



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 07-Aug-2019 | Report No: PIDC26821

**BASIC INFORMATION****A. Basic Project Data**

Country Jordan	Project ID P170669	Parent Project ID (if any)	Project Name Youth, Technology, and Jobs (P170669)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date Sep 23, 2019	Estimated Board Date Sep 27, 2019	Practice Area (Lead) Finance, Competitiveness and Innovation
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Digital Economy and Entrepreneurship	Implementing Agency Ministry of Digital Economy and Entrepreneurship	

Proposed Development Objective(s)

Support the development of economic opportunities in technology-enabled activities for youth in Jordan.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	200.00
Total Financing	200.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	150.00
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Non-World Bank Group Financing

Trust Funds	50.00
Concessional Financing Facility	50.00



Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Sectoral and Institutional Context

Relationship to CPF

C. Proposed Development Objective(s)

Support the development of economic opportunities in technology-enabled activities for youth in Jordan.

Key Results (From PCN)

- Improved market relevant skills for targeted beneficiaries including Syrian refugees and women.
- Increased access to finance for high growth companies.
- High quality jobs created for Syrians and Jordanian with a focus on poor and vulnerable youth.

D. Concept Description

The proposed project is a US\$200 million Investment Project Financing with Disbursement-linked Indicators (IPF-DLI Operation) to support the creation of jobs for youth by supporting technology adoption and growth in IT sectors to stimulate demand, and by supporting the supply of tech skilled youth. The project will provide budget support following a set of agreed DLIs with respect to the progress made. Disbursements under this project will be made against (a) categories of expenditures using the traditional disbursement approach with respect to activities specified under the investment part of the project's components; and (b) eligible expenditure programs under participating Institutions' budget, contingent upon the achievement of the agreed set of DLIs.



The project will focus on the following three main components:

Component 1: Program support to digital skills development and job creation in Jordan (US\$150 million)

This component uses a results-based financing. The project will provide disbursements against specific line items in the Government budget and disbursement against specific eligible expenditures, which will be tied to the achievement of specific results, measured by Disbursement Linked Indicators (DLIs). The DLIs will be identified with time-bound targets in relation to:

1. Support the institutional and regulatory framework for digital skills and jobs:
 - a. Register the digital skills council as a legal entity in Jordan.
 - b. Operationalize a result-based model for national digital skills training, financed by mobile operators and incentivized by the World Bank project.
 - c. Roll-out a mandatory digital skills curriculum in all public schools at grades 7-12.
 - d. Adopt and publish a national classification of digital activities and occupations.
 - e. Amend the regulation of companies' registration to include a legal status for social enterprises, following a specific definition agreed with Government. .
2. Support ICT infrastructure for digital development
 - a. Recruit private operators to manage a # of vocational training centers, following a competitive process, to act as digital services hubs across Jordan (including training facilities, co-working, and networking spaces).
3. Support digital skills training and job creation
 - a. Number of individuals trained on digital skills.
 - b. Number of jobs created in digital activities.

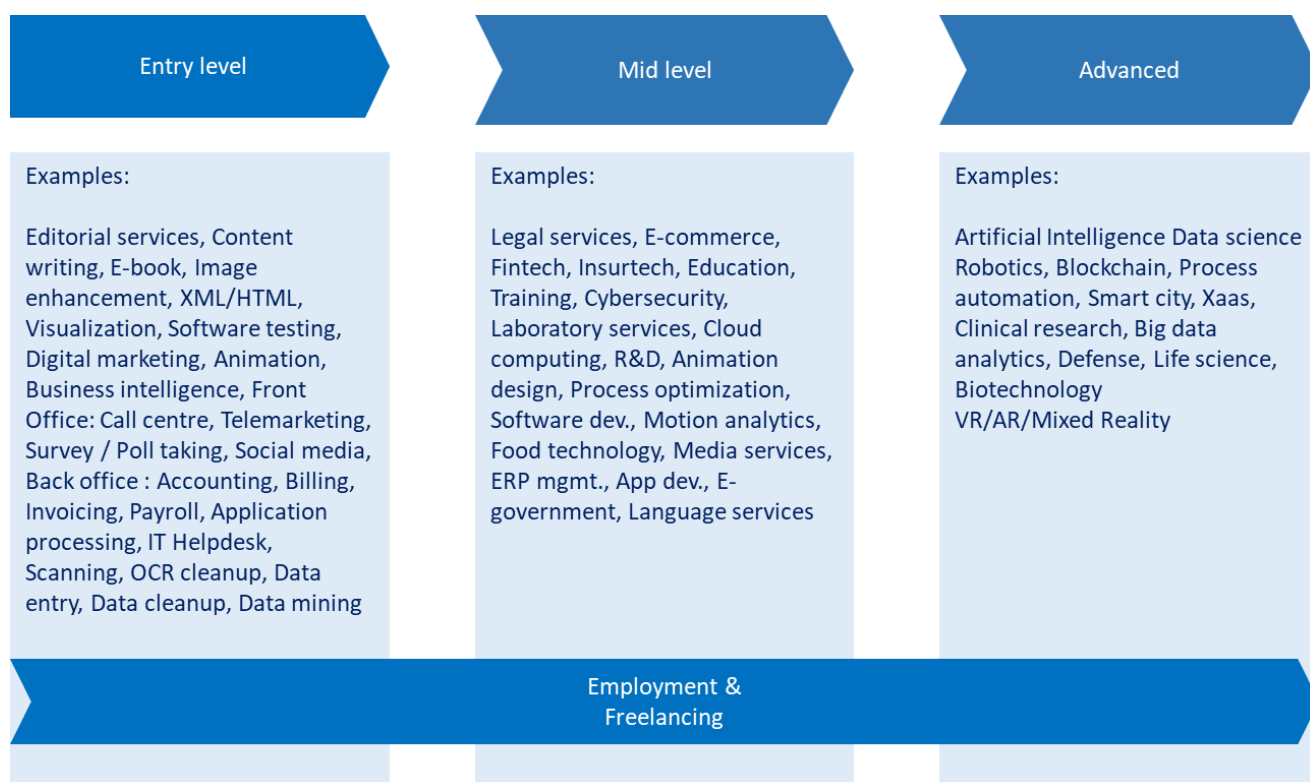
Disbursements are expected to take place over the course of the project implementation period.

Component 2: Increase the supply of digitally skilled Jordanian and Syrian youth (US\$30 million)

Increase the supply of high-quality human capital to cater to the increasing demand in the local and regional markets covering both employment and freelancing jobs. The component will target to train thousands of youth in entry, mid, and advanced levels of digital skills over five years, to provide job opportunities for as employees and freelancers.

The training will ensure inclusion of vulnerable youth, including those benefiting from the National Aid Fund (NAF) and female participants at 30-40% across project components.

To maximize impact, the project will focus on specific tech-enabled services that factor both (a) Jordan's current/potential capabilities and (b) existing and future global demand. The following outlines those services, mapped out to the tech-enabled services value chain including employment and freelancing jobs:



Sub-component 2.1.: Develop a national digital skills framework for Jordan (US\$5 million)

Support the establishment of the Jordanian National Skills Council for Information and Communications Technology (ICT) in areas of institutional development, demand and supply assessments, national occupational standards, affiliation of service providers, accreditation of training curriculums, provision of online training courses and materials, national awareness activities, monitoring and evaluation, and managing a result-based fund for digital skills development. The project will provide a grant to the National Skills Council for ICT to implement these activities and subcontract an international experienced consultant/vendor (possible sole sourcing of the Indian National Skills Development Corporation) to support these activities.

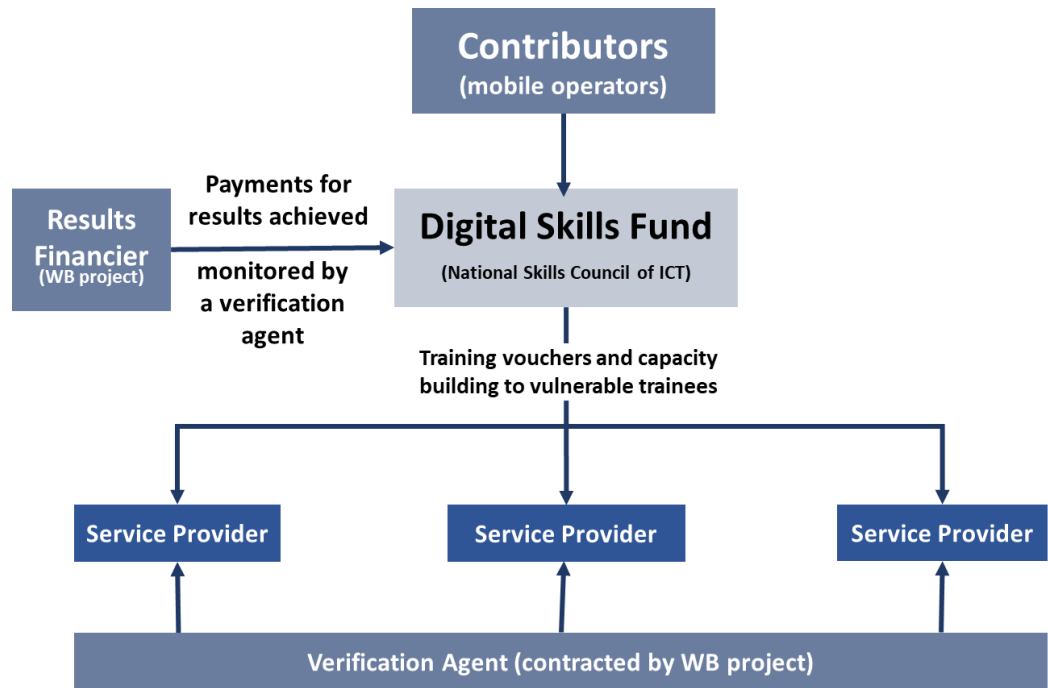
Sub-component 2.2: Support the establishment of a digital skills fund (US\$20 million)

The project will support the establishment of a digital skills fund (through a cabinet-level policy) that will receive contributions from mobile operators in Jordan for five years (estimated at US\$5 million/year). The fund will use these contributions to qualify and recruit training service providers to support both employment and freelancing jobs across Jordan. The fund will manage the implementation of training activities to ensure proper delivery against specific output and outcome-level milestones (linked to training and job placement). The fund will receive grants from the project and donor agencies (result financiers) against milestones achieved. The result-based model will maximize contributions from donor agencies, ensure efficient management of the fund, and engage both public and private sector stakeholders in implementation. The model will require the partnership of four key actors:

1. Contributors who fund the operational costs of training delivery (the three mobile operators in Jordan);
2. Digital skills fund manager (National Skills Council for ICT) who qualifies training providers, procures training services, oversees the training delivery, and monitor results;
3. Service providers who deliver training services;



- 4. Results financiers (WB project and donors) that repays the digital skills fund manager (in grants) following specific milestones for outputs and outcomes; and
- 5. Independent verification agent to validate results achieved by service providers.



The project will provide grants in tranches against milestones achieved, with 15% top-up grants provided against creating employment and freelancing jobs for trained youth. Following successful achievement of milestones, the fund will gradually build up a financial corpus to provide loans to service providers and expand revenues to ensure sustainability. Trainees will pay commitment fees to enroll in training programs. The commitment fees for underprivileged and vulnerable participants will be fully covered by the project.

The Digital Skills Fund will finance the development and roll-out of a digital skills curriculum at local schools across multiple grades. The project will implement this task in partnership with the Ministry of Education and existing organizations supporting primary education, primarily Injaz.¹

Subcomponent 2.3: Support the establishment and management of Tech Hubs (US\$5 million)

To provide working space for youth in underserved communities, the project will support upgrading and equipping three-five Vocational Training Centers (VTCs)² and then recruit private operator(s) to manage them following a competitive process, to act as technology hubs (Tech Hubs). Tech Hubs will provide training facilities, co-working spaces, ITO/BPO center, and networking spaces to trainers, entrepreneurs, freelancers, and ITO businesses in nearby communities. The project will finance the upgrading, equipping, and managing selected VTCs for three years. The project will select the VTCs following their potential to support the growth of the industry and generate revenues for

¹ Injaz has established a Skills Building Program (SBP) that targets students in grades 7 to 11 in Jordan’s public, UNRWA, and military schools and special education centers. SBP has rolled out entrepreneurship and financial literacy across public schools in 2016, so a similar approach would be followed in rolling out digital skills curriculum. Link: <http://injaz.org.io/Pages/viewpage.aspx?pageID=127&NewID=1>

² The Ministry of Labor has 45 VTCs across Jordan, the Vocational Training Corporation expressed willingness to provide spaces in VTC centers to act as Tech Hubs for surrounding communities.



sustainability.

Component 3: Boost demand for digitally skilled youth in Jordan (US\$15 million)

Support the growth plans of tech-enabled service businesses and social enterprises in Jordan to develop digital functions, diversify their products, expand into new markets, increase their revenues, and generate new digital jobs.

Sub-component 3.1 – Support the growth of ITO/BPO and support centers activities (US\$6 million)

The project will provide investment grants to growth-focused ITO/BPO businesses and technology support operations to help scale their activities and generate local job opportunities in underserved areas. The project will cover up to 50% of the implementation of the growth plans at a ceiling of US\$300 thousands each. The project will provide investment grants in tranches, following an output-based model against jobs created and performance improved.

The growth plans of selected businesses should focus on growing business activities and building specialized skills in newly recruited employees, using the funding to address financing shortages for growth and training, while drawing on the broader project to address current weaknesses in workforce basic/soft skills and barriers to female employment.

Sub-component 3.2 - Support access to market for entrepreneurs and ITO-BPO businesses (US\$5 million): Support building linkages between Jordanian growing entrepreneurs and potential buyers and investors in regional/global markets, to provide access to market and investments. The project will develop the export and investment readiness of Jordanian entrepreneurs, organize match-making and business networking activities in target markets. The project will competitively recruit professional matchmaking intermediaries to support the implementation of this sub-component. Activities of this sub-component will include business to business meetings, roadshows, and participation at professional events.

This subcomponent will support the development and implementation of targeted regional/global promotional activities to maximize the impact of business development efforts of ITO/BPO businesses and social enterprises with the goal to putting Jordan on the global map as an ITO/BPO hub. Activities of this component will include B2B/market linkages, networking events, road shows, and more. The project will subcontract a professional communications firm to implement those promotional activities.

In the local market, the project will build the domestic use of digital services by medium-large Jordanian firms to diversify the local market and provide new business and job opportunities for youth in technology-enabled activities. The project will identify the state of digitalization in specific sectors in the local market (e.g. financial services, healthcare, and tourism), review global practices in digitalizing them), and then raise the awareness about digitalization opportunities in these sectors to local firms. The project will encourage the use of existing digital solutions in the market, which will also occur through a corporate innovation model, where industry champions will identify problems/opportunities they believe local providers can develop solutions to. The project's support to develop traditional companies' products, process, and markets -using digital means- will in turn generate opportunities for youth in the local market.

Sub component 3.3: Support the growth and adoption of the gig economy (US\$4 million)

Drive the growth of an inclusive gig economy through supporting the establishment and/or growth of social



enterprises³ and Civil Society Organizations (CSOs), which adopt technology means, including online freelancing, ITO-BPO services, marketplace platforms’ adoption, job matching and networking, to support vulnerable youth. The project will cover up to 80% of the expansion or establishment cost for social enterprises or CSO at a ceiling of US\$200,000 each. The project will provide funding in tranches, following an output/performance-based model that validates the number of beneficiaries engaged. Social enterprises and CSOs will leverage the digital skills supply component and the shared spaces provided through the suggested PPP model for the vocational training centers.

Adoption of digital marketplace platforms will provide access to job opportunities in many economic activities for large groups of small businesses and individuals in the gig economy. Examples of these platforms include aounserservices.com, which is for ordering “blue-collar” home services; ghoorcom.com, which is for selling farmers’ produces online; and bilforon.com, which enables cooks to sell their home-made food online. Following a competitive process, the project will provide awareness training and technical assistance and grants to support these efforts.

Component 4: Project Management (US\$5 million)

The project will establish a joint Project Management Unit (PMU) that comprises the Ministry of Digital Economy and Entrepreneurship (MoDEE) and Ministry of Labor (MoL), led and anchored in MoDEE. The PMU will be responsible for the implementation of project activities, including project oversight, monitoring and evaluation, regular reporting, consultations with public and private sector stakeholders, communications, and others.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The project has no physical footprint. The project will provide training, resources and financial support, to increase skills and jobs in tech-enabled sectors. The project is specifically aimed at providing economic opportunities for Jordanian and Syrian youth, and also has targets for women. Through project design and planning, the project will reduce barriers for vulnerable groups to access project benefits. A labor management plan will be prepared to cover labor and working conditions of project workers such as the PMU and trainers. The LMP will also consider risks for beneficiary workers and propose appropriate mitigation measures, such as conditions in for loans to SMEs, that adhere to national labor law and good practice.

The project will not support any civil works or constructions, only "soft" interventions will be supported to increase digital skills and jobs. Physical activities are limited to delivering training and potential provision of operational support for existing vocational centers such as desks and computers and creation of co-working spaces for freelancers that will take place in 45 existing vocational centers that are scattered around the country. Minor, limited and site-specific impacts might result from the potential support to vocational centers such centers which might require minor remodeling -e.g. painting- which will be done by the private sector, once engaged. Such activities are commonly implemented and minor impacts which might result could be avoided or managed without requiring special or complicated measures. Adequate

³ Preferred social enterprises: Not-for-profit companies that have a regular ‘business arm’ whose profits are used to invest in the ‘social arm’ of the enterprise. The social arm would support vulnerable youth to become online freelancers.



management of potential impacts of such activity should be ensured through including clauses in the contract(s) on the provision of required PPEs, as appropriate, as well as safe handling and disposal of waste that might be generated.

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