoples, cleared by the World Bank and publicly disclosed both in-country and at the external World Bank's website prior to the physical start of civil works.

(iii) Grievance Redress Mechanisms

90. 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 to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (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.

V. KEY RISKS

91. **The overall risk rating is assessed as high as indicated in the systematic operations risk rating tool (SORT).** This is due to high risk ratings related to the macroeconomic context, technical design of the project, institutional capacity for implementation sustainability, and fiduciary risks. Furthermore, there are substantial risks related to political and governance, sector strategy, and engagement of stakeholders. These risks together constitute a high-risk rating overall and are elaborated below.

92. **Political and Governance. Substantial.** Political instability, vulnerability to terrorist attacks, security risks, and limited governance mechanisms are all substantial challenges. Close monitoring of project implementation, clear reporting arrangements, and third-party monitoring arrangements as well as compliance with all security procedures is required.

93. **Macroeconomic. High.** The macroeconomic environment in Chad is highly unstable and unpredictable and therefore assessed as high-risk. The environment is volatile and vulnerable due to the steep decline of oil prices, which have only just started to marginally recover. The World Bank is providing support through a Development Policy Operation (DPO) to support Chad's economic recovery. There is also a new three-year Extended Credit Facility (ECF) (P168606) to be approved in September 2019, which is meant to replace the existing IMF program and provide increased access to financing of 160 percent of quota. The consistency of the policy framework under the ECF program will help establish necessary conditions for the World Bank's proposed DPO to achieve its objectives. At the same time, the Government has shown strong commitment to fiscal consolidation and discipline where two thirds of the overall fiscal adjustment in 2015 and 2016 was achieved through consolidation and only one third through financing. The authorities continue with the implementation of austerity measures, the reduction of the non-oil primary deficit, the management of arrears and the strengthening of budget management. The Government has also announced the plan to reduce the burden of commercial debt through renegotiations of the oil collateralized loan with an international company, a central step towards stability. This volatile macroeconomic environment poses a risk to sustaining funding over the medium and long term to the sector, and specifically public TVET institutions.

94. **Sector Strategies and Policies. Substantial.** Sector strategies and policies are in various stages of development and approval. The current education strategy is the 2017-2019 *Plan Intérimaire de l'Éducation au Tchad* (Interim Education Plan for Chad, PIET), an interim plan which succeeded the previous 2013-2015 *Stratégie Intérimaire Pour l'Éducation et l'Alphabétisation 2013-2015* (Interim Strategy for Education and Literacy). In between these two interim plans, the MNEPC made an attempt to develop a long-term plan - the 2017-2026 *Plan Décennal de Développement de l'Éducation et de l'Alphabétisation* (Ten Year Plan for the Development of Education and Literacy) which was rejected by the education sector stakeholders as unrealistic because it used overly optimistic assumptions by maintaining high oil prices during the oil crisis. It is expected that a new 10-year plan will be devised before the expiration of the PIET. This education strategy will also be key to the development of the skills sector. On the other hand, the TVET sector does have a strong strategy, though still with challenges. The 2017 National Policy for Employment and



Professional Training (*Politique Nationale de l'Emploi et de la Formation Professionnelle*) is a credible strategy for employment and TVET which even has an action plan for the 2017-2021 period along with its budget. Unfortunately, the policy has yet to be adopted by the Government. The main roadblock for the adoption of this strategy is the high fragmentation of the TVET sector with too many actors having a stake and no clear leadership. There is also the 2014 *Stratégie Intérimaire Pour l'Enseignement Technique et de la Formation Professionnelle* (Interim Strategy for Technical and Vocational Training), which has never been endorsed despite once again being a credible strategy albeit interim. It is necessary to revisit these strategies and get them adopted by the Government as soon as possible. The lack of an agreed upon strategy or set of strategies is clearly a substantial risk for the project.

95. **Technical Design of Project or Program.** *High; Institutional Capacity for Implementation and Sustainability. High.* This is the first World Bank project focused on technical and vocational education and youth employment in Chad. Furthermore, there are many key stakeholders engaged in the sector and ministries and agencies with overlapping mandates and missions. Thus, the technical design of the project will necessitate coordination amongst several involved agencies, such as MNEPC, MVTMC, MESRI, MEPD, MFPDS, ONAPE, FONAP, and the National Council of Chad's Business owners (*Conseil National du Patronat Tchadien*, CNPT). Further, to be effective, there are interventions focused at multiple levels – internships, reform of the technical centers, and development of apprenticeship and entrepreneurship training in agriculture. While this multi-prong approach is essential to addressing the weakness of the stock of the youth, as well as the weak delivery of skills development programs, such an approach is inherently more complex than a singularly focused intervention on one discrete beneficiary group. Further, weak capacity and resource constraints for the implementing agency, and technical departments within the ministries may hamper timeliness of project implementation and constitute a risk. Turnover also tends to be high in ministries and posts can sometimes remain vacant for long periods of time. This will be partially mitigated by housing the project under the management of the basic education project PCU. Furthermore, continued capacity development will be critical to the implementation of the project recruitment of fiduciary, internal audit, and M&E staff as articulated in the dated covenants.

96. **Fiduciary.** *High.* A weak control environment with a high susceptibility of fraud and corruption, as well as procurement challenges, and low capacity of implementing entities at regional levels constitute a high fiduciary risk in Chad. A systemic risk in Chad is the low ceiling for procurement which can significantly delay project activities. Any contract above 10 million CFA francs (roughly US\$20,000) needs to go through the entire signature circuit which ends at the Presidency and includes the Ministry of Finance. Recent history shows that many projects have experienced significant implementation delays due to this systemic issue that task teams are cognizant of and have been working with the authorities to resolve. The many nodes in this circuit also increase the fiduciary risk of the project. The proposed FM arrangements for this project are considered adequate subject to the implementation of the mitigation measures and meet the minimum fiduciary requirements under World Bank Policy and Directive for Investment Project Financing.

97. **Stakeholders.** *Substantial.* As mentioned above, the sub-sector of technical and vocational education and skill development, suffers from severe fragmentation and a complex network of agencies that play some role in skills development provision, implementation, and policy development. To ensure effectiveness of the interventions, reform of the TVET sector is required, and will necessitate closer coordination amongst key agencies and ministries. Further, targeted beneficiary groups vary based on the intervention (i.e. lower skilled youth in apprenticeship programs, youth currently enrolled in technical



schools, and youth who educated and are pursuing internships). Stakeholder engagement therefore represents a substantial risk, as well thought out mechanisms to coordinate and share information across key involved agencies, and avenues to effectively inform youth and potential enterprises of opportunities are critical to the project's success.



VI. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Chad

CHAD Skills Development for Youth Employability Project

Project Development Objectives(s)

The project development objective (PDO) is to improve access to skills training and labor market outcomes for project beneficiaries, and strengthen the technical and vocational education and training (TVET) sector in Chad

Project Development Objective Indicators

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Improve access to skills training and labor market outcomes for project beneficiaries							
Total beneficiaries of job focused interventions (Number)		0.00	1,700.00	8,000.00	14,750.00	21,750.00	31,500.00
Percentage of female direct beneficiaries (Percentage)		4.00	5.00	8.00	12.00	20.00	30.00
Share of beneficiaries of skills development programs who are employed within 6 months of completion (Percentage)		0.00	15.00	20.00	35.00	55.00	70.00
Strengthen the technical and vocational education and training (TVET) system in Chad							
Number of CFPTs and TVET centers that have a functioning board of directors with private sector participation (Number)		0.00	2.00	4.00	8.00	10.00	10.00



Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 1: Expanding Access Skills through Improved Technical and Vocational Education							
Teachers recruited or trained (CRI, Number)		0.00	0.00	50.00	150.00	300.00	500.00
Number of teachers recruited (CRI, Number)		0.00	0.00	0.00	0.00	0.00	0.00
Teachers recruited or trained - Female (RMS requirement) (CRI, Number)		0.00	30.00	40.00	60.00	90.00	120.00
Number of teachers trained (CRI, Number)		0.00	0.00	50.00	150.00	300.00	500.00
Sub-component 1.1: Creation of a new CFPT and Expanded Opportunities through preexisting centers (Yes/No)		No					Yes
CFPT created, built and functional (Yes/No)		No	No	No	Yes	Yes	Yes
Number of students trained in CFPTs (Number)		1,120.00	1,200.00	1,500.00	2,000.00	2,800.00	4,000.00
Percentage of female trained (Number)		22.00	25.00	28.00	32.00	36.00	40.00
Number of Performance-based Contracts with training institutions (private and public) (Number)		0.00	0.00	1.00	3.00	5.00	6.00
Sub-component 1.2: Rehabilitation and upgrading of Lycées Industriels et		0.00	0.00	1.00	2.00	3.00	4.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Techniques (Number)							
Number of Lycées Industriels et Techniques rehabilitated and upgraded (Number)	0.00	2.00	2.00	4.00	4.00	4.00	4.00
Number of Performance-based Contracts with Lycées Industriels et Techniques (public and private) (Number)	0.00	0.00	1.00	2.00	3.00	4.00	4.00
Number of Students trained (Number)	1,140.00	1,200.00	1,500.00	2,800.00	4,200.00	6,200.00	6,200.00
Percentage of female trained (Number)	4.00	5.00	8.00	12.00	20.00	30.00	30.00
Component 2: Employment Support for Youth and Improved Entrepreneurship Opportunities							
Sub-component 2.1: Internships for Improved School-to-Work Transition (Number)	0.00						0.00
Number of youth enrolled in internship programs (Number)	0.00	600.00	1,500.00	2,700.00	4,300.00	6,000.00	6,000.00
Share of female beneficiaries of internship programs (Number)	0.00	5.00	8.00	12.00	20.00	30.00	30.00
Number of enterprises accepting internships (Number)	0.00	0.00	5.00	10.00	20.00	30.00	30.00
Sub-component 2.2: Expanding Opportunities for Apprenticeships (Number)	0.00						0.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Number of young benefiting from apprenticeship (by gender) (Number)		0.00	200.00	1,000.00	2,500.00	4,750.00	7,500.00
Percentage of girls (Percentage)		0.00	5.00	8.00	15.00	22.00	30.00
Sub-component 2.3: Development of Agricultural Entrepreneurship (Number)		0.00					0.00
Number of youth trained on entrepreneurship in rural areas (gender) (Number)		0.00	500.00	1,200.00	2,700.00	5,200.00	8,000.00
Share of female beneficiaries of agricultural entrepreneurship (Number)		0.00	5.00	8.00	12.00	20.00	30.00
Component 3: Improving TVET System Governance and Institutional Capacity Building							
New Strategy for TVET validated / New strategy of employment validated (Yes/No)		No	Yes	Yes	Yes	Yes	Yes
Reform of public TVET institutions financial autonomy validated and enacted (Yes/No)		No	No	Yes	Yes	Yes	Yes
Component 4: Project Management and Monitoring and Evaluation							
Impact Studies (Yes/No)		No	No	Yes	No	Yes	Yes
Citizen engagement - Beneficiary surveys complete (Number)		0.00	0.00	1.00	1.00	2.00	2.00
Number of grievances received, addressed, and resolved with a feedback to complainants (Number)		0.00	10.00	25.00	75.00	150.00	250.00



Indicator Name	DLI	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Number of youth registered in ONAPE's web-based system for job and internship search (Number)		0.00	0.00	200.00	1,500.00	3,000.00	5,000.00
Number of private firms posting jobs and internships opportunities in ONAPE's web-based dataset/system (Number)		0.00	0.00	10.00	25.00	50.00	80.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Total beneficiaries of job focused interventions	Total of number beneficiaries include (i) students in the CFTP and LETIN, (ii) youth in the internship, apprenticeship, or entrepreneurship programs, (iii) TVET institutions directors, teachers, and staff, and (iv) persons working in the directorates and agencies supported by the project.	Yearly	Activity reports and surveys	Reports from all project's stakeholders	MVTMC / MNEPC / PCU / FONAP / ONAPE / CNPT



Percentage of female direct beneficiaries	Total number of female beneficiaries divided by the total number of beneficiaries	Yearly	Activity reports and surveys	Reports from all project's stakeholders	MVTMC / MNEPC / PCU / FONAP / ONAPE / CNPT
Share of beneficiaries of skills development programs who are employed within 6 months of completion	Share of beneficiaries from the CFTPs, TVET centers, apprenticeship, internship, or entrepreneurship program supported by the project who are working, either a wage job or self-employed, within 6 months after completion	Yearly	Beneficiary survey, tracer surveys, impact evaluation	Surveys of beneficiaries as well as tracer surveys will be carried out to monitor the trajectories of the project beneficiaries. The surveys will be commissioned by the PCU as well as the ONAPE, or FONAP.	PCU, ONAPE, FONAP
Number of CFPTs and TVET centers that have a functioning board of directors with private sector participation	Total of number CFTPs and TVET centers that have signed with MNPC or MVTMC a performance-based contract and also have set up a board of directors that has met at least once and produced a minutes of meetings	Yearly	PCU / MNEPC / MVTMC / CNPT	Collect the signed PBCs and signed minutes of boards of directors meetings	MVTMC / MNEPC / PARSET2 / CNPT



Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Teachers recruited or trained		Yearly	TVET and CFPT yearly statistical yearbooks	Collect the statistical yearbook and PBC reports from the verifiers	MVTMC / MNEPC / PCU / CNPT
Number of teachers recruited					
Teachers recruited or trained - Female (RMS requirement)		Yearly	TVET, CFPTs, and Ministry reports.	Collecting activity reports	PCU
Number of teachers trained		Yearly	TVET schools and CFPTs	Statistical yearbooks	PCU
Sub-component 1.1: Creation of a new CFPT and Expanded Opportunities through preexisting centers					
CFPT created, built and functional	A new CFPT creates, builds and functioning	Once	Acceptance report	On site visit of the CFPT	MVTMC
Number of students trained in CFPTs	Total number of students trained in CFPTs (split by gender)	Yearly	MFPPM statistical yearbook	Census of enrollees in the country's CFTPs	MFPPM - Direction de la formation Professionnelle et de l'apprentissage; Fonction publique - Direction de la FOP; ENSET SARH



Percentage of female trained	Total number of students trained (split by gender)	Yearly	Training report	Number of girls trained in the CFPT	MVTMC- Direction de la formation Professionnelle et de l'apprentissage; Fonction Publique - Direction de la FOP; ENSET SARH
Number of Performance-based Contracts with training institutions (private and public)	Total number of PBC signed between Training Institutions and MVTMC	Yearly	PBC signed	Collection of all PBC signed	MVTMC; MFPDS, PCU
Sub-component 1.2: Rehabilitation and upgrading of Lycées Industriels et Techniques	Number of CETIN and LETIN rehabilitated and upgraded	Yearly	PCU's engineer's reports	Analysis carried out by the PU's engineer	PCU
Number of Lycées Industriels et Techniques rehabilitated and upgraded	Total number of Lycées Industriels et Techniques rehabilitated and upgraded	Yearly	PCU engineer reports	PCU engineer reports	MNEPC/Direction de l'Enseignement Technique
Number of Performance-based Contracts with Lycées Industriels et Techniques (public and private)	Total number of PBC signed between Training institutions and the Ministry of Technical Education	Yearly	PBC signed	Collection of signed PBCs with the TVET schools	MENPC / Direction de l'Enseignement Technique; PCU; Independent Verifiers
Number of Students trained	Total number of students trained (split by gender)	Yearly	TVET schools statistical yearbooks	Collection of the statistical yearbooks	MNEPC/Direction de la Formation des enseignants; PCU; Independent verifiers
Percentage of female trained	Total number of students trained (split by gender)	Yearly	Statistical yearbooks (enrollment section)	Collection of the statistical yearbooks	MNEPC / Direction de la Formation des enseignants ; PCU;



					Independent verifiers
Sub-component 2.1: Internships for Improved School-to-Work Transition					
Number of youth enrolled in internship programs	Total number of young (16-29) benefiting the internships (split by gender)	Yearly	Activity report	ONAPE reports and website	ONAPE and PCU from CNTP / Universities / TVET Schools / CFPTs
Share of female beneficiaries of internship programs	Young females benefiting from internships as a share of total number of young (16-29)	Yearly	Activity report	From reports	ONAPE and PCU from CNTP /Universities / MENPC / MFPPM / TVET Schools / CFPTs
Number of enterprises accepting internships	Number of private sector firms that accept students for internships	Yearly	ONAPE yearly reports	ONAPE's data on students placement on internships	ONAPE and PCU from CNTP / Universities / TVET Schools / CFPTs
Sub-component 2.2: Expanding Opportunities for Apprenticeships					
Number of young benefiting from apprenticeship (by gender)	Total number of young (15-35) benefiting from apprenticeship	Yearly	FONAP reports	FONAP's survey of beneficiaries and M&E system	FONAP and PCU from CNPT / CCIAMA / Organisation Professionnelle
Percentage of girls	Number of 15-35 youth benefitting from apprenticeship programs	Yearly	FONAP survey	Surveys of project beneficiaries	FONAP and PCU
Sub-component 2.3: Development of Agricultural Entrepreneurship					
Number of youth trained on entrepreneurship in rural areas (gender)	Total number of young trained in entrepreneurship in the rural area	Yearly	Activity report	FONAP surveys	FONAP and PCU



Share of female beneficiaries of agricultural entrepreneurship	Percentage of female beneficiary as a share of total number of beneficiaries.	Yearly	ONAPE yearly reports,	ONAPE surveys of beneficiaries	ONAPE and PCU
New Strategy for TVET validated / New strategy of employment validated	New Strategy for TVET validated by the council of ministry	Once	Legal document showing adopted strategy	Collecting the new strategy from government	MVTMC / MNEPC
Reform of public TVET institutions financial autonomy validated and enacted	Reforms of the public TVET sector especially on the financial autonomy of TVET schools (LETINs and CFPTs) enacted	Once	Legislation	Collecting enacted laws	MVTMC / MNEPC
Impact Studies	Carrying out impact evaluation studies especially of socio-emotional skills on labor market outcomes with a gender focus	Twice	Impact evaluation reports	Surveys of beneficiaries	OBSEF, FONAP, ONAPE, PCU
Citizen engagement - Beneficiary surveys complete	Beneficiary survey done to gauge the perception of the project beneficiaries and their communities on the impact of the project	Annually	PCU	Activity reports, ISR	PARSET2 / PCU
Number of grievances received, addressed, and resolved with a feedback to complainants	Number of complaints captured by the GRM and through beneficiary surveys that are properly addressed and resolved	Yearly	Two major beneficiary surveys will be carried out and in addition a permanent	Surveys	PCU



			GRM will be installed in the relevant Project sites to gauge beneficiaries' satisfaction as well as record their complaints		
Number of youth registered in ONAPE's web-based system for job and internship search	Number of youth who have accessed and successfully registered in ONAPE's web-based training and job search database/system to match demand and supply	Annually	ONAPE website	Running statistics on ONAPE's website	ONAPE / PCU
Number of private firms posting jobs and internships opportunities in ONAPE's web-based dataset/system	Number of firms in the private sector that post internship and job opportunities in ONAPE's website	Annually	ONAPE	Running statistics on ONAPE's website	ONAPE / PCU



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Chad

CHAD Skills Development for Youth Employment and Competitiveness Project

Project Institutional and Implementation Arrangements

- Guiding Principle.** The implementation arrangements of the project will be guided by an effective partnership between the Government and the partners, transparency in the use of resources, and accountability at all levels. Moreover, by designating component focal points within government structures, in parallel with the process during project preparation with the national project preparation team, the project aims to strengthen ownership and build capacity in technical areas as well as in overall project management, including budgeting, FM, procurement and environment and social safeguards issues.
- Effective partnership** is crucial to maximize the effectiveness of interventions envisaged by the NDP and supported by the project. There is already an institutional setting, the LEG, that will facilitate coordination of the donors' support. Building on the existing framework, the project aims to ensure donor coordination and avoid duplication. It will be important that the donor community maintains and enhances this collaborative mechanism to sustain a constructive and effective dialogue with the Government towards the successful implementation of the NDP's skills development agenda.
- Transparency in the use of resources.** The project will fully comply with the World Bank fiduciary rules to prevent deviation from the intended use of available resources. The project will follow clear procurement, FM and disbursement procedures with transparency and accountability. The Project Implementation Manual will be developed to set out the rules and procedures of project execution by all levels of the administration. The Government has also committed to sanction all misuse of funds, including non-competitive bidding practices, and will alert the implementation agencies of any irregularities.
- Accountability.** The decentralization and current fragmentation of the skills development sector in terms of management, financing, and service delivery require a high level of awareness of accountability at all levels of the system, from the ministries, through the agencies, down to the CFPT and TVET schools or other training providers. Each actor responsible for project implementation, at all levels throughout the system must assume full responsibility for their assigned activities and be accountable for the use of resources to achieve the desired results. To ensure accountability a change in management practices is required especially with the introduction of PBCs.
- The project will be implemented by the MNEPC with technical support from MVTMC, MFPDS and two main agencies ONAPE and FONAP.
- Steering Committee (SC).** A system-wide SC will be established to provide guidance to the project on an annual basis. The representative of the MVTMC will be the President of the SC and the representative of the MNEPC will assume the Vice-Presidency. The SC will have representatives of MEPD, the MESRI, the MFB, the MFPTDS, the MPJSE, and the MPIEA. It should also include representatives of civil society and private sector.



7. **The SC could also include, as observers,** representatives of (i) public TVET training centers; (ii) private training providers; (iii) NGOs implementing the agricultural entrepreneurship Sub-component 2.3; (iv) the civil society; (v) teachers' unions; and (vi) the private sector. The PARSET2 Coordinator will assume SC secretarial duty.

8. **Role of the SC.** The PCU will report to the SC with annual progress reports. The SC will provide strategic guidance to the implementation partners and approve annual action plans and budgets. The SC will also be convened by its president if a coordinated intervention is required to resolve bottlenecks impeding project implementation. External stakeholders may also be requested to attend these meetings, when needed. The SC will meet by September 30 of each year (except the first), to ensure that its decisions are reflected in the annual action plan and budget of the following year. The first meeting of the SC will take place exceptionally in April 2020. In the first two years of the project implementation, the SC may meet more frequently.

Project coordination and management.

9. **The MNEPC and MVTMC will be the agencies responsible for project implementation, and the DEST and MVTMC-DFPA will be coordinating the technical preparation and implementation of all project activities.** On behalf of the Ministers, the DEST and DFPA will be responsible for alerting the relevant decision-makers of implementation challenges and sources of delays, so that solutions can be found promptly. The DEST and General Directorate of the Ministry (*Direction Générale du Ministère, DGM*) will provide technical input to PARSET2 for its quarterly progress reports.

10. **The PCU will be responsible for daily project coordination, as well as the administration of the financing: procurement, FM, disbursement, monitoring, reporting and evaluation, environmental and social safeguards, and social inclusion.** As such, the PCU will be responsible for (i) coordinating project interventions and ensuring that the project complies throughout with the financing agreement; (ii) preparing annual action plans and budget, for approval by the; (iii) supervising project activities and alerting decision-makers of issues impeding project implementation to identify remedial actions; (iv) delivering quarterly progress reports; and (v) facilitating audits, organizing missions and events necessary for the implementation and supervision of the project.

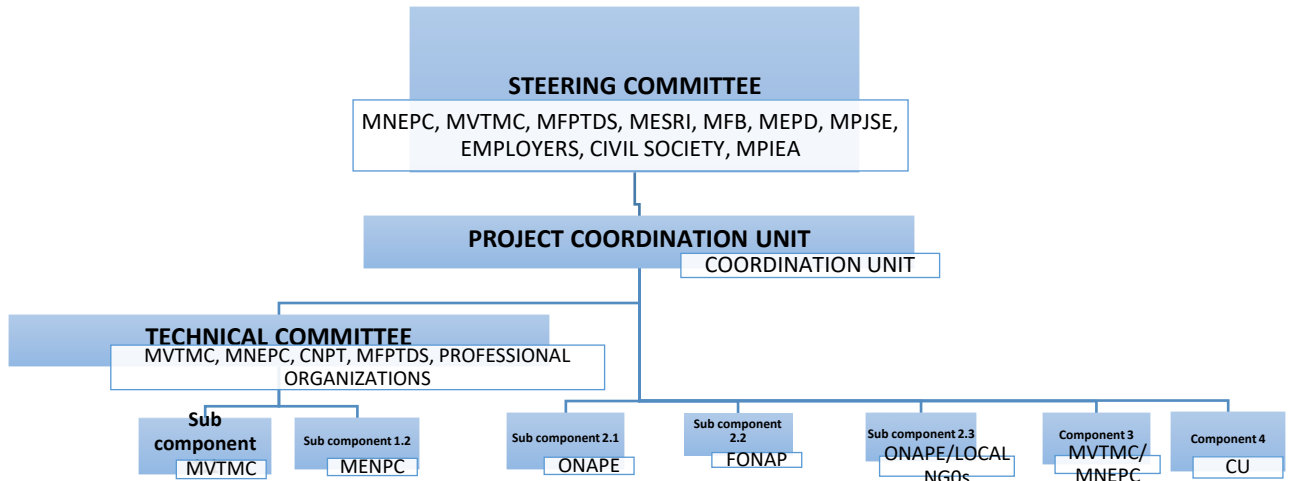
11. It will consist of a qualified project coordinator, procurement specialist, FM specialist, and M&E specialist. In addition, the PCU will be responsible for recruiting full-time social and environmental safeguards specialists to ensure that the environmental and social safeguards requirements are met, as well as an internal auditor and accountant. Within six months of effectiveness the PCU will be required to hire a civil works engineer who will help oversee the CFPT construction and the rehabilitation program of the *lycées* and *collèges d'enseignement technique et industriel*.

12. **Management of Multi-Year Performance-Based Contracts.** A small team dedicated to the management of PBCs will be appointed under the direct supervision of PARSET2's FM specialist. They will be responsible for verifying and validating the eligibility of the expenditures included in the PBCs and supervise the implementation of activities and use of funds. The technical unit will be hosted in the MVTMC.

13. Implementation agencies for each component is described in the following chart:



Figure 1.1 Implementation Arrangements



Component 1: Expanding skills development through improved access to and quality of technical and vocational education

1. A Technical Committee will be established within one month of the effectiveness date and will be responsible for reviewing and validating the PBCs. The Technical Committee will be chaired by a representative of the and will be comprised of representatives of the NEPC, private sector, and technical experts.
2. The PBF Manual for the PBCs will be a condition of effectiveness.

Component 2: Employment support for youth and improved entrepreneurship opportunities

3. The implementation of this component will be articulated around the following main entities: (i) ONAPE; and (ii) local NGOs. The proposed institutional arrangements to be put in place for the second component of the project will give the central role to ONAPE and FONAP as technical implementers.
4. The role of these stakeholders in the context of the implementation of the second component of the project is detailed below.

Sub-component 2.2: Expanding Opportunities for Apprenticeships

5. The PCU will have the fiduciary responsibility of managing the grants.
6. Stakeholders responsibilities for components implementation are summarized as follows:



Table 1.1. Role of Directorates and Agencies for Project Implementation by Component

Component/Sub-Component	Lead Implementing Entity
Component 1: Expanding Skills Development through Improved Technical and Vocational Education	
Sub-component 1.1: Creation of new CFPTs and Expanded Opportunities through preexisting centers	<u>MVTMC-DFPA</u> , CNPT
Sub-component 1.2: Rehabilitation and upgrading of <i>Lycées Techniques et Industriels</i>	<u>MNEPC-DEST</u> , CNPT
Component 2: Employment support for Youth and Improved Entrepreneurship Opportunites	
Sub-component 2.1: Internships for improved school-to-work transition	<u>ONAPE</u> , DEST, MVTMC, MESRI, CNPT
Sub-component 2.2: Expanding Opportunities for Apprenticeships (a) Apprenticeships with training providers (b) Apprenticeships with master craftsmen	<u>FONAP</u>
Sub-component 2.3: Development of Agricultural Entrepreneurship	<u>ONAPE</u> , Local NGOs
Component 3: Improving TVET System Governance and Institutional Capacity Building	<u>MNEPC</u> , <u>MVTMC</u> , MESRI, MFPDS, MJSPE, <u>ONAPE</u> , <u>FONAP</u>
Component 4: Project Management and Monitoring and Evaluation	<u>PCU</u>

Note: The entity that is in bold and underlined is the lead entity and will convene the necessary coordination meetings with all other entities regarding project activities.

Planning, monitoring and reporting

7. **Progress Reports.** The PCU will send to the World Bank quarterly progress reports, within 45 days following the end of the calendar quarter. A sample report will be included in the PIM
8. **Validation of the Actual Action Plan, Budget, and annual Progress Report.** With input from all implementing entities, the PCU will prepare a budgeted annual action plan, to be discussed and validated during the Project SC annual review, scheduled by the end of September of each year. The process will be detailed, and sample reports will be included in the PIM.
9. **Annual reviews.** An annual review including all stakeholders and the development partners will be organized by the end of November of each year. This review will be the opportunity to review the annual progress report, as well as the following year’s action plan and budget, and to discuss successes, bottlenecks and recommendations for the future. During these reviews, the MNEPC, MVTMC, and other ministries’ officials will also provide updates on the status of the education sector, including information regarding the start of the school year (enrollments, recruitments, trainings, and so on). Each functional/central directorate will present its results, and each regional directorate will do the same. More detailed guidance and samples will be included in the PIM.



10. **A mid-term review will take place two years after the launch of the project.** It will be the opportunity to identify challenges or new priorities, and to reorient the project accordingly.

Financial Management and Disbursements

Country Issues

11. The Government of Chad has demonstrated over the past years its willingness to maintain strong building blocks in public financial management (PFM) with a sound and regular dialog with development partners to support the implementation of PFM reforms in the Country. With the support of the international community, the Government of Chad has undertaken a series of PFM reforms since 2012. Internal control rules and procedures have been strengthened for processing and recording transactions, and procedures have been computerized with the implementation of various revenue and expenditure management systems (CID, SYDONIA, SYSTAS, SYGADE, SIGASPE). Recently, many projects and programs funded by development partners (including the IDA-financed Domestic Resources Mobilization and Management Project (P164529) which became effective in December 2018) support the Government of Chad in its effort to modernize the current PFM system in order to improve the efficiency of collection and use of public resources, strengthen the budget preparation process and accelerate the availability to the public of budgetary information.

12. Although there is reason for cautious optimism, it will take time for these reforms to yield substantial improvements in the management of public resources. Various assessments confirmed the need for additional improvements and efforts to (i) develop mechanisms and instruments to link strategic priorities to the annual budget process; (ii) limit the use of emergency spending procedures (extra budgetary expenditure); (iii) improve the quality and timeliness of budget execution reports; and (vi) continue to grant support to the Court of Accounts to properly fulfill its mission.

13. As a result, given its poor performance in financial governance, which generates a high fiduciary risk, it is not possible to use the national public finance management system to implement projects and programs financed with external resources. The overall country fiduciary risk is considered **high**. The World Bank cannot thus, at this period in time rely 100 percent on the public expenditure framework for the purpose of the proposed project. To this end, it has been agreed that a ring-fenced financing mechanism will be used and that the PCU of the MNEPC will be responsible for the FM of the proposed project.

FM Implementation arrangements

14. The proposed project will be implemented by the PCU of the MNEPC. The PCU is currently implementing the IDA-funded Chad Education Sector Reform Project Phase 2 (PARSET 2) [P132617 – US\$65 million]. It will also be responsible for the FM, M&E and overall coordination of the proposed Project.



Table 1.2 Risk Analysis and Proposed Mitigation Measures

Risk	Risk Rating before mitigation	Risk Mitigating Measures Incorporated into Project Design	Residual Risk Rating	Conditions for Effectiveness (Y/N)?
<i>Inherent Risk</i>				
<p>Country Level PFM system is weakened by several key problems in the area of FM and control.</p>	H	<p>Project’s transactions will not use the country’s budgeting or expenditure execution procedures. The PCU will have the overall FM responsibility for the new project. It will be required to maintain a strong FM system; the project financial statements will be audited by external auditors.</p>	H	N
<p>Entity Level Legal and institutional framework does not support independent functioning of the entity nor is there adequate legislative oversight.</p>	S	<p>Any changes in implementation arrangements will have to be agreed with IDA. Changes to the structure and staffing of the PCU affecting the project implementation arrangements will be monitored by IDA. A SC will be established. It will provide strategic guidance and oversight.</p>	S	N
<p>Project Level Complex project and/or no previous experience in project implementation:</p> <ul style="list-style-type: none"> - Although the PCU has experience in coordinating World Bank-financed projects, shortcomings were identified in the past and managing a new project poses additional risks. These shortcomings and additional risks may jeopardize the project’s performance if the PCU is not properly strengthened. - The lack of prior experience in the implementation and monitoring of PBCs by the participating entities increases the fiduciary risk of the proposed project. 	H	<p>The PCU is currently implementing the IDA-funded PARSET 2 (P132617). The FM performance of PARSET 2 was rated Moderately Satisfactory during the last assessment. Measures to address the identified deficiencies have been proposed, but only partially implemented.</p> <p>A capacity assessment of the various entities that will participate in the implementation, M&E of PBCs will be performed. Mitigating measures will be proposed and implemented by the various entities prior to the effective implementation of PBCs;</p>	H	N
Inherent risk	H		H	
<i>Control Risk</i>				
<p>Budgeting Delays in the preparing and approval of the yearly budget as well as inappropriate monitoring of budget execution resulting in delay in achieving project’s objectives.</p>	H	<p>The PCU will be required to follow strict budget procedures and timeline as per the PIM. It will ensure that the annual work program and budget is realistic and in line with the procurement plan to prevent any delays that could be caused by the procurement process requirements.</p>	S	N



Risk	Risk Rating before mitigation	Risk Mitigating Measures Incorporated into Project Design	Residual Risk Rating	Conditions for Effectiveness (Y/N)?
		The PCU will track budget variances and take proactive actions.		
<p>Accounting Accounting policies, procedures and standards are not properly documented, and the accounting function is inadequately staffed.</p>	S	<p>Staffing:</p> <ul style="list-style-type: none"> - In addition to the existing team (FM specialist and accountant), a second accountant who will be dedicated to the proposed project will be hired. - The FM team will receive further training in the FM of projects and programs involving PBCs. <p>Accounting Procedures</p> <ul style="list-style-type: none"> - The FM Procedures Manual currently being used under PARSET 2 (P132617) will be updated to fit the new project needs. - Accounting policies, procedures and standards will be documented in the PIM. - The project will maintain separate books of accounts. 	S	N
<p>Internal Control Risk that some internal control procedures may not be observed by the project staff.</p> <p>Also, project requires implementation across different ministries and entities, thus requiring specific coordination mechanisms, which if not fully in place may cause delays.</p> <p>Internal Audit Absence of an internal auditor or internal auditor who's not qualified.</p>	H	<p>The updated PIM will describe the role and responsibilities of the implementing entities and the beneficiaries; coordination mechanisms between the PCU and other implementing entities; applicable fiduciary procedures; reporting procedures, funds flow arrangements and budget management cycle and procedures ...etc.</p> <p>Prior to project effectiveness, a qualified and experienced internal auditor will be hired with ToR acceptable to IDA. The internal auditor will develop an annual audit plan using a risk-based approach and will support the project implementation by closely monitoring the PCU internal control system.</p>	H	Y
<p>Funds flow Fund flow arrangement are complex and no proper guidelines have been issued.</p>	H	<p>Fund flow arrangements will be documented in the PIM.</p> <p>The PCU will open a segregated Designated Account (DA) in a commercial bank on terms and conditions acceptable to the World Bank.</p>	S	N



Risk	Risk Rating before mitigation	Risk Mitigating Measures Incorporated into Project Design	Residual Risk Rating	Conditions for Effectiveness (Y/N)?
Financial Reporting The project may not be able to produce periodic reports to enable the monitoring and effective management of the project.	S	The World Bank and the MNEPC will agree on the format and content of the IFR to be used for the project. Reporting arrangements and deadlines for reporting will be documented in the PBF Manual and the FM Procedures in the PIM.	S	N Y
Auditing Inadequate institutional arrangements in place for external audit	S	An independent external auditor (financial audit) and an Independent Verification Agent (technical verification) with ToRs acceptable to IDA will be recruited. The independent external auditor will be hired within six (6) months of project effectiveness, and the Independent verification agent before effectiveness.	S	N
Control Risk	H		S	
Total Project FM Risk	H		S	

H – High S – Substantial M – Modest L – Low

15. The overall residual FM risk is considered **Substantial**. Risk mitigating measures that have been incorporated into project design are documented in the table above. The FM conditions and covenants deriving from the risk mitigating measures are the following:

Table 1.3 Action Plan

FM Conditions and FM covenants

No	Action	Due Date	Responsible
1	Elaborate and adopt a PIM that includes FM Procedures and a PBF Manual in form and content satisfactory to the Association.	By effectiveness	Ministry/the PCU
2	Recruit qualified and experienced internal auditor and accountant with ToRs acceptable to IDA.	By effectiveness	Ministry/the PCU
3	Recruit an Independent Verification Agent (firm) with terms of reference, qualifications and experience satisfactory to IDA.	Disbursement Condition	Ministry/the PCU
4	Recruit a qualified and independent external auditor with ToRs satisfactory to the World Bank.	Not later than six (6) months after effectiveness.	Ministry/the PCU



Additional FM covenants

16. The following financial covenants will also be applicable for the project:
- a) The Borrower will maintain a FM system acceptable to IDA;
 - b) The Borrower will prepare semi-annual project management-oriented unaudited IFRs incorporating financial information, procurement monitoring and physical progress information, and submit them to IDA within forty-five (45) days after each calendar semester-end;
 - c) The project's financial statements, withdrawal applications, DA will be audited by independent auditors acceptable to IDA and on ToR acceptable to IDA; the annual audited financial statements and audit reports will be provided to IDA within six (6) months of the end of each fiscal year.

Budgeting Arrangements:

17. Project's transactions will not use the country's budgeting or expenditure execution procedures. The budgeting process will be clearly defined in the PIM, and the budget will be reviewed and adopted by the project's SC before the beginning of the year i.e. no later than November 30th of each year. Annual budgets adopted by the SC will be submitted to the World Bank's non-objection before implementation.
18. Budgets will be regularly monitored at all levels by the PCU. The approved annual budget will be monitored against actual expenditures at least quarterly. Budget variances will be adequately explained and justified through semi-annual IFRs.

Accounting Arrangements

19. **Accounting policies and procedures.** The current accounting standards in use in West and Central African Francophone countries for on-going World Bank-financed projects will be applicable. SYSCOHADA is the assigned accounting system in West and Central African Francophone countries. Project accounts will be maintained on an accrual basis, supported with appropriate records and procedures to track commitments and to safeguard assets. Annual financial statements will be prepared by the PCU in accordance with the SYSCOHADA and World Bank requirements. Accounting and control procedures will be documented in the Project Implementation Manual.
20. **FM manuals.** The PCU uses a Procedures Manual for the World Bank financed PARSET 2 (P132617). This manual is to be updated and adapted into a PIM for the new project. The PIM will be adopted before the project effectiveness.
21. **Accounting staff.** The current financial and accounting team consists of a FM specialist and an accountant dedicated to PARSET 2. A second qualified and experienced accountant who will be dedicated to the proposed project will be hired. Further training relating to the FM and monitoring of projects and programs involving PBC will be designed and provided to the team.
22. **Accounting software.** The PCU is currently using TOM2PRO Accounting Software for PARSET 2 (P132617). This is a multi-project Accounting Software that will be able to accommodate the new project. The PCU will therefore be able to record transactions and report project operations in a timely manner,



including preparation of withdrawal applications and periodic financial reports (IFRs and annual financial statements).

Internal Control and Internal Audit Arrangements

23. **Internal Control Systems.** Internal control comprises the whole system of control, financial or otherwise, established by management to (a) carry out the project activities in an orderly and efficient manner; (b) ensure adherence to policies and procedures; (c) ensure maintenance of complete and accurate accounting records; and (d) Safeguard the assets of the project.

24. Under the World Bank financed PARSET 2 (P132617), the PCU has designed an adequate internal control system which will be used for this proposed project. Although some deficiencies in implementation exist, there is segregation of duties where by: (i) authorization to execute transaction, recording of the transaction and custody of assets involved in the transaction are performed by different people; and (ii) ordering, receiving, accounting for and paying for goods and services are appropriately segregated. The existing Procedures Manual will also be updated into a PIM to fit the new project needs.

25. The PIM will document the FM and disbursement arrangements including internal controls, budget process, assets safeguards, and clarify roles and responsibilities of all the stakeholders in relation to the new project as well as the coordination mechanisms between the PCUs and the various implementing entities.

26. **Internal audit.** A qualified and experienced Internal Auditor will be hired with the Project funds, with ToR acceptable to IDA. She/he will develop an annual audit plan using a risk-based approach and will closely monitor the implementation of recommended actions to address weaknesses in internal controls revealed during his/her own internal audit missions, World Bank’s supervisions and external audit missions.

Disbursements

Disbursement by Category

27. Once the credit becomes effective, transaction-based disbursements will be used. The project will finance 100 percent of eligible expenditures inclusive of taxes. A DA will be opened at the United Bank for Africa (UBA).

Table 1.4 Eligible Expenditures

Category	Amount US\$	Amount SDR	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants’ services, training, and operating costs for the project (except for Part A.1.(b), Part A.2.(a); Part B.1.(b), and Part B.2.(a) of the project).	US\$24,610,000	16,378,000	100 percent



(2) Performance-based payments under Parts A.1(b) and A.2(a) of the project respectively.	US\$10,900,000	7,870,000	100 percent of amounts disbursed, payable under the respective PBF payment
(3) Internship payments under Part B.1(b) of the project.	US\$7,500,00	5,415,000	100 percent of amounts disbursed, payable under the respective internship payment
(4) Apprenticeship payments under Part B.2(a) of the project.	US\$6,700,000	4,837,000	100 percent of amounts disbursed, payable under the respective apprenticeship payment
(5) Refund of Project Preparation Advance	US\$2,290,000	1,600,000	Amount payable pursuant to Section 2.07(a) of the General Conditions
TOTAL	US\$50,000,000	SDR 36,100,000	

28. **Disbursements arrangements.** The disbursement methods that will be used under this project will be based on the Disbursement Guidelines for Investment Project Financing, dated February 2017. Precisely, the following four methods will be used: (a) an initial advance into the DA to finance eligible expenditures as they are incurred; (b) direct payments to a third party for works, goods and services upon the Borrower’s request; (c) reimbursements for expenditures incurred under the project; and (d) special commitment issuance. Further details about disbursements to the project will be included in the disbursement procedures described in the Disbursement and Financial Information Letter (DFIL) and the PIM.

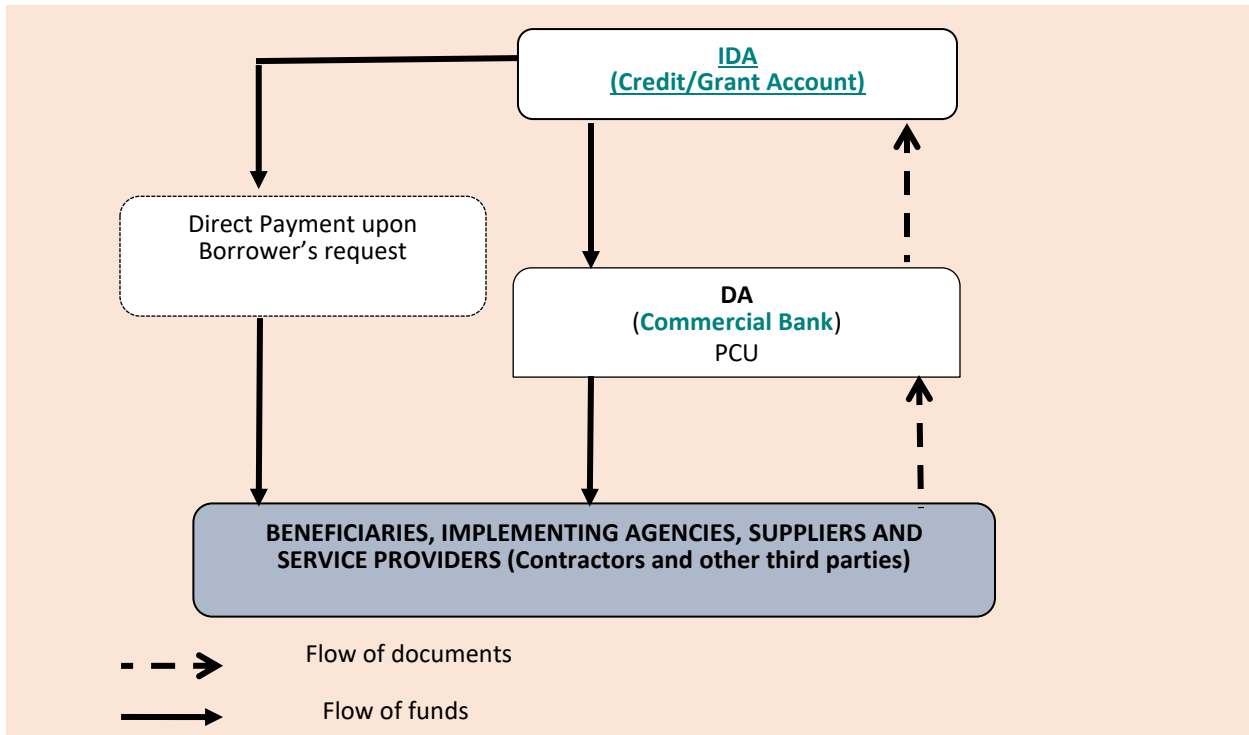
29. **Banking arrangements.** As the coordinating agency of the project, the PCU will maintain the project DA. The Segregated DA denominated in Central African CFA franc (XAF) will be opened in a commercial bank on terms and conditions acceptable to IDA. The project’s DA will function under the co-signature of the project Coordinator and the FM specialist of the PCU. If ineligible expenditures are found to have been made from the DA, the Borrower will be obligated to refund the same. If the DA remains inactive for more than six (6) months, the Borrower may be requested to refund to IDA amounts advanced to the DA. IDA will have the right, as reflected in the Financing Agreement, to suspend disbursement of Funds if reporting requirements are not complied with.

30. **Flow of funds arrangements.** Funds flow arrangements for the project (through the DA above) are as follows:

- a) IDA will make an initial advance disbursement into the DA for the project being implemented by the PCU in Central African CFA franc (XAF) upon receiving a withdrawal application from the Borrower.
- b) Replenishment of funds from IDA to the DA will be made upon evidence of satisfactory utilization of the advance, reflected in Statement of Expenses (SOE). Replenishment applications will be required to be submitted **monthly**. Further details about disbursements to the project will be included in the disbursement procedures described in the DFIL.



Figure 1.2 Proposed Flow of Funds



Financial Reporting Arrangements

31. For this project, the PCU will prepare semi-annual unaudited IFRs. These will be submitted to the World Bank within forty-five (45) days of the end of the semester. The format and the content, consistent with the World Bank’s standards, will be agreed between the World Bank and the Borrower. At a minimum, the financial report will include: (a) a statement of sources and uses of funds and opening and closing balances for the quarter and cumulative; (b) a statement of uses of fund that shows actual expenditures appropriately classified by main project activities (categories, sub-components) including comparison with budget for the semester and cumulative; (c) a statement on movements (inflows and outflows) of the project DA including opening and closing balances; (d) a statement of expenditure forecast for the next semester together with the cash requirement; (e) notes and explanations; and (f) other supporting schedules and documents.

32. The project will also prepare the projects annual accounts/financial statements within three months after the end of the accounting year in accordance with the accounting system implemented in the sub-region (SYSCOHADA). The audited financial statements will be submitted to the World Bank within six (6) months after the end of the accounting year.

Auditing arrangements

33. The annual audited financial statements and audit reports (including Management Letter) will be submitted by the PCU to the World Bank no later than six (6) months from the end of the fiscal year. The



audit will be carried out by an independent External auditor with qualification and experience satisfactory to IDA.

34. The audit will be carried out in accordance with the International Standards of Auditing (ISA) issued by the International Federation of Accountants (IFAC). The auditor will prepare a work plan to cover all the major risk areas. The following mechanisms are proposed to systematically monitor the timing of audit reports and the timely action on audit findings: (a) the PCU has the responsibility to prepare a consolidated audit action plans within one month of the receipt of the annual audit report, and (b) Within two months of the receipt of the audit report, action must be taken on all audit findings and notified to IDA.

35. In accordance with World Bank Policy on Access to Information, the Borrower is required to make its audited financial statements publicly available in a manner acceptable to the World Bank; following the World Bank’s formal receipt of these statements from the Borrower, the World Bank also makes them available to the public.

36. The audit reports that will be required to be submitted by the PCU with due dates for submission are:

Table 1.5 Audit Reports

<i>Audit Report</i>	<i>Due Date</i>
<i>Project Specific Financial Statements and management letter to be submitted by the PCU.</i>	Submitted within six (6) months after the end of each financial year.

Independent Verification under the PBC Program

37. The MNEPC will hire an Independent Verification Agent (firm) with terms of reference, qualifications, and experience satisfactory to IDA. The mission of the IVA will be to report on the accuracy of the quantitative and qualitative data used to disburse under the PBC Program. The verification will also include a review by the IVA of the design and implementation of procedures at all levels, from the recipient to the central level. The independent verification will be conducted quarterly, and a report will be issued to the PCU.

Implementation Support and Supervision Plan

38. The FM implementation support intensity and frequency will be in line with the risk-based approach and will involve a collaborative approach with the entire Task Team. The first implementation support mission will be performed three (3) months after project effectiveness. Afterwards, the missions will be scheduled by using the risk-based approach model and will include the following diligences:

- a) monitoring of the FM arrangements during the supervision process at intervals determined by the risk rating assigned to the overall FM Assessment at entry and subsequently during implementation;
- b) integrated fiduciary review on key contracts;
- c) review of IFRs;
- d) review of the audit reports and management letters from the external auditors and follow-up on material accountability issues by engaging with the task team leader, Client, and/or Auditors; the



- quality of the audit (internal and external) is to be monitored closely to ensure that it covers all relevant aspects and provides enough confidence on the appropriate use of funds by recipients;
- e) other assistance to build or maintain appropriate FM capacity and efficient internal control system.

39. The World Bank’s FM team will perform periodic field missions at the PCU to review the FM performance and risk and provide adequate advice and recommendations.

Environmental and Social Risks (including Safeguards)

Measures to Address Safeguard Issues

40. As a first step in safeguarding against the project’s potential negative social and environmental impacts, the Government has prepared two instruments, the ESMF and the RPF.

Implementation Support Plan

41. There will be close support for project implementation because the core team—the task team leader (TTL), the procurement, financial, social, and environmental specialists—are based in neighboring countries. It will provide close monitoring and support, with regular meeting as established in the country office and ad hoc as needed. Additional support will come from semiannual and annual reviews and technical support missions.

42. Semiannual and annual reviews: Twice a year, in May and November, the task team, the PCU, and the Government will organize a joint-review meeting with the supervision mission to assess progress to date, identify emerging difficulties, and agree on mitigating measures and action plans.

43. Technical support missions will be carried out when international expertise is needed to guarantee the quality of results or reinforce national technical capacities.

44. Support to the implementation plan: FM and Procurement supervisory missions will be conducted throughout the project supervision. The supervision support will take into account the high fiduciary risk rating, with the ultimate aim of achieving *satisfactory* FM and Procurement performance throughout project implementation.

Table 1.6 Skills Mix Required for Project Support

Role	Skills needed	Number of trips	Comments
Team Leader	20 SW annually		Country Office-based
Architect/Engineer	6 SW Years 1, 2, 3	1 trip annually	
Performance-based contract specialist	6 SW annually	1 trip annually	
TVET equipment specialist	6 SW Years 1, 2, 3	2 trips annually	
Skills specialist	4 SW annually		
Gender specialist	3 SW annually		Country Office-based
ICT specialist	6 SW annually		



Social safeguards specialist	2 SW annually	2 trips annually	Country Office-based
Environmental safeguards specialist	2 SW annually	2 trips annually	Country Office-based
Procurement specialist	2 SW annually	2 trips annually	Country Office-based
FM specialist	2 SW annually	2 trips annually	Country Office-based



ANNEX 2: Economic and Financial Analysis

COUNTRY: Chad

CHAD Skills Development for Youth Employment and Competitiveness Project

1. The project addresses several major challenges of the education and training system in Chad. Several indicators point to a shortage of skilled labor due to low levels of education and literacy, a lack of alignment of TVET programs with the needs of the labor market, and very low private sector participation in training design. This existing gap between demand and supply for skilled human resources reveals a great potential for this project to increase youth employability and competitiveness to positively impact productivity and development in Chad. In addition, by improving access to education, the project is expected to offset some of the pressure exerted by households, which stems from population growth.

2. The main benefits of the project are in terms of improved employability due to the adaptation of the training to labor market's needs, and increased earning capacity of the trained youth. However, it is in general difficult to quantify the benefits from improved quality of education as the effect on productivity of manpower, employability and income are difficult to assess. Therefore, the following paragraphs discuss more qualitatively the benefits expected to accrue from the project components and include quantitative assessments where possible.

Component 1. Expanding access to quality skills through improved Technical and Vocational Education (US\$14.7 million equivalent)

3. Access to technical and vocation training is extremely limited in Chad. Enrollment in technical and vocational secondary represents only 1.5 percent of total enrollment at the secondary level. The capacity of the formal TVET sector is approximately 12,000 students, and most programs are concentrated in service-sector occupations (as developing training in this area is cheaper than in other sectors), where labor absorption is lower¹⁵. The focus in this component is to improve access to and the quality of vocational training for young people aged 14 to 29 to meet the needs of the of the Chadian economy in sectors with high labor potential.

4. The main activities include financing the construction of a new CFPT, rehabilitation and equipping additional preexisting TVET schools, and introduction of PBCs. The following will be supported through these contracts: the development and implementation of new pedagogical models and curricula; new administrative management involving the private sector; strengthening of the professional and teaching competencies of trainers; the provision of relevant equipment; the purchasing of adapted textbooks; rehabilitation of existing infrastructures and equipment; information and sensitization campaigns to attract more female students; and governance reform and institutional financing.

5. In addition to the increase in access, a significant increase in quality is expected to raise the productivity of the educated students. Most training programs and teaching methods in TVET are outdated, and the system lacks qualified instructors. Low levels of budget allocation to the TVET sector results in low capacity in equipment and training of teachers. The low financing of the TVET system also partly explains

¹⁵ Education and Skills Development for Competitiveness in Chad report, 2018.



the predominance of theoretical training and knowledge building at the expense of exposure to practical exercise. Overall this results in a gap between training and work demands. By developing new curriculum and training teachers, quality of the education and training system will increase and is expected to reduce the existing gap between training and work demands. By bringing one institution to a best practice level, other institutions within the same sector can benefit from spill-over effects by adapting to the increased standards.

6. The direct effect of the increased access to TVET can be quantified based on expected wage benefit for those graduating. Across professional categories, the level of education and training is the factor that influences the level of income most, and the differences in wages are particularly high going from secondary to TVET education and from TVET to higher education (Table 2.1).

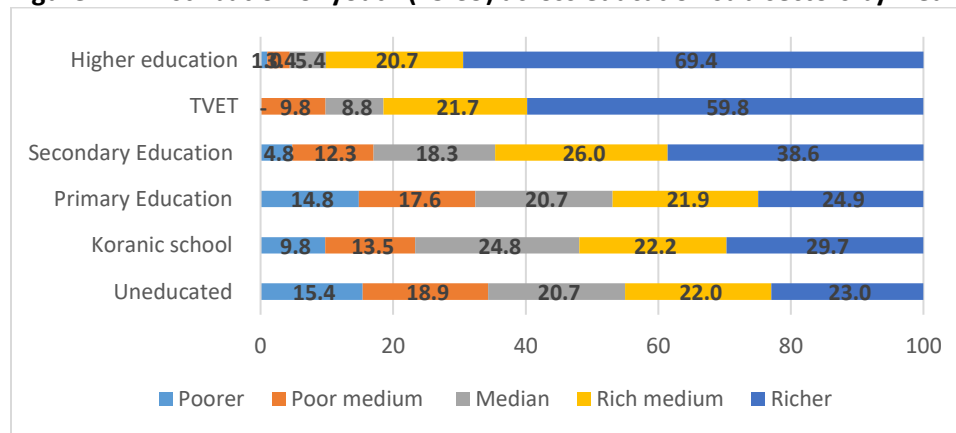
Table 2.1 Income levels (hourly FCFA) by education level and professional category

Education level	Self-employed, no agricultural	Self-Employed, Agriculture	Employed	Total
Uneducated	574	1,060	629	699
Koranic school	473	384	1,368	888
Primary Education	491	1,104	711	732
Secondary Education	756	1,163	658	710
TVET	2,361	643	900	962
Higher education	2,127	824	1,218	1,253
Total	639	1,069	754	769

Source: ECOSIT 2012, INSEED.

7. The standard of living also increases as the level of education does. People with a technical and vocational diploma or higher, represent a higher proportion of the highest wealth quintile (Figure 2.1).

Figure 2.1: Distribution of youth (15-39) across education sub-sectors by wealth quintile



Source: ECOSIT 2012, INSEED.

8. The sensitivity analysis compares the results of the base case which targets a training completion rate of 75 percent and employment rate of 75 percent with and a lower and a higher case for both rates. Apart for the modest increase in completion rate, targeted access to TVET beneficiaries is limited to 4,000



trainees for training centers (CFPT) and 6,200 trainees for the industrial colleges (CETIN and LETIN). The total cost for this component includes studies to define size and characteristics of the infrastructure expansion and rehabilitation; the development and implementation of new pedagogical models and curricula; new administrative management involving the private sector; strengthening of the professional and teaching competencies of trainers; and the provision of relevant equipment. The construction is assumed to last for 20 years with a yearly cost of maintenance and replacement of equipment amounting to US\$1.5 million (equivalent to 10 percent of total costs). Project expenses do not include teacher salary, thus expenses of additional teachers to match the increased enrollment are added. More than 200 TVET teachers are needed to accommodate the increase in students, which reflects an increased efficiency of the system through a higher student-teacher ratio.

9. For Sub-component 1.1 concerning CFPT, the NPV of the base scenario is US\$5.4 million and the IRR is 21 percent over 20 years. Naturally this result depends on the assumptions made. If the access for TVET increases, the NPV increases too. For Sub-component 1.2 concerning CETIN and LETIN, the NPV of the base scenario is US\$10.8 million and the IRR is 19 percent over 10 years (Table 2.2).

Table 2.2: NPV for Component 1

	CFPT			LETIN/CETIN		
	Low case	Base case	High case	Low case	Base case	High case
Assumptions						
Discount rate	4%	4%	4%	4%	4%	4%
Completion rate	70%	75%	80%	70%	75%	80%
Job placement rate	70%	75%	80%	70%	75%	80%
Costs						
Cost		US\$5,300,000			US\$9,400,000	
Cost per trainee		US\$1,325			US\$1,438	
Benefits						
NPV	US\$2,804,733	US\$6,393,770	US\$12,115,800	US\$4,205,447	US\$10,828,059	US\$22,006,400
IRR	11.2%	21.0%	39.3%	10.5%	18.9%	27.3%

Component 2.1. Internships for improved school-to-work transition (US\$6.8 million equivalent)

10. Chad’s educational system does not have sufficiently strong linkages with the private sector to facilitate the immersion of young graduates in enterprises during their training. This situation does not allow young graduates to easily find their first job. The purpose of this sub-component is to improve the employment outcomes of graduates transitioning from secondary or post-secondary general education and TVET institutions into the labor market by supporting an improved internship program for secondary TVET and tertiary graduates.

11. The duration of the internships is between 6 to 12 months. The first 6 months will be fully funded by the project. After the first 6 months, the contract will be renewable for another 6 months, at which point the intern would be partially funded 50 percent by the enterprise (50/50). A total number of 6,000 young people, ages 15 to 29, registered in CFPT, LETIN or University, will be supported during the program.



12. Indicative calculations of the cost and benefits from the internship show high returns even if the unemployment period is reduced only for some TVET and tertiary graduates. Assuming that the internship will result in faster employment for 80 percent of the targeted beneficiaries and thereby reducing the unemployment period with one year on average for these graduates, the NPV of the component is US\$7.3 million and the IRR 31.7 percent (Table 3.3).

13. Evidence from a randomized trial shows a causal effect from training combined with internships on the employment of women in Columbia, and for both men and women the combined classroom and on-job training resulted in a movement towards formal employment compared to informal employment. Although significant differences between the countries exist, the study points to a larger effect from training on internship on employment in developing countries compared to developed countries.

Component 2.2. Expanding opportunities for Apprenticeships (US\$9.2 million equivalent)

14. The objective of this sub-component is to facilitate improved labor market integration for youth through a dual apprenticeship program which combines adapted training programs with on-the-job training opportunities with craftspeople and professionals.

15. The project activities consist of financing of apprenticeship material kits, stipends, insurance for apprentices, training of trainers, upgrading of skills of apprentice instructors, selection and placement of apprentices, development of new training guidelines and design and implementation of the regulatory and operational framework for apprenticeship program.

16. The apprenticeship system is the main provider of skills for various production sectors, especially in the informal sector, in which most enterprises operate in Chad. Strengthening and expansion of the system is thus expected to increase productivity in the sectors benefitting from the apprenticeship programs. However, there exists no formal assessment that gives a good measure of the quality of the skills taught in the apprenticeship system.

17. The project is expected to train 7,500 out of school young people ages 15 to 35 with limited education and unemployed in apprenticeship. Rural areas and regions outside of N'Djamena will receive special attention. The project also aims at least 30 percent of girls. The duration of the apprenticeship program will be between 6 to 24 months depending on the trade. The expected main effect from the apprenticeships is increased probability of employment for the beneficiaries. Furthermore, the apprenticeships are expected to have a modest positive effect on the apprentices' earnings.

18. To quantify the effect from the apprenticeship, the following assumptions are made in the base scenario: the majority (75 percent) of the enrolled youth is expected to complete the program due to the stipend associated with attending the program. Out of these, 75 percent are employed, who are either employed or self-employed. Based on these assumptions the NPV of the component is US\$10.2 million and the IRR is 22.5 percent (Table 2.3).



Table 2.3 NPV and IRR for Internships and apprenticeships

	Internships			Apprenticeships		
	Low case	Base case	High case	Low case	Base case	High case
Assumptions						
Discount rate	4%	4%	4%	4%	4%	4%
Completion rate				70%	75%	80%
Job placement rate	75%	80%	85%	70%	75%	80%
Costs						
Cost		US\$6,800,000			US\$9,200,000	
Cost per intern/apprentice		US\$1,133			US\$1,227	
Benefits						
NPV	US\$4,665,455	US\$7,339,492	US\$7,778,006	US\$4,205,447	US\$12,322,095	US\$17,481,600
IRR	15.4%	31.7%	36.2%	11.9%	22.5%	38.3%

Component 2.3. Development of agricultural entrepreneurship (US\$9.0 million)

19. Most Chadians begin their employment in the agricultural sector and migrate to manufacturing and service over time. Nearly three quarters (73 percent) of all Chadians found a job in the agricultural sector after leaving school, but within eight years, agricultural employment goes down to 61 percent in the same cohort; 10 percent of those who change sectors go into service and another 2 percent go into manufacturing¹⁶.

20. This sub-component aims to provide entrepreneurship training to youth in rural communities to improve livelihoods. The entrepreneurship programs are expected to benefit approximately 8,000 out-of-school young people aged 15 to 39 living in rural areas and mostly engaged in the agriculture sector either wage worker or running one’s own agricultural business. The project will build capacity for delivery of entrepreneurship programs including development of training modules, training of trainers, promotion programs, pedagogical material and awareness programs.

21. Evidence from a randomized control trial shows that introduction of an entrepreneurship track in the university curriculum in Tunisia significantly increased the rate of self-employment a year after graduation. The results indicate that program participants on average were 46 percent to 87 percent more likely to be self-employed than the non-treated group. The evidence suggests that the program affected employment through fostering business skills, expanded networks, and shaped behavioral skills.¹⁷

22. The project focuses on cooperation between training institutions and the private sector in developing entrepreneurship curriculum and delivery of training, which has been found to add value in entrepreneurship programs undertaken in Botswana, Kenya, and Uganda.¹⁸ Entrepreneurship skills are especially needed to enhance the development of SMEs in the sector supporting agricultural business. The availability of a skilled workforce is expected to promote agriculture and agricultural innovation as a

¹⁶ Education and Skills Development for Competitiveness in Chad report, 2018.

¹⁷ Premand et al., "Entrepreneurship Training and Self-employment among University Graduates", The World Bank, December 2012.

¹⁸ The World Bank, "Improving skills development in the informal sector: Strategies for Sub-Saharan Africa", July 2012, p. 21.



potential pathway for rural youth, enable this integration, and ultimately accelerate productivity and growth.

Component 3. Improving TVET System Governance and Institutional Capacity Building (US\$5.9 million equivalent)

23. The focus of this component is to strengthen the institutional and management capacity of the ministries and institutions involved in project implementation and project execution. A primary aim of the component is to restructure the training fund so as to address financing challenges and the fractured nature of the sector.

24. This component will finance training of CFPT and TVET institutions' staff; capacity building activities of selected training institutions, government departments, private sector associations, and employment agencies; south-south exchanges through study tours; the revision of the national strategy of technical and vocational education and training, (v) revision of the national employment policy; ONAPE and FONAP capacity building; a study on the supply of training in Chad; and organizational and institutional audits of ONAPE, FONAP, and other important institutions.

25. The institutional reform focused on improving governance of education system and quality of training are essential increasing the efficiency of the system. A better TVET system will improve labor force quality and generate the relevant skills required for production and development of the country.

Component 4. Project Management and Monitoring and Evaluation (US\$5 million)

26. The last component is designed to provide effective implementation of the project and to support its implementation. A PCU, leveraging the PARSET2 project, is established to support all the administration, institutions and the participating agencies for effective coordination, monitoring, and evaluation.

27. Furthermore, this component supports a significant strengthening and capacity building of relevant ministries or agency involved in the implementation; the TVET institution administrators to increase their capacity to design surveys, conduct tracer studies and utilize data for analysis and decision making.

Overall NPV and IRR of the project

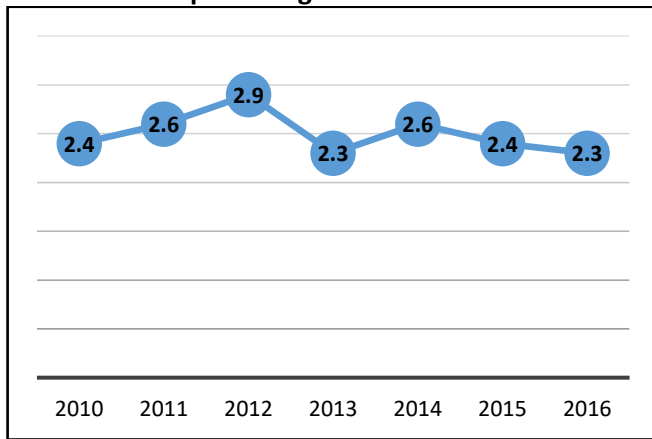
28. Limited to Components 1 and 2, this analysis suggests that the project is justifiable on economic grounds with an estimated NPV of US\$63.9 million, corresponding to an estimated IRR of 16.3 percent.

Financial Analysis

29. From 2010 to 2016, the government expenditure on education as a share of GDP did not exceed 3 percent. The highest level was 2.9 percent in 2012 and since 2015 this level of public spending on education as a percentage of GDP has decreased. Limited resources are allocated to the education and training sector, as a share of GDP. The country's education and training expenditures are about 2.4 percent of GDP - less than some of the countries of sub-Saharan Africa.

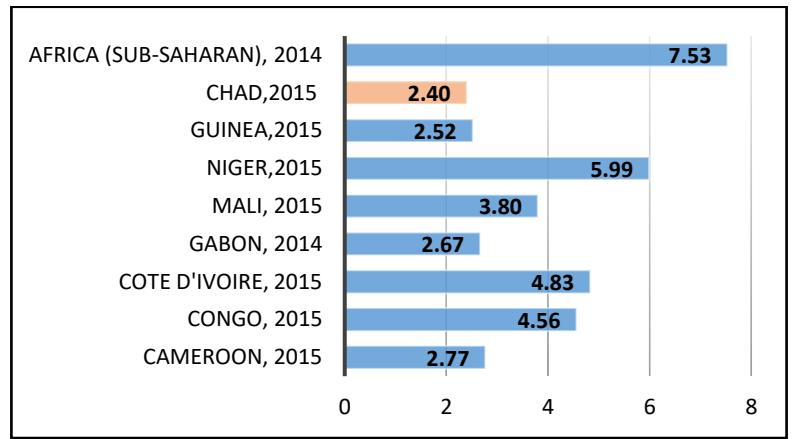


Figure 2.2: Evolution of Government expenditure on Education as a percentage of GDP



Sources: PIET, 2017.

Figure 2.3: Share of Education budget In Government spending

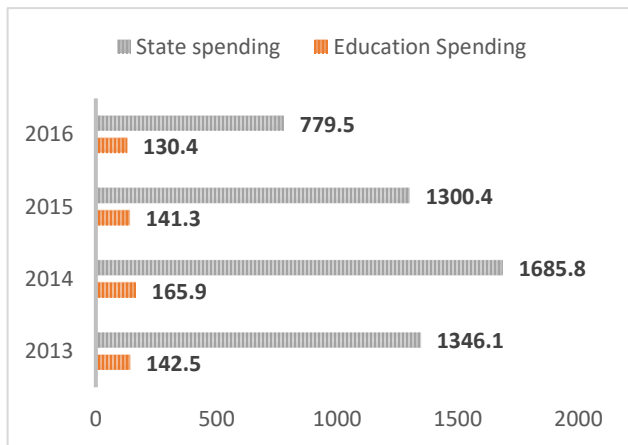


Sources: UIS.STAT, Unesco, March, 2018.

30. The economic crisis that has impacted Chad since 2014, has led to a drastic drop in government spending from 1,685.8 to 779.5 billion FCFA respectively from 2014 to 2016. The impact of this situation on education and training has led to a decrease of more than 22 percent of the resources allocated to this sector from 165.9 in 2014 to 130.4 billion in 2016. The resource allocation to education and training sector is approximately 16.7 percent – an insufficient amount of funding compared to the recommended level of 20 percent (Figure 3.4).

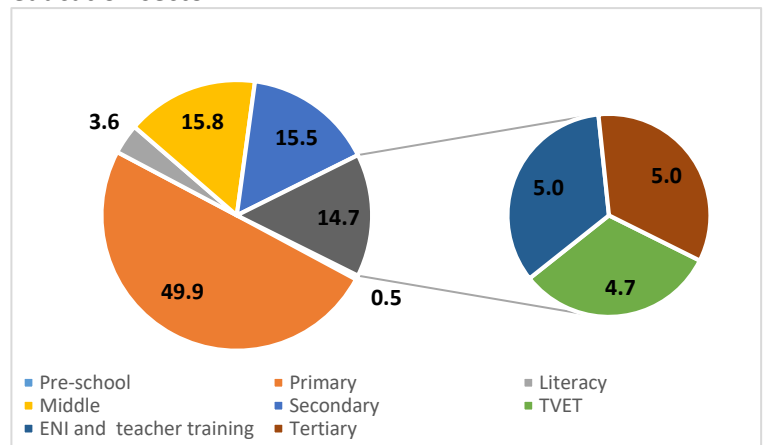
31. As in most sub-Saharan African countries, in Chad, the resources allocated to skills development remains limited. The Government spends nearly half of the education spending on basic education, reflecting the Chadian Government's commitment to achieving the goals of universal education. TVET represents only 4.7 percent of the expenditure allocated to education and training. Secondary and higher education respectively represent 15.5 percent and 5 percent (Figure 3.5).

Figure 2.4 Education and State spending, 2013-2016



Sources: Finance law 2013-2016, MFB.

Figure 2.5 Distribution of Education expenditure by sub education sector



Sources: PIET, 2017.



32. The primary fiscal impact after project implementation stems from the higher cost of the expanded TVET system, i.e. the recurrent costs associated with the additional number of students accommodated as well as construction, rehabilitation and maintenance costs of the institutions. The fiscal impact directly attributable to the project only relates to costs of the program in so much as they are additional to the recurrent expenditure in the absence of this project. Thus, the cost estimate is presumably in the high end, as the upgrade of the institutions may cause maintenance costs to be lower for a period than they would have been without the upgrade.

33. The future costs of training of trainers and regular updates of curricula are not accounted for as recurrent costs resulting from the project, as these types of spending in general are part of government spending and therefore considered as "regular expenditures". The apprenticeship and internship do not have a direct fiscal effect, as the Government can choose to cease these programs. The fiscal impact of system and capacity is minimal to non-existent.



ANNEX 3: Why do Socio-Emotional Skills Matter?

COUNTRY: Chad

CHAD Skills Development for Youth Employment and Competitiveness Project

1. Recent advances in development and behavioral economics as well as in personality psychology and neurosciences have demonstrated the salience of individuals' socio-emotional abilities for living a productive life. Individuals' sense of their own worth, and their ability to set ambitious yet achievable goals for themselves, to sustain effort, to build relationships, and to negotiate positive outcomes are likely strong predictors of their performance at work. This may be particularly relevant for women facing discriminatory gender norms.
2. While several studies have examined correlations between SES and economic outcomes, and others have demonstrated the impact of larger programs that incorporated SES, few studies have isolated the economic returns to SES. These studies have found significant positive impacts of SES training on economic empowerment and profits, as well as business investments, leveraging resources, and introduction of new products (Campos et al., 2018; Acevedo et al., 2017; Montalvao et al., 2017). In Uganda, Gertler et al. (ongoing study) randomly assigned high school graduates to a hard-skill intensive training or a soft-skill intensive training. They found that although both hard and soft skills training were rewarded in the wage sector, and both increased business start-ups, only soft skills increased profitability. STEP, a program targeting younger entrepreneurs who have not yet launched their businesses, has shown positive impacts in Uganda, Kenya, and Mexico: STEP students start 34 percent more businesses one year after the training and 20 percent more businesses two years after the training, and they create 35 percent additional jobs two years after the training. The program focuses on entrepreneurship and developing business self-efficacy, and was evaluated by psychologists (Gielnik, Frese et al., 2015). In short, focused attention on SES could improve outcomes for the project, and other workforce development programs.
3. SES training may be particularly relevant for women. In almost every geography, girls have better educational outcomes than boys (UNESCO Global Monitoring Report, 2014), which has been largely attributed to differences in socio-emotional skill sets (Jacob, 2002). However, this gender advantage does not persist in the labor market, suggesting that women are either stymied due to the prevalent social norms, or that their skill sets are not relevant or rewarded in the labor market. In these conditions, reinforcing noncognitive traits such as internal locus of control or optimism, which make it possible to question or counter traditional norms, may benefit women more than men who do not face similar barriers.
4. A few studies in the United States and developing countries have shown that women exhibit higher returns to investment in SES than men (Heckman et al. 2006; Campos et al., 2017). In Togo, Campos et al. (2018) piloted a psychology-based entrepreneurship training, called personal initiative training, and women who participated saw their profits increase by 40 percent compared to 5 percent for traditional business training. A TVET program in the Dominican Republic, which focused on soft skills rather than hard skills, had positive impacts on women's employment and job satisfaction (Acevedo et al., 2017). In Malawi, an increase in non-cognitive ability (such as perseverance, passion for work, and optimism) was correlated with higher rates of adoption of valuable cash crops (Montalvao et al., 2017). However, there has been relatively little research focused on understanding which SES matter the most for economic empowerment, which SES may benefit women in particular and how societal conditions affect the uptake and economic impact of socio-



emotional programs. Disentangling SES training has important cost-efficiency implications as well, given the length and cost of SES training, the difficulty of teaching SES, and the likelihood that returns to SES differ with surrounding social norms. PDCEJ offers a unique opportunity to delve into these important research questions.

Innovative interventions on gender and SES

5. The team will work closely with the project management unit and other project stakeholders, in order to improve training programs and curricula and to identify innovative interventions, notably gender-innovative interventions that would specifically address main constraints faced by young girls and women in this context. For several reasons listed below, this project offers a unique opportunity to pilot or take to scale promising innovative interventions.

- (i) First, the project's focus on training, development and rehabilitation of training centers will allow for the re-examination of curricula and the experimental comparison of which curricula – and which sets of SES – are most effective.
- (ii) As most participants will be aged 12 to 25, the program allows for the targeting of beneficiaries during a key period of cognitive development in which they acquire SES, develop aspirations, and form values and perceptions of social norms. Thus, SES interventions during this period could prove pivotal for participants' trajectory of economic outcomes, especially for women given their lower rates of literacy and school enrollment and high rates of female genital mutilation and early childbearing. The project may also be able to leverage the shared gender classrooms or the apprenticeships to “engage men” in the inclusion of women in the economy and household decision-making.
- (iii) As 80 percent of employment in Chad is based in agriculture with lower formal education requirements, a focus on SES may offer individuals practical skills that are often neglected. Chad's susceptibility to climate change, food insecurity, and conflict may also increase the importance of some specific SES.
- (iv) The length of training will also allow for experimental variation in the order in which SES are learned. Though SES training often focuses on self-management and relationship skills, sociology practitioners suggest that awareness, self-esteem, and empathy skills may be foundational requirements for the development of the former. While social awareness skills may be central to understanding societal barriers and opportunities, self-awareness skills may help individuals develop confidence, assess their strengths and weaknesses, select goals that are motivating, and internalize those goals. Evidence from developed country contexts has shown that women exhibit a gap between self-assessments of ability and actual ability, which influences education and employment aspirations. This gap may be driven by everyday sexism and the internalized belief that women are less capable (Corell, 2004; Seron et al., 2016). In Uganda, Campos et al. (2015) found that women who worked in male-dominated occupations demonstrated greater self-efficacy and were less concerned with social judgments. Focusing on awareness and aspirations may be particularly important in Chad, where the gender gap in educational attainment is among the worst in the world, and where women account for only 6 percent of nonagricultural employment.



Impact Evaluation(s) on the impact of SES trainings

6. A rigorous IE will be conducted to assess whether specific skills development programs, which incorporate SES training, result in improved labor market outcomes for program beneficiaries. This research will provide evidence on which SES matter the most, which SES may benefit women in particular, and how societal conditions affect the uptake and economic impact of socio-emotional programs. There are several avenues with which the project may evaluate the incorporation of SES. Under Component 1.1, if the program was to incorporate two sets of socio-emotional curricula into its re-designed curricula for out-of-school youth, classes could then be randomized into receiving one of the two curricula. Under Component 1.2, if the program was to design two sets of socio-emotional curricula, trainers could be randomized into receiving either kind of curricula. This IE option could involve a full randomized control trial with a baseline study and follow-ups, or it could allow a more flexible design in which we examine the short-term impact of trainings on educational outcomes that are already collected in class and decide to conduct a follow-up survey based on this first set of results. Under Component 2.2, the program could randomize the provision of SES to trainees as well as apprentice instructors, to examine the interaction of the two. Under Component 2.3, the program could incorporate SES modules into training for agriculture entrepreneurs, and plan to evaluate the impact of these additional modules. While the evaluation will employ randomization, the precise design of the IE will be determined during the initial phase of project implementation.

7. This evaluation will contribute to increased knowledge and public dialogue about a sustainable long-term approach to strengthen and enhance skills development in Chad. The team will work closely with the project management unit and other project stakeholders, through an initial IE workshop and regular consultations, to develop study designs that will outline the research methodologies. This requires frequent communication, particularly during recruitment and participant selection. The empirical analysis will typically build on survey data deliberately collected for this purpose at baseline and at endline from representatives of both the treatment group as well as the control group. The baseline survey must be conducted before implementation begins. Key outcomes of interest will include measures of SES, educational attainment, employment, entrepreneurship and earnings.

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