Jobs and Economic Transformation

“The job creation challenge is immense, with an estimated 600 million new entrants into the labor market over the next decade. Trust funds are critical as they enable the WBG to crowd in private sector investments to help create sustainable, higher earning jobs in poor countries.”

—Michal Rutkowski
Senior Director, Social Protection and Jobs Global Practice

Jobs and economic transformation are essential for eradicating extreme poverty and boosting shared prosperity. For the poor and vulnerable, who may not own land and have limited capital, jobs provide the surest pathway out of poverty. Research shows that rising wages account for 40 percent of the drop in poverty rates over the past decade. Better jobs not only raise productivity and earnings, they empower women, strengthen social cohesion, and moderate migration from fragile and conflict-affected situations. However, with more than two billion people of working age not participating in the labor force, the developing world is facing a serious jobs crisis. Among those who do participate in the labor market, around 200 million people are unemployed, including 75 million under the age of 25.[69] Recent estimates suggest that around 40 million jobs per year

69 For further information, please visit http://bit.ly/WBJobsDev

need to be created for the next 15 years to increase employment rates and absorb the youth entering the labor force, particularly in Africa and South Asia.

The WBG adopts a comprehensive approach to its work on jobs and economic transformation. By leveraging resources across sectors and mobilizing global knowledge, the WBG develops and implements programs that help create jobs in the formal sector of the economy, improve the quality of informal jobs, and facilitate access to jobs for vulnerable and marginalized groups with the aim to improve earnings, labor productivity, and employment rates. To achieve this, the WBG focuses on three key intervention areas: (i) macro and regulatory policies; (ii) labor regulations and active labor market programs; and (iii) targeted programs to create jobs.

Trust funds complement WBG operations by leveraging technical expertise and resources to develop innovative solutions to effectively address these challenges.

I. Macro and regulatory policies

Macro and regulatory policies create an enabling environment for investing in current and new business enterprises and allowing them to grow and create jobs. These include improving macroeconomic management and governance to dampen risks and uncertainty, upgrading business regulations and taxes on labor, removing barriers to entry, and reforming different parts of the financial sector to expand access to capital and insurance. The WBG works with countries to design and implement labor regulations, income protection, and active labor market programs that can be extended to most of the labor force.

Facility for Investment Climate Advisory Services

CONTRIBUTORS

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- MIGA
- NETHERLANDS
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- REPUBLIC OF KOREA
- SPAIN
- SWEDEN
- SWITZERLAND
- TRADEMARK EAST AFRICA
- UNITED KINGDOM
- UNITED STATES

The **Facility for Investment Climate Advisory Services (FIAS)** trust fund works with developing countries to design and implement reforms to foster robust and responsible private sector growth that encourages open, productive, and competitive markets and unlocks sustainable private investments in sectors that contribute to poverty reduction, job creation, food security, climate change mitigation, and environmentally sustainable growth. FIAS-supported advisory services and technical assistance help governments develop the analytics and data needed to make informed economic policy decisions. FIAS then supports the implementation of these policies to promote inclusive growth, spur foreign and domestic investment, and foster business competition domestically and within the economic sector in international markets.

FIAS supported the implementation of IFC's Haiti Investment Generation Program to engage with the government, the private sector, and international investors to attract, consolidate, and expand investments in the garment sector. The program utilized an innovative approach that seamlessly integrated investment promotion and special economic zones (SEZs), completed its activities in December 2013, and achieved significant results during the reporting period (2013–2017). As part of this program, FIAS launched a suite of SEZ reports that evidenced market demand for industrial space, identified potential SEZ sites in the country, and provided regulatory recommendations. It also helped draft and enact the free trade zone implementing regulations. Support from FIAS and IFC also helped investment promotion intermediaries CTMO-Hope and the Center for Facilitation of Investments to promote Haiti abroad and expand the apparel industry with investments from Korea, Brazil, and the Dominican Republic.

Nine free trade zones approved and $203 million in investments generated for Haiti's apparel industry.

The project efforts increased public and private sector interest in special economic zones, and were partially responsible for the creation of Haiti's first special economic zone—the Lafito Integrated Economic Zone—and for the significant increase in the number of approved free trade zones, going from just one in 2012 to 10 in 2017 that are either in operation or under development.[70] In addition, the program created more than 15,000 jobs, 70 percent of which went to women, and generated $203 million in actual investments.

FIAS also helped achieve key investment climate reforms in Nepal through the Nepal Business Environment Reform initiative to facilitate local businesses to easily open, operate, and engage with the government. FIAS worked with the government to reduce the time and cost of starting a business and obtaining construction permits, making government-to-business services faster and seamless. FIAS also supported the Office of Company Registration in building an Internet cloud to store critical information on local businesses. The automation drive promises to deliver game changing advances ensuring smooth and timely reconstruction and the restoration of business activities in the event of a disaster. The initiative has achieved a 45 percent reduction in the amount of time it takes to register a company in Nepal, resulting in private sector savings estimated at more than $5 million. The reform has also helped stimulate a 25 percent increase in the number of new companies being registered.

70 A free trade zone is an area within which goods may be landed, handled, manufactured, reconfigured, and reexported without the intervention of the customs authorities.

SECO Financial Support for Advisory Services in Europe and Central Asia

CONTRIBUTOR

SWITZERLAND

$159 million in savings achieved through innovative food safety laws in Ukraine that introduced farm-to-fork approach and opened the European Union and Chinese export markets to Ukrainian poultry and dairy products between FY13–FY15.

The **Swiss State Secretariat for Economic Affairs (SECO) Financial Support for Advisory Services in Europe and Central Asia** trust fund is an IFC-administered trust fund that channels contributions to the Europe and Central Asia region. As part of the Ukraine Investment Climate Reform Project, the trust fund supported working with the government of Ukraine to abolish burdensome regulations for agribusinesses and improve food safety standards between FY13–FY15. Mandatory certification requirements for quality or storage compliance for grain products are often accompanied by artificially created delays and a range of transportation and logistical roadblocks, resulting in poor conditions for grain storage and processing, increased costs for agribusinesses, and weakened competitiveness in international markets. The trust fund supported the implementation of key regulatory reforms to remove some of these bureaucratic bottlenecks, resulting in an annual savings of approximately $38 million from grain silo certification and approximately $26 million in grain quality certification.

The trust fund also supported the government in adopting an innovative food safety law. The new law introduced a farm-to-fork approach ensuring that food production, processing, distribution, and consumption are integrated to enhance the environmental, economic, social, and nutritional health conditions and make it mandatory for businesses to use the Hazard Analysis Critical Control Point food safety management system.[71] These advances have generated $159 million in direct compliance cost savings for agribusinesses, opened the European Union export markets for Ukrainian poultry producers, and helped export dairy products to the European Union and China. Moreover, Ukraine and China have now signed a new trade agreement to allow Ukraine to export frozen beef to China. The bold reforms supported through the trust fund came at a critical time, ensuring survival of the country's agribusinesses.

71 The Hazard Analysis Critical Control Point is a management system that addresses food safety through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement, and handling through to manufacturing, distribution, and consumption of the finished product.

Trade Facilitation Support Program

CONTRIBUTORS

AUSTRALIA | CANADA | EUROPEAN UNION | NORWAY | SWITZERLAND | UNITED KINGDOM | UNITED STATES

The **Trade Facilitation Support Program (TFSP),** a WBG trust fund, provides support for countries seeking assistance in aligning their trade practices with the World Trade Organization Trade Facilitation Agreement. The TFSP assists client countries in identifying existing constraints and bottlenecks, designing and planning for implementation of reforms, and increasing predictability, transparency, and harmonization of systems and procedures in line with international standards covering import, export, and transit activities. The longer term vision of the TFSP is to ensure that the participating countries can benefit from increased trade and foreign investments, resulting in increased private sector trade competitiveness.

Significant reductions in processing time for cross-border trade achieved by creation of an automated system for electronic submission of documents and online payment of customs fees in Zambia in FY14.

The TFSP works closely with global organizations and donors, as well as regional and national partners in its activities. For example, in Zambia, the TFSP worked with the United Nations Conference on Trade and Development and played a lead coordinator role among donors on the ground in supporting Zambia in improving its border processes. The TFSP assisted in rolling out an automated system for customs data to Zambia revenue sites across the country in FY14. As a result of successfully increasing the functionality of the system, enabling the electronic submission of declarations, supporting documents, and enabling the online payment of customs fees, Zambia has significantly reduced the time to meet documentary and border compliance.

Poor access to information and limited understanding of the required regulatory procedures can be major barriers to trade. In order to address this, and as part of its technical support, the TFSP has supported the creation of Trade Information Portals in several countries. The Vietnam Trade Information Portal, a web-based database system, was launched in July 2017 with support of the TFSP. The Vietnam Trade Information Portal enables access to all cross-border trade regulation information in one place, including over 760 laws/decrees/circulars, 301 measures, 365 procedures, and 337 forms. Making all of Vietnam's regulatory requirements for import and export available to the private sector in an easily accessible, transparent, and searchable format is a key step forward toward a simpler, faster, and lower cost investment climate.

Europe 2020 Programmatic Trust Fund

CONTRIBUTOR

EUROPEAN UNION

The **Europe 2020 (EU2020)** programmatic trust fund was established in 2012 to allow the European Union to avail itself of the World Bank's technical assistance and analytical and policy work for the purpose of pursuing the goals of EU2020, the European Union's growth strategy until 2020. The key components of the EU2020 strategy revolve around promoting smart, sustainable, and equitable growth by developing economies based on knowledge and innovation; promoting more resource efficient, greener, and competitive economies; and fostering high employment economies that deliver social and territorial cohesion.[72]

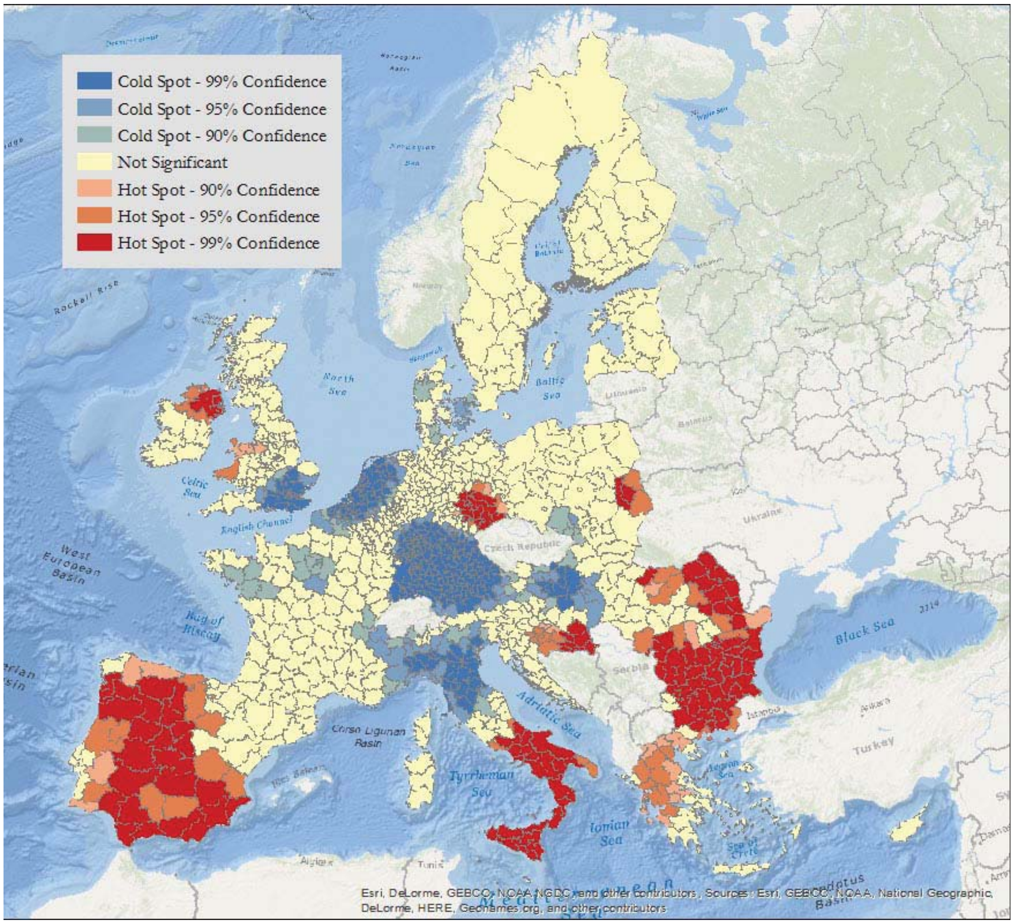
Seven poverty maps produced with spatial distribution of poverty in central and eastern Europe between FY13–FY17, opening the possibility of aligning significant European Union funds with key poverty data.

The trust fund supported the development of the *Portraits of Labor Market Exclusion* report, which presents new ways to profile unemployed and inactive populations in seven European Union Member States and derive targeted policy recommendations.[73] Each portrait provides detailed profiles (that were generated through survey information) of individuals with no or limited participation in the labor market, such as the unemployed, the retired, or the inactive. The portraits attach stories to statistics. They examine detailed labor market, demographic, and social circumstances to identify distinct groups of individuals who are the potential beneficiaries of income and employment support policies. The analysis combines labor market analysis and poverty profiling to offer a practical way to view individuals through the lenses of both poverty and welfare status and labor market indicators.

In addition, the EU2020 also helped carry out spatial distribution of poverty in central and eastern Europe to help inform policies at the local, national, and European levels to reduce poverty and promote equity. The activity builds on recent work to estimate poverty rates for small subnational areas to identify those areas within European Union member states that have particularly high poverty rates and large numbers of people at risk of poverty. It also examines ways to refine the way that welfare and poverty are measured in the European Union by taking into consideration spatial differences in the cost of living, which are likely to lead to changes in the relative poverty rankings of households and communities within European Union member states, and therefore changes in the spatial distribution and overall profiles of poverty.

72 The trust fund is managed under the European Union-WBG Framework Agreement, which is the instrument governing the cooperation between the two partners.

73 For further information, please visit http://bit.ly/LaborMarketExclusion



The EU2020 produced spatial distribution poverty maps in central and eastern Europe to help inform policies at the local, national, and European levels. Hotspot map showing the poor areas indicated by the relative poverty rate.

The trust fund supported methodological discussion for poverty maps among 26 European Union member states, making this the largest temporally and methodologically comparable effort to produce poverty maps. In total, nine poverty maps were produced with direct support from the trust fund, of which seven were produced during the FY13–FY17 time frame.[74] At the national level, this work led to the creation of the Croatian Municipal Index of Multiple Deprivation, which is being used by the Ministry of Regional Development and European Union Funds to identify deprived regions and monitor the effectiveness of European Union funds to target these locations. At the regional level, it has opened the avenue to assess the potential alignment of significant European Union funds with key poverty and equity trends. At the global level, the methods and tools created and enhanced to develop the poverty maps are already being

74 These include new member states, namely, Bulgaria, Croatia, Estonia, Hungary, Latvia, Poland, Romania, Slovakia, and Slovenia. Poverty maps for Bulgaria and Latvia will be produced in FY18.

used by several IBRD/IDA countries such as Albania, Armenia, Bangladesh, Botswana, Ghana, Morocco, Senegal, South Africa, Tajikistan, Tunisia, and Zambia.

The EU2020 trust fund also helped produce the subnational *Doing Business* reports for seven European Union Member States: Bulgaria, Croatia, the Czech Republic, Hungary, Portugal, Romania, and Slovakia.[75] Unlike the national level *Doing Business* reports, these subnational reports capture differences in business regulations and their enforcement across locations in a single country. They also provide data on the ease of doing business in each location, and rank the results. The key objective of the reports is to advance regulatory reforms at the regional level to promote peer-to-peer learning and convergence toward best regulatory practices, and to foster private sector development.

75 *Doing Business* reports are World Bank flagship annual publications that measure regulations in a given location that can help enhance or constrain business activities. For further information, please visit http://bit.ly/DoingBusinessW

Box 14: Addressing Infrastructure Challenges in South Asia

CONTRIBUTOR

AUSTRALIA

The **Australia—World Bank Partnership for South Asia (PFSA)** trust fund contributes to poverty reduction and sustainable development that benefits both the men and women of South Asia. The PFSA's Infrastructure for Growth (IFG) window aims to counter the infrastructure gaps in South Asia by creating an enabling environment and by addressing the major challenges of insufficient connectivity and integration.[76] This is expected to contribute to unlocking the potential of South Asia with a view toward the long-term goals of sustainable development, prosperity, and enhanced stability. IFG prioritizes core infrastructure sectors (energy and transport) through two focus pillars: regional economic integration and climate change. IFG's third pillar focuses on crosscutting themes which include sector governance and reforms; private sector participation and public-private partnerships; conflict and fragility; social inclusion and gender; social accountability, voice and participation; and safeguards.

The regional economic integration pillar addresses multidimensional connectivity by focusing on institutions such as regulations affecting land, labor, and commerce. An example of an IFG-supported project is an assessment of India's flagship rural roads program that has incorporated best practices into the design and sustainability of rural roads. Notably, the Ministry of Rural Development has signed a Memorandum of Understanding with the National Institute of Rural Development and the Indian Academy for Highway Engineers to implement the national training framework developed under this activity. The Government of Bihar, India, took a policy decision to adopt environmentally optimized road designs, through which 20 percent of rural roads in the state incorporated best practices ensuring environmental sustainability between FY13–FY17, which is now being scaled up in other states. In addition, two Indian states prepared asset management plans to move from a construction focus to manage road assets on a long-term basis, minimizing losses in asset value and greenhouse gas emissions.

20 percent of rural roads in Bihar, India, incorporated best practices that ensure environmental sustainability between FY13–FY17, which are now being scaled up in other states.

In Bangladesh, IFG helped develop a Chittagong city development strategy, currently under discussion with Chittagong policy makers. The strategy includes resilience to climate change, helps determine investment priorities for urban services and infrastructure, and will potentially feed into other relevant policies. The strategy is informing the design of the World Bank's proposed IDA *Municipal Governance and Service* project which aims at improving governance and urban service delivery in 26 urban local bodies along the Dhaka-Chittagong growth corridor.

76 For further information on PFSA, please refer to page 58.

Public-Private Infrastructure Advisory Facility

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350,000 twenty-foot container capacity port is scheduled to open in 2019 in Timor-Leste based on the first and largest construction contract with a private sector partner worth $490 million, extending berths, storage areas, and taking over Dili port's cargo operations.

The **Public-Private Infrastructure Advisory Facility (PPIAF),** a MDTF, is a global facility dedicated to strengthening the policy, regulatory, and institutional underpinnings of private sector investment in infrastructure in emerging markets and developing countries. Although governments in developing countries are increasingly willing to engage in public-private partnerships to optimize delivery of public infrastructure assets and services, the lack of a sound operating environment does not allow both parties to optimally benefit from these arrangements. PPIAF provides technical assistance grants within the range of $15–$20 million each year (each grant size on average is about $385,000) in priority sectors such as energy, transport, and water and sanitation to help build institutions, reduce policy, regulatory and institutional risks, and strengthen capacity of counterparties to generate a pipeline of bankable projects that convert hundreds of thousands in grant financing into hundreds of millions in infrastructure investment. PPIAF also manages a subnational technical assistance program helping subnational entities to improve their creditworthiness and facilitate their eventual access to commercial financing—without the need for sovereign guarantees for their infrastructure projects.

PPIAF supported the Government of Timor-Leste to attract private-sector investment for construction of the new Tibar Bay port outside the capital city, Dili.[77] Petroleum is the primary export in Timor-Leste. It accounts for 57 percent of total exports, making oil and gas revenues critical to the country's economy and depends heavily on air and sea logistics and transport gateways. The government identified Tibar Bay as a possible site for constructing a new greenfield port in 2011, as the existing Dili port (the country's only seaport for dry cargo) had reached full capacity following growth of cargo volumes by 19 percent each year from 2006–2011. The central location of the port in the capital city had made it difficult for extending the berths and storage areas, while port-related vehicular traffic was causing significant congestion issues. The government requested PPIAF to review options, determine investment requirements, and assess whether a public-private partnership could be designed to help achieve this.

The assistance provided by PPIAF since 2011 helped the country realize the first and largest investment with a private partner. After successful completion of the

77 In 2002, the widespread civil unrest had led to the destruction of 90 percent of the country's infrastructure. The government was keen on public-private partnerships to develop key infrastructure in the country.

competitive bidding process, the Government of Timor-Leste signed a 30-year $490 million concession contract in 2016 with Bolloré Logistics, an international transport and logistics company.

The new Tibar Bay port with 350,000 twenty-foot equivalent unit capacity is on schedule to be operational by 2019 and is expected to take over all of Dili port's cargo operations. Based on PPIAF recommendations, the government has created a project management unit to oversee the Tibar Bay Port concession.

II. Labor regulations and active labor market programs

Labor regulations and active labor market programs improve working conditions, expand access to social insurance, and facilitate labor market transitions—from inactivity and unemployment into jobs and from lower to higher quality jobs. The WBG works with countries to design and implement labor regulations and income protection and active labor market programs that can be extended to most of the labor force.

Over one million beneficiaries, 60 percent of whom are women, directly benefited from livelihood improvement opportunities; 225,000 poor women, men, and youth secured gainful employment through capacity building interventions; and 17,000 beneficiaries received training in business management and vocational skills in FY16.

Japan Social Development Fund

CONTRIBUTOR

JAPAN

The **Japan Social Development Fund (JSDF)** helps pioneer new and innovative approaches in community-driven development and poverty reduction programs and is achieving significant results in finding creative ways to support poor and vulnerable women, men, and children. Innovative approaches piloted under the JSDF span priority themes including improved nutrition and early childhood development; inclusive education; community-level disaster risk management; basic health and sanitation services; legal services and local governance; and livelihood support. These approaches are then often scaled up and/or replicated in World Bank operations. For example, JSDF grants valued at $37 million leveraged IBRD/IDA operations amounting to $615 million between FY13–FY16.

The JSDF activities under the livelihood support theme help youth in fragile and conflict countries, ethnic communities, poor farming and mining communities, vulnerable women, and persons with disabilities access gainful employment. Results in FY16 estimated that over one million poor and vulnerable people, 60 percent of whom were women, drectly benefited from the livelihood support programs. In addition, about 225,000 poor women, men, and youth secured gainful employment through capacity building interventions. Another 17,000 beneficiaries received training in safe migration and remittance management, integration management of properties, ICT-based operations, sustainable mining techniques, business management and legal aspects of business, and vocational training interventions.

Box 15: Cell Phones Transform Poor Women into Grassroots Chief Executive Officers in India

50 percent increase in sales achieved by rural RUDI women in Ganeshpura, India, that sell produce procured from local farmers by using mobile applications.

A JSDF grant supported the Self-Employed Women's Association (SEWA) an organization in India of poor, self-employed women workers who earn a living through their own labor or small businesses. The grant provided ICT-enabled microenterprise support services to poor and vulnerable women in rural India to help improve their livelihoods and transform poor illiterate and semi-illiterate women into grassroots Chief Executive Officers (CEOs) and increase their incomes. One of the grant beneficiaries was the Ganeshpura farm, a SEWA RUDI co-operatives organization that sells produce procured through local farmers, which is then processed and marketed by rural women called the Rudibens. Rapid growth in operations made it difficult to manage orders at its processing centers in Gujrat. The Rudibens were spending a significant amount of time and expense collecting RUDI products from the processing centers. To overcome these challenges, SEWA partnered with Vodafone, MasterCard, Google, and others to develop a mobile-based management information system, which enabled the Rudibens to order products using their mobile phones, and receive real-time updates from SEWA on new products, price changes, and marketing campaigns. The information tool also digitized SEWA's system for tracking orders, inventory, and sales, making their day-to-day operations more efficient. Initial results indicate that the digitization of grassroots transactions through mobile applications increased the Rudibens' sales by up to 50 percent. In addition to ICT-based tools, several innovative initiatives were implemented, including capacity building interventions that resulted in nearly a quarter of a million beneficiaries finding gainful employment. These innovative initiatives include:

SEWA Archives

The JSDF grant used ICT to improve livelihood opportunities for poor women in India.

- Mobile application for SEWA's rural RUDI saleswomen increased sales by up to 50 percent in some cases
- Virtual reality-based learning modules in driving and welding, as well as digital modules in animal husbandry in partnership with Tata Consultancy Services provided members vocational skills
- The rural livelihood portal connecting trainees with local organizations increased the number of trainees find gainful employment
- The SEWA Geographic Information System mapped local natural resources, and helped identify water conservation solutions and the creation of appropriate cropping strategies
- Linkages with private enterprises such as oil and salt companies, along with technology interventions in production and marketing, cut out the middlemen and resulted in up to a 30 percent increase in income for salt and castor farmers, releasing them from traders' debt trap mechanisms

Competitive Industries and Innovation Program

CONTRIBUTORS

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The **Competitive Industries and Innovation Program (CIIP),** a MDTF, which aims to build the capacity of countries to design and implement pro-growth investments and develop public policies and investments that promote competitiveness and innovation within and across industries, ultimately resulting in economic growth and job creation. The analytical and policy work implemented through CIIP has influenced policy makers and practitioners in promoting regulatory reforms, leveraging private sector investments, and informing WBG lending operations. In FY17, CIIP helped create approximately 6,700 jobs and leveraged $518 million in private sector investments. Moreover, the support provided to industrial zones generated $18 million in additional sales.

"CIIP has succeeded in effectively initiating and implementing interventions designed to increase competitiveness and innovation in the beneficiary countries. CIIP's organizational agility and flexibility allows it to respond to these countries' needs and priorities in a timely manner. The projects are well aligned with CIIP objectives and are highly relevant for government teams that are implementing or preparing lending operations projects to be financed by the World Bank."

—Mid-Term Evaluation, Anteja ECG, Economisti Associati, VDI/VDE Innovation + Technik GmbH, and Center for Strategy and Evaluation Services, CIIP, 2017

6,700 jobs created and $518 million leveraged in private sector investments in FY17.

In Mauritania, CIIP supported the creation of a privately operated eco-seafood competitive cluster in Nouadhibou Bay to attract private investments and create jobs by supporting the micro, small, and medium enterprises that service it, with the goal of transforming the fish industry. The fisheries sector plays an important socioeconomic role in Mauritania, accounting for 16 percent of the GDP, 25 percent of government revenue, 40 percent of the revenue in foreign currencies, and by providing jobs to approximately 40,000 people. The sector is particularly important in Nouadhibou where almost the entire population relies on this activity.

Furthermore, women's entrepreneurship has become an important axis of focus for the private sector and the Government of Mauritania. Women operating in the fisheries sector continue to face significant challenges when engaging in activities and suffer from gender-specific constraints. Women are only active in the low price margin and low quality segment of the local markets and play virtually no role in the export sector, where the highest profits are made. Physical security is also a concern, because women often travel at night to meet the boats as they arrive on shore. CIIP has contributed to the stronger engagement of women with the Nouadhibou Free Zone by bringing their issues to the forefront of policy dialogue and by developing tailored initiatives to promote their economic activities. These initiatives include improving women's organizations and supporting their acquisition of market-relevant skills based on successful entrepreneurship training in Togo led by the World Bank's Trade and Competitiveness practice, the Gender Innovation Lab, and the Development Economics Group.

As of June 2017, the trust fund helped establish 156 new firms in the Nouadhibou Free Zone, created approximately 900 stable jobs predominately in the processing side of the industry, and generated $37 million in private investments. CIIP helped conduct 300 days of training and technical assistance workshops benefiting over 400 people, and facilitated development of several strategic documents to guide Nouadhibou Free Zone Authority decisions, particularly on the inclusion agenda.

Ethiopia Sustainable Land Management

740 landless youth groups with more than 15,000 members, 40 percent of whom are females, received group landholding titles in Ethiopia that will help restore degraded communal land since 2013.

CONTRIBUTOR

NORWAY

The **Ethiopia Sustainable Land Management** trust fund, with support from GEF, aims to reduce land degradation and improve land productivity in selected watersheds in targeted regions in Ethiopia. Land rights, management, value, and use form key development issues for millions of rural Ethiopians facing climate, water, food, and livelihood insecurity. This is especially true for youth facing severe challenges of landlessness and joblessness. An innovative approach provided legal landholding certificates and extension support to landless youth in exchange for restoring degraded communal lands. This resulted in youth employment, increased livelihood opportunities, empowered youth who have few other options but to migrate, and strengthened the basis for more citizen engagement and better participation in the governance of natural resources. It also helped diversify and balance competing land uses in rural landscapes and boost climate resilience in productive landscapes. Since 2013, over 740 youth groups with more than 15,000 members, 40 percent female, have received group landholding certificates or other legal documentation. About 100,000 landless youth could be reached with sufficient financing that would complement the $100 million of IDA financing planned for approval in July 2018.

Box 16: Hope and Success for Landless Youth in Ethiopia

"Before we got this land, we wanted to move away from here. But hope is now here, in our home," says Fistum Gebremichael, age 23. Fistum is a member of Mahber Lemlem, a youth group which received 8.2 hectares of land and a landholding certificate with support from the Ethiopia Sustainable Land Management trust fund. Fistum and his peers have developed their land with various biophysical soil and water conservation structures and started agroforestry for fruit and fodder production, including 70 mango, 81 papaya, 53 orange, and 120 gesho (similar to hops) trees. Gullies are stabilized and now host crops, vegetation cover is restored and water retained, and erosion-proof grass is growing and used for the group's ox and sheep fattening. Clearly defined bylaws set how the land is used, how benefits are shared, and how conflict is resolved.

III. Targeted programs to create jobs

Targeted job creation programs need to address sectoral and regional failures and ensure entrepreneurs and the development of small and medium enterprises in specific sectors or regions are supported. There needs to be programs to connect small informal producers—including farmers or own account workers—to formal value chains, and, more broadly speaking, investments in infrastructure, ICT, and basic services to support the development of secondary towns that can attract entrepreneurs, firms, and workers. The WBG helps design and deliver comprehensive, integrated, and high-impact jobs strategies that involve all relevant sectors in client countries. This includes ensuring individuals have access to quality education and training opportunities so that employers can find the skills they need to operate, and that appropriate social safety programs exist to help the poor and vulnerable cope with crises and shocks, find jobs, invest in the health and education of their children, and protect the aging population.

Jobs Umbrella

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The **Jobs Umbrella (JOBS),** a WBG MDTF, aims to expand the frontiers of global knowledge through innovation and development of the best evidence-based solutions for job creation. The trust fund finances activities and pilots in priority areas: informality, private sector development, youth employment, conflict and fragility, gender and jobs, urbanization and jobs, and migration. The trust fund also supports the development of strategies to create policies and programs addressing the three main challenges: (i) creating jobs in the formal private sector; (ii) improving the quality of informal jobs; and (iii) expanding access to (better) jobs for certain population groups, such as women, youth, and the poor.

Part of the trust fund agenda encompasses the key analytics and jobs measurement agenda whereby tools are tested for standardization and eventual usage across the WBG, international financial institutions, and other multilateral development banks. In the case of Lebanon, the Jobs MDTF financed a “value chains for jobs” analysis in North Lebanon. The diagnostic of the selected value chains complemented a regional labor market survey, allowing for a much more granular understanding of the dynamics shaping labor market demand and outcomes in specific high-opportunity sectors. Based on an analysis of potential growth scenarios in the value chains, the report offered options for how to increase the creation of higher quality jobs, taking into account current labor market performance and skills endowment in the FCV-affected region.

$400 million IBRD project to be approved in FY18 for Lebanon and two IBRD projects for Tunisia (one approved in FY17 and one to be approved in FY18) totaling $160 million are being informed by analytics, knowledge sharing, and pilots.

The Jobs MDTF is also helping translate analytical results into changes on the ground by informing the upcoming $400 million IBRD *Lebanon National Jobs Program* to be approved in FY18, with a grant for approximately $1 million from the trust fund. This Jobs MDTF grant is supporting the robust design of a comprehensive operation targeting both demand and supply sides of the labor market. It will support an innovative design and undertake robust impact evaluations that will ensure the program generates and shares knowledge on new approaches to job creation in FCV contexts.

Another example of a Jobs MDTF grant is the Let's Work program in Tunisia. The goal of the grant is to identify some of the most binding constraints affecting the creation and productivity of jobs within targeted value chains in a lagging region in Tunisia, and inform future projects to help tackle these constraints. The work would be guided by a specially designed instrument that maps value chains and assesses constraints to growth and employment creation, as well as a capacity building program geared to local administrations (active in the lagging region) on value chain analysis and micro, small, and medium enterprise business development services. The activity has received active interest from government counterparts as well as other donors. It has also informed and helped leverage IBRD operations in Tunisia, including a $100 million IBRD *Integrated Landscape Management in Lagging Regions Project* approved in FY17 and a $60 million IBRD *Youth Economic Inclusion Project* to be approved in FY18. Results from the instruments tested and lessons learned from the grant financed program will be shared globally.

Yemen received matching grants of up to $10,000 for capacity building, 63 percent of which reported capacity improvements; and 400 youth provided with 50 percent stipend for internships resulting in 73 percent increase in their income, since FY13.

Middle East and North Africa Transition Fund

CONTRIBUTORS

CANADA, DENMARK, FRANCE, GERMANY, ITALY, JAPAN, KUWAIT, NETHERLANDS, QATAR, RUSSIAN FEDERATION, SAUDI ARABIA, TURKEY, UNITED ARAB EMIRATES, UNITED KINGDOM, UNITED STATES

The **Middle East and North Africa Transition Fund** is a FIF, in which the World Bank serves as an IA.[78] The results stories featured below are from activities implemented by the World Bank through IBRD/IDA trust funds. The Middle East and North Africa Transition Fund trust fund implemented the Yemen Enterprise Revitalization and Employment Pilot to improve the business capabilities of key enterprises to enhance the individual employability of college and university graduates in the country. The pilot worked on dual tracks to improve the business development plans of firms and help recent graduates

78 For further information on the Middle East and North Africa Transition Fund, please refer to page 75.

find internships—an unknown phenomenon in Yemen. The pilot provided a matching grant of up to $10,000 to firms, as a 50 percent subsidy toward the cost of procurement of business development services, training, and goods to improve the business development plans. Since FY13, a total of 204 firms were provided with matching grants to help improve the way they operate, of which 164 firms (including 23 women-owned firms) completed their business development plans—63 percent of the firms reported improved capabilities after completion of services. The Yemen Enterprise Revitalization and Employment Pilot also worked to place 400 young Yemenis—mainly from the two major cities of Sana'a and Aden—into paid internships. While the project covered a 50 percent stipend for the interns for up to six months, firms participating in the matching grant scheme provided the other half. Project results indicate that the internship program almost doubled the work experience of the participants, resulting in a 73 percent increase in their income during the same time period. Almost two-thirds of the youth received full-time employment following completion of the internship program. A short-term follow-up survey, conducted just as civil conflict was breaking out, shows that internship recipients had better employment outcomes than their peers in the first five months after the program ended. The encouraging results will not only serve future projects in Yemen but will also be instrumental for further replication, learning, and development across the Middle East and North Africa region and in other developing countries.

National registry of poor and vulnerable households established in 10 states in Nigeria, contributed to design of a $300 million IDA project approved in FY13 on youth employment and social support.

Rapid Social Response

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The **Rapid Social Response (RSR)-MDTF** trust fund aims to help the world's poorest countries build effective social protection systems. It is one of the key instruments for implementing the most recent *World Bank 2012–2022 Social Protection and Labor Strategy for Resilience, Equity, and Opportunity* mainly in IDA-eligible countries.[79] It does so by providing relatively small amounts of funding in support of social protection agendas worldwide, through either piloting programs in countries, facilitating new dialogue and partnerships, or supporting global knowledge exchanges. The catalytic nature of the RSR helps draw in other resources with over $7 billion in IDA resources leveraged thus far covering over 131 million people worldwide.[80]

In recent years, RSR's work on social protection has broadened to focus on strengthening the social protection and jobs delivery systems to cater to the needs of women, children, and youth, and populations on the move. RSR also supports countries to link various elements of the social protection and jobs delivery systems and other social

79 To download a copy of the strategy, please visit http://bit.ly/SocialProtection2

80 RSR is expanding its support base to IBRD-eligible countries through creation of the RSR-Nutrition program and greater collaboration with the GFDRR to mainstream disaster risk management in social protection.

delivery systems and policies together innovatively to ensure that people become more productive and active economically.

In Nigeria, the RSR grant supported the development of a national registry of poor and vulnerable households in 10 states. RSR helped develop the guidance tools for administrative tasks, such as eligibility criteria, communications, and payments and prepared a framework and associated tools for the monitoring and evaluation system. Since Nigeria is one of the largest economies in Africa, implementation of planned support can serve as a springboard for increased cross-learning and validation of developed tools. RSR's efforts in developing the registry set up a strong foundation for the associated $300 million IDA *Nigeria Youth Employment and Social Support Operation* approved in FY13, which focuses on increasing access of youth from poor and vulnerable backgrounds to employment opportunities and social services and strengthening the safety net system. To date, eight participating states have completed the second round of data collection for the single registry, and three of the states are already conducting a third round. There are about 75,000 households and 260,000 individuals in the single registry.

Box 17: Linking Youth to Skills Development and Digital Jobs in Africa

Source: http://afroes.com

infoDev supported a digital start-up, Afroes, that promotes skills development among youth in Africa.

"JobHunt," a mobile game developed in FY17, aims to help young people learn about digital jobs and will be the first game to be launched in Kenya, Nigeria, and South Africa.

CONTRIBUTORS

infoDev is a MDTF that uses technology to connect entrepreneurs and their firms to services promoting innovation and increased productivity and oversees a global network of business incubators and innovation hubs on climate technology, agribusiness, and digital entrepreneurship. It implements pilot programs to accelerate the growth of agribusiness, climate technology, and digital start-ups in developing countries.

For example, infoDev's Digital Entrepreneurship Program supported Afroes, short for "African heroes," a mobile-first enterprise that promotes African youth through innovations in skills acquisition, engagement, and connecting them to opportunities. In FY17, Afroes worked with Digital Jobs Africa to develop a new game called "JobHunt," which aims to help young people learn about digital jobs. It takes the player into the exciting and competitive world of online work. Role playing as an online worker, the player is immersed into a virtual world where he/she must compete for jobs, execute them in a timely manner, and earn income while at the same time managing skills and resources. This will be Afroes' first game launched in Kenya, Nigeria, and South Africa.

For further information, please visit http://afroes.com