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# Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

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Concept Stage | Date Prepared/Updated: 12-Sep-2018 | Report No: PIDISDSC21800

## BASIC INFORMATION

### A. Basic Project Data

Country Afghanistan	Project ID P161728	Parent Project ID (if any)	Project Name Afghanistan Placing Labor Abroad, Connecting to Employment Domestically and Addressing the Needs of Youth (P161728)
Region SOUTH ASIA	Estimated Appraisal Date Feb 04, 2019	Estimated Board Date Mar 14, 2019	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Islamic Republic of Afghanistan	Implementing Agency Ministry of Labor, Social Affairs, Martyrs and Disabled	

### Proposed Development Objective(s)

Improve labor market outcomes for Afghan jobseekers through managed international labor migration and improved labor market intermediation services domestically; and improve youth access and pathways to existing development programs in line with youth aspirations.

## PROJECT FINANCING DATA (US\$, Millions)

### SUMMARY

<b>Total Project Cost</b>	50.00
<b>Total Financing</b>	50.00
<b>of which IBRD/IDA</b>	10.00
<b>Financing Gap</b>	0.00

### DETAILS

#### World Bank Group Financing

International Development Association (IDA)	10.00
IDA Grant	10.00

**Non-World Bank Group Financing**

Trust Funds	40.00
Afghanistan Reconstruction Trust Fund	40.00

Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

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**B. Introduction and Context**

**Country Context**

Afghanistan is a young country with nearly two thirds of its population is below the age of 25, and half below the age of 15. While this creates opportunities for demographic dividends, it also poses risks of social and economic exclusion as the economy is unlikely to be able to provide jobs for all the youth entering the labor market, and as decades of ongoing conflict create additional vulnerabilities in terms of youth development and mental health. Youth unemployment is particularly high at 30.7% relative to 23.9% for the total population. Clearly, the development challenges associated with youth span beyond the employment challenge. Given current demographic and labor market trends the provision of any means of productive self-expression to all youth appears beyond reach. These prospects point into the directions of under-development and under-utilization of human capital of the young generations; a potentially irreversible loss to the development prospects of Afghanistan.

Nevertheless, the lacking access to productive employment is a key development challenges for Afghanistan, especially for youth, that contributes to the persistent poverty in the country. Unemployment and underemployment rates remain high. Around 39.5% of Afghans are not gainfully employed as they are either unemployed, 23.9%, or underemployed, 15.6%, working less than 40 hours per week. Employment quality is characterized by the fact that some 40% of all employment is in the agriculture sector where the boundary between stable income generating employment and unpaid family work is blurred; even the more established rural labor market participants are exposed to the inherent cyclicity of agricultural production, conflict, and natural hazards. Labor market challenges in Afghanistan are exacerbated by demographic pressures and disappointing learning outcomes in education. Between 2016 and 2030 it is estimated that 400,000 new workers will look to enter the domestic labor market each year. However, with GDP growth projected to rise from 1.5% in 2015 to 5% at best, the economy will only be able to create approximately 200,000 jobs annually.

A combination of demand, supply and labor market intermediation issues have been constraining the realization of better labor market outcomes; mainly poor macroeconomic demand in the environment of persistent conflict and the

resulting suboptimal job creation from the demand side, a lack of adequate skills (including all important labor market participation related soft skills) from the supply side, and finally lacking formal institutions assisting employer – jobseeker matches to happen.

The ultimate development challenge is that no sustainable and welfare increasing economic development is possible without sharing the benefits of economic growth through productive income generating employment.

### **Sectoral and Institutional Context**

The Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD) is the lead government agency responsible for international labor migration, labor market intermediation and informal skills development policies and program implementation.

Managed International Labor Migration (MILM), i.e. migration based on the agreement of the labor sending and receiving countries arguably providing access to better wages and worker protection at the destination market than irregular labor migration, currently does not exist from Afghanistan. GoIRA and the UAE signed a Bilateral Labor MoU in May 2018, which is a precondition for MILM to commence from Afghanistan initially to the UAE. Making the Afghanistan – UAE labor migration corridor functional is the first milestone towards broadening access to gainful employment through management labor migration in a broader set of labor destination countries.

Also, there are signs that flows at the domestic labor market do not allow employers to fill their vacancies; an unexpected phenomenon in a country with high unemployment rate. Even the limited service coverage of the MoLSAMD affiliated Public Employment Service (PES) centers failed; the civil servants in these institutions no longer offer labor market intermediation services to jobseekers. Without formal labor market intermediation institutions in place the primary means for jobseekers and employers to form skill specific matches is through inefficient informal personal networks.

The primary responsibility within the government for labor migration, domestic labor market intermediation services and for informal skills development is with MoLSAMD. GoIRA recently established a TVET Authority as a means of better strategic leadership to skills development, a key priority for better labor market outcomes and the related development of human capital among the youth.

### **C. Proposed Development Objective(s)**

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Improve labor market outcomes for Afghan jobseekers through managed international labor migration and improved labor market intermediation services domestically; and improve youth access and pathways to existing development programs in line with youth aspirations.

### **Key Results (from PCN)**

- Number of jobseekers placed in jobs through managed international labor migration. (gender disaggregated)
- Number of jobseekers in sustained jobs (at 13 weeks for test program and at 26 weeks for the following waves) through managed international labor migration. (gender disaggregated)
- Number of jobseekers placed in jobs domestically. (gender disaggregated)
- Number of jobseekers in sustained jobs (at 13 weeks for test program and at 26 weeks for the following waves) through managed international labor migration. (gender disaggregated)

#### **D. Concept Description**

The proposed project includes 3 components.

##### **Connecting Hub for Youth**

The project will support the establishment of an institutional unit at a government agency, likely at the TVET Authority, that connects the aspirations of mobilized and mapped Afghan youth with the basket of opportunities in the form of government or development agency provided and sponsored development programs.

##### **Placing Labor Abroad – Migration Management System**

The project will support an initial test program placing 2000 male Afghan jobseekers in the UAE, the destination country for the first managed labor migration corridor Afghanistan could open based on a Bilateral Labor MoU. The placement will happen with outcome based contracting model through 3<sup>rd</sup> party prime contractors. Scaling up the program will be done through new waves of contracting with larger employment placement volumes, different labor destination countries and broader sourcing of jobseekers within Afghanistan. The migration management system will also enhance worker protection in destination countries, will make the country exit procedures more efficient and it will invest in prospecting new labor migration destination countries.

##### **Connecting to Employment Domestically – National Employment Service System**

The project will support an initial test programs placing 1200 female and 1200 male jobseekers in Kabul with high school or lower educational attainment level in jobs. The test program will establish a 2-step labor market intermediation solution with initial direct job search assistance for all participant, and more involved practical work experience provision with continued job search for those who did not find jobs in step 1. The program will be delivered through an outcome based contracting architecture with 3<sup>rd</sup> party providers to whom the bulk of the rewards will be paid for jobs placement and jobs sustainability outcomes. The test program will be further developed into a National Employment Service System through multiple waves of contracting. Consequent rounds of contracting will increase the volume of program participant jobseekers, spread the geographic distribution of sourcing jobseekers, alter the enrollment criteria (e.g. educational attainment) and will add step 2 intervention options beyond practical work experience. The National Employment Services System will acquire individual jobseeker case management system with obligatory use by all the program affiliated 3<sup>rd</sup> party providers.

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## SAFEGUARDS

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

The project aims to develop a managed international labor migration program for Afghanistan including facilitation of cross-border labor movement first towards the UAE; worker exposure to risks in the destination country outside the jurisdiction of the grant recipient country involves social safeguards risks that necessitates a Social Impact Assessment. The proposed project is classified as an Environmental Assessment Category B, since the project activities are expected to involve workplace health and safety risks to workers to be placed in jobs in Afghanistan, the the UAE and other labor migration destination countries.

### B. Borrower's Institutional Capacity for Safeguard Policies

The institutional responsibilities for safeguards implementation would lay with MoLSAMD. The capacity of MoLSAMD to implement category B project is limited, but will be reinforced by the recruitment of specialized skills in the MoLSAMD implementation team, also intensive World Bank TA for further development of specific necessary skills to address safeguards concerns and overall social and environmental management.

### C. Environmental and Social Safeguards Specialists on the Team

Shankar Narayanan, Social Safeguards Specialist  
 Sayed Mujtaba Shobair, Environmental Safeguards Specialist  
 Tariq Ashraf, Social Safeguards Specialist

### D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The OP 4.01 (Environmental Assessment) is triggered, since the project activities are expected to involve workplace health and safety risks to workers to be placed in jobs in Afghanistan, the UAE and other labor migration destination countries.</p> <p>There are additional social concerns, most notably regarding child labor, employment opportunities for women and other marginalized groups, and transparency and consistent adherence to no discrimination in the merit based selection and enrollment into the labor migration and domestic job placement programs.</p>

A full environmental impact assessment is not required, but environmental analysis that focuses on the key issues and provides measures to manage the potential impacts needs to be carried out using the resources of the associated PLACED+Y PPG. In addition, a social impact assessment with special attention to the risks and impacts of cross-border labor movement facilitation will have to be carried out utilizing the resources of the PLACED+Y PPG. No cross-country labor movement can commence until the internalization of the results of the social impact assessment. Terms of Reference (ToR) for an environmental analysis and the social impact assessment will need to be developed by MoLSAMD and will be subject to review and clearance by the World Bank.

MoLSAMD has put in place an ESMF for the NATEJA project, which has similar scope in terms of social and environmental impacts and will be adapted to the specific needs of this project. The ESMF will consist of technical guidelines including environment, health and safety “EHS” guidelines and occupational health and safety “OHS” guidelines. Furthermore, the provision of the new ESF standard 2 on labor and working conditions is also recommended to be taken into consideration for guidance as a reference.

MoLSAMD will appoint/hire personnel with specific expertise on social, environmental, and gender specific risks who will be responsible for the implementation of safeguards actions.

The proposed environmental analysis, the social impact assessment and the ESMF will need to be consulted, cleared by the World Bank and disclosed in-country on the website of MoLSAMD and on the World Bank’s external website. These activities need to be completed prior to project appraisal.

Performance Standards for Private Sector  
 Activities OP/BP 4.03

No

Natural Habitats OP/BP 4.04

No

OP/BP 4.04 is not triggered as the activities proposed under this project will not have any effect on the natural habitats.

Forests OP/BP 4.36	No	OP/BP 4.36 is not triggered as no forests are to be affected by civil works under this project.
Pest Management OP 4.09	No	OP/BP 4.09 (Pest Management) policy is not triggered because the project activities will not involve purchase, use or storage of pesticides, nor will it support the procurement, or use of, or lead to the increased use of other agricultural chemicals.
Physical Cultural Resources OP/BP 4.11	No	OP/BP 4.11 is not triggered given that the project involves no civil works.
Indigenous Peoples OP/BP 4.10	No	OP/BP 4.10 is not triggered as there are no indigenous peoples that meet the criteria of OP/BP 4.10 in the project areas that could potentially benefit or be adversely affected by the project's activities.
Involuntary Resettlement OP/BP 4.12	No	OP 4.12 is not triggered, because the project's activities by their nature will not result in involuntary resettlement.
Safety of Dams OP/BP 4.37	No	OP/BP 4.37 is not triggered as the project does not have any activity involving dams.
Projects on International Waterways OP/BP 7.50	No	OP/BP 7.50 is not triggered as the project does not involve any activity that affect international waterways.
Projects in Disputed Areas OP/BP 7.60	No	OP/BP 7.60 is not triggered as the project does not involve any activity in any know disputed area.

### E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Feb 07, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Safeguards related studies will be carried out early utilizing the funds from the related PLACED+Y Project Preparation Grant (PPG). The PPG is expected to become effective in September 2018 with hiring / procurement for the key safeguards studies to follow immediately.

### CONTACT POINT

#### World Bank

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**Borrower/Client/Recipient**

Islamic Republic of Afghanistan

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**FOR MORE INFORMATION CONTACT**

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**APPROVAL**

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<b>Approved By</b>		
Practice Manager/Manager:	Stefano Paternostro	12-Sep-2018
Country Director:	Abdoulaye Seck	20-Sep-2018

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**The World Bank**

Afghanistan Placing Labor Abroad, Connecting to Employment Domestically and Addressing the Needs of Youth Project (P161728)

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