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BANK GROUP**

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TRANSITION SUPPORT FACILITY (TSF) (PILLAR III)

**PROJECT: SKILLS FOR YOUTH EMPLOYABILITY AND SOCIAL
INCLUSION**

COUNTRY: REPUBLIC OF SOUTH SUDAN

DETAILED PROJECT DOCUMENT

DATE: FEBRUARY 2020

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FISCAL YEAR OF BUDGET

1st July- 30th June

Currency Equivalentents

As of 30th November 2019

1UA	=	1.3729 USD
1UA	=	1.25 EUR
1UA	=	220.04 SSP
1EUR	=	1.10 USD
1EUR	=	176.45 SSP
1USD	=	160.27 SSP

Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogram (kg)	=	2.200 lbs
1 meter (m)	=	3.28 feet (ft)
1 millimeter (mm)	=	0.3937 inch (“)
1 kilometre (km)	=	0.62 mile
1 square kilometre (km ²)	=	0.386 square mile
1 hectare (ha) = 0.01 km ²	=	2.471 acres

ABBREVIATIONS AND ACRONYMS

ADF	African Development Fund
AfDB	African Development Bank
CPD	Country Programme Document
DPs	Development Partners
FM	Financial Management
FPA	Fiduciary Principles of Agreement
GRSS	Government of the Republic of South Sudan
I-CSP	Interim Country Strategy Paper
IDPs	Internally Displaced Persons
IMS	Information Management System
IPPDR	Interim Public Procurement and Disposal Regulations
IT	Information Technology
JICA	Japan International Cooperation Agency
MOAs	Memorandum of Agreements
MoCYS	Ministry of Culture, Youth and Sports
MoFP	Ministry of Finance and Planning
MoGEI	Ministry of General Education and Instruction
MoLPSHRD	Ministry of Labour, Public Service and Human Resource Development
MTC	Multi-service Training Centre
NRC	Norwegian Refugee Council
PaCC	Peace and Community Cohesion Project
PCR	Project Completion Report
PoCs	Protection of Civilians
POPP	Programme Operations Policies and Procedures
PPRA	Project Procurement Risk Assessment
PWD	Person with Disability
SMEs	Small and Medium-sized Enterprises
SSLA	South Sudan Legislative Assembly
SVDP	St. Vincent de Paul Training Centre
SYE-SS	Skills for Youth Employability and Social Inclusion
TFIA	Tripartite Funding and Implementation Agreement
ToT	Training of Trainers
TRAC	Target for Resource Assignment from the Core
TSF	Transition States Facility
TVET	Technical and Vocational Education and Training
UA	Unit of Account
UN	United Nations
UNDB	United Nations Development Business
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
VTC	Vocational Training Centre
YEPP	Youth Empowerment and Employment Project

GRANT INFORMATION

Client's information

RECIPIENT:	Republic of South Sudan
EXECUTING AGENCY:	Ministry of Labour, Public Service and Human Resource Development (MoLPSHRD)
IMPLEMENTING AGENCY:	United Nations Development Programme (UNDP)

Financing plan

Source	Amount in UA	Instrument
ADF 14/TSF Pillar III	1,000,000	Grant
UNDP Parallel Financing	359,551	
Total Project Cost	1,359,551	

ADF (TSF PILLAR III) Key Financing Information

Grant Currency	UA
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Time-frame - Main Milestones (Expected)

Preparation/Appraisal	November 2019
Project approval	March 2020
Effectiveness	April 2020
Completion	July 2022
Closing Date	October 2022

PROJECT SUMMARY

<p>Project Overview</p>	<p>The Skills for Youth Employability and Social Inclusion (SYE-SS) Project will be implemented in Juba, South Sudan over a period of 28 Months. The Project total cost is UA 1,359,551 (equivalent to USD 1,866,527).</p> <p><i>Project Outcomes and Outputs:</i> The Project aims to increase availability of quality vocational skills needed in the labour market. The project expected outcomes are: i) Improved quality of graduates from Vocational Training Centres, and ii) Improved equity and increased access to formal and non-formal vocational and skills training. The proposed outputs include: i) Increased access to demand driven skills for employability, ii) Promoting equal opportunity iii) Improved quality and relevance of Vocational Training, and iii) Capacity enhancement for relevant ministries and training institutions.</p> <p><i>Project direct beneficiaries:</i> The project direct beneficiaries are 1,000 youth (50 percent female). The beneficiaries will include ex-combatants and persons with disabilities. The beneficiaries will acquire vocational skills in selected trades, access career guidance and counselling services, job placement and industrial internship with private sector companies. About 20 trainers (20 percent female) will benefit from training of trainers.</p>
<p>Needs Assessment</p>	<p>The demand for skilled labour force is growing in South Sudan in sectors such as hospitality and construction. However, the current labour force does not have the required skills, competencies and attitude to enable them take advantage of the job opportunities. This has resulted in the country importing skilled labour from neighbouring countries. This has contributed to unemployment especially among the youth. Youth destitution and lack of empowerment, underpinned by the widespread absence of productive capacities and income generation opportunities, are among the principal factors sustaining the ongoing conflict in South Sudan. To sustain peace and development, widening the options for the youth and engaging them through skills enhancement, employment, and social inclusion, especially for the most vulnerable including female youth, ex-combatants and persons with disability, is essential. With the return of peace and growing number of returnees, the government of South Sudan is challenged to ensure that more South Sudanese are absorbed into the labour market. Vocational training plays an important role in providing alternative, and often more effective, pathway to acquiring skills, learning and employment, especially in the context of a fragile setting.</p>
<p>Bank's Added Value</p>	<p>The Bank has supported water and sanitation, electricity distribution systems, agriculture, good governance, non-oil revenue mobilization, humanitarian relief and the recently approved basic education project. This will be the second project in the social sector that the Bank is supporting in South Sudan. Enhancing skills for youth and instructors in hospitality, hairdressing, solar and electrical installation, and plumbing will help improve opportunities for employment among the youth and complement the Bank's other interventions in South Sudan, especially in water and sanitation and electricity distribution. For example, the Bank has supported the power grid supply that was recently restored in Juba where several new house connection applications are likely to overwhelm the utility provider within the course of the next couple of months. The project intervention is timely to support electrical installation. Investments to support vocational skills enhancement and job creation raise the competitiveness of the youth and unlock the full potential of the private sector in helping to create a vibrant economy.</p>
<p>Knowledge Management</p>	<p>The project will strengthen knowledge and data management as well as data driven decision making of the Ministry of Labour, Public Service and Human Resource Development (MoLPSHRD) and the Juba Multi-service Training Centre (MTC). This will be achieved through the operationalization of the employment portal that is installed at the MoLPSHRD to consolidate job opportunities and expansion of the online management system for applicants joining the job market; and the establishment of a database management system at the MTC to monitor progress and achievements of training provided by the MTC.</p>

RESULT-BASED LOGICAL FRAMEWORK

Country and Project Title: South Sudan: Skills for Youth Employability and Social Inclusion						
Purpose of the Project: To contribute to increased availability of quality demand-driven vocational skills						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline 2019	Target 2022		
IMPACT	Increased availability of skilled labour force	% of graduates employed within six months of graduation	59.5% ¹	70%	Tracer study	<p>Risk 1: Resumption and spread of conflict could lead to displacement of people</p> <p>Mitigation Measures: Project flexibility to disengage and be implemented in other areas. Support skills development in Internally Displaced Persons (IDP) and Protection of Civilians (PoCs) camps and their hosting communities, either in the project coverage area or move to more stable areas, which will be selected as refuge for the population. This precaution is taken to allow for continuation of implementation of planned activities, which would otherwise be impossible if there is insurgency.</p>
	Outcome 1: Improved equity and increased access to formal and non-formal vocational and skills training	% of students at establishment that are vulnerable (female, ex-combatants, Persons with Disability - PWDs).	30%	50%	Information Management System (IMS) report	
	Outcome 2: Improved quality of graduates from Vocational Training Centres (VTC)	% of employers satisfied with VTC graduates	None in 2019	60%	Employer satisfaction survey	
Component 1: Increased Access to Demand Driven Skills						
OUTPUTS	Output 1: Increased access to demand driven skills for employability	Number of students enrolled ² (disaggregated by trade (hospitality, electrical installation, plumbing & pipefitting & hairdressing), vulnerability and gender)	87 students	1,000 (50% female)	IMS report	<p>Risk 2: Reluctance by local business owners to take on apprentices due to financial costs and burden of overseeing and training semi-skilled workers</p> <p>Mitigation Measures: UNDP has already established an active network of private sector companies – and growing – engaged and committed on the Youth Empowerment and Employment Project (YEPP) which will be used in this project.</p>
	Output 2: Promoting equal opportunity	Proportion of female trainees enrolment in male dominated trades (electrical installation and plumbing/pipefitting)	0 (first experience)	Minimum of 20% per cohort	Project Data	
		No. of sensitization activities on benefits of female participation in vocational male dominated trade	0	3	Project Data	
		No. of Ex-Combatants and PWDs enrolled	0	200	Project data	
Component 2: Improved Quality of Vocational Skills						

¹ UNESCO 2018 Rapid Assessment and Labour Market Assessment

² The training will be delivered through several cohorts/batches (on average 20-30 students per cohort per trade skill) which can effectively be handled by a smaller number of tutors. This meets the 1:20 standard ratio for class size as outlined in the South Sudan Vocational Training Policy, DVT, MOLPSHRD

	Output 3: Improved quality and relevance of Vocational Training	Number of VTC instructors trained	0	20 trainers (20% female)	Training of Trainers report	<p>Risk 3: Competing demands on Government Public Resources and financial sustainability: Government's commitment to skills development especially payment of salaries for public servants might be reduced due to competition for high budget expenditure on security leading to high turnover of trainers in vocational training institutions.</p> <p>Mitigation Measures: Government has shown strong commitment in supporting public expenditures and aligning to international commitments. The Bank, UNDP and MoLPSHRD will hold policy dialogue to increase the government's commitment to skills development.</p> <p>Risk 4: Limited implementation capacity including procurement, financial management and quality control for the outputs.</p> <p>Mitigation Measures: Use of third-party implementing agency (UNDP) with satisfactory procurement and financial management systems.</p>
		Number of youth mentored and coached	0	1,000 (50% female)	One-stop shop report	
		Number of graduates placed in apprenticeship and internships disaggregated by gender and vulnerability.	0	1,000 graduates (50% female)	IMS report	
		Number of Tracer Studies conducted	0	1	Project reports	
		Number of Employers Satisfaction survey	0	1	Project reports	
		Operationalization of job application portal	0	1	Project reports	
		Number of benchmarking visits	0	1	Project reports	
		Number of database/IMS developed and operational	0	1	Project reports	
	Component 3: Capacity Building and Project Management					
		Output 4: Capacity Enhancement for Relevant Ministries & training institutions	Number of Project Technical Committee meetings	0	8	Project Technical Committee minutes
Number of project reports submitted (progress, project completion and audit reports)			0	11	Project reports	
KEY ACTIVITIES	COMPONENTS				INPUTS	
	<p>Component 1: Increased Access to Demand Driven Skills – UA 676,657</p> <p>Component 2: Improved Quality of Vocational Skills – UA 427,235</p> <p>Component 3: Capacity Building and Project Management – UA 255,659</p>				<p>Resources by component (UA million)</p> <p><u>Sources</u> (UA million):</p> <p>ADF 14 TSF\Pillar III-1,000,000</p> <p>UNDP Parallel Financing - 359,551</p>	

I. INTRODUCTION

1.1 Background

1.1.1 South Sudan has experienced decades of repeated civil conflicts, which have roots in political contestation for power. The prolonged conflict has contributed to high levels of poverty due to lack of economic opportunities, high unemployment especially among the youth and high insecurity leading to low private sector investment. Poverty rates have fluctuated and was estimated at 86 percent in 2016 from 66 percent in 2015. It also varies between urban and rural, estimated at 70 percent and 36 percent respectively in 2016³. There is also disparity according to states, for example, poverty incidence was about 81 percent and 40 percent in Eastern Equatoria and Central Equatoria respectively in 2015. The country has one of the lowest literacy levels worldwide, with rates of 14.5 percent for female and 35 percent for male. This daunting situation largely stems from a weak economy, and limited education and employment opportunities.

1.1.2 The oil sector is the key driver of economic growth, accounting for over 70 percent of Gross Domestic Product in 2017, but it has not created the much needed jobs for South Sudanese. The Oil industry is highly regulated and sets stringent international standards. Thus, the oil sector largely imports labour due to lack of qualified local labour force. The other economic sectors include agriculture (10 percent), manufacturing (7 percent) and services (6.1 percent). The country's rich natural endowment has not translated into improved standards of living for the people of South Sudan as the population is mobile due to insecurity. Furthermore, the recent growth economic recovery momentum with the real GDP reaching 5.8 percent in 2019 from 0.5 percent in 2018, was not inclusive since it has not created the needed jobs to the population, especially youth.

1.1.3 The establishment of the Revitalised Transitional Government of National Unity (R-TGoNU) signed on 22nd February 2020 provides hope for peace and stability which is critical to attracting private sector development. About 1.74 million people were internally displaced and 2.5 million were refugees as of 2017. However, South Sudan is gradually experiencing an influx of returnees. The country is also experiencing rural to urban migration mainly to Juba in search of security and jobs. Many youth regardless of their ethnicity including the vulnerable (persons with disability, ex-combatants and victims of gender-based violence) are moving to Juba in search of jobs and better livelihood. The development of employable skills does not only directly respond to the major challenges articulated by the youth – lack of employment opportunities, low skills – but is crucial in addressing the youth bulge and contribute to nation-building, economic growth, and private sector development in the country.

1.1.4 The population in South Sudan is young. In 2015, South Sudan population was estimated at 12.3 million. About 70 percent of the population is aged 16-32 years, which is reflected in the main towns including Juba. Unfortunately, South Sudan has not maximized the youth bulge resulting in several youth being recruited and fighting in the war. Youth's involvement in the civil war is not out of choice but due to lack of options. Youth destitution and lack of empowerment, underpinned by low level of education, limited skills, absence of productive capacities and income generation opportunities are among the principal factors likely to fuel more conflict. Some youth are involved in inter-community and intra-community (inter-clan) conflicts and cattle rustling. Moving forward, youth are expected to be part of peace consolidation and contribute to economic growth of the country. The project is providing vocational skills training for a deliberately short duration (3-6 months) targeting the youth, especially vulnerable youths with low literacy levels.

³ 2018 African Economic Outlook for South Sudan (African Development Bank)

1.2 Project Rationale

1.2.1 Unemployment is high in South Sudan estimated at 11 percent of the population in 2016 while youth unemployment is estimated at 50 percent and continues to rise⁴. The private sector remains small and dominated by small enterprises. However, there are emerging sectors with the potential to create employment opportunities, these include construction, hospitality and general trading. Thus, the demand for skilled labour force is growing⁵. The government remains the main employer but is challenged to pay salaries for civil servants regularly, as such it is not able to attract more youth in the civil service. The civil service is dominated by older people with limited qualifications. The challenge compounds as majority of the youth have no or lack appropriate skills and qualifications to enable them to get decent jobs, which are prerequisite for accessing better employment. About 78 percent of the active labour force is in non-wage, low-productivity employment concentrated in the agriculture sector. However, with the growing number of returnees, the government is challenged to ensure that more South Sudanese acquire relevant skills and are absorbed in the labour market. Returnees need to earn a living as early as possible to settle their lives hence the need to acquire vocational skills which do not require long term investment. The youths have been used to fight in the war under different factions, thus depriving them the opportunity to acquire education and meaningfully contributing to national development.

1.2.2 The country lacks skilled labour force to meet the growing labour demand. While statistics are not available for the skills gap in various sectors⁶, South Sudan imports labour at different levels from neighbouring countries, mainly Kenya and Uganda, which is expensive and unsustainable. South Sudan needs to invest in skills development for its youth, if they are to be competitive in the labour market, increase income, reduce inequality and reduce chances of being lured into armed rebellion. The government has realised that vocational skills training has the potential to meet the growing economic opportunities in the rebuilding of the country and provide an alternative pathway to economic empowerment, considering the low levels of education in the country. The government has prioritized employment generation and the improvement of livelihoods as one of the five Peace and State building goals of the National Development Strategy - NDS (2018-2021). Under its Economic Cluster Results Framework, the NDS provides for the achievement of the goal to “improve food security and livelihoods and revitalize the national economy”. As a cross-cutting priority, the NDS identified the empowerment of youth to address unemployment challenges as a strategic objective (number 4).

1.2.3 Based on the previous assessments and surveys, and on-site experiences, there is a significant need of skills training to support the construction and hospitality industries. Evidence of many trainees and private sector companies who visit VTCs inquiring for hospitality and construction training and trainees suggest the need for the skills. With peace returning to the country, there will be immense growth in construction and hotel industries as its already experienced.

1.2.4 Despite the demand for skilled labour force, there are fewer good skills training facilities in South Sudan. The conflict destroyed most infrastructure, such as schools, health centres and skills training institutions. In addition, the number of qualified tutors/instructors is limited, thus affecting the quality of skills training. However, the government, with the support of development

⁴ 2018 African Economic Outlook for South Sudan (African Development Bank)

⁵ This project is training youth on specific skills that are demanded by businesses in Juba and other urban areas and which have high business potential.

⁶ A comprehensive labour-market study will be conducted by UNDP under the YEPP project to capture a wide range of information that will provide a better appreciation of the labour force and market and give further guidance with regards to future interventions in skills training, job placement, and employment. In addition, MoLPSHRD is committed to conducting regular labour market assessments.

partners, is rehabilitating, equipping and training tutors in vocational skills training centres across the country. For example, JICA has rehabilitated and equipped some structures at the Juba MTC, a public facility. The Bank is supporting the training of primary school tutors and infrastructure development in primary schools in Upper Nile, Unity, Jonglei and Eastern Equatoria through its Improving Access and Quality of Basic Education Project. UNDP with support from the Netherlands is implementing YEEP and European Union is supporting EMPOWER Project. Both projects are supporting skills development focusing mainly on youth. The on-going efforts are expected to create a pool of young people with skills to join the labour market. However, more needs to be done in order to ensure that more youth acquire relevant skills demanded by the labour market.

1.2.5 Gender disparity in employment and access to education remains high. Young females in South Sudan continue to be marginalized. They have low education levels and few job opportunities compared to their male peers. There are significant challenges to the attainment of economic empowerment for women and girls due to cultural related biasness. Majority of young females are forced into early marriages. Over 40 percent of girls are married before age 18 and only 2 percent of girls in South Sudan complete secondary school. The enrolment rate for primary school in South Sudan is 36 percent and the primary school completion rate is only 14 percent (10 percent for girls), with high dropout at 16 percent for both boys and girls. There is a negative perception by society on girls' involvement in male dominated vocational trades. South Sudan was ranked 181st out of 189 countries in the 2016 Gender Development Index of the UNDP report.

1.2.6 The Bank has supported a number of sectors in South Sudan including: water and sanitation, agriculture, governance, gender, natural resources, energy and education. The Bank interventions in energy, water and sanitation are likely to create demand for skilled labour force in areas including but not limited to electrical domestic installations; plumbing and pipefitting. The Bank has vast experience to advise on appropriate strategies and interventions for RMCs emerging from conflicts. Therefore, the focus of the project will complement the Bank's on-going initiatives as outlined above.

1.3 Development Objectives

1.3.1 The goal is to contribute to increased availability of quality demand-driven vocational skills. The project specific objectives are: i) Increase supply of relevant vocational skills through providing learning opportunities for vulnerable youth; ii) Provide internships and job placements opportunities for the youth with the private sector through partnership agreements; iii) Promote social cohesion and peace building by mainstreaming human rights, trauma management, and peace building modules in all the training; and, iv) Capacity development of the Ministry of Labour, Public Service and Human Resource Development to improve overall system strengthening and institutional development. These will contribute to addressing underlying drivers of fragility, enhance inclusivity and build resilience.

1.4 Project Eligibility

1.4.1 **The project is in line with the general provisions for eligibility of TSF Pillar III support.** The support is open to ADF countries as listed in the Multinational Development Banks (MDB) harmonized list of "Fragile Situations". South Sudan is an ADF country which features on the 2019 AfDB and World Bank's harmonized list of fragile situations. Therefore, the current project by focusing on capacity building meets the eligibility criteria for TSF Pillar III support.

1.5 Alignment with Bank Policies and strategies

1.5.1 The project is aligned with Bank policies and strategies. The Project is aligned with the South Sudan Update of the Extended Interim Country Strategy Paper 2012-2018 which was Extended to December 2021 (I-CSP)⁷ with its single pillar on ‘State Building through Capacity Building and Infrastructure Development’. The pillar emphasizes the need to support basic social services delivery in health, nutrition, education and skills development. The Project is consistent with the Bank’s Ten-Year Strategy (2013-2022) that emphasizes inclusive growth and a gradual transition to green growth and pays particular attention to fragile states and gender. It is also in line with the Bank’s Human Capital Strategy (2014-2018)⁸ which emphasizes efficient and inclusive service delivery as an enabler to skills and technology; and the Bank’s Jobs for Youth in Africa Strategy 2016-2025 that focuses on inclusive employment and creating positive impact on youth. The project is consistent with the Strategy for “Addressing Fragility and Building Resilience in Africa 2014-2019”⁹ which emphasizes strengthening capacity of institutions and promoting resilient societies through inclusive and equitable access to basic social services. The project will create positive impact on the youth, address gender disparities and contribute to the achievement of the Bank’s High 5s, especially improving the quality of life for the people of Africa.

1.6 Linkage with key Government Policies and Strategies

1.6.1 The government has key policy and strategy frameworks that are guiding the programming in skills development. Policies promote the importance of TVET with MoLPShRD¹⁰ focusing on what is referred to as vocational training or skills development/training and MoGEI focusing on advancement of Technical Education leading to a degree or comparable level of education. Policies include: (i) the South Sudan Vocational Training Policy 2014 (Final Draft) under the Ministry of Labour, Public Service and Human Resource Development (MoLPShRD) which guides the ministry in its vocational training work, while its Labour Act 2017 provides labour standards; (ii) National Technical and Vocational Education and Training Policy and General Education Strategic Plan 2017-2022 under the Ministry of General Education and Instruction (MoGEI) which guides its academic courses with TVET and long and short courses; and (iii) the South Sudan Youth Development Policy 2019 (Revised) under the Ministry of Culture, Youth and Sports (MoCYS) which guides its work on vocational training focused on youth. As part of government consideration of Skills Development and Vocational Training Programming, it has established a Directorate of Vocational Training in the MoLPShRD and a Directorate of TVET in the Ministry of General Education and Instruction (MoGEI).

1.7 Donor Coordination

1.7.1 A number of development partners are active in supporting vocational skills training. These include: Netherlands, JICA, European Union, FAO, UNDP, UNESCO, UN Habitat, UNIDO, UNICEF and GIZ. UNDP is co-leading with the Netherlands, the MoLPShRD and the different state governments in conducting job fairs and establishing the network of private sector companies for asset-linked job placement and internships. The approach by the MoLPShRD focuses on competency-based skills development with emphasis on employability.

⁷ Approved by the Board of Directors in May 2019

⁸ Under review.

⁹ Under Review

¹⁰ The South Sudan Vocational Training Policy of the MoLPShRD has passed critical policy formulation processes and stages including validation by the Cluster of ministries, and its tabled to the Council of Ministers for approval. The policy is functional with limitation to the VTCs run by the MoLPShRD and its affiliates. This policy cannot necessary be imposed or made mandatory for the whole sector before approval.

1.7.2 The Bank will ensure that its support compliments other DPs’ on-going initiatives and avoids duplication. The design of the Project considered what other DPs are supporting. The Project design process ensured consultations with other DPs such as the Netherlands Embassy, JICA, UNDP and Norwegian Refugee Council in order to identify the gaps in skills, areas where the Bank resources would add value and potential areas of collaboration. In addition, consultations were held with the Juba Multi-service Training Centre (Government owned vocational training centre) and St. Vincent de Paul (faith based vocational training centre) to understand the capacity, trades offered, demand for the different trades and explore possibility of partnership in skills training. Trades were selected after several team deliberations and consultations with partners and the MoLPSHRD, supported by data from the MTC in terms of market demand and uptakes of graduates. The SYE-SS project will be implemented in close collaboration with the Youth Empowerment and Employment Project (YEEP) in scaling-up training in selected trades, promoting linkage with the labour markets and enhancing quality of skills development through training of trainers and operationalisation of the database management system at the MTC and employment portal at the MoLPSHRD. YEEP is being implemented by UNDP and co-funded by the Netherlands and UNDP.

II. PROJECT DESCRIPTION

2.1 Project Component

2.1.1 The Project aims to increase availability of quality demand-driven vocational skills. The project addresses a key issue of human capital development through increased capacity to produce skilled labour force. The project will provide affirmative action to the vulnerable youth (about 50 percent female) through provision of pathways to further learning or employment, as well, as providing ‘second chance’ learning opportunities. The Project will support awareness raising in order to encourage female youth to enrol in vocational skills training especially in male dominated trades. The Project will ensure strong engagement between the training institutions and the labour market (both private and public sectors) in order to ascertain skills needs and relevance.

2.2 Project Components and Activities

2.2.1 The project will support short-term non-residential training courses combined with internships and placements opportunities to increase supply of relevant skills. Internships and job placements will be with the private sector¹¹ through a Partnership Agreement to be signed between UNDP and participating companies following a thorough risk assessment/due diligence review process. For sustainability purposes, UNDP will build the capacity of the Executing Agency to strengthen its engagement with private sector. All partnership with private sector companies will involve the government. Mobilization of the private sector for job placement and internship will be done in partnership with the MTC and the MoLPSHRD. The process of identification, discussion, and agreement with private sector companies for the deployment of interns will be done together with Government (MTC and MoLPSHRD). The MTC and MoLPSHRD will be involved in assigning interns and tracking their performance. The Project will also promote social cohesion and peace building by mainstreaming human rights, trauma management, and peace building modules in all the training. Furthermore, entrepreneurship development will be mainstreamed in all the course.

¹¹ This is a continuing initiative under the YEEP. Currently, UNDP through YEEP has done due diligence assessment on an initial 30 companies in 4 states which have articulated their willingness to take in interns and train them.

2.2.2 **In order to achieve its objectives, the project has three components:** (i) Component 1: Increased access to demand-driven skills. This component will support activities aimed at increasing the number of youths acquiring employable vocational skills; (ii) Component 2: Improved quality of vocational skills. The component will support interventions that aim to improve the quality and relevance of vocational skills delivery; and (iii) Component 3: Capacity building and project management. This component will provide the necessary support for effective implementation of the project. Details of activities under each component are outlined in Table 1 below.

2.2.3 The training will focus on hospitality, electrical and solar installation, plumbing and pipe fitting and hair dressing. The selection of the trades was informed by the growing construction and hospitality industries. Other trades such as motor vehicle technician, welding, carpentry and brick-layering, and refrigeration and air conditioning are being covered by other partners.

Table 1: Project Components and Activities

Total ADF/TSF Pillar III envelope is UA 1 million (USD =1,372,900) ADF TSF Pillar II/UNDP Parallel Financing UA 1,359,551 (USD = 1,866,527)		
Components	Activities	Budget (UA)
Component 1: Increased access to demand-driven Skills The component aims to support government efforts to increase access to demand-driven skills and promote equal opportunity.	Training of 1,000 youth in competency-based, market-linked vocational skills, such as hospitality, hairdressing, solar and electrical installation, plumbing and pipe fitting ¹² .	676,657 (of which UA191,152 is parallel financing by UNDP)
	Conduct 1 graduate's tracer study and employer's satisfaction survey.	
	Update the labour-market study.	
	Set up the employment portal.	
	Operationalize employment portal through hiring of a database/portal manager.	
	Supply inputs for training in prioritized trades.	
	Conduct sensitization activities with communities.	
	Conduct awareness raising activities among female youth to build their confidence in male dominated vocational skills.	
Component 2: Improved Quality of Vocational Skills This component will support interventions that aim to improve the quality and relevance of vocational skills delivery.	Training and upgrading of 20 trainers/instructors on the Project's prioritized trades.	427,234 (of which 123,826 is parallel financing by UNDP)
	Review of instructor trainers' manuals in the Project prioritized trades.	
	Reviewing curricula in 3 trades (hospitality, solar and electrical installation; and plumbing and pipe fitting) in line with the labour market's demands.	
	Develop new competency-based curricula in hairdressing and beauty.	
	Updating training modules on peacebuilding and entrepreneurship component.	
	Provide career guidance, counselling and industrial placement for 1,000 vocational skills graduates ¹³ .	
	Deployment of 1,000 graduates for job placement and industrial internships with private sector companies ¹⁴ .	
	Operationalize training database system at MTC.	
Component 3: Capacity Building	Support capacity building for Executing Agency in Procurement and Financial Management.	120,730 (of which 19,832 is parallel
	Support government-led Project Technical committee.	

¹² All trades to be supported by the project were identified in the course of project preparation on the basis that they will have substantial potential for South Sudanese to gain employment and establish businesses due to high demand. Much as the actual demand may not yet be documented, the bulk of the services delivered in Juba are currently offered by persons of other nationalities.

¹³ Graduates who will opt for self-employment will be linked to the YEPP project that supports entrepreneurship, provides start-up kits and micro-grants.

¹⁴ The engagement with the private sector is on the determination of which trades are in demand and viable in the area and which would need to be offered through the VTCs. UNDP and MoLPSHRD will engage the South Sudan Electricity Corporation to explore opportunities for internships for trainees in electrical installation.

and Project Management The component will provide support for effective and efficient management of project activities.	Project management (procurement, monitoring and reporting).	financing by UNDP)
	Project audit and project completion report	
	<i>Operating Cost:</i> Office equipment	34,380 (of which 20,395 is parallel financing by UNDP)
	Monitoring and Evaluation (3% of the programme cost)	26,476 (of which 4,346 is parallel financing by UNDP)
<i>Project Management:</i> General Management Support (GMS) 8%		74,074

2.3 Project Target Area and Population

2.3.1 The project will target youth around the city of Juba who have migrated from the various former ten states. The decision to focus on the city of Juba is based on a number of factors including: (i) it has high population of migrants from various states and returnees especially youth who lack skills to get gainful employment; (ii) extensive presence of low-skilled, unemployed and disenfranchised youth whose non-employment could lead to lawlessness; (iii) highest concentration of displaced population in the country; (iv) high potential for youth absorption in the labour market due to the presence of businesses and growing private sector mainly in the construction and hospitality industries; (v) diverse population in terms of ethnicity; and, (vi) availability of facilities that can quickly roll-out the training. Conducting training in Juba will strengthen social cohesion and peaceful co-existence as trainees will come from various ethnic and cultural backgrounds. The Centre is closely located to the MoLPSHRD which makes monitoring and supervision easier and less costly due to proximity. The Centre is also easily accessible by the private sector in Juba. Due to insecurity concern and government limited budget, travelling outside Juba remains fragile and expensive.

2.3.2 The training will be conducted in Juba, at Multi-Training Centre (MTC). The centre has facilities that would enable the Project to quickly commence and roll-out the training. MTC facility has the capacity to handle about 1000 students per year for the 3-6 months courses. The facility has electrical, plumbing, automotive/mechanical, and carpentry workshops, as well as computer lab. The centre has about 26 trainers in various trades. It also has accommodation facilities for about 80 students though these have to be single sex at any one time since there are no sanitation facilities to cater for both females and males. However, due to limited resources, the Project will support non-residential training.

2.4 Project Beneficiaries

2.4.1 Youth from around Juba but from different ethnic groups are the main beneficiaries of the Project. About 1,000 youth (female, vulnerable and ex-combatants) are expected to be trained in various trades critical for the labour market. Vulnerable youth such as those living with disability, ex-combatants and those who suffered from gender-based violence will be targeted¹⁵. The Project will also benefit trainers through training of trainers in the Project selected trades. UNDP, MoLPSHRD and MTC will develop guidelines for selection of trainees. Moreover, the project will ensure that it promotes social cohesion and peace building through the curriculum and

¹⁵ The challenges faced by ex-combatants and PWDs are mainly 1) lack of livelihood opportunities/options which as a result made them vulnerable to recruitment and exploitation, and 2) low literacy that enhanced their vulnerability to exploitation.

enrolling youth from different states but based in Juba in the training program. The project will engage both the private and public sectors in order to ascertain their skills needs, facilitate internships and satisfaction of graduates. The MoLPSHRD and the Juba MTC will as well benefit from the project. The project will serve as a pilot for vocational skills development with the potential to be scaled up by the GRSS.

2.5 Participatory Processes of Project Design and Implementation.

2.5.1 The design of this project ensured wider consultations with key stakeholders. The Project was a response to the request from the Government of the Republic of South Sudan (Annex 1). The project design involved consultations with (i) the Government of the Republic of South Sudan, including, the Ministries of Finance and Planning, Labour Public Service and Human Resource Development, and Culture, Youth and Sports; (ii) Partners including the Netherlands Embassy, Japan International Cooperation Agency (JICA) and United Nations Development Programme (UNDP); (iii) other stakeholders and representatives including Norwegian Refugee Council (NRC), Juba Multi-service Training Centre (Government owned vocational training centre) and St. Vincent de Paul (faith based vocational training centre).

2.6 Project Cost and Financing Plan

2.6.1 The overall project cost is estimated at UA 1,359,551 (equivalent to USD 1,866,527). This amount is net of taxes and duties of which US\$ 1,866,527 is in foreign currency. The Bank’s contribution is UA 1 million (equivalent to USD 1,372,900). About 26 percent (USD 493,627) of the total project budget (USD 1,866,527) will be covered by UNDP through the YEEP (USD 429,228) and Target for Resource Assignment from the Core (TRAC)¹⁶ (USD 64,399) as parallel financing. Table 2 below provides a summary of the sources of financing.

Table 2: Sources of Finance

SOURCE	F.E.	L.C.	Total	% Total
ADF14/ TSF Pillar III Grant	1,000,000	0	1,000,000	73.6%
UNDP Parallel Financing	359,551	0	359,551	26.4%
Total	1,359,551	0	1,359,551	100%
Percentage	100%	0%	100%	

2.6.2 The project will primarily be financed using the African Development Fund’s (ADF) 14/TSF Pillar III resources. Considering that the resources are from TSF Pillar III, counterpart contribution is not expected. The Project duration shall be twenty-eight (28) months. Annex VI provides the detailed cost indicating the activities that will be covered by the Bank and UNDP. It details the parallel financing between the Bank and UNDP through the SYE-SS project, YEEP project and TRAC. Tables 3-8 below provide a summary of the estimated ADF/TSF Pillar III project cost by component, category and disbursement.

¹⁶ UNDP gives particular attention to the development challenges of LDCs including South Sudan through earmarking a proportion of its core budget for LDCs. The core resources are voluntary contributions by its Member States and distributed to programme countries as the TRAC fund.

2.6.3 Cost Estimates

Table 3: Summary of Costs by Component (UA equivalent)

Components	UA			L.C	Total cost	USD	% Total	% Foreign Currency
	F.C		Total Cost					
	AfDB	UNDP						
Component 1: Increased access to demand driven skills	485,505	191,152	-	676,657	928,982	50%	50%	
Component 2: Improved Quality of Vocational Skills	303,409	123,825	-	427,234	586,550	31%	31%	
Component 3: Capacity Building and Project Management								
Capacity Building	100,897	19,833	-	120,730	165,750	9%	9%	
General Management Support (8 percent)	74,074	0	-	74,074	101,696	5.5%	5.5%	
Operating costs	36,115	24,741	-	60,856	83,549	4.5%	4.5%	
Total Project Cost	1,000,000	359,551		1,359,551	1,866,527	100	100	

Table 4: Project Cost by Expenditure Category (UA equivalent)

Components	UA			L.C	Total	USD	% Total	% Foreign Currency
	FC		Total					
	AfDB	UNDP						
A. Goods	13,985	20,395	-	34,380	47,200	2.5%	2.5%	
B. Services	889,811	334,810	-	1,224,621	1,681,282	90.0%	90.0%	
C. General Management Support (8 percent)	74,074	0	-	74,074	101,696	5.5%	5.5%	
D: Operating cost	22,130	4,346	-	26,476	36,349	2.0%	2.0%	
Total	1,000,000	359,551	-	1,359,551	1,866,527	100	100	

Table 5: Expenditure Schedule by Component (UA equivalent) - ADF 14/Pillar III

COMPONENT	2020	2021-2022 ¹⁷	TOTAL (UA)	TOTAL (USD)	% of TOTAL
Tranche Percentage	50%	50%			
Component 1: Increased access to demand driven skills	242,752.5	242,252.5	485,505	666,550	48.6%
Component 2: Improved Quality of Vocational Skills	151,704.5	151,704.5	303,409	416,550	30.3%
Component 3: Capacity Building & Project Management					
Capacity Building	50,448.5	50,448.5	100,897	138,522	10.1%
General Management Support (8 percent)	37,037	37,037	74,074	101,696	7.4%
Operating costs	18,057.5	18,057.5	36,115	49,582	3.6%
TOTAL (UA)/Tranche	500,000	500,000	1,000,000	1,372,900	100
TOTAL (USD)/Tranche	686,450	686,450	1,372,900		

¹⁷ Given the small amount of the grant which will have parallel financing from UNDP, the project will disburse in two equal tranches to avoid compromising with planned activities and project impact. The second tranche will be disbursed either in 2021 or 2022 based on the utilisation and accountability of the first tranche.

Table 6: Expenditure Schedule by Category (UA equivalent) - ADF 14/Pillar III

CATEGORY	2020	2021 - 2022	Total (UA)	Total (USD)	% Total
Tranche percentage	50%	50%			
A. Goods	6,992.5	6,992.5	13,985	19,200	1.4%
B. Services	444,905.5	444,905.5	889,811	1,221,622	89.0%
C. General Management Support (8 percent)	37,037	37,037	74,074	101,696	7.4%
D: Operating cost	11,065	11,065	22,130	30,382	2.2%
TOTAL (UA)/Tranche	500,000	500,000	1,000,000	1,372,900	100
TOTAL (USD)/Tranche	686,450	686,450	1,372,900		

Table 7: Project Costs by Category of Expenditure and Source of Finance (UA equivalent)

CATEGORY	F.C.		L.C.	TSF & UNDP		Total Cost - %	TSF (%)	UNDP (%)
	TSF	UNDP		UA	USD			
A. Goods	13,985	20,395	0	34,380	47,200	2.5%	1.0%	1.5%
B. Services	889,811	334,810	0	1,224,621	1,681,282	90.0%	65.5%	24.5%
C. General Management Support (8 percent)	74,074	0	0	74,074	101,696	5.5%	5.5%	0%
D: Operating cost	22,130	4,346	0	26,476	36,349	2.0%	1.6%	0.3%
TOTAL	1,000,000	359,551	0	1,359,551	1,866,527	100%	73.6%	26.4%

Table 8: Expenditure by Category and Disbursement Schedule for ADF 14/TSF Pillar III

CATEGORY	ADF/PILLAR III		Disbursement Schedule	
			First Tranche (2020)	Second Tranche (2021/2022)
	Amount in UA	% Total	50%	50%
A. Goods	13,985	1.4%	6,993	6,993
B. Services	889,811	89.0%	444,905	444,905
C. General Management Support (8 percent)	74,074	7.4%	37,037	37,037
D: Operating cost	22,130	2.2%	11,065	11,065
TOTAL	1,000,000	100%	500,000	500,000

2.7 Bank Group experience and lessons reflected in project design

2.7.1 As at January 2020, the Bank's portfolio in South Sudan comprised ten (10) active operations with commitments amounting to UA112.1million/USD155.02 million. In terms of sectoral distribution, the agriculture sector has the largest allocation of (28.14%), followed by power (24.63%), water supply and sanitation (20.16%), social sector (11.48%), multi-sector (for example governance) - (11.30%) and finance (4.29%). The Bank approved the first social sector project in South Sudan in September 2019. This will be the second social sector project supported by the Bank since 2012. The Project is expected to inform scalability of the Bank's intervention in skills development in South Sudan.

2.7.2 The portfolio's performance is satisfactory, with an overall score of 3 on a scale of 1 to 4. The total cumulative disbursement rate was 52.6% by 31st December 2019, while the average portfolio age stood at 2.8 years. However, critical issues of fragility, particularly insecurity and violence, still affect portfolio performance, as well as government's low absorption capacity stemming from institutional and human capital weaknesses. Public institutions generally lack staff with requisite qualification and skills to perform key functions. The Bank has adopted the use of

third-party implementation arrangements for all projects with high fiduciary risks, low capacity and implemented outside Juba. This is to mitigate the risks associated with weak institutional capacity, (systems and human capital), insecurity outside Juba, limited knowledge of Bank rules, procedures and procurement regulations by the Project Implementation Unit officials, delays in the implementation of procurement plans and submission of audit reports.

2.7.3 The project's design has benefitted from lessons learned from other projects financed by the Bank and/or other development partners in South Sudan. The SYE-SS project is built on the Bank's experience in supporting skills development and reintegration of vulnerable youth in Regional Member Countries especially those in fragile situations including Eritrea, Somalia, Cote d'Ivoire, Burundi, Democratic Republic of Congo and Central Africa Republic. Thus the project design has drawn the following lessons: (i) focus on youth skills development for peace building; (ii) provision of short-term skill training for immediate entry of vulnerable groups in the labour market; (iii) capacity building of Executing Agency for effective implementation due to weak capacity for project implementation especially regarding adherence to the Bank fiduciary rules and procedures; and, (iv) use of third party implementing agencies due to weak government systems and structures.

III. IMPLEMENTATION ARRANGEMENTS

3.1 Executing Agency and Partners

3.1.1 The Republic of South Sudan shall be the Grant Recipient. The Ministry of Labour, Public Service and Human Resource Development (MoLPSHRD) through its Directorate of Vocational Training will be the Executing Agency. However, due to limited capacity at the MoLPSHRD; the Government and the Bank agreed that the project will be implemented by the United Nations Development Programme (UNDP) as third-party implementing agency on behalf of the Government. While MoLPSHRD, through the Directorate of Vocational Training leads in programming, guidance and government oversight; UNDP will be responsible for overall implementation of the project. Under this arrangement, UNDP will provide fiduciary oversight of the project, including those pertaining to procurement and financial management, in accordance with the Fiduciary Principles Agreement (FPA) signed between the Bank and UNDP.

3.1.2 UNDP will utilize the grant in accordance with its regulations, policies and procedures, per the project work plan and procurement plan prepared by UNDP in consultation with the GRSS and approved by the Bank. The Parties (GRSS, AfDB and UNDP) will sign a Tripartite Funding and Implementation Agreement (TFIA). The TFIA will specify the roles and responsibilities of each party. The project task team will work with the Bank legal team to get the draft TFIA ready in advance to avoid implementation delays.

3.1.3 UNDP as an implementing agency was selected based on a number of factors including: (i) its strong partnership with MoLPSHRD on a similar on-going initiative (Youth Empowerment and Employment Project) which has a budget of about US\$ 16 million. UNDP has a rich experience in the area of skills and vocational training programming and some of their interventions are still ongoing in South Sudan and will complement the SYE-SS project. Its vast and strong experience in implementing and managing skills development initiatives for youth in South Sudan on behalf of other development partners (DPs); (ii) opportunity for synergies with interventions of other DPs such as the YEPP supported by the Netherlands, as well as deeper engagement with other DPs; and (iii) the existence of a Fiduciary Principles Agreement with the Bank. UNDP has implemented

projects¹⁸ for the Bank in South Sudan, and is thus familiar with some of the Bank's processes and procedures; (iv) UNDP support to development of a competency-based, standardized training curriculum¹⁹ and modules on 13 trades;²⁰ and (v) UNDP has also taken the lead on rehabilitation, construction and equipping of VTCs, and the training of VTC instructors on competency-based curriculum development and the translation of the curriculum to the training methodology and lesson planning.

3.2 Project Oversight

3.2.1 A Project Technical Committee (PTC) will be established to strengthen the coordination, planning and monitoring of the activities undertaken by project stakeholders. The committee, consisting of 11 members, will comprise of representatives from the Ministry of Labour, Public Service and Human Resource Development (3 - one of the members will come from Juba MTC); Ministry of Culture, Youth and Sports (1); Ministry of General Education and Instruction (1), Chamber of Commerce (1), Employers Association (1), UNDP (2) and representatives from two key development partners supporting skills development in South Sudan. The PTC will be chaired by the Undersecretary for Labour and Industrial Relations, MoLPSHRD. UNDP will be a member of the PTC and will serve as the PTC's secretary. The PTC will meet every three months to review quarterly project implementation progress to be reported by the Implementing Agency.

3.3 Project Monitoring and Evaluation Reports

3.3.1 UNDP will be responsible for overall implementation, monitoring and evaluation and reporting. Monitoring and Evaluation will be a major project management function based on the indicators defined in the result based logical framework. UNDP will be fully responsible for data collection, analysis and reporting. As an Implementing Agency, UNDP will produce quarterly implementation reports to inform the Bank and GRSS on project progress, developments and achievements.

3.3.2 The Bank, in collaboration with the GRSS, will carry out supervision missions at least twice a year to assess progress in implementation. The Bank's Office in South Sudan will continuously monitor project implementation, engage in country dialogue and participate in the Education and Skills related technical committee meetings. At the end of the project, a completion report will be prepared by the Bank in consultation with the Government and UNDP to ascertain the project's impact and lessons learned for scalability and future engagement by the Bank and other partners.

3.4 Procurement Arrangements

3.4.1 Governing Procurement Framework and Implementation: Procurement of goods, works and non-consultancy services and selection and use of consultancy services under this project shall be carried out in accordance with the Bank's "*Procurement Policy for Bank Group Funded Operations*" dated October 2015, and particularly using the third party system, namely: United Nations Development Programme (UNDP)'s Programme Operations Policies and Procedures (POPP) as an Implementing Agency. UNDP's organizational structure, manpower and experiences

¹⁸ Two projects: Strengthening Economic Governance for Regional Integration Project and Support to Public Financial Management.

¹⁹ The development of the training/curricula is influenced by local realities - like low literacy. This is why it is competence based.

²⁰ Thirteen trades includes: basic computer operations, masonry, painting, tiling, basic front office operations, tailoring, blacksmithing, welding (electric arc and gas welding), plumbing and pipe fitting, sheet metal work, carpentry, joinery, and automotive (engine servicing and two-wheel)

were found acceptable to handle procurement activities envisaged in this project. The Fiduciary Principles Agreement (FPA) will be utilized by the Bank and the UNDP.

3.4.2 Assessment of the National Procurement System noted that South Sudan’s Public Procurement System was considered inadequate and will not be applicable to this project. The Public Procurement legal framework, named ‘Public Procurement and Asset Disposal Act’ was enacted by the National Legislative Assembly with the assent of the President of the Republic of South Sudan in 2019. The purpose of the Act is to provide the legislative framework establishing and governing an open, transparent and efficient system of Procurement for all Government Institutions that utilize public funds. However, the law is yet to be in use awaiting requisite structures in place, such as recruitment of the Director of Public Procurement, which will be serving as regulatory authority, that formulates policies and advises the Ministry of Finance and Planning on the issuance of regulations made under the Act. Moreover, the standard bidding documents, guides and manuals are not yet in place.

3.4.3 Review of the Executing Agency’s (EA) Procurement Capacity: The Procurement Unit in MoLPSHRD has currently one staff member, who will be coordinating and working with the UNDP team to ensure timely and quality processing of procurement activities. Despite the deficiencies observed, the MoLPSHRD has developed a revised organogram, which is in the process of implementation.

3.4.4 Assessment of the Implementing Agency: As a public organization entrusted with donor funds and committed to supporting sustainable development globally, UNDP works to improve access to quality assured supplies in a cost effective and reliable way. UNDP does this by abiding by the following principles: Best value for money; Fairness, Integrity and Transparency; and Effective international competition. Any business transactions by UNDP must conform to the mandates and principles of UNDP and the United Nations. UNDP observes its financial rules and regulations and has been working on exploring more flexible methods for low-value/low-risk purchasing to save time and money for the organization and its vendors. The Bank and UNDP have an existing Fiduciary Principles Agreement.

3.4.5 UNDP plays a crucial role in creating the enabling environment for vocational training and in the development of skills and generation of employment opportunities. UNDP and the Netherlands are the main partners of the MoLPSHRD on the delivery of vocational training in the country. As noted above, UNDP has supported the development of a competency-based, standardized training curriculum and modules on 13 trades and has taken lead on the training of VTC Instructors on competency-based curriculum development and the translation of the curriculum to the training methodology and lesson planning.

3.4.6 Procurement of goods and services: The various items under different expenditure categories related to procurement arrangements are summarised in Table 9 below.

Table 9: Summary of Procurement Arrangements (USD'000)

Procurement System	Package No.	Package Description	Category	Estimated Cost – USD	Procurement Method	Procurement Oversight	Planned SPN Publication Date
Third Party (UNDP)	2	Vocational skills graduates tracer studies and employer satisfaction survey	Consulting Services	30,000	UNDP procedure	UNDP	Feb -2021
Third Party (UNDP)	1	Database/ Portal Manager	Consulting Services	24,000	UNDP procedure	UNDP	Mar-2020
Third Party (UNDP)	1	(TA - Individual) Project Coordinator	Consulting Services	252,422	UNDP procedure	UNDP	Mar-2020
Third Party (UNDP)	1	Selection of ToT	Services	20,000	UNDP procedure	UNDP	Apr-2020
Third Party (UNDP)	1	Career guidance and job placement counsellor	Consulting Services	24,000	UNDP procedure	UNDP	Mar-2020
Third Party (UNDP)	N/A	Office Equipment	Goods	19,200	UNDP procedure	UNDP	Mar-2020

3.4.7 Procurement Plan: The Bank shall review the procurement plan proposed by UNDP and agreed with the MoLPSHRD for conformity with the grant agreement. UNDP shall update the procurement plan in consultation with MoLPSHRD on an annual basis or as needed. Any revisions proposed to the procurement plan shall be reviewed and approved by the Bank. A summary of procurement arrangements is provided in Annex VII.

3.5 Financial Management and Disbursement Arrangements

3.5.1 The Financial Management assessment of MoLPSHRD noted that the Ministry's capacity is inadequate to effectively handle the project resources: The assessment of the finance Directorate of the Executing Agency noted that the Ministry existing staff are not adequately familiar with Bank-financed projects and the professional profiles of each finance team member (7 including the Director and Deputy Director) do not meet the minimum qualifications required by the Bank (Bachelor's degree). This situation does not qualify the MoLPSHRD to handle the project accounts because the Fiduciary risks are substantial even after mitigation. Details of the FM assessment of the MoLPSHRD and UNDP in South Sudan are provided in Annex VIII.

3.5.2 Financial Management System of MoLPSHRD: The MoLPSHRD does not have a financial and administrative manual that will guide its day to day financial and administrative activities. The Ministry uses the 2011 Public Financial Management and Budget Act of the Ministry of Finance and Planning only. The Act does not fully provide detailed financial management and reporting systems for each sector ministry; but only general guidelines.

3.5.3 As an implementing agency, UNDP will be fully accountable for the project's funds and financial reporting. In line with the FPA between UNDP and the Bank, the project will comply with UNDP's regulations, policies and procedures for financial management including audit and financial control. UNDP will maintain sound financial management systems and arrangements to ensure that funds are used for the purposes intended, with due consideration for efficiency and value for money. UNDP will monitor the utilization of project funds using a unique budget code that will be assigned to the project by it. The parties (GRSS, the Bank and UNDP) will sign a Tripartite Funding and Implementation Agreement (TFIA) based on the FPA.

3.5.4 External Audit: External audit and reporting will be governed by the policies and procedures of UNDP. Details will be included in the TFIA.

3.5.5 Disbursement Arrangements: Disbursement arrangements and modalities will be governed by the disbursement letter provided to the GRSS, the Executing Agency and Implementing Agency during negotiations. Disbursement shall be made to a UNDP designated account based on fulfilment of conditions precedent to each disbursement that will be set out in the TFIA. Disbursement for this project will be made in two equal tranches as indicated under section 5.2.2 below.

3.5.6 Status of Special Accounts in South Sudan Portfolio: In accordance with the Operations Committee (OPSCOM) Guidance Notes to Staff on Special Accounts (May 2019), the portfolio has one flagged overdue special account closed project (Technical Assistance for Development of Transport Sector Project grant number 5900155005851. The project closed on 31st December 2017 and the Special Account Overdue funds is USD 2,315.41. The total amount of USD 82,147.63 was advanced to the project and USD 79,832.22 was properly accounted for representing 97% justification. In line with the OPSCOM Guidance Notes, loans/ grants will be considered fully justified if at least 95% of the total advance over the life of the loan/grant is justified. Since the Special Account overdue funds in the portfolio is 97% justified, the Special Account method of disbursement on this project is permitted.

3.5.7 Suspension of Disbursement: Disbursement of the grant will be subject to the Bank's disbursement policies and procedures, in particular, those on suspension of disbursements. Disbursements can be suspended, for example, in case of non-compliance with the financial agreement provisions.

IV. RISKS AND SUSTAINABILITY

4.1 Environmental and Social Impacts

4.1.1 Environmental and social impacts: The Project aims at imparting skills through vocational training in South Sudan, initially in Juba and its environs. From the preliminary screening, the project does not have any direct environmental and social impacts. As such the project is classified as **Category 3** in the Bank's Integrated Safeguards System (ISS) because it does not directly impact the environment adversely and has no known adverse social impacts. The project, therefore, does not require any further environmental and social impacts assessment. The project will, however, have many positive socio-economic impacts. However, it is important that UNDP and the MoLPSHRD be on the lookout for some unanticipated negative social impacts during implementation of the project.

4.1.2 Climate Change: The project faces minimal climate change risks as it primarily focuses on skills and capacity building activities hence its classification as a **Category 3 project**. Therefore, there is no further action required. However, it is noted that the success of the project will have significant socio-economic benefits for the country through enhanced skills, enhanced incomes and economic improvement.

4.1.3 Gender: The project will enhance girls to acquire vocational skills required by the labour market. The Project will ensure that at least 50 percent of the trainees are female. This project will provide affirmative action and facilitate the enrolment of female youth in male dominated trades such as electrical installation, plumbing and pipefitting. There will be efforts to

ensure that negative vices such as corruption, gender-based harassment and deliberate exclusion are eliminated. Based on an assessment of the project components and activities, the project has been classified as a **Category 3** according to the Bank’s Gender Marker System. It will contribute to addressing challenges faced by female learners in the country by creating massive awareness raising for the youth and the local leadership.

4.1.4 Social inclusion: The project will make a conscious effort of targeting the most vulnerable and disadvantaged such as ex-combatants, victims of sexual and gender-based violence and PWDs. During the information dissemination drive to potential applicants for the training, information will be directed towards areas where the vulnerable and disadvantaged youth are located. This criterion will also be added as an “advantage” during screening and selection of potential trainees. The project will ensure that the market survey to be conducted will adequately respond to the needs and opportunities of females, PWD and other minorities. The project will engage local communities in the selection of youth to be trained. The project will contribute to peace building and social cohesion. Peace building will be mainstreamed in all the courses offered.

4.1.5 The affirmative action taken on vulnerable segments of the population raises the likelihood that graduates supported by the project would prefer to live and work in South Sudan. With the establishment of the new TGONU, the prospects for peace and resurgence of economic activity (that leads to increased employment) are immense that, graduates would find job security or prosperous businesses, discouraging them from moving out of the country. The push factors for the people to work in other countries would be insecurity and displacement. If the said graduates are taken to other countries due to better economic opportunities, then such would be a good indicator of the level of vocational training that is administered through the project especially given that South Sudan is involved in negotiations and discussions concerning Migrant Free labour movement and skills development spearheaded by the MoLPSHRD.

4.2 Fragility and Resilience

4.2.1 According to the AfDB’s 2018 fragility and resilience assessment, the main drivers of fragility in South Sudan can be summarized across the political, economic, social and environmental dimensions as described in Table 10.

Table 10: Drivers of fragility in South Sudan

Economic	Environmental	Social	Political
<ul style="list-style-type: none"> • Overdependence on Oil and Gas Sector • Limited energy sources • Food and livelihood insecurity • Financial/revenue constraints • Poor investment and business climate 	<ul style="list-style-type: none"> • Oil export pipeline via Sudan • Under developed infrastructure 	<ul style="list-style-type: none"> • Inter-Community and intra-community (Inter-clan) conflicts • The culture of cattle rustling • Low levels of education, training, and skills • Lack of national values; • Competition among socio-cultural and ethnic groups; • High poverty, youth unemployment 	<ul style="list-style-type: none"> • Violent Power Struggles • Legacy of Violence & Impunity • Civil-Military Relations • Individualistic /Conflict of Interest by political leaders • Politicisation of Ethnicity • Governance Failures and high corruption • Limited State Capacity (weak political and bureaucratic institutions)

4.2.2 The current project, by aiming to train and build vocational skills to the youth in Juba addresses two social drivers of fragility in the country, namely, (i) the low levels of education, training and skills; and (ii) high poverty and youth unemployment as described in Table 11.

Table 11: Fragility sensitiveness analysis of the project

Drivers of fragility concerned	Impact of the concerned drivers of fragility	Proposed intervention by the project to address the drivers of fragility
<ul style="list-style-type: none"> High poverty and youth unemployment 	<ul style="list-style-type: none"> Marginalization of the youth; Capture of the youth by and exposure to interests in the security sector; 	<ul style="list-style-type: none"> Training of 1,000 youth in competency-based, market-linked vocational skills, such as hospitality, hairdressing, solar and electrical installation, plumbing and pipe fitting; Operationalization of the employment portal to consolidate job opportunities and expand online learning management system for applicants joining the job market.
<ul style="list-style-type: none"> Low levels of training and skills 	<ul style="list-style-type: none"> Inability to tap into available job opportunities; Mismatch between demanded and supplied labour skills 	<ul style="list-style-type: none"> The component will provide necessary support for effective and efficient management of Project activities. The major activities to be financed under this component include: Build institutional capacity of the relevant ministries and training institutions for efficient and effective project implementation Establishment and functioning of a government-led coordination mechanism on skills development.

4.2.3 The project is responsive and sensitive to the fragility context in South Sudan (to the extent of the link between its activities and the identified drivers of fragility). Annex IV provides the fragility analysis in South Sudan in the context with the project.

4.3 Sustainability

4.3.1 This project will ensure sustainability of outcomes through enhancing the following:

- **Ownership:** Government will be engaged in all facets of project planning and implementation to ensure that this project feeds into the achievement of government priorities and targets. The delivery of quality vocational skills training is part of the regular program of the GRSS. With the pragmatic and unique approach of focusing on employment and income – and not just skills training – the appeal for vocational skills training is expected to increase with youths looking at such as a main livelihood option. In addition, mobilization of the private sector for job placement and internship is done in partnership with the MTC and the MoLPSHRD. The process of identification, discussion, and agreement with private sector companies for the deployment of interns is done together with Government (MTC and MoLPSHRD). The MTC and MoLPSHRD will be involved in assigning interns and tracking their performance. All partnership with private sector companies will involve the government.
- **Training materials:** Training materials prepared as part of the project can be adapted and utilized in other vocational training programmes.
- **Support to trainers:** Providing support to trainers to upgrade their skills will enable South Sudan to have trainers with good qualifications. The country will build a pool of qualified trainers. This will reduce the burden of recruiting trainers from outside.
- **Capacity Building:** A strong focus of the project will be on building the capacity of the Juba MTC and MoLPSHRD’s Directorate of Vocational Training to ensure that they have knowledge and skills to carry out their functions after project completion.
- Support MTC to build partnerships with other skills training institutions in the region for continued capacity building.
- Continuous assessment of the labour market and focus on skills that are required by the labour market.

- **Strong M&E system:** The project will establish an information management system to facilitate proper record keeping and informed decision-making of the Directorate of Vocational Training and MTC even after project completion. For youth who will be entering businesses, the project will invest in skills development, as well as provide work experience through internships. Strong M&E systems will be put in place to track progress of beneficiaries and assess the long-term impact of youth empowerment interventions.

4.4 Risk Assessment

4.4.1 **The operational context of South Sudan is still volatile and unstable.** The project will monitor and keep updating the list of risks in the result framework to monitor and mitigate those risks and constraints for successful project implementation. Risks will be monitored regularly throughout the project, especially at project review meetings, and the project will continue to ensure that the identified mitigation measures are still relevant and effective. Table 12 summarises the risks and mitigation measures and provides rating for each of them.

Table 12: Risks and Mitigation Measures

Risk	Rating	Mitigation Measure(s)
Resumption and spread of conflict could lead to displacement of people	Medium to High impact	Project flexibility to disengage and be implemented in other areas. Support skills development in Internally Displaced Persons (IDP) and Protection of Civilians (PoCs) camps and their hosting communities, either in the project coverage area or move to more stable areas, which will be selected as refuge for the population. This precaution is taken to allow for continuation of implementation of planned activities, which would otherwise be impossible if there is insurgency
Limited implementation capacity including procurement, financial management and quality control for the outputs.	Medium to High impact	Use of a proven third-party implementing agency (UNDP) with satisfactory procurement and financial management systems.
Reluctance by local business owners to take on apprentices due to financial costs and burden of overseeing and training semi-skilled workers	Medium	UNDP has already established an active network of private sector companies – and growing – engaged and committed on the Youth Empowerment and Employment Project (YEPP) which will be used in this project.
Competing demands on Government Public Resources and financial sustainability: Government’s commitment to skills development especially payment of salaries for public servants might be reduced due to competition for high budget expenditure on security leading to high turnover of trainers in vocational training institutions.	High	Government has shown strong commitment in supporting public expenditures and aligning to international commitments. The Bank, UNDP and MoLPSHRD will hold policy dialogue to increase the government’s commitment to skills development

V. LEGAL INSTRUMENTS AND AUTHORITY

5.1 Legal Instrument

- 5.1.1 **A Tripartite Funding and Implementation Agreement:** The legal instrument for this Project will be a Tripartite Funding and Implementation Agreement amongst the Republic of South Sudan, the African Development Bank (AfDB) and African Development Fund (ADF) (the AfDB and ADF are collectively referred to as the “Fund”) (*as administrators of TSF*) and UNDP for a grant of UA 1million.

5.2 Conditions associated with the Fund's intervention

- 5.2.1 **Entry into Force of the Agreement:** The Agreement shall enter into force upon its signature by the Parties.
- 5.2.2 **Condition Precedent to First Disbursement:** The obligation of the Fund to make first disbursement of 50 percent of the grant shall be conditional upon entry into force of the Tripartite Funding and Implementation Agreement and fulfilment by UNDP, in form and substance satisfactory to the Fund, of the following condition:
- (i) Submission of an approved annual work plan and procurement plan in form and substance acceptable to the Fund. The work plan and procurement plan will be agreed between UNDP and the GRSS and submitted by UNDP.
- 5.2.3 **Conditions Precedent to Second Disbursement:** The obligation of the Fund to make second disbursement of tranche 50 percent of the grant shall be conditional upon fulfilment by UNDP, in form and substance satisfactory to the Fund, of the following conditions:
- (i) Submission of unaudited interim financial statement signed by UNDP authorized officials, in form and substance acceptable to the Fund; and,
 - (ii) Submission of project implementation progress report to the GRSS and the Fund.
- 5.2.4 **Other Conditions:**
The UNDP shall within one (1) month of the entry into force of the Agreement provide the Fund and the GRSS with the names and email addresses of the designated Project Manager, Project Accountant and Country Focal Person whom the Fund can communicate with on project issues.
- 5.2.5 **Undertakings:** Deliver to the Fund project quarterly progress reports, in form and substance acceptable to the Fund.

5.3 Compliance with Bank Policies

- 5.3.1 This project complies with all applicable Bank policies.

VI. RECOMMENDATION

Management is hereby invited to consider and approve the amount of UA 1,000,000 (One Million Units of Account only) requested by the Republic of South Sudan from the ADF 14 Cycle TSF Pillar III to support the Republic of South Sudan in addressing skills gaps and youth unemployment. In accordance with the approval procedure and authority contained in the Operational Guidelines for the Implementation of the Strategy for Addressing Fragility and Building Resilience in Africa and for the Transition Support Facility (section 3.55), the Vice President, RDVP approves any grant request whose value is between UA 1,000,000 and UA 3,000,000.

Annex I: Letter of Request

REPUBLIC OF SOUTH SUDAN
MINISTRY OF FINANCE & PLANNING
Undersecretary for Planning

28/11/2019

Mr. Benedict KANU
South Sudan Country Manager
African Development Bank

Dear Mr. KANU

REQUEST TO ALLOCATE UA 1,000,000 OF THE TRANSITION SUPPORT FACILITY (TSF) PILLAR III RESOURCES TO FINANCE SKILLS FOR YOUTH EMPLOYABILITY AND SOCIAL INCLUSION PROJECT

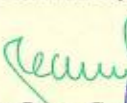
On behalf of the Government of the Republic of South Sudan, I wish to extend complements to the African Development Bank (AfDB) as well as gratitude for your continued support to the development of various sectors in South Sudan.


As you are aware, the Bank has earmarked some of the Transition Support Facility (TSF) Pillar III resources to the Republic of South Sudan. The purpose of this letter is to request the allocation of UA 1,000,000 (One million) of TSF Pillar III resources to finance the Skills for Employability and Social Inclusion Project.

The proposed project envisages addressing the skills shortages in the country through increasing the supply of relevant skills and institutional capacity building in social sector ministries.

I wish to thank the African Development Bank for the commitment and continued support to the Government and the people of South Sudan in achieving its development agenda.

Thanks and look forward to your positive response.

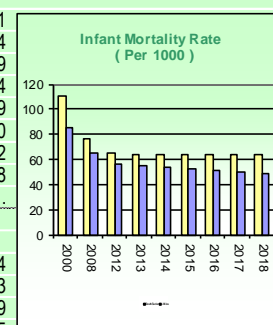
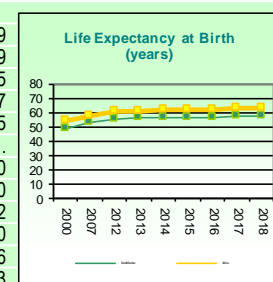
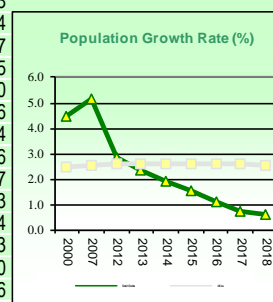
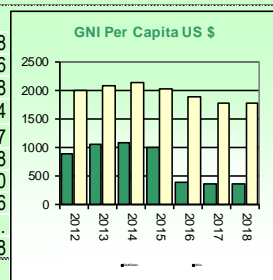

Mr. Ocum Genes Karlo
Undersecretary for Planning
Minister of Finance and Planning
Republic of South Sudan
Juba



- Cc: Hon. Salvatore Garang Mabiordit , Minister, Ministry of Finance and Planning, Republic of South Sudan.**
- Cc: Garang Majak Bol**
First Undersecretary of Finance and Planning, Ministry of Finance and Planning
Republic of South Sudan.
- Cc: Moses Mabior, Acting Director General, Macroeconomic Planning and Aid Coordination**
- Cc: File**

Annex II: South Sudan Comparative Socio-Economic Indicators

	Year	South Sudan	East Africa	Africa	Developing Countries
Basic Indicators					
Area ('000 Km ²)	2018	644	6,232	30,067	94,808
Total Population (millions)	2018	11.0	356.3	1,274.2	6,306.6
Urban Population (% of Total)	2018	23.1	27.2	42.9	49.8
Population Density (per Km ²)	2018	17.0	61.1	43.4	68.4
GNI per Capita (US \$)	2018	380	975	1,783	4,837
Labor Force Participation* - Total (%)	2018	73.0	72.1	63.5	61.8
Labor Force Participation** - Female (%)	2018	71.8	65.0	54.6	47.0
Sex Ratio (per 100 female)	2018	100.2	99.3	99.8	100.6
Human Develop. Index (Rank among 189 countries)	2017	187
Popul. Living Below \$ 1.90 a Day (% of Population)	2007-17	42.7	34.5	31.2	11.8
Demographic Indicators					
Population Growth Rate - Total (%)	2018	0.6	2.7	2.5	1.3
Population Growth Rate - Urban (%)	2018	4.2	4.6	3.6	2.4
Population < 15 years (%)	2018	41.8	42.2	40.8	27.7
Population 15-24 years (%)	2018	20.2	20.6	19.3	16.5
Population >= 65 years (%)	2018	3.4	2.9	3.4	7.0
Dependency Ratio (%)	2018	82.5	82.4	79.2	54.6
Female Population 15-49 years (% of total population)	2018	23.9	24.2	24.1	25.4
Life Expectancy at Birth - Total (years)	2018	57.6	64.8	63.2	70.6
Life Expectancy at Birth - Female (years)	2018	59.1	66.8	65.0	72.7
Crude Birth Rate (per 1,000)	2018	35.0	33.8	33.5	20.3
Crude Death Rate (per 1,000)	2018	10.5	6.8	8.1	7.4
Infant Mortality Rate (per 1,000)	2018	63.7	39.7	48.7	31.3
Child Mortality Rate (per 1,000)	2018	98.6	56.4	70.2	42.0
Total Fertility Rate (per woman)	2018	4.7	4.4	4.4	2.6
Maternal Mortality Rate (per 100,000)	2017	1150.0	433.9	432.3	230.0
Women Using Contraception (%)	2018	8.7	40.3	38.5	61.6
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2010-16	...	13.8	33.6	119.9
Nurses and midwives (per 100,000 people)	2010-16	...	80.5	123.3	233.9
Births attended by Trained Health Personnel (%)	2010-17	19.4	55.4	61.7	78.5
Peop. Using at least basic drinking water services (% of Pop)	2017	40.7	51.3	66.3	87.7
Peop. Using at least basic sanitation services (% of Populat)	2017	11.3	23.9	40.3	68.5
Percent of Adults (aged 15-49) Living with HIV/AIDS	2018	2.5	2.7	3.4	...
Incidence of Tuberculosis (per 100,000)	2016	146.0	121.5	221.7	157.0
Child Immunization Against Tuberculosis (%)	2018	52.0	86.7	81.4	85.0
Child Immunization Against Measles (%)	2018	51.0	78.9	76.1	85.2
Underweight Children (% of children under 5 years)	2010-16	27.6	20.1	17.5	15.0
Prevalence of stunting	2010-16	31.1	35.1	34.0	24.6
Prevalence of undernourishment (% of pop.)	2017	...	27.2	18.5	12.3
Current health expenditure (% of GDP)	2016	...	4.9	5.3	5.4
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-18	73.0	97.9	100.1	104.1
Primary School - Female	2010-18	60.4	96.1	98.0	104.4
Secondary School - Total	2010-18	11.0	35.8	52.8	71.9
Secondary School - Female	2010-18	7.7	35.8	50.6	71.4
Primary School Female Teaching Staff (% of Total)	2010-18	14.8	44.4	48.6	62.9
Adult literacy Rate - Total (%)	2010-18	34.5	65.7	66.9	84.0
Adult literacy Rate - Male (%)	2010-18	87.7	74.5	70.8	88.2
Adult literacy Rate - Female (%)	2010-18	28.9	60.2	60.0	79.8
Gouvernment expenditure on Education (% of GDP)	2010-17	1.0	3.3	4.3	...
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2016	...	20.2	8.7	11.4
Agricultural Land (as % of land area)	2016	...	86.0	41.8	38.3
Forest (As % of Land Area)	2016	...	37.2	23.1	31.9
Per Capita CO2 Emissions (metric tons)	2014	0.1	0.1	1.2	3.5



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update : November 2019

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Annex III: Overview of Vocational Training in South Sudan

There are more than 60 vocational training centers and institutions in South Sudan offering a range of vocational training courses. These institutions are categorized into two types and are managed by three ministries and private sectors.

- 13 centres are dedicated to the provision of vocational training but only four are fully operational with another 2 centres soon to be operational, mainly due to the YEOP. Nine of the centres are managed by the MoLPSHRD while four centres are under the stewardship of the Ministry of Culture, Youth and Sports (MoCYS).
- 14 centres provide academic and vocational training, the bulk of which are operational through the support of the YEOP. These facilities are managed by the Ministry of General Education and Instruction (MoGEI). Some facilities are not operational due to conflict.
- More than 33 centres provide vocational training and are managed mainly by NGOs and private sector.

Overview of Vocational Training in South Sudan

Ministry	Institution	Curriculums
MoLPSHRD Directorate of Vocational Training Centres (VTCs)	<ol style="list-style-type: none"> 1. Juba – MTC (equipped and supported by the JICA and YEOP project) This is also an Instructor Training College – (equipped and supported by the JICA and YEOP project) 2. Wau VTC (not operational, as it was severely affected by the 2013 and 2016 conflicts) 3. Maban VTC (built with the support of World Bank (WB) and currently operational in partnership with Jesuit Refugee Service - JRS) 4. Aluakluak Women VTC (built with the support of WB, AfDB, staffed, and operational with the support of government) 5. Aweil VTC (rehabilitated, equipped, and supported by the YEOP) 6. Bor VTC (built with support of South Korean funding (Child Fund Korea) rehabilitated, equipped, and supported by the YEOP project) 7. Yambio (constructed through UNDP and Japan and equipped by the YEOP project) 8. Malakal (to be rehabilitated by the YEOP project) 9. Rumbek (to be rehabilitated, equipped and supported by YEOP project) 	<p>All VTCs offer the same type of courses include:</p> <ul style="list-style-type: none"> • Tailoring • Computer/IT • Agriculture • Carpentry • Electrical • Construction (Bricklaying) • Masonry • Automotive • Hospitality <p>Juba MTC conducts mobile training in the refugee camps in Uganda and in South Sudan</p>
MoCYS	<ol style="list-style-type: none"> 1. Juba 2. Malakal (Destroyed by conflict) 3. Wau 4. Yambio (under construction) 	
MoGEI	<ol style="list-style-type: none"> 1. Torit (rehabilitated, equipped and supported by the YEOP project) 2. Juba (2 Schools) 3. Wau (3 centres consolidated) 4. Yei (Managed by Norwegian People’s Aid) 5. Kajokeji 6. Amadi 7. Lanya 	<p>Courses offered:</p> <ul style="list-style-type: none"> • Electrical • Masonry • Carpentry • Automotive • Metal work • Computers/IT

8. Tonj (facility used by some NGOs) 9. Mawgi (Managed by PLAN International) 10. Kopeta (Managed by PLAN International) 11. Bentiu (not operational) 12. Abyei (not operational) 13. Uror (not operational) 14. Munuki (temporarily being used by Upper Nile University)	<ul style="list-style-type: none"> • Accounting* • Math* • Geography* • Economics* • Management* • English* • Arabic* • Religion* *Offered as part of the curriculum at Juba Commercial School
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Source: UNDP (2019), UNESCO (2018), MoLPSHRD (2018), and MoGEI (2018)

In Juba, there are three main vocational centres offering a range of training opportunities. The Juba MTC is a government-owned facility run by the MoLPSHRD through its Directorate of Vocational Training while the St. Vincent de Paul Training Centre (SVDP) and Don Bosco Vocational Training Centre are owned by the Catholic Church. Both Juba MTC and SVDP have been partnering with funding organizations (UNDP and United Nations Industrial Development Organization - UNIDO) while Don Bosco seems to secure regular funding from its congregation – Salesians of Don Bosco. Of the three vocational training centres, Juba MTC is the biggest in terms of size and is well-equipped through the grant provided by the Government of Japan and other partners (Global Affairs Canada and EU). Juba MTC is also the only VTC that conducts mobile training in Juba which is delivered through its youth outreach centre in Gurei and the refugee outreach centre in Gorom refugee camp.

In terms of course offering, Juba MTC offers courses in nine trades with hospitality as a new course offering following support from UNDP. SVDP offers five courses while Don Bosco is offering courses in seven trades. The courses commonly offered amongst the VTCs are Computer/IT training, Electrical, and Automotive Mechanic training. The cost of training for each SVDP student is USD 1,900 per person for one year. Juba MTC, on the other hand, charges USD 400 per trainee for a three-month course.

Breakdown of training courses offered by the three VTC in Juba

Juba MTC	Saint Vincent de Paul	Don Bosco (indicative)
Computer/IT	Computer/IT	Computer/IT
Tailoring and fashion design	Tailoring	Carpentry
Carpentry and joinery	Electrical	Electrical
Electrical installation	Automotive Mechanic	Welding
Welding and metal fabrication	Household training	Masonry
Building and Concrete		Automotive Mechanic
Automotive Mechanic		Fine Arts
Plumbing and pipefitting		
Hospitality (new offering through UNDP Support)		

The curriculum and modules used in these facilities differ in terms of orientation and approach. MoLPSHRD uses its South Sudan National Harmonised Curricula 2013 covering Basic and Foundational Courses and the highest being the Level I certificate. For Juba MTC, the curriculum and approach are skewed towards a very pragmatic approach with the intent to prepare the graduates for immediate employment in the market. The curriculum of these short courses (3-6 months) are competency-based and mainly comprised of 70 percent practical and 30 percent theoretical instruction. This has recently been revised (for 12 trades/courses) to be 90 percent practical and 10 percent theoretical so that they are more responsive to challenges

that include very low literacy, and the demand from private sector companies for highly skilled and practical personnel. With a clear intent on social inclusion, the entry requirement for prospective trainees has been lowered and made more inclusive (they only have to be from 16-45 years old) to allow the uneducated, marginalized youths to benefit from skills enhancement and contribute towards economic recovery and nation-building. With the short courses focusing on key in-demand trades like electrical, masonry, carpentry, joinery, automotive, metal work, hospitality, agriculture computer/IT, hairdressing, and tailoring, the MoLPSHRD²¹ focuses on what is referred to as vocational training or skill development/training.

In terms of admission requirements, Juba MTC accepts anyone regardless of literacy level, background/history, as long as they are at least 16 years of age. This is essentially supported by the orientation of its curriculum. SVDC requires its trainees to be literate while Don Bosco sets the highest admission requirement by ensuring that its trainees are between 15 to 25 years old and with at least a Primary-8 certificate.

²¹ The policy from the MoLPSHRD has been passed and been validated by the Cluster of Technical Committees of the Ministries (Undersecretaries of the cluster), and is to be tabled to the Council of Ministers for approval. Having gone through the level of being a draft at the Ministerial level, it is awaiting finalisation.

Annex IV: Project Fragility Analysis

Overall fragility context

South Sudan's economy is characterized by a constricted trade basket with overwhelming dependence on a single export commodity – oil. The country has little domestic production for markets, even for agricultural products despite the huge agriculture potential. The country sits on the third-largest oil reserves in Sub-Saharan Africa, and is the only mature oil producer in East Africa. South Sudan is also the most oil-dependent country in the world, with oil accounting for almost all its exports and around 60 percent of its GDP. Revenue generated by the oil sector accounts for an estimated 98 percent of public sector revenue and annual fiscal budget. This situation renders the economy highly vulnerable to international price volatility stemming from changes in production, international demand and price fluctuations.

South Sudan is noted to be one of the most resource-endowed countries in the world. It ranks 28th in the world and 7th in Africa in terms of proven crude oil reserves. The Nile and other rivers make the country's soils conducive for agriculture and portend high production of hydroelectric and renewable energy. Additionally, opportunities in the oil and gas sector, mining, agriculture, energy, forestry and tourism are immense. Regional integration with its neighbours-Ethiopia, Kenya and Uganda, also promises to yield increased economic interdependence and growth.

South Sudan's potential for development remains fragile owing to various factors especially as the root causes of the fragility lie in historical legacies of conflict, marginalization and underdevelopment. As a result of persistent internal conflicts, an estimated 7.6 million South Sudanese, out of an estimated total population of about 12.9 million people, are in need of assistance with an over 2 million people estimated to be refugees. The ongoing peace process remains uncertain and political tensions remain high despite Inter Government Authority on Development (IGAD)'s efforts. In addition, the economy is weakening due to limited income opportunities, growing public debt and low revenues as a result of low oil prices and reduced production. The country depends on imports of goods and services from Uganda, Kenya and Sudan for private consumption, and Government is unable to provide social services or pay salaries.

According to the Bank's April 2018 fragility and resilience assessment, the key drivers of fragility are political, economic, socio-cultural, and environmental. Political drivers include intense power struggles, ethno-political-class tensions, weak state capacity (weak and/or underdeveloped political and bureaucratic institutions) and vested interests of regional and foreign actors. Economic drivers revolve around the over-dependence on the oil and gas sector, rent-seeking and lack of productive and economic diversification. Socio-cultural drivers include the entitlement mentality, lack of agreed-upon national value systems and the culture of violence and impunity. Environmental drivers include limited institutional capacity to manage climate change event.

Youth and skills development context

Youth destitution and lack of empowerment, especially the widespread absence of productive capacities and income generation opportunities are among the principal factors of the ongoing conflict in South Sudan. In fact, 70 percent of the rebel force is made up of youth between the ages of 16-32. The widespread absence of productive capacities and income generation opportunities encourage youth's involvement in pervasive practices such as cattle raiding. This factor also contributed to the emergent of a new sub-culture of the western gangster-like

behaviour in South Sudan and the spike in incidences of criminality. To sustain peace and development, widening the options for the youth and engaging them through skills enhancement, employment, and social inclusion, especially for the most vulnerable including female youth and persons with disability, is essential. The experience in South Sudan (Nzara) has shown that where youth are engaged and busy with productive undertakings, such areas are spared from widespread conflict. The development of employable skills does not only directly respond to the major challenges articulated by the youth – lack of employment opportunities, low skills – but is crucial in addressing the youth bulge and to nation-building, economic growth, and private sector development in the country. While there is a bigger number of youth who are unemployed, low skilled and with minimal (if not, no) options, it is threatening to disrupt the social, political, and security landscape of the country which in effect will have a ripple effect on the government, as well as, businesses in the country. It is for this matter that there is urgency – through the SYE-SS project – to immediately address the youth bulge and transform this untapped resource into a force of good that will support economic growth and national development.

Annex V: Project Timeframe and Implementation Schedule (28 Months)

Outcome 1: Increased employability of vocational training graduates.		2020												2021												2022						
Outcome 2: Improved equity and increased access to formal and non-formal vocational and skills training		4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7			
Component 1 (Access to Demand Driven Skills): Increased access to demand-driven skills																																
1.1:	Provision of competency-based, market-linked vocational skills training (hospitality, hairdressing, solar and electrical installation, plumbing) for 1,000 youth. This includes mobilisation and enrolment of trainees.																															
1.2:	Sensitization activities on benefits of female participation in vocational male dominated trades																															
1.3:	Update of labour-market study																															
1.4:	Conduct 2 vocational skills graduates tracer studies and employer satisfaction survey																															
1.5:	Operationalization of the employment portal to consolidate job opportunities and expand online learning management system for applicants joining the job market																															
1.6:	Enhancement of projects coordination between two projects (SYE-SS and YEEP projects) and project closure																															
Component 2 (Quality of Competency Based Vocational and Skills Training): Improved Quality of Competency Based Vocational Training																																
2.1:	Training of 20 trainers on competency-based TVET curriculum and upgrading of instruction on specific skill sets to international standard. This includes mobilisation and enrolment of instructors																															
2.2:	Develop a new module for hairdressing and improve the existing training modules on peacebuilding and entrepreneurship component																															
2.3:	Provision of career guidance, counselling and placement services to 1,000 vocational skills graduates.																															
2.4:	Deployment of 1,000 graduates for internship with private sector companies for job creation and sustained employment																															
2.5:	Enhancement of projects coordination between two projects (SYE-SS and YEEP projects)																															
Component 3 (Project Management): Capacity enhancement for relevant ministries and training institutions																																
3.1:	Establishment and functioning of a government-led coordination mechanism																															
3.2:	Enhancement of data driven decision making of the MoLPSHRD and MTC through the improvement of office internet connectivity and the establishment of a database management system																															
3.3:	Exchange visit to vocational training centres of the neighbouring countries																															

Annex VI: Detailed Project Costing

Outcome 1: Improved equity and increased access to formal and non-formal TVET.		Category	Source	1st year	2nd year	3rd year	Total Required		Remarks
Outcome 2: Increased employability of TVET graduates.				USD Total	USD Total	USD Total	USD Total	UA Total	
Component 1 (Access to Demand Driven Skills): Increased access to demand-driven skills				486,275	371,275	69,432	928,982	676,657	
Activity 1.1:	Provision of competency-based, market-linked vocational skills training (hospitality, hairdressing, solar and electrical installation, plumbing) for 1,000 youth and computer/IT skills for 200 youth (no-cost)	Services	AfDB	275,000	275,000		550,000	400,612	Following the YEEP implementation approach, the project will use UNIDO as an administrative agency for the training. The training will be delivered by certified TVET trainers using the established national training curriculum and modules.
Activity 1.2:	Hold sensitization activities on benefits of female participation in vocational male dominated trades	Services	UNDP (YEEP)	1,000	1,000		2,000	1,457	YEEP will cover this expense.
Activity 1.3:	Update of labour-market study	Consultancy - Individual	UNDP (YEEP)	20,000			20,000	14,568	YEEP will cover this expense as YEEP has already planned to initiate the labour-market study in December 2019.
Activity 1.4:	Conduct 2 vocational skills graduates tracer studies and employer satisfaction survey	Consultancy - Individual	AfDB	15,000		15,000	30,000	21,852	A consultant will be recruited to conduct these studies.
Activity 1.5:	Operationalization of the employment portal to consolidate job opportunities and expand online learning management system for applicants joining the job market	Services	UNDP (YEEP)	80,000			80,000	58,271	YEEP will set up the employment portal with the cost of USD 80,000.
		Services	UNDP (YEEP)	12,000	12,000		24,000	17,481	YEEP will also deploy a dedicated staff (Database/Portal Manager) and cost-share 50% of its cost USD 24,000 to maintain the portal. With this dedicated staff, the MoL with UNDP support will operationalise the portal to promote its use and value, collect job market information, and to engage with the private sector on it use.
		Services	AfDB	12,000	12,000		24,000	17,481	This project will cover the cost (50%: USD 24,000) of Database/Portal Manager.
Activity 1.6:	Enhancement of projects coordination between two projects (SYE-SS and YEEP projects) and project closure	Services	UNDP (YEEP)	41,000	41,000		82,000	59,728	YEEP will contribute USD 82,000 for this post.
			UNDP (TRAC)			54,432	54,432	39,647	The project closure.

			AfDB	31,275	31,275		62,550	45,560	The project coordination between YEEP and SYE-SS projects is essential as both project complement each other. The project will hire a Project Coordinator (Temporary Assignment P-3 International) and he/she will ensure good coordination between the projects to maximise the impact of both projects.
Component 2 (Quality of Competency Based Vocational and Skills Training): Improved Quality of Vocational Skills				352,275	234,275	-	586,550	427,234	
Activity 2.1:	Training of 20 trainers on competency-based TVET curriculum and upgrading of instruction on specific skill sets to international standard	Services	UNDP (YEEP)	52,000			52,000	37,876	The upgrading on specific skills set to international standards will be through the experts deployed by UNIDO under YEEP. The cost for the skills sets upgrading is covered by UNDP/YEEP.
			AfDB	20,000	-		20,000	14,568	This training will be for MTC and other VTC trainers. On competency-based curriculum, UNDP will contract with a TVET training provider for its delivery.
Activity 2.2:	Develop a new module for hairdressing and improve the existing training modules on peacebuilding and entrepreneurship component	Services	UNDP (YEEP)	5,000			5,000	3,642	UNDP PaCC project will support to improve the existing training modules especially on peacebuilding and entrepreneurship component.
			AfDB	10,000			10,000	7,284	
Activity 2.3:	Provision of career guidance, counselling and placement services to 1,000 vocational skills graduates.	Construction	UNDP (YEEP)	31,000			31,000	22,580	YEEP will establish the one-stop hub with the cost of USD 31,000.
		Services	AfDB	12,000	12,000		24,000	17,481	Counselling and placement services will be delivered through the one-stop hub. This project will deploy a dedicated counsellor to provide the service.
Activity 2.4:	Deployment of 1,000 graduates for internship with private sector companies for job creation and sustained employment	Services	AfDB	150,000	150,000		300,000	218,516	This will be delivered through the signing of MOAs with the private sector companies providing internships.
Activity 2.5:	Enhancement of projects coordination between two projects (this and UNDP YEEP projects)	Services	UNDP (YEEP)	41,000	41,000		82,000	59,728	YEEP contribution to cover the expense.
			AfDB	31,275	31,275		62,550	45,560	The project coordination between YEEP and this project is essential as both project complement each other. The Project Coordinator (Temporary Assignment P-3 International) will ensure good coordination between the

									projects to maximise the impact of both projects.
Component 3 (Project Management): Capacity enhancement for relevant ministries and training institutions				92,875	72,875	-	165,750	120,730	
Activity 3.1:	Establishment and functioning of a government-led coordination mechanism	Services	AfDB	600	600		1,200	874	No procurement. This will be handled by UNDP. The cost here is for the monthly coordination meetings.
Activity 3.2:	Enhancement of data driven decision making of the MoL and MTC through the improvement of office internet connectivity and the establishment of a database management system	Services	UNDP (YEPP)	10,000			10,000	7,284	YEPP will cover the initial installation cost of USD 10,000.
			UNDP (YEPP)	8,614	8,614		17,228	12,549	YEPP will contribute USD 10,128 for this post.
			AfDB	63,661	63,661		127,322	92,739	With support from UNDP, the Project Coordinator will develop the database management system to be deployed in the MTC and provide technical support to the MTC staff who will be managing the system day to day.
Activity 3.3:	Exchange visit to vocational training centres of the neighbouring countries	Services	AfDB	10,000	-		10,000	7,284	The project will send a few key government counterparts especially principles of VTCs to VTCs of the neighbouring countries.
Operation				36,528	36,528	4,000	83,549	60,856	
Operation Cost	Office equipment	Goods	UNDP (YEPP)	12,000	12,000		24,000	17,481	Other administrative costs will be covered under the YEPP.
			UNDP (TRAC)			4,000	4,000	2,914	Other administrative costs will be covered under the UNDP TRAC fund.
			AfDB	9,600	9,600		19,200	13,985	The project will purchase laptop, printer, and consumables.
M&E and Communication	3% (of programme cost)		AfDB	14,928	14,928		29,856	21,747	
GMS	8%		AfDB				101,696	74,074	
Grand Total				972,949	718,299	73,582	1,866,527	1,359,551	

	USD	UA	
UNDP (YEPP)	429,228	312,644	23%
UNDP (TRAC)	64,399	46,907	3.4%
AfDB	1,372,900	1,000,000	73.6%

Annex VII: Procurement Arrangements and Plan

6.1 Summary of Main Finding of the Country Procurement Assessment Report

6.1.1 The existing legal framework for public procurement in South Sudan is the Interim Public Procurement and Disposal Regulations (IPPDR) of 2006, which was adopted by the Council of Ministers and issued by the Minister of Finance in June 2006. Ministry of Finance and Planning (MoFP) established the Procurement Policy Unit (PPU) as a procurement oversight body to enhance soundness of public procurement management by issuing standards, monitoring public procurement processes, and advising the Government on appropriate actions to be taken in cases of non-compliance, fraud and corruption and how to deal with complaints and appeals. Nevertheless, the PPU does not have adequate levels of independence and authority to exercise its functions and implement the procedures defined in the IPPDR. It lacks the capacity to exercise its statutory role, despite significant efforts to fulfill its functions. The IPPDR doesn't support a principal act of the Southern Sudan Legislative Assembly (SSLA) and creates doubts over its legal status. Supporting documents to IPPDR are lacking and processes and procedures are not clearly defined. Due to these and lack of experiences, many public entities failed to apply the regulations of IPPDR in their procurement transactions and instead invariably used direct contracting. Preparation and disclosure of procurement plans are mandatory, but they are not practiced.

6.1.2 The Public Procurement legal framework, named 'Public Procurement and Asset Disposal Act' was enacted by the National Legislative Assembly with the assent of the President of the Republic of South Sudan in 2019. The purpose of the Act is to provide the legislative framework establishing and governing an open, transparent and efficient system of Procurement for all Government Institutions that utilize public funds. However, the law is yet to be in use waiting requisite structures in place such as Director of Public Procurement, which will be serving as regulatory authority, that formulates policies, advise the Ministry of Finance and Planning on the issuance of the regulations made under the Act, etc. Moreover, the standard bidding documents, guides and manuals are not in place. Therefore, in view of the foregoing reasons, the South Sudan Public Procurement System will not be applicable in this project.

6.1.3 There is no fullfledged Bank Country Procurement Assessment Report for South Sudan, but the Bank's Assessment on Country National Competitive Bidding Procedures (2012) and the Country Procurement Assessment Report (2012) indicate that in the absence of formal procurement law, regulations and standard bidding documents, the national procurement system is not acceptable as it fails to meet fiduciary obligations and comply with internationally accepted best practices. Taking into account issues identified within the system, the risk for use of BPS in Bank-financed project is globally rated "Substantial". Thus the Bank will require in the Financing Agreements that under the Bank's Procurement Policy Framework, Bank Procurement Methods and Procedures (Bank - PMPs) or Third Party procurement procedures shall be used for procurements, while the Government avails its legal framework and national Standard Bidding Documents.

6.2 Assessment of the Executing Agency (EA) and Implementing Agency (IA)

6.2.1 Executing Agency: The Ministry of Labor, Public Services and Human Resources Development (MoLPSHRD) will be the overall Executing Agency of the project. MoLPSHRD has a revised organogram (2019), which is in the process of implementation depending on the critical needs commensurate to available human and financial resources. The procurement function is placed under Administration and Finance Directorate reporting to Undersecretary, Public Services and Human Resources Development. The procurement function serves the whole ministry including the Division of Labour and Industrial relations led by the Undersecretary, Labour and Industrial Relation, where the project is placed. With the new formation of unity government, the MoLPSHRD is expected to split into two, that is Ministry of Labour and Ministry of Public Service and Human Resource Development. There will be different finance and administration directorates with different procurement

departments. In this case, the Ministry of Labour will be the Executing Agency of the SYE-SS project. Currently, there are two procurement staff members as per the organogram, but one position is currently vacant. The officer is handling small valued procurement contracts for office consumption. The Procurement Officer is the Secretary for the Procurement Committee, who is responsible for evaluating bids and offers. There are no Development Partner financed operations handled by the Ministry. The Bank had worked with MoLPSHRD under the project named: 'Institutional Capacity Building for Poverty Reduction and Good Governance (ICBPRGG) Project', five years before, but the arrangement was different and the team responsible to handling procurement is no more in place.

The Procurement staff will be coordinating and working with UNDP team to ensure timely and quality processing of procurement activities.

An assessment of the capacity of the Executing Agency has been conducted to determine its sufficiency to deal with procurement aspects of the project. Based on this assessment, the capacity of the Executing Agency is found to be inadequate considering the limitations in the structure and the lack of experience in managing procurement functions of similar nature proposed in the project. The overall Executing Agency's risk for handling procurement is considered High.

6.2.2 Implementing Agency: With the objective of timely and quality execution of the project, a Third Party Implementation arrangement using United Nations Development Programme (UNDP) is agreed for this operation.

UNDP has adequate structure in South Sudan. The South Sudan Country Office of UNDP is led by a Resident Representative (RR). Under the RR, there are two Deputies (Deputy Programme and Deputy Operations) leading the day to day activities. Overall, more than 250 staff members are working in South Sudan comprising International and National Staff as well as United Nations Volunteers (UNVs). UNDP provides services to UN Agencies based in South Sudan such as UNFPA, UN Women, UNEP, UNIDO, WFP, OCHA, etc. Similarly, UNDP is working various Government Offices including Ministry of Labor, Ministry of Finance and Planning, Ministry of Foreign Affairs, Ministry of Gender, Ministry of Justice, Ministry of Internal Affairs, etc.

The procurement unit is established under the Deputy Operations together with Finance, Human Resource, Administration and Finance. There are 9 (nine) procurement staff members (i.e. two (2) international and 7 (seven) nationals) covering operations in South Sudan. There is established procurement system, documentations, review procedures and decision thresholds in UNDP. Procurement contracts amounting upto USD 200, 000 are approved at the level of Resident Representative. For the contracts amounting between USD 200,000 and USD 2 million decisions are taken at the Africa Regional Office, based in Addis Ababa. For those contracts exceeding USD 2 million approvals are made at the Head Quarters level in New York. An IT based procurement system facilitates timely and quality handling of procurement implementations. Moreover, UNDP has a well functioning 'Long Term Agreement (LTA)' that facilitates prompt actions in processing some critical procurement contracts. All procurement actions are taken following UNDP Programme and Operations Policies and Procedures (POPP), which is a public document that can be downloaded from UNDP website.

UNDP has already prior experience with the Bank partially implementing Institutional Capacity Building for Poverty Reduction and Good Governance (ICBPRGG) Project under MoLPSHRD and currently it is handling project activities in Non-Oil Revenue and Mobilisation and Accountability project in South Sudan (NORMA-SS) for which Ministry of Finance and Planning (MoFP) is the main Executing Agency.

Therefore, UNDP will serve as an implementing agency and be in charge of the entire implementation of the project on behalf of the Government and the Executing Agency, MoLPSHRD. The selection of UNDP as an implementing agency was informed by the limited capacity of government to implement the project as well as

expediting quality deliverables. Under this Third Party implementation arrangement, UNDP will provide fiduciary oversight of the Project, including those of procurement policies and procedures, in accordance with the Fiduciary Principles Agreement (FPA) to be entered between the Bank and UNDP. In this arrangement, it is expected that clear governance structures would be maintained throughout the project. In addition, the Bank will monitor the project through regular supervision missions to keep track of the project resources against the approved activities.

6.3 Procurement Risk Assessment

Procurement Risk Assessments were undertaken for this project by conducting an exhaustive Project Procurement Risk Assessment (PPRA) covering the risks associated with the country, sector and project environments as well as the Executing Agency running the Project. The outcome of the assessment provides the justifications to the risk assessment indicated in the Summary of PPRA as shown in Table 6.3 below:

Table 6.3 : Project Procurement Risk Assessment

Item		Assessment Rating
Risk factor #	Risk factor	Low (L) / Moderate (M) / Substantial (S) / High (H)
Project Procurement Risk Assessment		
<i>Country Level</i>		
1	Procurement Legal and Regulations Framework	High
2	Systemic Prohibited Practices	High
<i>Sector Level</i>		
3	Capacity of the Sector	Moderate
4	Capacity of local industry (for Consultancy)	High
<i>Project Level</i>		
5	Project design risks	Low
6	Delivery risks	Moderate
<i>Capacity Risk of the Executing Agency (MoLPSHRD)</i>		
7	Capacity	High
8	Governance & Prohibited Practices	High

No major issues/risks associated with the procurement components for implementation of the project have been identified. The overall Project Procurement Risk Rating (PPRR) at time of Appraisal is ‘Moderate’.

6.4 Summary of procurement arrangements

The procurement arrangements for the various components, elements, and items, under the different expenditure categories to be financed by the Grant and procured using Third Party Procurement procedures are summarized in Table 6.4. Similar Transactions/contracts, the different PMPs, estimated costs, oversight requirements, and the timeframe as agreed between the Borrower and the Bank, are documented in the Procurement Plan (Section 6.7).

Table 6.4: Summary of Procurement Arrangements

Project Categories	USD '000							
	Recipient PMPs			Bank PMPs			Third Party PMPs	Total
	OCB	LCB	Other	OCB,	LCB	Other		
1. Goods								
1.1 Supply of Office Equipment	n/a	n/a	n/a	n/a	n/a	n/a	[19.20]	[19.20]
2. Consulting Services								
2.1 Vocational skills graduates' tracer studies and employer satisfaction survey	n/a	n/a	n/a	n/a	n/a	n/a	[30.00]	[30.00]
2.2 Database/ Portal Manager	n/a	n/a	n/a	n/a	n/a	n/a	[24.00]	[24.00]
2.3 Project Coordinator	n/a	n/a	n/a	n/a	n/a	n/a	[252.42]	[252.42]
2.4 Career guidance and job placement counsellor	n/a	n/a	n/a	n/a	n/a	n/a	[24.00]	[24.00]
3. Non-Consultancy Services								
3.1 Training of Trainees	n/a	n/a	n/a	n/a	n/a	n/a	[20.00]	[20.00]

+ Figures in brackets are amounts financed by the Bank; n/a – Not Applicable

6.5 Advertising

The text of a General Procurement Notice (GPN) has been agreed with the Executing Agency (Implementing Agency) and will be issued for publication²² in the UNDB online and Bank's Internet Website, upon approval by the Vice President, RDVP of the Financing Proposal.

6.6 Oversight under Third Party Methods and Procedures:

Under this project, review of procurement documents and decisions shall be subject to the UNDP's review and oversight responsibilities for all procurements of goods, works, and non-consultancy and acquisition of consultancy services. UNDP procurement function is managed through a system of 'Delegated Procurement Authority' for procurement actions governed by financial threshold that is divided in three levels: The Resident Representative in Juba, Regional Office based in Addis Ababa or the Head Quarters in New York. Other oversight responsibilities are outline in the Programme and Operations Policies and Procedures (POPP).

6.7 Procurement Plan

General: The Implementing Agency in consultation with the Executing Agency, during project appraisal, developed an abbreviated Procurement Plan (PP) covering the entire scope of implementation of the project, which has provided the basis for the procurement arrangements in this project document.

The PP will be finalized and agreed between the Recipient and the Bank prior to project negotiations and it will be available at the MoLPSHRD and UNDP. It will also be available in the Project's database and in the Bank's external website. The PP will be updated by the Executing Agency and Implementing Agency annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. Any

²² The General Procurement Notice is prepared by the Borrower and submitted to the Bank, which will arrange for its publication in the United Nations Development Business (UNDB online) and in Bank's Internet Website.

revisions proposed to the PP shall be submitted to the Bank for its prior review and no objection. The Executing Agency and Implementing Agency shall implement the PP as it has been agreed with the Bank.

Table 6.7: Goods and Works Contracts with Procurement Methods and Time Schedule

Procurement Plan - GOODS, WORKS AND NON-CONSULTING SERVICES									
1	General								
	Country/ Organisation:	South Sudan/ Ministry of Labour, Public Services and Human Resources Development							
	Project Name:	Skills for Youth Employability and Social Inclusion Project							
	Project SAP Identification #:	x							
	Loan Number:	x							
	Executing Agency:	Ministry of Labour, Public Services and Human Resources Development (MoLPSHRD)							
	Implementing Agency:	United Nations Development Programme, UNDP							
	Approval Date of Procurement Plan:	x							
	Date of General Procurement Notice:	x							
	Period Covered by these Proc. Plans:	Jan 2020 – June 2021							
2	Goods: Prior/Post review Threshold – Applicable only for Bank - PMPs								
	Procurement Method	Prior review Threshold (USD)	Post review Threshold (USD)	Frequency of Review					
	UNDP PMPs	N/A	N/A	N/A					
3	Procurement Packages: Methods and Time schedule for 18 Months								
	Package Description	Lot	Estimated Amount in USD ('000)	Lump sum or Unit Rate	Proc. Method	Pre or Post Qualification	Prior/ Post Review	SPN Publication Date	Contract Start Date
	Office Equipment	1	19.20	LS	SH	N/A	N/A	Mar. 2020	Apr. 2020
	Total Cost		19.20						

Consultancy Assignments with Selection Methods and Time Schedule

Procurement Plan- CONSULTANTS

1	General						
	Country/ Organisation:	South Sudan/ Ministry of Labour, Public Services and Human Resources Development					
	Project Name:	Skills for Youth Employability and Social Inclusion Project					
	Project SAP Identification #:						
	Loan Number:	x					
	Executing Agency:	Ministry of Labour, Public Services and Human Resources Development (MoLPSHRD)					
	Implementing Agency:	United Nations Development Programme, UNDP					
	Approval Date of Procurement Plan:	x					
	Date of General Procurement Notice:	x					
	Period Covered by these Proc. Plans:	Jan 2020 – June 2021					
2	Consulting Services: Prior/Post review Threshold – Only for Bank - PMPs						
	Selection Method	Prior review Threshold (USD)	Post review Threshold (USD)	Frequency of Review			
	UNDP's PMPs	N/A	N/A	N/A			
3	Consulting Services: Selection Method and Time schedule for 18 Months						
	Description	Selection Method	Lump sum or Time-Based	*Estimated Amount in USD ('000)	Prior/ Post Review	EOI Publication Date	Contract Start Date
	Vocational Skills Graduates' Tracer Studies and Employer Satisfaction Survey	UNDP	LS	30.00	N/A	Jan. 2021	Feb. 2021
	Data base/ Portal Manager	UNDP	LS	24.00	N/A	Mar. 2020	Apr. 2020
	Project Coordinator	Individual	Time based	252.422	N/A	Mar. 2020	Apr. 2020
	Career Guidance and Job Placement Counsellor	Individual	LS	24.00	N/A	Mar. 2020	Apr. 2020
	Training of Trainees	UNDP	LS	20.00	N/A	Apr. 2020	May 2020
	Total Cost			350.422			

Annex VIII: Financial Management and Audit Arrangements

7.1 Assessment of the adequacy of the financial management system

7.1.1 The Bank has made an FM capacity assessment of the adequacy of the financial management system of the Ministry of Labour, Public Service & Human Resources Development (MoLPSHRD) to handle the project. The MoLPSHRD is the project Executing Agency. The MoLPSHRD finance Directorate structure does not have the required qualified staff to control the project activities. The Bank's assessment of the Ministry's capacity concluded that with the existing structure in place, MoLPS&HRD cannot implement the project and manage the project fund safely. Hence the Financial Risk was concluded to be "**High**".

7.1.2 Fiduciary risks are substantial (after mitigation) due to weaknesses in the overall Public Financial Management (PFM) systems largely attributable to infancy of the country (South Sudan gained independence on 9 July 2011). However, there is some positive trajectory indicating that the PFM systems are being implemented to address the deficiencies. Though there is no recent diagnostic work conducted, some of the fiduciary diagnostics undertaken in South Sudan five or seven years back include: i) Public Expenditure and Financial Accountability (PEFA) assessment in 2011 and ii) South Sudan Integrated Fiduciary Assessment (SSIFA) in 2012. The PEFA assessment undertaken in 2011 was the first one for the country and as a result there are no comparative PEFA scores for prior years. Overall, 10% of the Performance Indicators (PI) were rated B, 25% scored C/C+ and a massive 65% scored D/D+. Credibility of the budget is very low as indicated by a score of D for PI 1-4. Aggregate expenditure out-turn deviates significantly and adversely so compared to original budget. Aggregate revenue out-turn also varies substantially compared to original approved budget. Low budget credibility is further illustrated by a score of D for PI 16 (predictability in the availability of funds for commitment of expenditures).

7.1.3 Based on the assessment of the FM system in place of MoLPSHRD and the weaknesses and the inadequate capacity of the Financial Management structure of MoLPSHRD to manage the project, it was a necessity to look out to outsource the implementation of the project to a third party. The Government of the Republic of South Sudan (GRSS) through the Ministry of Finance and Planning (MoFP) as well as the MoLPSHRD and the Bank Appraisal Team agreed to use a UN Partner, UNDP, as an Implementing Agency of the project based on the rich experience it has in capacity building projects in the country for the last 5-10 years period. UNDP will handle the Fiduciary Safeguards and coordinate project implementation arrangements with the MoLPSHRD. The selection of UNDP was based on its experience in the Capacity Building activities in the country for the last 5-10 years period. Recently there are several on-going capacity building activities managed by UNDP and financed by different Development Partners(DPs).

7.1.4 The Bank has also conducted brief assessment of the adequacy of the financial management (FM) systems of the United Nations Development Program (UNDP) in South Sudan Office based on the Fiduciary Principles Agreement (FPA) between the United Nations (UN) and the Bank as well as the Bank's FM Implementation Guidelines-2014. The assessment concluded that the FM capacities are adequate and the overall risk is "**Low**". This implies that UNDP's project implementation ability is adequate to (1) use the funds for the intended purposes in an efficient

and economical way, (2) prepare accurate, reliable and timely periodic financial reports, and (3) safeguard the entity's Project assets.

7.1.5 UNDP, as the Implementing Agency for the Project, will be responsible for the implementation of the Project in collaboration with the Ministry of Labour, Public Service and Human Resources Development (MoLPSHRD) based on the Tripartite Funding and Implementation Agreement to be signed between the Government of the Republic of South Sudan, UNDP and the Bank.

7.1.6 UNDP will be fully accountable for the project funds and financial reporting of all the project's financial transactions. In line with the Framework of Fiduciary Principles Agreement (FPA) between the UN and the Bank, the project will comply with UNDP's regulations, rules, and policies and procedures for financial management including audit and control frameworks. In this regard, UNDP is expected to maintain sound financial management systems and arrangements to ensure that funds are used for the purposes intended, with due attention to considerations of economy, efficiency and value for money. UNDP will monitor the utilization of the Project funds using a unique budget code that will be assigned to the Project.

7.1.7 The Project Implementing Agency, UNDP, will prepare, on a six-monthly basis, Interim unaudited Financial Reports (IFR) adequate to reflect UNDP's interim expenditures related to the Project. The IFR will be prepared and transmitted to the Bank and the Executing Agency, (MoLPSHRD) no later than forty-five (45) Days after the end of each calendar semester (6 months), covering the Semester. The IFR will include, as a minimum, sources and uses of funds, expenditures by project activities (components and categories) and cumulative for the program life and explanatory notes for significant variances as may be needed.

7.1.8 UNDP will also prepare and submit to the Fund annual Project Financial Statements (PFSs) within (6) six months following the end of the financial year. The PFSs shall be prepared in accordance with UNDP's financial rules and regulations, with a financial year end of 31 December. A relevant officer authorized by UNDP to make such certifications on the use of the Grant shall certify the PFSs. In addition, UNDP will make available, to the GRSS and the Fund, a copy of its audited financial statements and the report of its independent external auditors on its financial statements with respect to any year during which the UNDP will make use of the Grant within thirty (30) days of such financial statements presented to UNDP *General Assembly by the UNDP independent* external auditors.

7.1.9 UNDP, as a UN Partner, which has a rich experience in managing Capacity building projects and programs in the Republic of South Sudan will follow sound budgeting, accounting and internal control and financial reporting systems for the project and ensure that all expenditures and related supporting documents are properly and physically archived for review and auditing purposes.

7.1.10 UNDP will ensure the efficient and effective management of the project resources including achievement of Value for Money.

7.1.11 UNDP will produce project reports (technical and financial) to monitor and manage progress towards achieving project outputs and spending against budget, which will then be sent to the Bank and GRSS - MoLPSHRD and the Project Steering Committee.

7.1.12 The MoLPSHRD in collaboration with UNDP will monitor the project's progress for reporting purposes so that appropriate corrective actions can be taken in a timely manner. The monitoring process will be based on the project log frame.

7.1.13 A Project Steering Committee, which will include UNDP, will be established. The committee will provide policy and implementation oversight, including the review and approval of the project work plans and budgets.

7.1.14 UNDP will institute adequate internal controls to ensure that all financial transactions are duly authorized, properly recorded and maintained in an accounting system and that expenditures and related supporting documents are properly and physically archived for supervision and auditing purposes.

7.1.15 UNDP will be responsible for overall Financial Management (FM) of the project in line with the Tripartite Funding and Implementation Agreement to be signed between the GRSS, the Bank and UNDP.

7.2 Financial Reports, Audit and Project Reports

7.2.1 UNDP will prepare, on a six-monthly basis (or less frequently, as will be agreed between the Host Government, the Fund and the UNDP), interim unaudited financial reports adequate to reflect UNDP's interim expenditures related to the Project Funding.

7.2.2 The first interim unaudited financial report will be provided to the Host Government and the Fund no later than forty-five (45) days after the end of the first six (6) months period from the date of receipt of the first disbursement of the Project Funding, through the end of such first six (6) months period; thereafter, each interim unaudited financial report will be provided to the Host Government and the Fund, no later than forty-five (45) days after the end of each subsequent six (6) months period, and will cover such six (6) months period.

7.3 Annual and Final Financial Reports:

7.3.1 UNDP will provide the Host Government and the Fund with an annual financial statement as of 31 December each year, certified by the financial officer authorized by the UN Partner to make such certifications, on the use of the Project Funding transferred by the Fund on behalf of the Host Government to UNDP during that year, not later than 30 June of the following year.

7.3.2 After completion and financial closing of the Project, UNDP will provide the Host Government and the Fund, not later than eighteen (18) months following the expiration of the Tripartite Agreement as stated in (a) above, a final financial statement, certified by the financial officer authorized by the UNDP to make such certifications, on the use of the Project Funding

transferred by the Fund on behalf of the Host Government to UNDP during the term of the agreement.

7.3.3 Other information, as per UNDP's relevant Rules and Regulations, policies and procedures (including its policy on information disclosure), may be provided on an *ad hoc* basis upon request from the Host Government or the Fund.

7.3.4 All reports stated in (7.3.1), (7.3.2), and (7.3.3) above will be provided in the standard format of UNDP and in accordance with accounting standards pursuant to the regulations and rules from the Host Government or the Fund.

7.4 Utilization of the Fund

7.4.1 Project Funding will be utilized by UNDP solely for the implementation of the Project and will be administered by UNDP in accordance with its established financial and administrative regulations, rules, policies and procedures.

7.4.2 UNDP will promptly notify the Government of the Republic of South Sudan and the Fund in writing of any substantial changes from agreed plans or budgets in connection with the Project description and budget, including its nature, content, sequencing, and duration.

7.4.3 UNDP and the Host Government will consult with and obtain the prior approval of the Fund before making any substantive changes to the Project; the Fund will use their best efforts to respond to such requests for approval promptly to avoid disruption to implementation.

7.4.4 The Fund or UNDP may, by written notice to the other Parties, suspend further disbursement of Project Funding if the Fund, UNDP and the Host Government agree that the objectives of the Project are no longer capable of being fulfilled.

7.4.5 The Parties will use their reasonable efforts to reach a resolution satisfactory to all Parties to lift the suspension of further disbursement of Project Funding as soon as reasonably practicable.

7.5 Internal and External Audit

7.5.1 Project Funding will be subject exclusively to the internal and external auditing procedures provided for in the Financial Regulations, and in the policies and procedures, and rules and directives, of UNDP and to relevant decisions of UNDP governing body.

7.5.2 UNDP will make available to the Host Government and the Fund a copy of its audited financial statements and the report of its external auditors on its financial statements with respect to any year during which UNDP makes use of Project Funding, within thirty (30) days of such financial statements are presented to UNDP's Governing Body by UNDP's Independent External Auditors.

7.5.3 Should the report of its external auditors on its financial statements with respect to any year during which UNDP makes use of Project Funding contain observations concerning the Project

and/or related financial management of the Project Funding, such information shall be made available to the Host Government and the Fund to the extent consistent with UNDP's Rules and Regulations, policies and procedures and relevant decisions of its governing body.

7.5.4 Without limitation to the provisions of section (a) above, if information about expenditures of Project Funding is requested by the Host Government or the Fund for purpose of conducting their respective internal and external audits related to Project Funding, UNDP will provide such information as reasonably requested by the Host Government or the Fund as the case may be, to the extent in the manner consistent with UNDP's Regulations and Rules, policies and procedures, and relevant decisions of its' governing body.