



**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 26-May-2017 | Report No: PIDISDSA20541



**BASIC INFORMATION**

**A. Basic Project Data**

Country Tunisia	Project ID P158138	Project Name Youth Economic Inclusion Project	Parent Project ID (if any)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 29-May-2017	Estimated Board Date 20-Jul-2017	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Development and International Cooperation	Implementing Agency Ministry of Professional Training and Employment	

Proposed Development Objective(s)

The Project development Objective is to improve economic opportunities of targeted vulnerable youth, and businesses in selected governorates of the Borrower.

In the context of this project, “economic opportunities” are defined as the chance to improve (a) earnings of target youth, (b) access to jobs through wage or self-employment for target youth, and (c) sales for beneficiary firms.

Components

Component 1: Identifying and Connecting Target Groups to Inclusive Jobs

Component 2: Supporting Job Creation

Component 3: Building Effective and Accountable Program Delivery

**Financing (in USD Million)**

Financing Source	Amount
International Bank for Reconstruction and Development	60.00
<b>Total Project Cost</b>	<b>60.00</b>

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue



**Note to Task Teams:** End of system generated content, document is editable from here.

Other Decision (as needed)

n/a

## **B. Introduction and Context**

### **Country Context**

1. Since the 2011 Revolution, the Government of Tunisia (GoT) has remained under tremendous pressure to deliver on the promised social contract with its citizens and demonstrate the tangible socio-economic dividends of democracy. While poverty incidence was halved between 2000 and 2010 (from 32 percent to 15.5 percent), considerable disparities exist among regions and age groups (World Bank Group - Country Partnership Framework - (2016)). Household vulnerability to poverty also remains considerable (Systematic Country Diagnostic - 2015). Social Safety Nets (SSNs) such as the Program for Needy Families (*Programme National d'Aide aux Familles Nécessiteuses, PNAFN*) and Subsidized Health Cards (*Assistance Médicale Gratuite, AMG2*) exist but they lack adequate coverage and targeting accuracy. Social and economic exclusion is increasing for certain groups, especially youth. At the core of public dissatisfaction is unemployment, particularly among the poor, youth, women and residents of lagging regions or marginalized peri-urban areas.

2. A large share of the working age population is either idle, unemployed, or working in low-quality jobs. There are low levels of labor participation, especially amongst women (under 26 percent compared to 71 percent for men) and youth (15-24 years old). In 2014, around one third of the youth population were categorized as Not in Employment, Education or Training. There are marked differences in the unemployment rates across income deciles and age groups. Among workers living in households in the poorest decile, for instance, the average unemployment rate is more than 30 percent, while among workers living in the richest households, this proportion falls below 15 percent. Among youth (15-24 years old), the unemployment rate is 2.5-3 times higher than that of adults. Finally, the majority of those who do work are in low-productivity and low-quality jobs. Overall, 41 percent of the labor force are employed in low-quality jobs, i.e. self-employed (in agriculture or non-farm activities), unpaid work, or informal wage employees.

3. The gender gap in economic opportunities represents a serious and multifaceted problem in Tunisia. Women are less likely to participate in the labor force than men and those that do participate experience higher unemployment rates than men. In rural areas in lagging regions, women (especially above 30 years old) are likely to be engaged in unpaid family work on farms while many young educated women in the same regions are trapped, unable to find a job and with little options of moving to places with possible better prospects. In addition, being married increases the probability of being employed for men but decreases it for women, which suggests strong social norms surrounding women's labor force participation. This may be linked to cultural factors and/or time preferences regarding domestic work and child care. With respect to financing, even though women in Tunisia have equal ownership rights to property, in practice, few women own land or other material assets, and most assets are



registered in the husband's or father's name. These property issues make access to finance more difficult for new ventures.

4. These challenges are exacerbated by slow economic growth which plunged after the Revolution and has recovered only modestly since. Economic growth has averaged only 1.4 percent post-revolution (compared to 4.4 percent during the five years before the revolution). The gross investment rate averaged 22.5 percent of gross domestic product (compared to 24.6 percent). This weak economic growth resulted in limited job creation which in turn was too low to absorb new entrants to the labor market, particularly young educated workers. Entry rates for young/small firms that create formal sector jobs have been low, and among those created only a few have been able to survive and grow.

### **Sectoral and Institutional Context**

5. The proposed project is aligned with GoT's vision and priorities. The GoT has expressed its commitment to promoting access to jobs for these large vulnerable segments of the population. Examples of these are the 2013 Social Contract and ongoing national dialogue with trade and employers' unions (*Union Générale des Travailleurs Tunisiens* and *Union Générale Tunisienne de la Solidarité*), the January 2016 emergency employment measures, the Government's Strategic Orientation Note, and the Government Five-Year Plan (Tunisia 2020).

6. Addressing the economic exclusion of disadvantaged youth in a sustainable manner requires an integrated/multi-sector jobs strategy. At the macro-level there are pending structural reforms to improve incentives to create and grow business – the main engine of job creation. But while these reforms are fundamental they are unlikely to be sufficient, particularly over the short-term, to internalize the social externalities created by connecting youth to jobs and addressing market and government failures that operate at the local/regional level. Macro policies need to be complemented by targeted interventions in specific regions that aim to remove constraints for investments and job creation in specific sub-sectors/value chains, while helping workers transit from inactivity or unemployment to wage or self-employment, or from low to higher productivity jobs.

7. The growth of the private sector is hampered by a wide range of constraints and the lack of systematic and strategic investments focusing on job creation. A value chain approach can foster the development of a vibrant private sector while creating opportunities for job creation and/or improving the quality of existing jobs. This can happen by giving priority to value chains with high job potential, addressing the key constraints faced by firms at the sectoral/regional level, ensuring coordination among key players/investors within the value chains, and introducing incentives and signals to boost job creation. The development of the value chain can also improve jobs and earnings opportunities in three ways: (a) by promoting investment and job creation (b) by empowering small firms/farms/workers capture more value; and (c) by integrating small firms/farms/marginalized people with established markets with potential for demand growth. In this context, if well-integrated, an Active Labor Market Program (ALM) program coupled with a value chain development program can deliver larger impacts in terms of labor market outcomes for the target population than two stand-alone programs. This is one of the innovations under the proposed project.

8. Going forward, effective Government performance on an inclusive jobs strategy requires tackling institutional fragmentation within and among relevant ministries at national and subnational



levels. Innovative initiatives on jobs, including partnerships with non-governmental organizations and the private sector, do exist in Tunisia but have remained on a relatively small scale (ILO Youth Employment Inventory, 2015). These initiatives would need to be harnessed around common, coherent policy platforms at national and local levels, taking into account local specifics and allowing for flexible and adaptive changes in implementation. Strong and robust information systems (targeting, registration, profiling, monitoring and evaluation) take time to be set up but are needed to better inform labor market interventions and foster greater convergence of government partners and supporting donor interventions.

9. In this context, the GoT has acknowledged the need for a multi-sectoral, better-coordinated approach to promote more and better job opportunities for youth, especially for the most disadvantaged and for young women. At the Government's request, this proposed operation will gradually help create new systems to integrate supply and demand-side interventions, finance catalytic investments, and promote institutional coordination across different government agencies.

### C. Proposed Development Objective(s)

#### Development Objective(s) (From PAD)

10. The Project development Objective is to improve economic opportunities of targeted vulnerable youth, and businesses in selected governorates of the Borrower.

11. In the context of this project, "economic opportunities" are defined as the chance to improve (a) earnings of target youth, (b) access to wage or self-employment for target youth, and (c) sales for beneficiary firms.

12. ***Consistent with the PDO and integrated approach to economic opportunities, the Project will target two main categories of beneficiaries.***

- a. ***The first category includes disadvantaged youth ages 18-35*** residing in select governorates: This group will benefit from tailored support to access wage or self-employment opportunities, under Components 1 and 2. For purposes of this Project, the notion of "disadvantaged" responds to the Government's request to ensure that intensive assistance be provided to young population segments facing special economic and/or social barriers to job access. These barriers may include poverty (limiting mobility), education levels, place of residence (living in lagging regions or marginalized peri-urban areas) and/or gender-specific obstacles. *Regarding the targeting mechanism, "disadvantaged youth" will not only include workable youth from the social safety net programs (SSN) beneficiary households but also others who may not be served by the Ministry of Social Affairs' SSN.* Selection and prioritization methods will be based on objective criteria and clearly communicated. The following plan was developed to target project interventions: (i) a targeted, inclusive outreach; (ii) a simple application process; (iii) a scoring system to prioritize vulnerable applicants and fill the quota for each gender group and governorate.
- b. ***The second category includes firms in selected value chains, mainly private Micro, Small and Medium Enterprises (MSMEs).*** This group will benefit from advisory services and investments in selected value chains (Component 2.1), while offering on-the-job training for targeted



disadvantaged youth and contributing to overall job creation in selected governorates.

## Key Results

### The PDO indicators of the proposed Project are:

- Increase in share of supported youth supported by the project with wage or self-employment (percentage points), disaggregated by gender
- Increase in average monthly earnings among supported youth (percentage), disaggregated by gender
- Increase in average yearly sales for the MSMEs receiving matching grants (percentage)
- Number of full-time equivalent (FTE) direct jobs created among businesses supported by the project (number).
- Reduction of average gender gap in labor market outcomes for supported youth versus gender gap at national and governorates' levels

## D. Project Description

13. The Government will test a new integrated approach to economic opportunities through an initiative entitled “Initiative for Youth Economic Inclusion” - “Moubadiroun” (Initiator), supported by this Project. Three inter-related components are proposed as follows:

### Component 1: Identifying and Connecting Target Youth to Jobs

14. This component will support the shift from large untargeted ALM programs to tailored support services that address barriers youth face to accessing jobs. It will identify and provide tailored services to targeted disadvantaged youth beneficiaries to facilitate their transitions from unemployment/inactivity into wage or self-employment, or to help them move from low to higher quality jobs (including from informal to formal). The Ministry of Vocational Training and Employment (MFPE) will deliver these services through performance-based contracts with providers. This component will be implemented by the MFPE with strong involvement of social ministries for outreach to potential beneficiaries: Ministries of Social Affairs, Youth and Sports; and Women, Family and Childhood. MFPE Regional Employment Offices will carry program intake with assistance from regional teams of the project management Unit (*Unité de Gestion par Objectif* – UGO). Two subcomponents are envisaged:

Subcomponent 1.1 Program Intake and Profiling of Target Groups. This sub-component will identify, register, select and profile project beneficiaries through a series of activities including (i) *The Design and implementation of targeted outreach and awareness-raising activities* to identify and motivate eligible individuals to register as well as to fully inform applicants about the procedures and entitlements for accessing the provided services; and (ii) *the Development and implementation of a statistically assisted jobs profiling system*, which will enable categorization of beneficiaries into homogeneous groups facing similar labor market barriers and help estimate the scope of jobs services that will be expected from service providers.

Subcomponent 1.2 Tailored Services to Target Groups (Wage or Self-employment). This subcomponent aims to improve the labor participation and employability of beneficiaries and help them access jobs or move from low quality to better jobs (including from informal to formal). Those jobs could consist of: a)



existing vacancies for wage employment or internships/on-the-job training in local firms and/or farms (Agricultural Development Groups or GDA /Mutual Society for Agricultural Services- SMSA); b) wage-employment opportunities or internships/on-the-job training created through Component 2 (in supported enterprises in selected value chains); and c) self-employment opportunities under Component 2. This subcomponent will finance series of activities including:

(i) *The performance-based provision of a set of tailored support services to increase the access of youth beneficiaries to job opportunities, including, inter alia soft and/or technical training, counseling, and/or job search assistance).* Following a public-private partnership approach, the MFPE will outsource these services to competitively recruited local private sector/NGOs service providers. The intensity and scope of services required and the estimated cost will be informed by the results of the jobs profiling – i.e. those harder to place and facing multiple and severe constraints (and thus are far from the labor market) will receive a higher unit cost than those easier to place.

(ii) *Training of trainers to build capacity in designing and conducting the above tailored support services, as well as specialized capacity building to selected government agencies.* At this stage, the following agencies have been identified: Employment and ANETI offices, staff of partnering agencies (Ministries of Social Affairs, Youth, and Women).

(iii) *Conditional Stipends for youth beneficiaries,* which will be offered as monthly payments to beneficiaries to address income and mobility barriers, and which will be conditional on the attendance to the services required. To address care constraints and boost women's labor participation, this stipend will be 50 percent higher for young mothers with children under 6 years old and/or with dependents such as the elderly and members with disabilities.

## **Component 2: Support to Job Creation through Value Chains and Entrepreneurship Support**

15. This component will support private sector development within specific value chains to create jobs and improve the quality of existing jobs, while encouraging youth – especially targeted disadvantaged youth – to develop economically viable businesses. It will help the private sector realize its potential in creating jobs by (a) supporting the development of value chains that have a high potential of job creation (Subcomponent 2.1), and (b) helping disadvantaged youth in the creation and development of their micro-projects (subcomponent 2.2).

**Subcomponent 2.1. Support in the development of value chains with high job creation potential.** This subcomponent will support a series of activities including, among others:

- *Technical assistance to conduct analytically underpinned public private dialogues to identify the main bottlenecks preventing targeted value chains from achieving their full potential (hereafter called 'technical services');* and accordingly propose value chain specific development plans/strategies (hereafter called 'Investment Action Plan'). These development plans include: (i) changes in regulations or policies at the macro or sectoral/industry level; (ii) industry-level solutions (such as training programs, awareness campaigns, etc.); (iii) strategic investments in common services or goods; and (iv) matching grants to MSMEs to catalyze investments in line with the Investment Action Plan.
- *Technical Assistance to implement the Investment Action Plans*
- *Public investments necessary to unlock the value chain growth potential.* Public investments could be: (i) equipment (including Information and Communication Technology (ICT)); (ii) small



works (mainly rehabilitation of existing installations/equipment, new infrastructure allowed provided it complies with the Environmental and Social Management Framework (ESMF), and does not imply involuntary resettlement); and/or (iii) subsidies related to the provision of services (training, packaging, transport, electronic payments, etc.)

- *Competitive matching grants to support firm-level investments of MSMEs* (in particular for strategic investments, i.e. underdeveloped or missing nodes within the value chains). Matching grants could finance: (i) equipment (including ICT); (ii) small works (mainly rehabilitation of existing installations/equipment, new infrastructure allowed provided it complies with ESMF framework, and does not imply involuntary resettlement); and/or (iii) subsidies related to the provision of services (training, packaging, transport, electronic payments, etc.).

16. Beneficiaries for matching grants will be selected through a competitive process and a series of calls for proposals. For matching grants, specifically eligible firms are:

- *Firms in underdeveloped or 'missing' links of the value chains* (matching grants for strategic investments) based on a sound viable and viable very detailed business plan. Eligible sub-projects will not be restricted to value chains prioritized under this project, but also to other candidates resulting from other value chains work that prove to be aligned with the project development objective (job creation for disadvantaged youth in the designated regions), including a wider number of value chains in agribusiness targeted by other world bank projects. Incentives to train beneficiaries from Component 1 on-the-job will be encouraged.
- *MSMEs operating within the value chains that have the potential to grow and can provide on-the-job training for a specific set of skills that is in line with the needs of the targeted value chains* could apply for a matching grant. However, the funding will subsidize an investment capital for an expansion strategy. Firms will apply for funding with a business plan and evidence that they can provide the required on-the-job training.

**Sub-component 2.2: Support for creation of micro enterprises.** This sub-component aims at fostering income-generating activities and entrepreneurship among disadvantaged youth aged 18-35, that were identified under Component 1 with potential to be economically active in self-employment and potentially create economically viable projects. This subcomponent aims to address multiple constraints that the hard-to-serve youth face in terms of lack of startup financing, lack of entrepreneurial skills among youth, limited information and capacity to take advantage of government programs. This subcomponent will finance:

- *The provision of a comprehensive set business development services (BDS)*, at both pre-creation and post-creation phases, including mentoring, specific consulting, advisory services for marketing or technical issues, and modules for financial inclusion (saving, opening a Bank account, etc.).
- *Training of selected BDS providers* to specifically address gender gaps in business creation by women, including dedicated mentoring addressing pervasive social barriers and boosting self-confidence and addressing mobility constraints. Connections with Women Federations of Entrepreneurs are also envisaged.
- *Small-sized allowances to cover initial investment costs and working capital for the business plan developed.* The granting of the allowance will be conducted by an independent committee, whose members will be selected by the UGO.
- Conditional Stipends for youth beneficiaries, which will be the same as for those beneficiaries





opting for the wage employment track.

### Component 3: Building Effective and Accountable Program Delivery

17. This component will strengthen the MFPE's capacity of the and other partner ministries involved in project implementation in the selected governorates, in cooperation with the private sector, stakeholders and beneficiaries. This Component will finance a coordinated communications strategy, a shared management information system, results and accountability mechanisms, and implementation costs. It will also support the articulation of different interventions on the ground and gradual appropriation by central and regional public agencies and stakeholders through four subcomponents.

**Subcomponent 3.1. The Development of an Integrated Information System and other ICT Solutions for data-sharing and accountability** including the (i) *creation of a database that will host beneficiary information and profiles (resulting from the jobs profiling), linked with tracking of their activities, progress, and outcomes;* (ii) *the creation of an easy to access portal ("one stop shop") to facilitate interactions among beneficiaries, service providers, and Project's relevant public organizations at both central and regional levels. This online portal will be made accessible through PCs or smart phones;* (iii) *the set-up and procurement of various communication channels, including via SMS or interactive voice response for unconnected beneficiaries, social media channels (e.g. Facebook, Twitter), and through the portal itself; and call centers;* and (iv) *the design and implementation of a simplified beneficiary report mechanism and of Grievance and Redress (GRM).*

**Subcomponent 3.2 Creating Capacity-building and Communications with Stakeholders, including, among others (i)** all necessary capacity building, learning and technical assistance to support readiness of relevant central and regional actors responsible for the implementation of the Project at central and local levels; including special emphasis to members of Project Regional Committees who will key for coordination and implementation support; (ii) Design and implementation of a communication strategy for the overall Project's duration. Communication activities will ensure harmonization of messages across ministries; transparent dissemination of operation rules, facilitate users' orientation through accessible means of information, and gradually build adequate stakeholders' commitment and stakeholders' management. across governorates.

**Subcomponent 3.3. Building results-orientation and service delivery accountability**, including the financing of: (i) the design and implementation of a monitoring and evaluation plan (including tracer survey, mid-term process evaluation, impact evaluation, and beneficiary survey to detect and help correct implementation bottlenecks; (ii) capacity building for all central and local actors of the Project's results management; and, (iii) all required technical and operational activities for beneficiary scorecard and GRM activities (except ICT costs financed under subcomponent 3.1 above).

**Subcomponent 3.4. UGO Implementation Support**. Given the existing workload of public sector staff and the Project's innovative multisector approach, this last subcomponent will finance the establishment of an experienced and dedicated Project Management Unit by the UGO, which will be responsible for ensuring adequate implementation of fiduciary procedures and technical processes.

## E. Implementation

### Institutional and Implementation Arrangements

The implementation arrangements are as follows:



- (a) A National Strategic Steering Committee composed of high-level officials (ministers, regional presidents-governors or their representatives) to oversee and validate the Project's overall direction and policy guidelines and to ensure coherence and synergy with priorities of both the Tunisian Government and governorates involved, by means of biannual strategic meetings.
- (b) A National Technical Coordination Committee led by MFPE, to more closely monitor implementation consistent with the operations manual, resolve issues encountered such as inter-ministerial coordination, and motivate regional managers and relevant local staff, by means of more regular meetings (e.g. bimonthly). This Committee will include more director-level (or sub-director) positions from the relevant Technical Directorates in MFPE (General Directorate for Employment Promotion and Directorate for Coordination with Regions, Administrative and Financial Directorate) and its Employment Agency ANETI, Social Affairs, Women and Family, Youth and Sports, and Industry and Commerce represented by its agencies (Agency for the Promotion of Agricultural Investment (APII) and Export Promotion Center (CEPEX). To advance on specific technical and operational themes related to specific interventions, the Technical Coordination Committee will be able to call dedicated commissions as needed.
- (c) Regional Committees will be instituted at the Governorate level and be presided over by the regional MFPE management office (Directors for Employment) as well as by the governorate-level technical focal points of the ministries and agencies involved. These multisector committees will ensure local appropriation, relevance and adaptation of Project activities. They will also develop regional roadmaps for Project implementation with clear roles and responsibilities at the local level and be responsible for following implementation progress and resolving bottlenecks. Overall, they will support the UGO through its contributions but also hold it accountable for local results. Finally, Regional Committees will have a set of designated core members but will be free to associate all relevant representatives and important stakeholders for the success of Project Implementation (Private sector, the Tunisian Union for Industry (UTICA) and the Tunisian Workers' Union (UGTT) unions, other civil society, the Ministry of Higher Education). As such, these regional committees can act as public-private platforms.
- (d) An adequately staffed Project Management Unit (UGO) which will be hosted within MFPE. The UGO will have presence at both central and regional levels and will be responsible for the day-to-day Project implementation, fiduciary management, procurement, communications, and monitoring and evaluation. UGO members will be competitively selected based on experience and qualification, and dedicated full-time.

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#### F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

To allow proper learning and potential scaling-up, the project will focus on a diversified set of seven governorates(\*): (a) four (Jendouba, Siliana, Kasserine and Kairouan) located in the 2 lagging regions of the



Center West and North West (common as well to the World Bank Integrated Landscape Management Project (ILMP, P151030); (b) one in a poor peri-urban area of the Great Tunis region, Manouba; (c) one in the lagging Region of the South West, Kibili, given its geographical location, socio-economic economic situation and the scarcity of donors’ projects; and (d) Sfax, for its diversified economic potential and its proximity to North and Center West lagging regions (see map in Annex 6). Overall, the combined selection criteria included a balance between (i) presence in lagging regions (using the Regional Development Index); (ii) diversity of socioeconomic exclusion and jobs challenges; (iii) absolute numbers of SSN beneficiaries (PNAFN/Subsidized Health Card); and (iv) potential synergies and complementarity with donor interventions. In order to facilitate project implementation and learning, a phased approach will be adopted. The Project will start in five governorates (Jendouba, Kasserine, Kairouan, Manouba and Sfax) during its first three years, while Siliana and Kibili will be added during the next three years. Key regional public actors will be provided with the opportunity to participate in all capacity-building opportunities, regardless of the phasing approach. (\*). Tunisia is currently organized into 24 governorates that can be aggregated into seven administrative regions. Greater Tunis, North East and Centre East are considered “leading regions”. North West, Centre West, South East and South West are considered “lagging regions”.

**G. Environmental and Social Safeguards Specialists on the Team**

Markus Friedrich Vorpahl, Mohamed Adnene Bezzaouia

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is categorized as a B. It is anticipated that the effects of the project will be limited, easily mitigated and manageable and not irreversible.</p> <p>The project with its Subcomponent 2.1 (Support for Value Chain Development) and Subcomponent 2.2 (Support to Microenterprise Creation) entails the building of small civil works that have the potential to generate site-specific environmental impacts. However, the project also targets value chain investments in potentially high-risk sectors, such as agriculture, that pose significant risks related to child and forced labor, occupational health and safety, and biodiversity impacts/land-use changes, as well as management, use and disposal of hazardous</p>



materials. Investments in small, newly created microenterprises can also generate potential adverse impacts. These risks will also be taken into account. All the other project components are primarily concerned with institutional development, technical assistance and capacity building. An Environmental and Social Management Framework (ESMF) have been prepared since the exact activities and localizations to be financed under component 2 are not known. This ESMF developed a negative list of projects excluded from support as well as a positive list of sectors to be financed by the fund based on the Bank's due diligence and assessment of the environmental and social risks and impacts of various sectors and capacity for managing those risks and impacts. The ESMF have been consulted and discussed with various stakeholders (involving representatives of the main national, regional and local institutions and NGOs) during a national workshop (Tunis March 7,2017). The final version of the ESMF was disclosed in-country through the Ministry of Vocational training and employment website on May 17, 2017 and also through the Bank external website on May 17, 2017.

Natural Habitats OP/BP 4.04	No	The project will not finance subprojects impacting critical habitats or protected areas.
Forests OP/BP 4.36	No	The project will not finance subprojects impacting forests areas and forest resources.
Pest Management OP 4.09	No	The project will not support the use or involve investments in Pesticides or other related products.
Physical Cultural Resources OP/BP 4.11	No	Physical and cultural resources, if located in the project areas, will not be impacted. There are no heavy excavations planned. In addition, no large scale infrastructure interventions are planned under the project.
Indigenous Peoples OP/BP 4.10	No	The project's activities will have no impacts on indigenous populations as defined under the Indigenous Peoples policy OP 4.10, and therefore this policy is not triggered.
Involuntary Resettlement OP/BP 4.12	No	Component 2 of the Project is expected to finance small enterprises through targeted grants. This financing will not cover physical interventions or civil works that would trigger physical or economic involuntary displacement. The largest investment



could be of the kind of storage facility for SMEs, which would use existing facilities to upgrade, or acquire necessary facility enlargement areas through commercial transactions. Therefore, the Bank's Involuntary Resettlement policy OP 4.12 will not be triggered. The ESMF includes a safeguards screening mechanism which will ensure that activities requiring involuntary resettlement be not financed under the project. Both the ESMF and Operation Manual will include guidance on screening of sub projects to ensure that no activities triggering involuntary resettlement as defined under OP 4.12, including land acquisition, economic displacement, and displacement of users on public land, will be financed under the project.

Safety of Dams OP/BP 4.37	No	The project will not construct or rely on dam.
Projects on International Waterways OP/BP 7.50	No	The project will not affect international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in a disputed area.

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

#### Social aspects and safeguards.

The project includes interventions to tackle supply-side barriers for jobs access linked to poverty and gender, and to boost investments at firm level to generate job creation in promising sectors. Targeted segments include disadvantaged youth 18-35 years old work-able members of Social Safety Net (SSSN) beneficiary households, as well disadvantaged youth who are not served by these SSN programs. project design has been based on wide consultations. Civic engagement mechanisms are built in Component 3 through an innovative report card mechanism. Components 1, 2, and 3 of the project are primarily offering process improvement, institutional development, technical assistance and capacity building. The social impacts of the project are expected to be positive. Since the geographic areas and exact activities to be financed under Component 2 are not yet defined, an ESMF have been developed with the safeguards screening mechanism. All activities with major or irreversible impacts on the environment and the populations will be excluded.

#### Environmental Safeguards.

The project is classified as category B since its investments will be limited, not irreversible, and easily controllable and manageable. A draft Environmental and Social Management Framework (ESMF) was prepared by the Ministry of Vocational Training and Employment (MVTE) and presented to various stakeholders during a national workshops (Tunis on March 7). The ESMF proposes key mitigation measures and guidance for their implementation. The ESMF was disclosed on May 17,2017 in-country through the MVT's website and on the Bank external website on May 17,



2017.

Project activities will follow the environmental screening process through the Environmental and Social Diagnostic Fact Sheet (FDES) to identify potential negative impacts of sub-projects on the human and biophysical environment. Based on the FDES, an Environmental and Social Management Plan (ESMP) or a Environmental and Social Information Fact Sheet (FIES) will be required to identify expected risks. Proposed mitigation measures will be included in the Terms and Specifications documents for operators and entrepreneurs. Site-specific Environmental and Social Management Plans (ESMPs) will be prepared, reviewed, approved and disclosed in-country prior to commencement of any civil works. A full time environmental and social specialist will be recruited to follow up to ensure compliance and mitigation measures implementation.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:  
No potential indirect and/or long term impacts identified by the ESMF.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.  
Not relevant.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Borrower is familiar with Bank safeguards policies and processing. In addition, an environmental and social specialist will be recruited by the UGO. He/she will be responsible for applying the screening checklist and following up and reporting on the mitigation measures of the site-specific ESIA's.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key project stakeholders are the Ministry of Vocational Training and Employment and its representing regional administrations at governorate level. The Ministry of Environment and Local Affairs and the civil society organizations. The Environmental and social safeguard document (ESMF) was publicly shared during one workshop at national level (March 17, 2017). The ESMF allowed the identification of potential social and environmental impacts. It points to key mitigation measures and guidance for their implementation. The final version of the ESMF was disclosed in-country through the website of the Ministry of Vocational Training and Employment website on May 17, 2017 and was disclosed on World Bank's external website on May 17, 2017.

**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission to InfoShop	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
16-May-2017	17-May-2017	

**"In country" Disclosure**



**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

No

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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**APPROVAL**

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**Approved By**

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Country Director:	Olivier P. Le Ber	22-Jun-2017
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