### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Mauritania</td>
<td>P162916</td>
<td>Mauritania Youth Employability Project</td>
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<table>
<thead>
<tr>
<th>Region</th>
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<th>Practice Area (Lead)</th>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tr>
<td>Investment Project Financing</td>
<td>Islamic Republic of Mauritania</td>
<td>Ministry of employment, youth, and sports</td>
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#### Proposed Development Objective(s)

The Project Development Objective is to promote the employability of vulnerable youth in selected areas.

#### Components

- Orientation, job counseling, and life skills training
- Technical skills training and internships
- Fostering microentrepreneurship for income-generating activities
- Contingency emergency reserve component
- Project management, monitoring, and evaluation

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
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<th>Total Project Cost</th>
<th>42.00</th>
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<tbody>
<tr>
<td>Total Financing</td>
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<td>of which IBRD/IDA</td>
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<td>Financing Gap</td>
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#### DETAILS

**World Bank Group Financing**

| International Development Association (IDA) | 40.00 |
### IDA Grant

<table>
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<tr>
<th>Description</th>
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<tr>
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### Non-World Bank Group Financing

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<td>Borrower/Recipient</td>
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### Environmental and Social Risk Classification

**Moderate**

**Decision**

The review did authorize the team to appraise and negotiate
B. Introduction and Context

Country Context

1. Mauritania is an arid lower middle-income country situated in between North and Sub-Saharan Africa. The population, as of 2020, was 4.1 million, and individuals younger than 25 years of age represent 61.3 percent of the total population. More than half of the population lives in urban areas, mostly in the capital of Nouakchott and surrounding areas.\(^1\) The majority of the remaining population is in the Sahel region and provinces along the Senegal River.

2. Over the past decade, the country has experienced impressive economic growth, which has permitted it to enter into the ranks of lower middle-income countries. A commodity super-cycle spurred solid economic growth, allowed for significant government investments in infrastructure, and enabled Mauritania to register one of the best growth performances in the region. The primary economic activities have traditionally centered on the production of rice, vegetables, and animal fodder in the south of the country. However, Mauritania has also managed in recent years to successfully tap into mineral resources (iron, copper, and gold) as well as fishing stocks. This has permitted the country to increase its gross domestic product (GDP) per capita from US$700 in 2007 to US$1,218 in 2018.

3. Mauritania’s economy is heavily affected by global commodity prices due to the country’s reliance on extractives, significant agricultural imports, and limited economic diversification. After several years of strong growth, the economy was hit hard by the global slowdown in the demand for minerals. This resulted in a drop in the GDP growth rate from 5.0 percent to nearly 2.0 percent between 2010 and 2014. Growth is now recovering somewhat and annual GDP growth forecasts for 2019 and 2020 are 5.3 and 7.2 percent respectively, partly thanks to the agriculture sector.\(^2\) There is widespread recognition within the government that the country needs to diversify its economy in order to reduce its vulnerability to global commodity prices, to fight poverty, and to lower income inequality.

4. Despite a significant decline in the poverty rate in recent years, the poverty rate remains high in Mauritania, with 33 percent of the population living below the nationally defined poverty line, as of 2014.\(^3\) Up until the early 2000s, the average annual decline in the poverty rate was slightly below 1 percent. However, between 2008 and 2014, poverty reduction accelerated by an average annual rate of almost 2 percentage points. This was largely driven by the improved welfare of agricultural and livestock producers due to an uptick in commodity prices. During this period, 11 percent of the population escaped poverty. Most of the progress was registered in the predominantly rural regions of Hodh El Chargi, Gorgol, Brakna, Adrar, and Tagant. Meanwhile, urban areas registered fewer gains, and in Nouakchott, poverty rates remained largely unchanged. Despite these trends, the highest poverty rates still remain among rural households engaged in agriculture and livestock rearing (Guidimagha, Tagant, Brakna, and Assaba). In the coastal provinces where urban populations are concentrated, poverty rates are generally lower than in other parts of the country.

Sectoral and Institutional Context

5. In terms of human development outcomes, Mauritania ranks poorly. Mauritania was ranked 150 out of 157 countries in the 2018 World Bank Human Capital Index (HCI). Mauritania’s score of 35 percent effectively means that a

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2 International Monetary Fund Report 18/137 on Islamic Republic of Mauritania (May 2018)

3 The national poverty line is defined as MRO 177,200 (US$494).
child born today will be 35 percent as productive when she grows up as she could be if she had benefited from full education and health. Mauritania’s score and rank are low mainly due to weak education results. Even though the average 18-year old is expected to achieve 6.3 years of schooling, this number goes down to 3.4 when adjusted for the quality of education, meaning 2.9 years are lost.

6. **Mauritania has a young population structure and a large cohort of youth, who face poor labor market outcomes.** Over 60 percent of the population in Mauritania is below the age of 25 years (61.3 percent in 2020). A large proportion of youth fail to transition successfully into employment, remaining unemployed or largely inactive in the labor market. Youth aged 15 to 24 have a labor force participation rate which is significantly below that for the overall working age population (25.5 percent compared to 45.5 percent). The youth unemployment rate is also over double that for the overall working age population.

7. **Female youth also generally face poorer labor market outcomes, with pronounced gender gaps existing across almost all dimensions.** Female youth have a labor force participation rate of 18.8 percent and an employment rate of 8.9 percent. This is notably lower than the equivalent rates for male youth, which are 34.4 percent and 22.6 percent respectively. There are multiple factors underlying the gender gap in the labor market. The proportion of Mauritanians of working age who have never attended school is high. More than two out of three women (67.4 percent) have no education compared to 32.6 percent of men. Females have a higher school dropout rate among 12-16-year olds, which reduces the overall likelihood that they will be employed later in life. According to the interviews conducted with girls and their families during the preparation of this project as part of a study on youth expectations, girls' education appears to be less of a priority than that of boys when household resources are insufficient to provide all siblings with access to school.

8. **The cohort of youth that are not in employment, education, or training (NEET) have become a particular priority for the Mauritanian government.** The Mauritanian government’s 2017 report on the employment outlook highlights the challenge posed by youth that are NEET. The report notes that a relatively large proportion (44.2 percent) of young people are currently outside the employment and education system. The report places a special emphasis on youth that are without a diploma or formal qualifications. Among the policies highlighted to support this vulnerable group, the report suggests: (i) developing accessible vocational programs for school dropouts; (ii) promoting self-employment by setting up short- and medium-term financing for microenterprises; (iii) supporting the youth and especially women in micro entrepreneur; and (iv) developing labor market integration tools.

9. **There are a number of employment constraints which pose barriers for Mauritanian youth in accessing jobs.** These include: (i) lagging labor demand due to weak job creation in emerging sectors; (ii) weak outreach, access to services, and information about livelihoods and employment options; (iii) limited access to credit and management training; as well as (iv) insufficient opportunities for skills development in terms of practical, job-relevant competencies across sectors.

10. **Limited labor demand has led to weak job creation in emerging sectors.** On the demand side of the labor market, the recent economic growth has translated into some job growth, but not nearly enough to absorb all new labor market entrants. The growth decompositions covering the period from 2000-14 confirm this dynamic. From 2004 to 2012, a 1 percent increase in real GDP resulted in 3,576 jobs being created. Between 2012 and 2017 the downturn in the mining sector resulted in slower growth, which also impacted the job growth figures. Meanwhile, labor productivity has accelerated marginally in the last five years, increasing 0.2 percentage points compared to the preceding period.
11. The weak job growth figures, particularly in rural areas, have resulted in accelerated rates of urbanization and migration. Nouakchott and the coastal provinces have received the highest numbers with an annual population growth rate of 4.4 percent in the capital since the year 2000. These migrants contain a mix of those that are moving seasonally and those that are relocating permanently. However, migration remains a primarily domestic phenomenon in Mauritania, with few heading abroad. As a result of these trends, a large proportion of youth that are not in employment, education, or training (NEET) reside in Nouakchott or other urban areas.

12. Mauritanian youth also generally have limited access to services and information about employment options. This is particularly the case for youth who are either uneducated or have dropped out of the schooling system prematurely at the primary or secondary level. This cohort is far more likely to rely on directly contacting employers or using personal relations in seeking employment, rather than relying on open competition or job search agencies that may be better equipped to match their skill set with the right employer. As a result, many lower-educated Mauritanian youth have a higher propensity to seek self-employment and set up their own income-generating activities.

13. There are multiple constraints that Mauritanian youth face in successfully engaging in productive income-generating activities. This includes credit constraints, which mean that poorer and more vulnerable youth struggle to access credit for such activities from commercial banks. Moreover, they generally lack the technical know-how on how to set up a microenterprise (business plan, registration, and so forth) and then successfully manage it (basic accounting, overseeing additional staff, and so forth) in order to sustain their livelihood.

14. Mauritanian youth also generally lack the job-relevant skills required to successfully transition into employment. This includes a lack of basic life skills, as well as a deficit of technical skills. Many private-sector employers report difficulties in recruiting staff with the necessary skills, including those with practical experience, project management, or information technology (IT) skills. This is exacerbated by the dropout rate from the education system, which currently occurs mostly at the primary and secondary level. It is not only an issue in Koranic schools, but also in those that are part of the modern education system. Secondary schools in Mauritania cater to some of the basic skills; however, the secondary dropout rate has been on the rise since 2014.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

15. The Project Development Objective is to promote the employability of vulnerable youth in selected areas.

Key Results

The main indicators to measure the PDO include:

- **Indicator 1. Youth benefiting from life skills and technical skills training and internships in employment after six months (disaggregated by gender), (Percentage)**
  - Baseline: 12 (2020)
  - Target: 22 (2025)

- **Indicator 2. Youth benefiting from life skills training and microentrepreneurship support in employment after six months (disaggregated by gender), (Percentage)**
Baseline: 12 (2020)
Target: 22 (2025)

➢ Indicator 3. Income increase for the beneficiaries of the economic inclusion program after 6 months - overall (Percentage)
Baseline: 0 (2020)
Target: 30% (2025)

D. Project Description

16. The project will consist of five components: (i) a component supporting orientation, jobs counseling, and life skills training; (ii) a component supporting technical skills training and internships; (iii) a component focused on fostering micro-entrepreneurship for income-generating activities; (iv) a contingency emergency response component; and (v) a component on project management, monitoring, and evaluation.

17. Components 1, 2 and 3 will support an economic inclusion program for vulnerable youth and strengthen the government’s institutional capacity to implement it. This program will aim to improve their employability through a multidimensional and integrated package of services, which will support vulnerable youth along their path to employment. These services will be designed to facilitate employment readiness and boost productivity by alleviating the most pressing constraints faced in accessing gainful employment. Based on lessons learned from other high impact integrated youth employment programs, the service package will include: (i) job counseling and mentoring sessions; (ii) life skills training; (iii) short-term technical skills training and internships; (iv) business skills training; and (v) cash grants for income-generating activities. In recognition of the constraints that women face in accessing employment (whether formal wage or self-employment), the project will also include specific interventions to help women overcome these barriers.

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<th>Legal Operational Policies</th>
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<tr>
<td>Projects on International Waterways OP 7.50</td>
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<tr>
<td>Projects in Disputed Areas OP 7.60</td>
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Summary of Assessment of Environmental and Social Risks and Impacts

18. The environment risk rating is classified as Low. The core project activities are training and coaching in the areas of life skills, technical skills, job coaching, job placement, management training, and internship support. Cash transfers will be provided to launch self-employment. Most of these activities are aimed at conservation and will enhance environmental and social risks and impacts management as well as social protection since they offer opportunities for work and earnings at the same time. This project does not pose any potential indirect or long-term negative impacts.
19. **The social risk rating is classified as Moderate.** The major project activities will concern training, coaching and cash transfers, each of which will be well defined, socially inclusive, and include beneficiaries’ consultations. As the objective of the project is to improve employability of vulnerable youth in Mauritania, especially women, the project will pay attention to ensure that these vulnerable groups are among the project beneficiaries. Prior to appraisal, a GBV risk assessment will be carried out to determine the GBV risk levels and design appropriate mitigation measures.

### E. Implementation

#### Institutional and Implementation Arrangements

20. **The Ministry of Employment, Youth, and Sports (MoEYS), as the ministry responsible for youth employment in Mauritania, will be responsible for coordinating and supervising the implementation of the project.** The ministry will set up a project coordination unit (PCU) as part of the Coordination of Employment Projects (CPE Coordination des Projets Emploi). The CPE is a newly established structure whose mandate is to coordinate and execute all the fiduciary functions for all projects involving donor funding. Given the limited experience MoEYS has in program implementation, and the need of the project to engage various departments within the ministry as well as semi-autonomous agencies, the creation of a PCU was deemed preferable to the implementation of the program by an existing department under the ministry.

21. **The project will be implemented by the PCU.** The PCU will be in charge of: (i) planning and coordinating the implementation of project activities; (ii) managing fiduciary activities (financial management and procurement); (iii) recruiting and managing human resources for the project; (iv) preparing annual work programs and budgets (AWPBs); and (v) producing reports based on a monitoring/evaluation system.

22. **The implementation of project components will require the operational involvement of ministry departments and of other institutions with which the PCU/CPE will sign partnership agreements detailing the expected implementation arrangements, roles, and responsibilities.** Component 1 would require such an agreement with ANAPEJ. Component 2 will require an agreement with INAP-FTP. Component 3 will require an agreement with the Taazour General Delegation. The CPE will reach annual performance agreements with the executive agencies in charge of implementing the components. These agreements will detail the expected annual objectives and indicators. Implementation will be evaluated annually by the CPE on the basis of these indicators.

23. **The PCU will be coordinated by a Project Coordinator who will be competitively selected.** The Project Coordinator will be in charge of the management and supervision of the staff who will be recruited on a competitive basis and will include (i) a project technical coordinator, (ii) an administrative and financial manager (RAF), (iii) a procurement specialist, (iv) a monitoring and evaluation specialist, (v) a technical specialist on training and microentrepreneurship, (vi) a management information system specialist, (vii) a communications specialist, and (viii) a gender and social safeguards specialist. If necessary, the project will contract short-term consultants on specific technical issues.

24. **A Project Steering Committee (SC) will be established and will be responsible for guiding the implementation of the project and ensuring multisectoral collaboration.** The SC will meet two times per year to approve the overall annual work plan prepared by the PCU, review progress, and agree on performance targets and timelines for proposed activities under the different components. The SC will be presided over by the MoEYS and will includes representatives of the MEVTICT, INAP-FTP, ANAPEJ, Taazour, the Confederation of Artisans, the Ministry of Economy and Industry, and the Confederation of Employers, and will also include a representative of the National Youth Council.
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APPROVAL

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Cornelia M. Tesliuc
Matthieu Boris Lefebvre

Approved By
Environmental and Social Standards Advisor:
<table>
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<tr>
<th>Practice Manager/Manager:</th>
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<tbody>
<tr>
<td>Country Director:</td>
<td>Luc Lecuit</td>
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