



## Technology for Youth and Jobs (P172571)

MIDDLE EAST AND NORTH AFRICA | West Bank and Gaza | Finance, Competitiveness and Innovation Global Practice | Special Financing | Investment Project Financing | FY 2020 | Seq No: 3 | ARCHIVED on 11-Mar-2022 | ISR49105 |

Implementing Agencies: The Palestine Liberation Organization (for the benefit of the Palestinian Authority), Ministry of Telecommunications and Information Technology via a private sector implementing agency

**Key Dates****Key Project Dates**

Bank Approval Date: 12-Jun-2020

Effectiveness Date: 06-Oct-2020

Planned Mid Term Review Date: 18-Apr-2023

Actual Mid-Term Review Date:

Original Closing Date: 30-Oct-2025

Revised Closing Date: 30-Oct-2025

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

To increase economic opportunities for IT service firms in the West Bank and Gaza.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

**Components Table**

Name

Improving IT service capabilities:(Cost \$6.50 M)

Improving the IT services ecosystem:(Cost \$4.75 M)

Improving market access, and increasing demand and investments:(Cost \$1.50 M)

Project management and Implementation Support:(Cost \$2.25 M)

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

**Implementation Status and Key Decisions**

The Technology for Youth and Jobs (TechStart) project was declared effective on October 6, 2020 and has since disbursed \$1.9million. The Palestinian economy began to recover in 2021 as COVID-related measures eased, however sustainable sources of growth going forward remain limited and companies continued to suffer from the economic slowdown caused by the pandemic. The May-June 2021 conflict in Gaza impacted the tech sector, with many IT services companies being totally or partially damaged. After the war, the World Bank carried out a Rapid Damage and Needs Assessment (RDNA) which captured the extent of damage and losses across a number of sectors, including the private sector. TechStart project implementation agency (PIA) and World Bank engaged with Ministry of Telecommunications and Information technology (MTIT) and with Palestinian IT Association (PITA) to assess the level of damage and agreed to provide an emergency support to the impacted IT services companies and to prioritize this intervention. The survey done with support of PITA showed that the IT services companies needed working capital grants to help rehabilitate their business, maintain operations, and avoid laying off the employees.



The Gaza Tech and Innovative Recovery (GTIR) program was launched on July 8, 2021- jointly with the Innovative Private Sector Development (IPSD) project – and provided firms with much needed working capital grants to help rehabilitate their business, maintain operations, and avoid laying off the employees. Grants covered salary subsidies and rent (to move to new offices) for up to 6 months, replacement of damaged IT equipment and furniture. TechStart supported 6 Gazan IT services companies heavily damaged by conflict with grants totaling \$967,850, helping them to rehabilitate their business. As a result of the support, beneficiary firms were able to retain 118 employees, 25.42% of which were females. The COVID-19 Relief program was launched in August 2021 – jointly with the Innovative Private Sector Development (IPSD) project– and provided working capital grants to Palestinian startups and innovative SMEs (for salaries, rent, software) to allow firms to avoid laying off existing employees (or to hire new ones that were needed) and help them deal with the impact of the pandemic. It also provided grants for niche online trainings for employees to help generate new revenue streams through business development. At the end of January 2022, the COVID-19 Relief program awarded \$559,201 in grants to a total of 17 companies with 172 employees benefiting from salary subsidies, 34.9% of which were female. One of the main components of TechStart, the *Human Capital Improvement Stipends* was launched on February 20, 2022. It covers four window stipends: a) internships stipends for students in the last 2 years; b) train-to hire for recent graduates; c) on-the job training on niche technologies, in partnership with international clients; d) expatriate stipends to attract international staff, with senior technological expertise or leadership experience, to work with Palestinian IT services firms to build the technical and managerial capacity of their workforce. Progress under the rest of project’s components was steady and focused on completing the necessary consultations, operational grants manuals and procedures to launch key support initiatives by June 2022. In October/November 2021 a WB review of the Environmental and Social Safeguards (ESS) oversight mechanism for TechStart took place to expedite the ESS clearance process, which was lengthy and burdensome, especially given the nature of the TechStart project. As a result, an improved ESS oversight approach was developed and approved by WB to make the oversight process more efficient and avoid in the future delays in disbursements. The Project Implementation Agency maintained steady implementation progress and sound program management, despite the continued challenges of operating during COVID-19 pandemic.

**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	High	High	High
Macroeconomic	High	High	High
Sector Strategies and Policies	Substantial	Substantial	Substantial
Technical Design of Project or Program	Substantial	Substantial	Substantial
Institutional Capacity for Implementation and Sustainability	High	Substantial	Substantial
Fiduciary	Substantial	Substantial	Substantial
Environment and Social	Moderate	Moderate	Moderate
Stakeholders	High	Substantial	Substantial
Other	--	Substantial	Substantial
Overall	High	Substantial	Substantial

**Results**

**PDO Indicators by Objectives / Outcomes**



To increase economic opportunities for IT service firms in the West Bank and Gaza				
<b>► Value of new contracts signed between local IT service firms benefiting from project activities and international buyers (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	30,000.00	30,000,000.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	Value of new contracts signed between local IT service firms (those firms benefiting from project activities) and international buyers			
<b>► International buyers signing new contracts with local IT service firms benefiting from project activities (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	30.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	International buyers signing new contracts with local IT service firms (those firms benefiting from project activities)			
<b>► Additional private investment made by firms benefiting from project activities towards technology and skill upgrading (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	20,000.00	5,000,000.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	The additional private investment is the financial resources invested by firms that are (i) receiving grants for technology and skills upgrading and / or (ii) benefiting from on-the-job training stipends offered by the project. Private sector investment is in further highly skilled labor hiring and managerial capabilities enhancement to be able to get further opportunities from international outsourcing companies. Also this will capture private sector investments in R&D hubs to serve businesses needs required to satisfy international outsourcing companies' requirements.			

### Intermediate Results Indicators by Components

Improving IT services capabilities				
<b>► Individuals benefiting from project training activities (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	750.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	Individuals here are IT graduates who are benefiting from the project's training activities			



<input type="checkbox"/> Out of which are female (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	375.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
<b>► Individuals benefiting from project training activities who reported employment (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	675.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	The individuals are IT graduates benefiting from the project's training activities who are reporting employment which could be freelancing or could be in a local or international IT service firm.			
<input type="checkbox"/> Out of which are female (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	340.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
<b>► Individuals benefiting from project activities reporting satisfied or very satisfied with support received (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	The individuals are IT graduates who benefited from project activities and reported a rating of satisfied or very satisfied with project support received--note that this only takes into account those individuals who completed the beneficiary feedback survey.			
<b>Improving the IT services ecosystem</b>				
<b>► Local firms benefiting from project activities (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	23.00	200.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	The local firms are benefiting from project activities including (i) skills upgrading support, (ii) managerial support, (iii) R&D centers, (iv) IT business infrastructure, and / or (v) matching-making activities (under Component 3).			
<b>► Local firms benefiting from project activities who are reporting new contracts (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	1.00	35.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	Local firms are those benefiting from (i) skills upgrading support, (ii) managerial support, (iii) R&D centers, (iv) IT business infrastructure, and / or (v) match-making activities (under Component 3)--that are reporting new contracts with local or international buyers.			
<b>► Additional high-skilled IT services jobs created by local firms benefiting from project activities (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	290.00	1,000.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	These are the additional number of full-time high-skilled IT services jobs created by local firms that are benefiting from project activities. Examples of these jobs include AI, data science, robotics, cloud computing, software development.			
<input type="checkbox"/> Out of which are for females (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	90.00	500.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
<b>► Local firms benefiting from project activities that adopted female employment solutions (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	This indicator includes the total number of female employment solutions adopted across all firms benefiting from project activities. Female employment solutions might include childcare options, flexible work, transportation support or other possible mechanisms that would make positions more female-friendly. Local firms here are those firms who are benefiting from project activities including (i) skills upgrading support, (ii) managerial support, (iii) R&D centers, (iv) IT business infrastructure, and / or (v) match-making activities (under Component 3).			
<b>► New firms established by project seed grants (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	10.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025
Comments:	New firms could include IT firms, HR firms, R&D centers, training providers, or new branches of existing firms that are established by individuals who received project seed grants.			
<input type="checkbox"/> Out of which are new female-led firms (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	2.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025

Improving market access, and increasing demand and investments

► Firms reporting satisfied or very satisfied with support received (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025

Comments:

This measures the percentage of local firms (those firms who have benefited from project activities including (i) skills upgrading support, (ii) managerial support, (iii) R&D centers, (iv) IT business infrastructure, and / or (v) match-making activities--under Component 3) who have reported being satisfied or very satisfied with support received--note that this only takes into account those firms who completed the beneficiary feedback survey.

► Foreign direct investment generated by the project (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2,000,000.00
Date	29-Oct-2020	08-Jun-2021	01-Feb-2022	30-Oct-2025

Comments:

Foreign direct investment (FDI) includes any asset owned by a foreign investor, acquired to manage a company. It includes equity capital, reinvested earnings, and intra-company loans or debt transactions (short-or long-term borrowing and lending of funds between parent and affiliate enterprises). In addition, FDI may comprise non-equity forms of investment which give investors an effective voice in the management. These include, inter alia, subcontracting, management contracts, turnkey arrangements, franchising, licensing and product-sharing. Both FDI flows generated by new investors, and FDI from existing investors (reinvestment) are included. Note that the investments of Palestinian ID holders residing abroad would be counted as FDI.

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P172571	TF-B2944	Effective	USD	15.00	15.00	0.00	1.91	13.09	13%

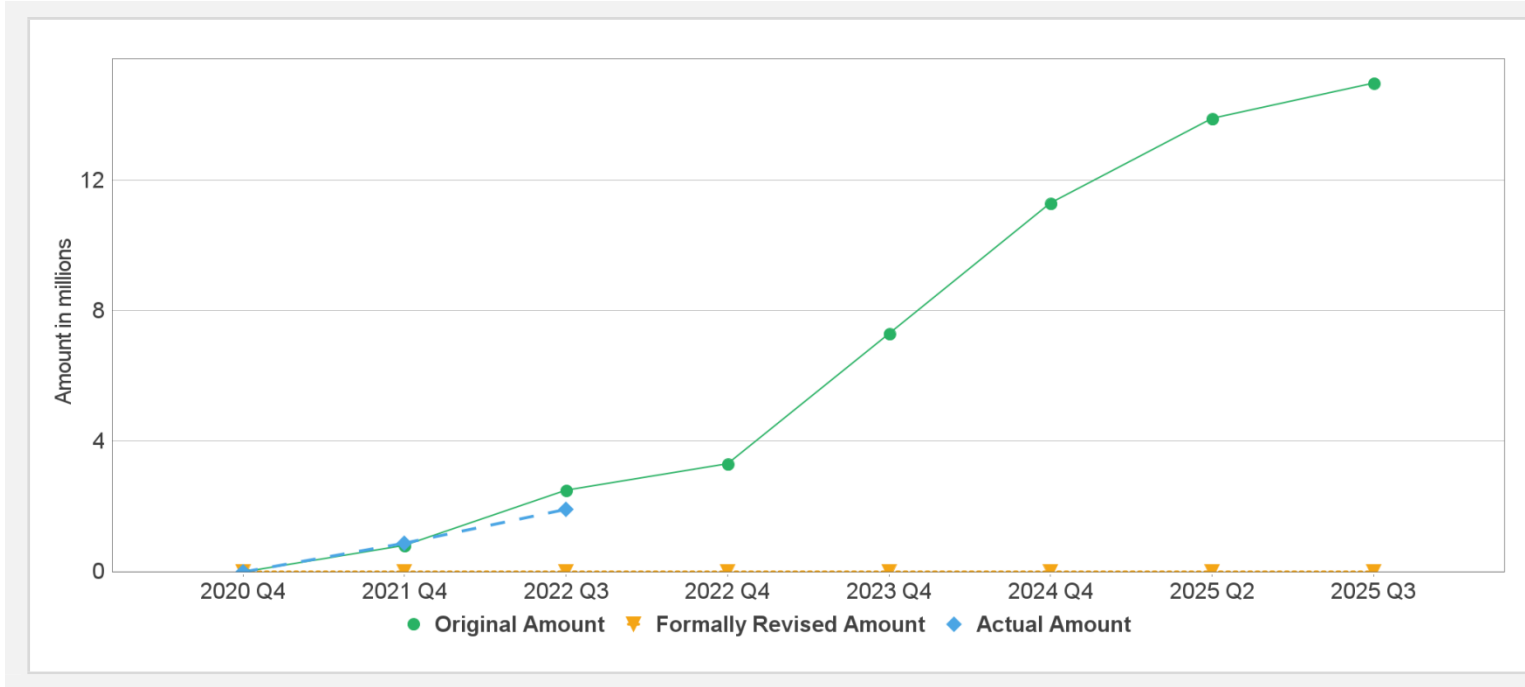
Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P172571	TF-B2944	Effective	12-Jun-2020	30-Jun-2020	06-Oct-2020	30-Oct-2025	30-Oct-2025
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**Cumulative Disbursements**



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.