



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 13-Apr-2019 | Report No: PIDISDSA26236



BASIC INFORMATION

A. Basic Project Data

Country Maldives	Project ID P163818	Project Name Enhancing Employability through Human Capital and Entrepreneurship Development	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 15-Apr-2019	Estimated Board Date 18-Jun-2019	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Republic of Maldives	Implementing Agency Ministry of Higher Education	

Proposed Development Objective(s)

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

Components

Fostering skills development and entrepreneurship in priority sectors
 Promoting entrepreneurship and employment through skills Development and eLearning Strategy
 Project Coordination, Monitoring and Evaluation
 Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	20.00
Total Financing	20.00
of which IBRD/IDA	20.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	20.00
IDA Credit	10.00
IDA Grant	10.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did not authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Maldives, an archipelago nation of spectacular natural beauty, is a middle-income country with a GDP per capita of US\$10,536 in 2017. The Maldives consists of nearly 1,200 islands and a population of about 436,330 inhabitants by 2017: approximately 344,000 Maldivians and 63,000 expatriate workers. More than 30 percent of the population live in the capital city Male', while the rest are distributed among just under 200 other inhabited islands. The Maldivian economy has experienced average economic growth of 6.9 percent in 2017. The high share of tourism (27 percent) in the economy is both a strength and a limitation. The rapid rise in economic standards and living conditions in the Maldives over the last three decades has been driven by fast growth in tourism. However, it also makes the Maldivian economy highly vulnerable to fluctuations and variations in global economic and social conditions through their effect on tourism, and the direct and indirect transmission of these effects to other sectors. Periods of global recession, when tourist arrivals have fallen, have been particularly difficult for the Maldives. The high dependence on tourism, and its economic benefits and risks, are typical of small island economies.

2. GoM is emphasizing decentralization and the development of the atolls to facilitate improved service delivery for citizens. GoM is seeking to improve the efficiency and effectiveness of public services, promoting enclave development where necessary, while also exploiting economies of scale and scope in larger urban areas that to enable agglomeration benefits. This can benefit Maldivian youth, provided they are sufficiently educated and skilled, to identify and exploit economic opportunities in the atolls. There is evidence that fast-growing urban areas can create conditions for increased criminality. Thus, improving employability and employment prospects for youth is particularly important to attempt a reducing their idleness.

Sectoral and Institutional Context

3. The Maldivian economy has arrived at a new juncture, one in which the skills of new labor force entrants need to be better aligned to available private sector jobs, to relieve the pressure and reliance solely on public sector jobs. New graduates typically seek administrative jobs, but these are in short supply,



particularly in the private sector where employment opportunities are concentrated in the tourism and services-based economy. The heavy presence of government has created an expectation that “the state will provide” – whether through cash transfers, services, training or employment. The high reservation wage limits attractive job opportunities for new entrants, who are priced out of the market by foreign workers at both the low and high ends of the skills spectrum.

4. *Labor-market Demand and Supply.* Several aspects of the Maldives’ recent development pattern highlight imbalances between labor demand and supply. Public sector jobs are predominantly in the civil service with the rapid expansion of cadres in the 1990s and 2000s. However, with the increasing standard of living over time, the labor market has become more challenging for Maldivians in general. Increasing educational attainment among the younger generation and expectations have coincided/collided with the rapid growth in low-skill service jobs associated with tourism and construction, leading to a mismatch in skills supply and demand.

5. *Key challenges for a better educated young labor force.* Despite the high levels of growth and labor market conditions in public investments, tourism, fisheries and non-tradable tourism related activities, important challenges remain for young Maldivians. These relate to (i) the need for greater inclusion and productive employment for youth, especially for those who cannot rely on public sector jobs (because of a sharp reduction of public sector employment) or who are from the most vulnerable segments of the population; and (ii) an increasing reliance on foreign labor in important sectors such as tourism and construction services and limited opportunities for women.

6. Multiple factors limit the extent to which Maldivians participate in the labor-market, including (a) a high reservation wage; (b) lack of technical, managerial, and soft skills; (c) social norms inconsistent with the need to live in dormitories on resort islands or to work in proximity to foreigners with different social mores; (d) lack of adequate transport (resorts that are close to inhabited islands and have good transport links have a much higher proportion of Maldivian workers); (e) the high cost of housing for employees from outside their home islands; the high price of real estate contributes to significant costs for employers in the Maldives; and (f) the perception that tourism-related work does not constitute a ‘good’ job for women as well as for men. The absence of role models and low self-confidence and limited understanding of processes and procedures hinder the pursuit of ideas and innovation, especially for women, who often do not look for or apply for job vacancies.

7. Many Maldivian youths are discouraged workers who have effectively exited the labor force and are best characterized as ‘NEETs’ (Not in Employment, Education, or Training). About 22 percent of working-age Maldivian youths fall into this category. Youth in Malé indicate that the key reasons for unemployment are the lack of economic opportunities in the island of residence and inability to find suitable employment that matches their respective education or training. About 50 percent of young females are NEET due to household chores and childcare. Finally, the reasons differ between residents of Malé and other atolls. For young males in Malé, low pay was the foremost reason followed by transportation difficulties.

8. A government-imposed quota requiring 55 percent of employees in tourism to be Maldivian nationals is customarily unmet, although the participation of Maldivian nationals in tourism increased significantly between 2006 and 2014. With the tourism sector contributing directly in 2017 to about one-fifth of total employment in the country, only 55 percent of the 34,500 jobs created were filled by Maldivian staff. The lack of participation in tourism jobs is particularly limited among Maldivian women, who account



for only 7 percent of labor in the industry. This is due in part to: (a) the availability of high level jobs that require higher levels of qualifications such as in the areas of accounting and management that most Maldivian women do not possess; (b) the perception of ‘good’ versus ‘bad’ jobs; and (b) socio-cultural barriers that prevent females from participating in the tourism & construction industry. The growth of mostly luxury tourism services has outpaced the capacity of the Maldivian labor market to provide internationally competitive skills required by employers—technical, vocational, and soft skills. Young Maldivians are disadvantaged in seizing high-skilled jobs as their levels of education and skills accumulation are lower than those of high-skilled foreign workers.

9. In the services sector related to tourism, the demand for skilled labor has also been easily met by foreign workers who are present throughout Maldives in great supply and accept significantly lower wages. There are still unrealized opportunities for linking tourism to local communities (including, but not limited to, local providers of fish and agriculture products), while opportunities for service-provision links are more limited. This is in part because many resorts already own and operate their support services and ancillary functions, due to both geo-spatial challenges (given islands’ remote locations) and inadequate quality of local service provision.

10. *Small-scale sectors—heritage handicrafts.* Opportunities for linking to the local economy are limited to a small number of services in which Maldivians have a competitive advantage and are in demand by the tourism sector, such as authentic and cultural heritage-based excursions and handicrafts. While these are small-scale sectors, the potential economic impact for local communities is significant. In the guesthouse sector, which has emerged in recent years on islands with Maldivian populations, there are higher shares of local employment (75 percent Maldivian compared to 45 percent at resorts) through demand for local goods and services. The guesthouse subsector has grown rapidly since the Government’s policy change and currently has nearly 240 facilities with around 3,600 rooms. Moreover, the sector is projected to double in the next three years as global travel trends shift from luxury toward mid-level travel services with growing use of self-catering accommodations instead of traditional large hotels.

11. *IT-enabled Services.* Job creation potential exists in information and communication technology (ICT) services, transport, and construction, given Maldives’ sustained GDP and per capita income growth. ICT services are growing due to widespread Internet connectivity across the inhabited islands, and ICT jobs are especially well suited to women preferring to work from home, for example. Additionally, new goods and services may be nurtured in Malé to leverage the urban entrepreneurship talent, especially in sectors with high labor intensity. Beyond a macro focus on job creation, opportunities for skills in IT-enabled services, entrepreneurship and self-employment could engender a stronger micro focus. IT-enabled services would be particularly attractive to youth with higher levels of education and skills. However, they might lack the know-how to create, manage, and sustain SMEs.

12. *Behavioral aspects and social norms impinging on labor demand and supply.* From the demand side, employers indicate that there are significant challenges with hiring Maldivian youth. The lack of appropriate soft skills (absence of proper work ethics, the lack of discipline and commitment, inadequate socio-emotional, interpersonal, customer service, and communication skills), and inadequate technical/vocational skills are cited as some of the key challenges in recruiting Maldivian employees. From the supply side, there are misperceptions. The persistence of traditional gender roles and the narrow scope of occupations deemed acceptable by young women and especially their parents have limited the female labor supply, particularly for many job openings in tourism-related services. Job preferences among women center



around desk work in front offices, administration, and human resource management over other jobs such as housekeeping and room service in resorts. In addition, gender stereotyping narrows the opportunities for women relative to men. The combination of a lack of skills, social norms, and perceptions deter Maldivian youth, especially females, from applying for the jobs. Maldivians also tend to have a high level of job turnover relative to foreign labor.

13. *A nascent and challenging entrepreneurship ecosystem.* To generate jobs, however, the private sector requires a strong ecosystem that combines an enabling regulatory environment, adequate support services to emulate entrepreneurship and a financial sector that provides the necessary means to businesses at each stage of their life-cycle. The absence of sufficient numbers of local entrepreneurs in the Maldivian small and medium enterprise (SME) space is also noteworthy. The limited supply of business support services and seed funding/start-up capital seems to be constraining entrepreneurial activities. Such an environment would benefit from entrepreneurship skills and competencies combined with a menu of seed funds in key sectors that could foster the setting up of SMEs. Equally, SMEs would require a pool of skilled and semi-skilled workers with technical and vocational know-how in different trades (carpentry, plumbing, machine operators, etc.). The GoM has proactively fostered entrepreneurship for the past five years in the atolls by establishing a framework to support entrepreneurship in regional centers through the creation of seven Business Development Centers (BDCs). However, these centers need to be strengthened. Remedial measures could be instituted through ongoing skills support, counseling, and business support services.

14. *A new path for youth employment.* The Maldivian economy has arrived at a new juncture, one in which the skills of new labor force entrants need to be better aligned to available private sector jobs, to relieve the pressure and reliance solely on public sector jobs. Policy makers in Maldives are aware of these challenges and appreciate the importance of enhancing employment opportunities for youth through increasing human capital and diversifying the skills of future and recent labor force entrants to meet private sector labor demand and developing and encouraging entrepreneurship, particularly in the services sector. The proposed project will support GoM to enhance youth employability. The GoM is seeking to provide Maldivian youth with labor-market relevant skills in the technical, vocational, and entrepreneurship domains to enable Maldivian youth to compete for local jobs that are increasingly being taken by expatriate labor.

15. There is an urgent need to address socio-cultural and perception issues among youth regarding available jobs in the market. The mindset aspects require transformative interventions as early as in the schooling stage for parents and students. Employer associations such as the Maldives Association of Tourism Industry (MATI), the Maldives Association of Construction Industry (MACI) and specific resort managers have expressed their interest to work with government, education and training institutions, communities, youth and parents to demystify some of the misconceptions about careers in tourism, and to expose them to available opportunities.

16. *Gender gap analysis:* The 2017 Gender Gap Report states that unemployment rate among young women in the Maldives is at 77 percent compared to 33 percent for young men. The overall female labor force participation rate is only 44.2 percent. Reasons for the large gap include: (a) cultural and attitudinal factors relating to perceptions about what constitutes a “good” job for young Maldivian women. Unless jobs are of an administrative nature, they are not pursued and jobs within the Tourism sector are considered unsuitable for females due to negative perceptions of the work environment and the stereotyping of women



engaged within the sector, (b) young women are expected to prioritize household chores and provide childcare within the family unit, (c) the absence of female role models to engage with and encourage them to participate in the formal labor workforce, and (d) limited understanding of processes and procedures among young women that hinder their pursuit of ideas and innovation. At a macro level, contributing factors that create obstacles for female youth employment participation include: (a) the lack of access to information and resources to establish Small and Medium Enterprises (SMEs) partly due to lower access to digital information and lower digital literacy. While specific data on the Maldives is unavailable, it is widely acknowledged globally that there is a growing gap in digital literacy between young women and men¹, (b) lack of an enabling and safe environments for women to participate productively in the Tourism and ICT sectors, and (c) lack of availability of safe transportation between the atolls in the archipelago.

17. *Selectivity and Scope of the proposed Project.* The sectoral and institutional issues surrounding the skills and employment landscape in the Maldives are multi-layered. The economic, social, educational, and behavioral aspects intersect. The project scope takes the following factors into consideration: (i) the GoM's mandate and imperatives; (ii) the institutional feasibility; (iii) economic and financial rationale for interventions; and (iv) implementation feasibility.

18. *Rationale for the project structure.* The project has four components: (1) integrating skills development with labor demand in the tourism & construction, and ICT-related services sectors, (2) Skills development and eLearning strategy, (3) project coordination, monitoring and evaluation, and (4) contingent emergency response component (CERC). Component 1 comprises pilot interventions of skills delivery and support for entrepreneurship development. These would be administered and evaluated during the first three years of project implementation. Beneficiary satisfaction surveys following each pilot intervention would help to inform the efficacy of the pilot interventions, changes to be made, and link up with labor demand assessment. A virtuous cycle would be instituted. Progressively the findings from the pilots will serve as the foundations for the systemic reform agenda that would be developed through Component 2—development of the 21st Century skills development strategy and diversification of skills programs, new delivery modes around eLearning, and career hubs for education-industry linkages through a jobs platform. Component 2 activities will commence concurrently with Component 1 activities since the elements for developing the skills development strategy encompass additional aspects: the setting up of the eLearning platform and its use, of digital skills laboratories, and the career hubs that require immediate attention.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

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

Key Results

20. The key results would seek to bring about a better match between the demand and supply of labor. This would be reflected in the following project indicators:

¹ Refer https://www.ey.com/en_gl/workforce/how-fixing-the-bug-can-close-the-digital-gender-gap, accessed on April 10, 2019.



- *Relevance*: Employers satisfied with graduates from the skills development programs in the project priority sectors (Percentage).
- *Youth employment*: Percentage of targeted trained youth in wage employment in an area relevant to technical and vocational skills within six months of graduation, of which females (Percentage).
- *Entrepreneurship*: Number of new businesses registered by targeted trained youth after receiving business support services, of which females (Number).

D. Project Description

21. **Component 1: Fostering skills development and entrepreneurship in priority sectors (*Total costs including contingencies = US\$10 million IDA financing*)**

The objective of this component is to pilot interventions to improve the labor market outcomes of Maldivian youth with a focus on improving female labor force participation. This will be achieved by supporting the links between labor demand and supply in the tourism & construction, and ICT-related services sector and by building the entrepreneurial culture and capacity among young men and women alike. This component comprises four subcomponents: (a) labor-market assessment and analysis for demand driven skills identification, (b) revision of skills (TVET and entrepreneurship) *inter alia* soft skills, and socio-cultural norms and awareness aspects, (c) face-to-face skills delivery of pilot skills development programs, and (d) support for entrepreneurship development.

22. *Activities proposed to address gender gaps*: (a) pilot interventions will consider the recommendations from labor market surveys conducted to identify gendered barriers that prevent young women who are NEETs from accessing certain employment opportunities and pursuing entrepreneurship. The pilot interventions will address the recommendations through appropriately tailored TVET training and entrepreneurship development curriculum including information on women's networks and associations that support female entrepreneurs, options for accessing financing, etc. In addition, curricula will explore ways to increase women's use of IT facilities, facilitate information dissemination regarding accessing information on financial services, develop entrepreneurship skills among young women and create opportunities to discuss attitudes of women and men around expected traditional roles of women as caregivers etc., (b) a mentoring and coaching program targeted to young women that would be inspired by successful business women and men, (c) assessing options such as flexible working hours, the provision of creches for creating safe and enabling environments for young women in the tourism and ICT-enabled services sectors in order to increase female labor force participation, and (d) introducing information, education and communication (IEC) campaigns around positive imaging of women within the Tourism sector that include details around creating enabling and safer work environments for women using social and mass media. For monitoring and evaluation aspects of the gender focused activities see paragraph 49 below.

23. *Project-specific Definitions*: (a) pilot interventions in connection with this project—entrepreneurship and employment focused skills development with incentives for (i) employers to absorb trainees, build human capital, and nurture talent, and (ii) individuals with innovative and creative ideas, risk and resilience bearing capacity to become entrepreneurs, (b) skills development in the Tourism & construction sector across the value chain: for example, from hospitality, management, accounting, to back-office (construction related plumbing, welding, electricians, electronics, masonry, carpentry, green buildings, materials management, etc.), (c) skills development in the ICT-related services sector across the value chain: for example, from basic digital literacy to programming skills, and development of applications.



All programs curricula will include modules on entrepreneurship skills, personal initiative, and soft skills, climate smart investments—renewables, water conservation mechanisms, solid waste recycling, techno-waste management, and climate resilience-oriented livelihoods, and (d) localized approach to address spatial heterogeneity challenges—go global to adapt to local and diffuse from local to global.

24. **Subcomponent 1.1: Labor-market assessment and analysis for demand driven skills identification (Total costs including contingencies = US\$1 million IDA financing)**. The objective of the subcomponent is to identify the skills needs from the employers (demand) and youth (supply) perspectives in the tourism & construction, and ICT-related services sectors. The Project will finance: (a) localized rapid labor-market surveys—data collection, cleaning, and analysis, one at the beginning of project implementation, and the second immediately following the project mid-term review (MTR), and (b) rapid surveys of training providers to assess service delivery capacity.

25. **Subcomponent 1.2: Revision of Skills Development (TVET and Entrepreneurship) Curriculum (Total costs including contingencies = US\$0.8 million)**. The objective of the subcomponent is to customize skills development curriculum in the technical and/or vocational and entrepreneurship skills development areas to address the findings of subcomponent 1.1 on the rapid labor-market demand surveys. The subcomponent will finance: (a) the review of existing curriculum with the goal of either adopting or adapting content to the labor-market survey findings, (b) the preparation of training materials that include TVET, entrepreneurship, soft skills, and environment and climate change awareness modules, and (c) the design and convening of 3-5 day workshops to train the trainers. Assessors would be trained to assess the trainees on the Competency-based Assessment (CBA) approach. Entrepreneurship related training, including personal initiative training will be introduced.

26. **Subcomponent 1.3: Face-to-Face Skills Delivery (Total costs including contingencies = US\$3 million IDA financing)**. The objective of the subcomponent is to deliver the pilot interventions using the curriculum prepared under subcomponent 1.2 in the project priority sectors. The project will finance: (a) skills delivery/provision through public and/or private providers of the pilot(s) for short-term skills development not exceeding six-months, assessment of training provided, and the award of Maldives Qualification Authority (MQA) Level 3 Certification, and (b) provide incentives for employers for internships and on-the-job training.

27. **Subcomponent 1.4: Support for Entrepreneurship Development (Total costs including contingencies = US\$5.2 million IDA financing)**. The subcomponent will support the enhancement of the entrepreneurship ecosystem and foster innovative interventions to stimulate young men and women to develop an entrepreneurship mind-set and business ideas. The subcomponent will finance: (a) a survey to identify gender barriers which prevent young women who are NEETs from accessing certain employment opportunities and pursuing entrepreneurship, and will recommend socio-culturally sensitive actions; (b) capacity development of business development services (BDS) providers using a train-the-trainers (TTT) approach, (c) personal initiative training, (d) incubation activities through a model incubation center will be set up in an existing premises. The project will finance minor civil works, furniture, and equipment to prepare appropriate space for entrepreneurs, and (e) business plan pitch competitions. The target audience will be youth ages 16–35² and women. The business plan competition will be piloted through a first call for

² This will include youth who have participated in the training programs under Subcomponent 1.3 and who are interested in becoming self-employed.



proposals, focusing on innovative tourism & construction (guesthouses excluded) and ICT-related services. By mid-term review, the first pilot will be tested, evaluated and an additional pilot will be launched based on the satisfactory assessment of the first pilot.

28. *Eligibility criteria for the business plans competition.* Young entrepreneurs (men and women) applicants to be considered for funding would need to meet the following criteria:

- They must be registered with the BPC-MF and must have attended a training boot camp;
- They have received notification that their business plan has passed the BPC selection process set forth in the Operations Manual and will be awarded a prize;
- The prize award must be at least \$10,000 and no more than \$30,000 (equivalent in Rufiyaa at the prevailing Central Bank rate as at date of “No Objection” from the World Bank); Unregistered³ entrepreneurs or firms will only receive awards disbursement if they show evidence of a formal business registration at the time of the grant agreement signature and the business has a valid bank account;
- They must be operating in Maldives and in any of the project target sectors or any activities related to one of these sectors;
- The project funding must be requested for utilization on eligible costs or activities; and,
- The firm must satisfy the requirements on Environmental and Social compliance.

29. The details on the organization of the business plan competitions are laid out in an annex in the Project Operations Manual (POM). The business plans competition will include criteria pertaining to climate adaptation co-benefits for target beneficiaries of the interventions if they are assessed to be vulnerable to the impact of climate change. The vulnerability context will be provided for this population, along with the intent, and the link to the activities.

30. **Component 2. Promoting entrepreneurship and employment through skills Development and eLearning Strategy (Total costs including contingencies = US\$5.45 million equivalent IDA financing).**

The objective of the component is to draw from lessons being learned through the pilot interventions in Component 1 and build synergies with the MoHE and MoED skills needs assessment to identify skills gaps that employers are facing. This would lay the foundation for preparing the 21st Century Skills Development Strategy during project implementation. The goal is to support the GoM to complete, endorse, and adopt the strategy before project completion. The project will finance: (a) technical assistance to prepare the 21st century skills development strategy, (b) upgrade the IT infrastructure for skills development including the institution of an eLearning Management System and jobs platform, and (c) develop career hubs to create education-industry linkages and entrepreneurship promotion, linking up with the jobs platform.

31. **Subcomponent 2.1: Strategy Development, Strengthening and Diversifying skills development programs (Total costs including contingencies: IDA US\$2.3 million).** The objective is to support GoM to prepare a 21st Century Skills Development Strategy to:

(a) move from the current static and fragmented training model to a dynamic and coherent workforce readiness model that is synchronized with the economic pathways for the country and in line with international standards, (b) assess and reorganize skills as a continuum from foundational skills (reading and writing) at basic education level, to mid-level

³ Not registered or incorporated formally.



vocational, technical, and entrepreneurship skills for career readiness, culminating in higher-order or advanced technical and professional skills at university level, and where remedial skills can facilitate school-to-work transition, (c) map existing skills programs along the skills continuum of lower level to advanced level skills by competencies and attributes, (d) identify new public and private sector partnerships and service delivery modes, (e) strengthen the IT infrastructure for skills development to keep abreast of latest developments in the IT-related domains, (f) network the career hubs to support a continuous education-industry linkage, (g) link up with MoED to update the strengthened jobs platform under subcomponent 2.2; and (h) assess the cost-effectiveness and cost-efficiency of instituting a dynamic skills development strategy to improve the competitiveness of the Maldivian economy.

32. The project will finance technical assistance (a) in each of the project priority areas, drawing on lessons from the pilot interventions in Component 1 to inform the preparation of the 21st Century Skills Strategy for the Maldives, (b) for developing an economic and financial simulation model to generate the cost-efficiency and risk assessment, mitigation, and sensitivity analysis parameters, (c) for assessing the skills competencies and attributes across learning domains, (d) for reviewing and projecting the needs for rehabilitating facilities and laboratories to align with the curriculum at the technical training institutions, and (e) to convene workshops to build consensus among stakeholders, finalize the strategy, and assist the GoM to adopt the strategy.

33. The activities would be progressively completed during project implementation. The interim outputs would be completed by co-constructing/co-creating with private sector employers, incorporating industry/work-based training and skills development into academic and technical/vocational programs, and developing new and revised curricula to align with the needs of a dynamic economy. To improve the alignment, the Employment Sector Councils⁴ will be reactivated with the participation of private sector employers to ensure that the curriculum in priority sectors are reviewed, readjusted, and rolled out in line with the needs of the sectors and the requirements of the National Qualifications and Accreditation Standards. The strategy would be completed, endorsed, and adopted before project completion.

34. ***Subcomponent 2.2: IT infrastructure for skills development and jobs platform (Total costs including contingencies: IDA US\$1.15 million).*** The objective of this subcomponent is to develop market clearing interventions for job matching using technology-based platforms. The project will finance the following activities:

(i) Purchasing and adapting an eLearning platform, including a Learning Management System (LMS), and skills development content. Maldives has embarked on developing, implementing, and supporting technology-enabled solutions for various programs in education and skills development. Due to the geographical dispersion of the country, the GoM plans to promote eLearning services as a mechanism to foster quality access to digital content for students. Being an island nation with about 200 inhabited islands, it is challenging to provide physical library services for all the inhabited islands. This would require relevant digital infrastructure and skills to manage digital resources. New economy skills would be needed to manage and sustain the digital infrastructure;

⁴ Employment Sector Councils were established for the following five sectors: Transport; Fisheries and Agriculture; Tourism, Construction, and Social. However, these are no longer active.



(ii) Strengthening the IT infrastructure for job matching and program support to operationalize and expand the scope of web-based job search and the job-matching platform. In this connection, the GoM through financing from the Enhancing Education Development Project (EEDP) has already developed the job-matching platform (www.guraha.mv). This is now operational. The project will finance further development to enhance features of the platform. The platform, which is in the pilot phase, is currently designed to allow stakeholders (the students, the youth, and the private sector) to register and provide/have access to timely and accurate information on vacancies. The goal is to make the platform a repository of labor market data, which can be used in the future for analyzing the trends of demand and supply of skills in the market. The platform will also include a career guidance, coaching, mentoring and counseling module that will be easily accessible by all women and youth interested in attaining their career pathways and goals.

35. **Subcomponent 2.3: Career hubs for education-industry linkages and entrepreneurship promotion (Total costs including contingencies: IDA US\$2 million).** The objective of the subcomponent is to set up career hubs for education-industry linkages and entrepreneurship for youth. The career hubs would be in at least one service delivery node to provide a physical space for youth to access face-to-face and/or online information on career paths including entrepreneurship. The project will finance: (a) minor rehabilitation of selected, existing service delivery nodes where the career hubs will be set up, (b) furniture, (c) computer hardware and software, (d) incremental operating cost for the career hub facilitators, and (e) entrepreneurship guidance and counselling.

36. **Component 3: Project Coordination, Monitoring and Evaluation (Total costs including contingencies = US\$4.55 million IDA financing)**

The EHCED will support the GoM to coordinate the project, undertake M&E, and provide technical assistance. The project activities will be coordinated by a team of experts in operations, M&E, procurement, FM, and environmental and social safeguards, if needed. This coordination support team will assist with the efficient implementation and monitoring of project activities. Monitoring of activities will take place regularly throughout the life of the project. For this purpose, a project management information system (MIS) would be developed early in project implementation and a functioning MIS will be the goal. The purpose of monitoring will be formative and to support implementation by identifying problems and facilitating actions to resolve issues and remove bottlenecks to efficient implementation. It will also help assess the results of the project, including through beneficiary feedback information. Technical assistance will be available to support the activities under the first two components of the project as well as policy analyses, especially on the labor market, including the evaluation of the pilot interventions. This component will also support the communication and dissemination of project information to stakeholders, including policy makers, government officials, associations of employers and entrepreneurs, skills development institutions, and the public.

37. **Component 4. Contingent Emergency Response Component (CERC) (Total costs including contingencies = US\$0 IDA financing)**

This component has been added to permit rapid reallocation of project proceeds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact. It would be triggered if/when the GoM declares a state of emergency or a state of a disaster or provide a statement of fact justifying the request for the activation of the use of emergency



funding. To allocate funds to this component, the GoM may request the World Bank to reallocate project funds to finance and support response and reconstruction efforts. If the World Bank concurs with the assessment/determination of the disaster and associated response needs, the proposed component would draw resources from the categories primarily financing Components 1 and 2 and/or allow the Government to request the World Bank to recategorize and reallocate financing from any other project subcomponents to cover emergency response and recovery costs. Component 4 could also be used to channel additional funds should they become available as a result of an emergency. Disbursements would be made against a positive list of critical goods or the procurement of works and consultant services required to support the immediate response and recovery needs. The reallocation of funds would be done in such a way to achieve the key indicators in the Results Framework. An Emergency Operations Manual will be applicable to this component, which will be part of the Project Operations Manual (POM), and detailing FM, procurement, safeguards, and other necessary implementation arrangements.

E. Implementation

Institutional and Implementation Arrangements

38. The Ministry of Finance (MoF) will be the executing agency and the MoHE and the MoED will co-implement the project for all technical aspects. The MoHE and the MoED will sign an MoU during negotiations to formalize the project co-implementation responsibilities. MoHE will house the Project Management Unit (PMU) and be responsible for all fiduciary and safeguards aspects. Project implementation will be led by a Project Steering Committee (PSC) co-chaired by the Minister of Higher Education and the Minister for Economic Development. The PSC will comprise representatives/members from the MoED, the MoF, the MoCST, and the TVET/Skills Development Authority. The MoHE or the MoED will convene the PSC. In addition to the PSC, a Technical Committee (TC) will be established to focus on the two main components of the project. The State Minister (SMoHE) will be the Project Director (PD). The SMoHE will coordinate the various agencies to forge synergies and establish and maintain consistency. The PD will be supported by a fully staffed PMU to help coordinate, implement, and monitor the day-to-day activities of the project and for all fiduciary and safeguards aspects of the project. The PMU will include (a) a project coordinator, (b) a deputy project coordinator, (c) an M&E specialist, (d) an operations officer, (e) a procurement specialist, (f) a financial management specialist, (f) an environment safeguards officer, and (g) a social safeguards officer. The MoHE and the MoED will select a project coordinator and a deputy coordinator respectively, to oversee and coordinate the activities of the project and ensure smooth collaboration between the MoHE, the MoED, and the PMU.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Maldives is an island nation in the Indian Ocean oriented north-south off India's Lakshadweep Islands. The Maldives consists of 1,192 coral islands grouped in a double chain of 26 atolls. The country's atolls encompass a territory spread over roughly 90,000 km², making it one of the world's most geographically dispersed countries. Over 200 of its 1,192 islands are habituated by the country's population, with an average of 5-10 islands in each atoll being inhabited islands that have infrastructure such as housing, roads and other facilities built in.. A significant number of uninhabited islands in each atoll have also been



converted to resorts and tourism facilities as well as house infrastructure such as industrial facilities and airports. The atolls are composed of live coral reefs and sand bars, situated atop a submerged ridge 960 km long that rises abruptly from the depths of the Indian Ocean. Maldives is noted as the country placed at the lowest elevation in the world, with maximum and average natural ground levels of only 2.4 m and 1.5 m above sea level, respectively. More than 80 per cent of the country's land is composed of coral islands which rise less than one meter above sea level. The islands consist of coral, sea grass, seaweed, mangrove and sand dune ecosystems which are of great ecological and socio-economic significance. Maldives is home to a number ecologically sensitive marine habitats in shallow and intertidal zones which have been designated as protected areas by the Ministry of Environment and Energy (MEE) and these regions and any activities in their vicinity are stringently monitored and managed. While the exact locations of project investments are not currently known, project interventions will only be conducted in inhabited islands, which have already been zoned and developed for human habitation.

G. Environmental and Social Safeguards Specialists on the Team

Bandita Sijapati, Social Specialist

Mokshana Nerandika Wijeyeratne, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is expected to finance physical interventions associated with improvements to existing infrastructure and new infrastructure institutions for skill development both in the Greater Male Region and outer atolls. It is expected that these activities will take place on existing inhabited Islands. Construction activities may have potential site specific environmental impacts during the construction phase which can be managed with inbuilt due diligence, however the project is not likely to have large scale significant irreversible environmental impacts. Therefore, the project is proposed as Environmental Category B.</p> <p>As the exact locations of project financed physical interventions will be known only during project implementation, as a risk mitigation measure, the</p>



		client has prepared an Environmental and Social Management Framework (ESMF) to guide project implementation. The ESMF includes guidance on conducting environmental screening, preparation of environmental assessments and management plans as well as on monitoring, which will be key elements in ensuring sound environmental practices during the implementation of physical interventions.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	OP/BP 4.04 is triggered on a precautionary basis and measures to ensure any possible impacts to natural habitats or sensitive environments are avoided/mitigated and will be covered in the ESMF.
Forests OP/BP 4.36	No	There are no areas classified as forests in Maldives. Any potential impacts on island vegetation are covered through OP/BP 4.04.
Pest Management OP 4.09	No	The project will not finance the purchasing of any pesticides, herbicides or other chemical poisons. Thus, the policy is not triggered.
Physical Cultural Resources OP/BP 4.11	No	No project-supported activities are expected in the vicinity of or will affect Physical Cultural Resources (PCRs), as defined by OP/BP4.11. However, The project environmental screening procedures include screening for PCRs specifically and chance find procedures have been included as part of mitigation measures defined in the ESMF and OP/BP 4.01.
Indigenous Peoples OP/BP 4.10	No	There are no evidence suggesting the presence of indigenous peoples in the Maldives, therefore, this policy is not triggered.
		Land acquisition and impacts relating to involuntary resettlement are not expected under the project. Small to medium scale civil works (e.g., constructions/ upgrading of skills training institutes' buildings) are likely which will take place on existing land/premises of the concerned agency.
Involuntary Resettlement OP/BP 4.12	No	The Environmental and Social Management Framework (ESMF) prepared under the project includes guidance on conducting social screening, preparation of social assessments and management plans, if required, to ensure that any social impacts (e.g., labor influx, noise and dust pollution, public inconveniences, etc), are mitigated during project implementation.



Safety of Dams OP/BP 4.37	No	This policy is not triggered as there will be no activities that invest on dams or water retention structures. The project does not depend on any existing dams or water retaining structures.
Projects on International Waterways OP/BP 7.50	No	The proposed project activities do not have any impacts on international waterways and therefore this policy is not triggered
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas in the Maldives therefore this policy is not triggered.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Environment

The project is expected to finance physical interventions associated with improvements to existing infrastructure and new infrastructure institutions for skill development both in the Greater Male Region and outer atolls. It is expected that these activities will take place on existing inhabited Islands. The nature of the expected infrastructure development works is assessed to be of medium scale and in potential locations where anthropogenic activities have already altered the natural environment. The exact sites where these interventions will be implemented, and technical designs will only be available during project implementation. As such construction activities may have potential site specific environmental impacts during the construction phase which can be managed with inbuilt due diligence. On interventions that will be undertaken in association with the Private Sector on skills development, it is noted that there will be no physical interventions associated with the proposed activities. In addition, the project will also focus on promoting environmental management via its skills development component, which is a positive impact the project will generate.

The environmental impacts are expected to be limited to (i) the management of construction level impacts at the rehabilitation /construction sites (waste water, solid waste, rejection and elimination of wastes such as oils and paints, demolished material), soil erosion, loss of vegetation, as well as dust and noise during the works, occupational and public health and safety and associated nuances; (ii) issues around the water supply, sanitation and solid waste management in with regard to the operation of such facilities are also envisioned; (iii) high demand of material for construction, such as wood for furniture and windows, sand, etc.; (iv) structural integrity of the facilities; and (v) issues related to use and disposal of solid waste and effluents such as sewerage and waste water during the operation of training institutes and boarding facilities.

In addition to new construction activities, there may be rehabilitation activities related to water proofing of roofs, replacement of broken fittings, repairing malfunctioning drainage, water and electrical installations, painting, etc. that may give rise to environmental issues. The extraction of construction material particularly sand and coral aggregates could constitute a source of potential impacts on the natural environment.

Overall environmental impacts, outlined above, are expected to be temporary and of minimal nature if appropriate



mitigation and management measures are adopted.

Social

The Project is expected to have substantial positive social impacts for youth, including young women. Equity impacts will be closely monitored through systematic data collection and analysis on skills development, and labor market outcomes. Addressing social cultural barriers to employment will be designed to address the special needs of women and youth through counselling and vocational skills to draw on their strengths and become productive members of society. Further, to improve quality of skills and entrepreneurial trainings, project activities will focus on development of TVET courses, standards for accreditation, quality and capacity development of Maldives polytechnic institutes, strengthening of business development services and entrepreneurship capacity of trainers, support for IT infrastructure for skills development and job platform, etc.

Since the focus of the project activities are primarily on 'soft interventions', adverse impacts associated with physical interventions are expected to be minimal, if any. In the instances where selected skills development facilities are upgraded and/or new facilities constructed, the construction and/or renovation work will take place in the existing sites and land of the concerned institutions, and no new land is expected to be allocated from existing state land or acquired from private owners. Therefore, no involuntary resettlement or displacement of people is anticipated. However, potential impacts during construction could include: risks from labor influx, access restrictions, noise and dust pollution, other public inconveniences, etc.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

There are no activities in the project area that could potentially lead to any indirect and/or long-term impacts.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

No alternatives have been considered for the proposed physical interventions as the proposed interventions focus on the re-use of existing infrastructure via rehabilitation versus the set up of new infrastructure to serve project focuses.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

As the exact locations of project financed physical interventions will be known only during project implementation, as a risk mitigation measure, the project has prepared an Environmental Assessment and Management Framework (ESMF) which will guide project implementation in terms of both Environmental and Social safeguards due diligence requisites as per the World Bank Safeguards Policies, World Bank Group Environmental Health and Safety Guidelines and Environmental Regulatory requirements of the GoM. The ESMF includes guidance on conducting environmental screening, preparation of environmental assessments and management plans as well as on monitoring, which will be key elements in ensuring sound environmental practices during the implementation of physical interventions and all components of the project. Under activities that will be conducted to Support Entrepreneurship Development it is expected that all business proposals will be of medium scale and will be screened in line World Bank safeguards requirements as an eligibility criteria, environmental and social sustainability and management will be screened as key elements and once the process is further strengthened the Project will develop a Implementation Manual that will be replicate the guidance provided in the ESMF. The ESMF has been disclosed by the Government of Maldives and The World Bank as at the 11 March, 2019 and 12 March, 2019, respectively.

The Ministry of Finance and Treasury will be the executing agency and the Ministry of Higher Education (MoHE) and Ministry of Economic Development (MoED) will be co-implementing the Project. The MoHE and MoED will also



coordinate with the Ministry of Youth and Sports, the Ministry of Tourism and other relevant ministries based on their respective mandates and responsibilities. The Project management Unit (PMU) of the MoE that has now been transferred to MoHE has substantial prior experience in working with the World Bank, and the proposed implementation arrangements for the EHCED will utilize the capacity built during the implementation of previous education projects and the Enhancing Education Development Project (EEDP) that was closed on June 30, 2018. The PMU to be established within the MoHE will second/hire environmental and social specialists to focus on the tasks and responsibilities outlined in the ESMF in the role of an Environmental and Social Coordinator (EHSC).

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

For all activities supported under the project, the affected communities will be consulted within a structured and culturally appropriate manner. If the principal project activities or subproject activities are assessed to have significant adverse impacts on affected communities, the process will ensure their free, prior and informed consultation as a means to establish whether those activities have adequately incorporated affected communities’ concerns. In order to accomplish this, the ESMF as well as all other safeguard instruments will be made available to the public by the borrower for a reasonable minimum period. The process will be documented, and account will be taken of the results of the consultation, including any actions agreed resulting from the consultation. For projects with adverse social or environmental impacts, disclosure will occur early in the assessment process, and on an ongoing basis.

In addition, a grievance redress mechanism will be established, scaled to the risks and adverse impacts of the project or subproject, as part of the management system. The grievance redress mechanism will allow for concerns and grievances about the project’s social and environmental performance raised by individuals or groups from among project-affected communities to be received and to facilitate resolution of those concerns and grievances, including those relating to GBV and labor conditions.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
04-Mar-2019	12-Mar-2019	

"In country" Disclosure

Sri Lanka
11-Mar-2019

Comments
[https://mohe.gov.mv/images/resources/resources/ESMF-EECHED-Final%20\(8th%20March%202019\).pdf](https://mohe.gov.mv/images/resources/resources/ESMF-EECHED-Final%20(8th%20March%202019).pdf)



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

No

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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Note to Task Teams: End of system generated content, document is editable from here. *Please delete this note when finalizing the document.*