

## PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.: PIDA56830

<b>Project Name</b>	Kenya Youth Employment and Opportunities (P151831)
<b>Region</b>	AFRICA
<b>Country</b>	Kenya
<b>Sector(s)</b>	Other social services (100%)
<b>Theme(s)</b>	Improving labor markets (50%), Social Protection and Labor Policy & Systems (50%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P151831
<b>Borrower(s)</b>	Republic of Kenya
<b>Implementing Agency</b>	Ministry of Public Service, Youth and Gender Affairs
<b>Environmental Category</b>	C-Not Required
<b>Date PID Prepared/Updated</b>	04-Feb-2016
<b>Date PID Approved/Disclosed</b>	01-Feb-2016
<b>Estimated Date of Appraisal Completion</b>	29-Jan-2016
<b>Estimated Date of Board Approval</b>	22-Mar-2016
<b>Appraisal Review Decision (from Decision Note)</b>	The Chair authorized the team to appraise and negotiate the project. The appraisal will be completed pending disclosure of the safeguards instrument.
<b>Other Decision</b>	<p>The task team will revise the PAD according to discussions, and share it with the Government during the appraisal mission. Follow-up discussions will be held on the institutional arrangements for implementation and coordination prior and during the appraisal mission, and reflected in the project appraisal document</p> <p>The task team will dialogue with the Principal Secretary, MPSYGA and Cabinet Secretary (through the CMU) on the role of the MPSYGA and the other implementing agencies in the delivery and coordination of the Project.</p>

### I. Project Context

#### Country Context

- Although Kenya's economic growth accelerated in the past decade, the goal of a prosperous society for all Kenyans has yet to be realized. In 2014, Kenya was classified by the World Bank as a lower-middle-income country, but it is still among the poorest 25 percent of countries in the world, with 40 percent of its population having incomes below the poverty line. The

15–35 age group is becoming an increasingly large part of the adult population, with its share rising from 62.7 percent in 1979 to 66.6 percent in 2009.

2. This rising number of young people in the working population represents an opportunity for faster economic growth if they can be productively employed. This effect is called a youth dividend, but realizing the dividend depends on whether an economy can create sufficient jobs to absorb the rising number of new entrants and whether these entrants are adequately prepared and qualified to step into these jobs. The Bank estimates that Kenya is at the start of its demographic transition and thus the government's policies regarding the productive employment of its young people will influence the country's future growth rates.

3. The high numbers of new entrants to the workforce are presently outpacing the capacity of the economy to absorb them in productive employment. The gross domestic product growth in Kenya is largely driven by consumption with low rates of domestic investment and net export growth. Economic growth is volatile and slower than in comparable countries. The economy is failing to create the jobs needed to employ the more than half million youths entering the workforce annually. Between 2009 and 2013, 3 million youths came of working age, but the economy was able to add only 2.6 million jobs. During that time, open unemployment among Kenyan youths exceeded that in the neighboring countries of Uganda, Tanzania, and also Ghana.

4. Just as critically, labor productivity—linked to wages—has stagnated since 2006 because value added and employment grew at the same rate. This reflects the fact that most employment growth took place in the informal trade sector, a low-productivity sector, and in services more generally, where productivity has actually fallen since 2006. Overall, most of the new jobs created in Kenya in recent years are in the informal sector, also known as the *Jua Kali*, which consists of the self-employed, unpaid family workers, and those working for wages in small household enterprises. The failure of the formal sector to generate sufficient wage employment to accommodate all new entrants to the labor force has led to many youths starting their own businesses.

5. Poor employment and weak productivity growth in services exacerbate some of the employment and productivity constraints that already disproportionately affect youth in Kenya. Youth tend to lack relevant work experience and even if they are educated, come out of the education system lacking the cognitive, technical, socioemotional, and business skills needed to be productive in today's labor markets. This is important both for self-employment and for wage employment. In addition, the lack of market information about what skills are in demand and where jobs can be found, perpetuate these mismatches. Beyond experience and skills, youth also often lack the social, financial, and physical capital necessary to get a job or to successfully start or expand a business. Women or disadvantaged youth—those living in conflict-affected areas or coming from poor families, for example—face additional constraints related to family and household responsibilities or violence, respectively.

6. As a result of all of these forces, youth in Kenya—especially the least educated—have poor employment prospects. Youth unemployment rates measured by the 2009 Kenya Population and Housing Census were highest for younger members of the youth cohort and those in urban areas (table 1). The rate of unemployment in 2009 for all Kenyans between 15 and 64 years of age was 8.6 percent. For those aged 15 to 19 years, it was 15.8 percent, and for those aged 20 to 24 years, it was 13.1 percent, whereas unemployment rates for those over 25 years of age approached that of the adult population. Unemployment rates for urban youth (15 to 24 years) were

approximately twice as high as they are for rural youth of the same age. Youth between the ages of 20 and 24 years account for the largest number of the openly unemployed. In urban Kenya, one quarter of those aged 15 to 19 years are not employed, in education, or in training; this share is one-third among those aged 20 to 24 years.

7. Employment rates are particularly low among young Kenyan women, driven mostly by lower labor force participation. According to the 2014 Kenya Skills Toward Employment and Productivity (STEP) Skills Survey, in urban Kenya, only 37 percent of women aged 20 to 24 years work, compared to 60 percent of men, although there aren't more women in education or training. Only 77 percent of women in that age group who are not in school or training, are looking for work or working, compared to 97 percent of men. Household and family responsibilities and gender norms, which mostly affect women's labor market decisions, help explain this gap.

8. However, beyond open unemployment or inactivity, the key challenge is raising productivity and hence earnings among young workers. Critically, this includes raising productivity in the informal sector since formal employment will not be able to absorb new entrants. Youth are more likely to work in sectors and occupations that have lower productivity and command lower earnings. In urban Kenya, almost 80 percent of those employed and aged between 15 and 24 years have an informal job (unpaid, self-employed, and wage workers without social security), against 70 percent or lower for the rest of the population (figure 1). Retail trade, which absorbs the largest share of youth in urban Kenya (one-third), has both low and stagnant productivity, as discussed above. Thus, those employed in the informal sector tend to be younger than those employed in the formal sector, have less education, and are estimated to account for two-thirds of non-farm employment. For youth to find a job in the formal wage sector, they typically need to have at least a secondary education. Even within a given type of job, occupation or sector, youth earn less, considering their lack of experience and connections or their lack of access to capital if self-employed. In urban Kenya, for example, the average hourly earnings are higher for those aged 25 to 34 years (139 shillings) than for those aged 15 to 24 years (110 shillings). Although recent earnings data from rural areas are not available, the low productivity of agriculture and informal trade suggests that the earnings and productivity challenge is even more severe in rural areas. Not surprisingly, this challenge is also more pronounced among the least educated youth. The proposed project, therefore, targets youth most likely to work in the informal sector.

9. Many youth are disappointed and frustrated because far fewer jobs are created than are needed and when there are jobs pay is low. Some Kenyan youth, particularly in North-Eastern Kenya and the coastal region, have become increasingly vulnerable to radical groups and their recruitment efforts through false and biased appeals. One major cause for this is a significant lack of labor market prospects for these young people. For the cohesion of the nation, it is of utmost importance to provide opportunities for employment, especially for the young people who might be most vulnerable to criminality and radicalization.

10. Kenya's youth dividend is a twofold challenge, requiring policymakers to give their attention to both demand and supply forces in the labor market. Distinct strategies are needed to address the three dimensions of the youth employment problem—lack of skills and work experience in labor supply, insufficient job creation and labor demand, and matching imperfections related to the lack of appropriate information. Addressing these issues under this project can start to improve—albeit slowly and first just for a subset of youth—the employment and productivity prospects of youth,

beginning with the large numbers who have started their own businesses or are employed in informal sector enterprises.

### **Sectoral and institutional Context**

11. The government of Kenya (GoK) is committed to increasing youth employment as demonstrated by its various policies and strategies. Since 2000, the government has shown that it recognizes the risks that youth unemployment represents for social peace and political stability by formulating policies and plans specifically targeted to young people. The core policy documents are the Kenya National Youth Policy of 2006 and the National Action Plan on Youth Employment 2008–2012, which emphasize the need for a coordinated and multi-sectoral approach to addressing the problem of youth unemployment. The post-election crisis of 2008 led the GoK to reinforce its commitment to addressing youth issues, in particular to increasing their economic participation.

12. In March 2008, the government launched what is commonly referred to as the Marshall Plan for Youth Employment and Development, which focused on the creation of immediate and medium-term youth employment opportunities. The Kazi Kwa Vijana Program was the main initiative under this plan and it aimed to create 500,000 jobs per year for youths in rural and urban areas in labor-intensive public works projects implemented by various ministries. In 2014/15, the National Youth Service (NYS) became the flagship initiative for youth empowerment, with an emphasis on promoting national service, social transformation, training, and enterprise development. Its annual budget has increased tenfold in the financial year 2014/15 compared to previous years and the number of beneficiaries has reached 22,000 per year. In addition, affirmative action to enable youth-owned enterprises to bid for government procurement contracts was initiated in 2013 through the Access to Government Procurement Opportunities (AGPO) initiative.

13. The government has developed the NYES (2013–2017) to reflect the emphasis placed on youth empowerment in its second Medium-term Plan (MTP II) (2013–2017). The NYES is a guide to the implementation of youth-targeted empowerment interventions. Its goal is to provide a unified, coherent, and stable framework for the development and empowerment of the youth at both national and local levels. The NYES seeks to achieve transformative youth empowerment in the following areas: (a) the policy and legal framework; (b) leadership and participation; (c) employment and skills development; (d) the identification and development of innovation, creativity, technology, and talent; (e) agriculture, environmental management, and sustainable development; and (f) health, crime, and drug and substance abuse.

14. A myriad of public offices and agencies as well as nongovernment and private agencies are involved in the area of youth employment, but there is excessive fragmentation and poor coordination of interventions among these implementing agencies (IAs). After the government reorganization following the 2013 elections, the Ministry of Youth Affairs and Sports, which previously coordinated youth empowerment initiatives, was dissolved and its responsibilities were transferred to the new Ministry of Devolution and Planning (MoDP) and the Ministry of Education, Science, and Technology (MoEST). The MoDP, through its Department of Youth Affairs, became responsible for integrating youth issues into national planning and development and for implementing programs geared toward empowering youth and providing them with skills and financial resources. More recently, before appraisal, a ministerial reorganization has seen the Department of Youth Affairs move from the MoDP to the newly-created Ministry of Public Service, Youth, and Gender Affairs (MPSYGA).

15. Complementary interventions such as the NYS, the Youth Enterprise Development Fund (YEDF), Women Enterprise Fund (WEF), and the Kenya Association of Youth Centers have been established. The MoEST, through its Youth Polytechnics, is responsible for technical and vocational education and training (TVET). The National Industrial Training Authority (NITA), a semiautonomous agency under the Ministry of Labour and East African Affairs (MLEA), is responsible for apprenticeships and industrial attachments. As well as these public interventions, hundreds of projects and initiatives related to youth employment are being offered by nongovernmental organizations (NGOs), faith-based organizations, companies, and community organizations, either initiated by development partners or funded by foreign organizations and firms.

16. The government is implementing a variety of different youth employment programs, but knowledge about their impact is sketchy and largely anecdotal. A recent review of youth employment initiatives has identified critical knowledge gaps, particularly regarding the effectiveness and impact of the various initiatives. The lack of impact assessments of large-scale government-run programs such as the TVET, NYS, YEDF, and Youth Empowerment Centers is a specific problem because substantial public funding has been allocated to these programs with no rigorous assessment of whether these programs are actually achieving their objectives.

17. Some progress has been made in improving the knowledge base, particularly related to training and internship programs and entrepreneurship education and training provided through donor-funded programs. The Bank has been instrumental in adding to the evidence base about what works in youth employment promotion, through the Busia Vocational Training Voucher Program and the training and private internship pilot under the Kenya Youth Empowerment Project (KYEP). These programs have been evaluated using random experimental methods and their interventions are shown to have a net positive impact on youth employment and earnings. A recent Bank study of entrepreneurship education and training programs revealed an abundance of information about their impact, results, and good practices and found that program managers were prepared and willing to modify program designs in accordance with the evaluation's findings.

18. The Bank has added to this knowledge base with its recent study of the Kenyan labor market focusing on the key growth sectors of manufacturing and services. Its analysis using the 2010 Kenya Census of Industrial Production and the 2011 Integrated Survey of Services has identified barriers to entry from the informal sector to the formal sector that constrain employment generation. The analysis has highlighted the importance of service sector employment for women and the added value to employment generation of promoting resource mobility and the movement of labor and capital to more productive uses. On the supply side of the labor market, its analysis of the 2014 STEP skills survey focused on urban youth aged 15 to 24 years and identifies the employment challenges they face as outlined above.

19. The government has demonstrated its commitment to increasing the coverage and budget allocations for key initiatives and interventions that specifically affect youth employment. However, more effort is needed to improve the implementation of youth employment initiatives and to increase them to a scale sufficient to address the full extent of the need. The initiatives taken thus far fall into three groups: (a) those that affect labor demand; (b) those that affect labor supply; and (c) those that aim to improve the match between supply and demand. Alongside improvements in implementation and expanding the reach of youth initiatives, more attention needs to be given to

evaluating the impact of these initiatives and adopting an evidence-based approach to youth employment policies.

## **II. Proposed Development Objectives**

The proposed Project Development Objective (PDO) is to increase employment and earnings opportunities for targeted youths.

## **III. Project Description**

### **Component Name**

Improving youth employability

### **Comments (optional)**

This component responds to Kenyan employers who assert that youth who come out of schools and training centers frequently lack the relevant work experience and competencies, including behavioral skills, needed for employment. The component will scale up the pilot KYEP providing targeted youth with training and work experience in the private sector with the goal of improving youth employment outcomes. The component will be jointly implemented by the MPSYGA and NITA

### **Component Name**

Support for job creation

### **Comments (optional)**

This component will address key constraints and market failures that limit the demand for youth employment and hamper youth productivity, once they are employed. Specifically, this component will finance activities addressing the following specific constraints: (a) lack of start-up financing for young entrepreneurs; (b) lack of managerial and entrepreneurial skills among youth; (c) lack of relevant exposure and networks for starting and growing a business among youth; (d) limited information and capacity to take advantage of government programs, in particular AGPO; and (e) highly specific income generation and productivity constraints faced by the ‘hard-to-serve’ youth subgroups and limitations in knowledge and experience in effectively addressing these at scale in the local context.

### **Component Name**

Improving labor market information

### **Comments (optional)**

This component responds to the problem of obtaining timely information about labor demand and supply as well as career prospects in Kenya. LMI helps private and public actors in the labor market make decisions and formulate policies. The LMI currently available is often scattered over different locations and is hard to find. It is infrequently interpreted and analyzed for decision making and policy formulation. The lack of easily available information about the employment outlook, job profiles, and career prospects makes it difficult for job seekers to plan their careers. Similarly, it is difficult for schools and training institutions to identify competencies sought by employers and for individuals and families to get a clear idea of which skills and occupations are most rewarded in Kenya

### **Component Name**

Strengthening youth policy development and project management

### **Comments (optional)**

This Component will support capacity building for the DoYA of MPSYGA and the management and coordination of the overall project. It includes three subcomponents: (a) building youth

employment policy development and coordination capabilities; (b) M&E of youth employment policies and funds; and (c) project management and coordination. The overall implementation, coordination, and progress reporting of the activities under this component will be assigned to a Project Coordination Unit (PCU) to be established within the Directorate of Youth Affairs.

#### IV. Financing (*in USD Million*)

Total Project Cost:	150.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			150.00
Total			150.00

#### V. Implementation

##### Institutional and Implementation Arrangements

20. In order to ensure the successful implementation of the project and coherence across the various activities, two bodies will coordinate the overall project: a National Steering Committee (NSC) and a Project Implementation Technical Committee (PITC).

21. The National Steering Committee will meet quarterly and be chaired by the Principal Secretary (PS) of MPSYGA and members will include the PS of Labor and East African Affairs and the PS of Industrialization and Enterprise Development, the Directors of all relevant departments of MPSYGA, MLEA, MSEA, and NITA, and the Director of Resource Mobilization Department from Treasury. The Committee's mandate includes policy guidance, resource mobilization, and mainstreaming of the program's activities in their respective ministries.

22. The Project implementation Technical Committee will meet monthly (or as often as required), and be chaired by the Director of Directorate of Youth Affairs, who will also serve as KYEOP Project Director. Members include the KYEOP Project Manager, NITA Director of Industrial Training, MSEA head of Business Development Services, Director of Human Resources Development and Planning, Head of LMIS unit at MLEA, Head of Youth Mainstreaming (MPSYGA), Head of Youth Employment and Enterprise (MPSYGA), the Chief Economist in the Youth Central Planning and Project Monitoring Unit (MPSYGA), and the World Bank Task Team Leader. The committee will oversee the implementation of the project, ensuring smooth progress and advising the PCU as needed.

23. The PITC will be supported by a Project Coordination Unit (PCU) in the MPSYGA. The PCU will be led by the Project Director, who also serves as Director of the Directorate of Youth Affairs, supported by a Project Manager. Additional positions will include a FM specialist, procurement specialist, M&E specialist, MIS specialist, impact evaluation specialist, two accountants, a communication specialist, a project manager for the life skills and core business training, a social enterprise specialist and a project manager for the innovation challenge. There will be also staff for support services, such as clerical staff and a driver. Staffing of the PCU will involve a "twinning" approach whereby Government of Kenya staff are partially deployed to the KYEOP project and consultants (national or international) provide targeted expertise on specific topics.. Most of these

positions will be filled with experts recruited full time for the duration of the project with the provision of contract extension based on performance. The PCU will be responsible for (a) project management and progress reporting; (b) managing the process of intake and channeling of eligible project beneficiaries to appropriate services; (c) providing technical assistance in major procurement for all four components; and (d) the execution of all the activities under Component 4, as well as those activities under the responsibility of MPSYGA and under components 1 and 2.

24. The MPSYGA and its PCU will be responsible for designing and managing the process for registration, enrolment, and referral of all project beneficiaries. The youth officer in each subcounty will provide entry into the program for targeted youths in Component 1, Subcomponent 2.1 and Component 4 2. Different actors, including the area chiefs and faith based organizations may be involved in mobilizing youth for participation and generating applications. The MPSYGA will lead this activity and use all tools and means available to reach eligible youths with information about Component 1 and Component 2 services. The youth officers will be trained to counsel and advise eligible youths and assist them in connecting with the services offered by Components 1 and 2.

25. Component 1. This component will be jointly implemented by the MPSYGA and NITA. The MPSYGA will be responsible for the initial life skills and core business skills training while NITA will assume responsibility for technical training and internships that follow. An Advisory Committee will be formed to provide advice to NITA with representatives of youth, employers, master craftsmen, and public and private training providers as members. An output-based financing formula will be used by NITA for disbursements for technical training with possible outputs focused on internship completion and certification rates. Implementation will subsequently extend to all 47 counties, but during the first year, the program will be phased in to allow time for testing a decentralized management structure and building of the capacity needed for scaling up the program nationally. The initial subset of selected counties will be balanced across the country geographically.

26. The delivery of the life skills and core business skills training will require further planning by the MPSYGA which will assume responsibility for this training. In the absence of larger organizations with adequate capacity for national coverage, multiple providers will likely be required for delivery of life skills and core business training. The direct and indirect cost of residential training will have to be weighed against the challenge of delivery to a large number of settings accessible to beneficiaries. Ensuring quality and uniformity in delivery in a decentralized framework will also require attention.

27. Component 2. This component will be jointly implemented by the MPSYGA and MSEA. Subcomponent 2.1 will be implemented by MSEA, with the MPSYGA taking the lead role in outreach and intake at the local level (as part of component 4) as well as in the follow-up of beneficiaries also at the local level. Subcomponent 2.1 will be implemented at the county level. The MSEA is a relatively new government agency and will require project support for capacity building. A small number of contract staff will be added to the MSEA staff for each subcomponent to enhance implementation capacity.

28. Subcomponent 2.2 will be implemented at the national level with the selected projects serving youth in local areas. For the business plan competition, under subcomponent 2.2, MSEA will be in charge of contracting competitively the independent firm who will manage the business competition, managing this contract, and coordinating the associated BDS on accessing government procurement opportunities. The independent firm managing the business competition will be



selected in transparent and competitive manner, and this firm will be in charge of marketing and outreach, the application process, screening, training, and evaluation, and identification of high potential proposals to be awarded. The responsibility to disburse the awards and hold award ceremonies rests with the MPSYGA. The managing firm has then the responsibility for independent monitoring of awardees, but youth officers at MPSYGA, together with MSEA enterprise officers, will accompany the firm in a subset of visits to employers as part of the monitoring arrangements for the business competition.

29. The innovation challenge for the hard-to-serve youth will be implemented by the MPSYGA. The MPSYGA will contract an expert consultant to provide support in the design of the innovation challenge. As with the business plan competition, the management of the challenge and the selection of awardees will be in the hands of an independent firm or NGO with a relevant track record. This firm or NGO will be selected competitively through a process managed by the MPSYGA.

30. Component 3. This component will be implemented by the MLEA and its DNHRP&D. The latter Department has been given a clear mandate for the LMIS by Executive Order No. 2 of 2013 and the Kenya Government Blueprint the Vision 2030 through its Second-Term Medium Plan (2013-2017). Staff and budget for the LMIS are in place within the DNHRP&D, including 18 technical staff and additional staff who can be requested as and when needed. ICT maintenance services will be provided for the LMIS by the ministry's existing ICT Department, which has already procured some of the necessary ICT equipment.

31. Component 4. This component will be implemented by the MPSYGA and its Directorate of Youth Affairs. A PCU will be established and based within the Directorate of Youth Affairs. The PCU will be staffed with a project coordinator, project manager, FM specialist, procurement specialist, M&E specialist, MIS specialist, impact evaluation specialist, two accountants, a communication specialist, a project manager for the life skills and core business training, a social enterprise specialist and a project manager for the innovation challenge. There will be also staff for support services, such as clerical staff and a driver. Day-to-day management and implementation of each component will remain with the corresponding IA. The PCU will provide for overall coordination of these components and implementation of Component 4 and of activities under Components 1 and 2 to be implemented by the MPSYGA.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01		<b>x</b>
Natural Habitats OP/BP 4.04		<b>x</b>
Forests OP/BP 4.36		<b>x</b>
Pest Management OP 4.09		<b>x</b>
Physical Cultural Resources OP/BP 4.11		<b>x</b>
Indigenous Peoples OP/BP 4.10	<b>x</b>	
Involuntary Resettlement OP/BP 4.12		<b>x</b>
Safety of Dams OP/BP 4.37		<b>x</b>
Projects on International Waterways OP/BP 7.50		<b>x</b>
Projects in Disputed Areas OP/BP 7.60		<b>x</b>

**Comments (optional)**

32. The KYEOP triggers OP 4.10 - Indigenous Peoples and the applicable laws and regulations of the GoK. OP 4.10 is triggered because it is likely that groups which meet the criteria of OP 4.10 “are present in, or have collective attachment to, the project area.” The government has developed the VMGPF. This framework will provide a mechanism for the inclusion and informed participation of VMGs in the project, in a culturally appropriate manner. The government undertook consultations on the project design and on the planning framework with selected VMGs. Consultations were held with the Sengwer and Ogiek in Rift Valley (Trans Nzoia and Nakuru Counties), the seminomadic Waat and Sakuuye peoples in Isiolo County, and the hunter-gatherer and fishing communities of the Boni people in Kwale, in the coastal region of Kenya. The field consultations also provided information for a social assessment to further guide the finalization of the VMGPF. Further consultations and disclosure of the planning framework will take place in February 2016, among VMG communities and other stakeholders.

33. Among the VMGs, deliberate efforts were made to include in the consultations and field assessment: (a) youth aged between 16 and 29 years, without jobs or working under vulnerable employment and with up to Form 4 level education; (b) young women; and (c) persons living with disability. However, the wider communities also participated in the focus group discussions, survey, and key information interviews.

34. In addition, the project will mainstream gender-informed approaches in its design, implementation, and monitoring of activities, by factoring in different needs, constraints, and opportunities of young men and women in all components. The project will support targeted interventions aimed at addressing gender-related challenges, including access to information, skills, and interventions for job creation. All project results indicators will be disaggregated by gender to track down female youth participation in the various interventions. The project will also enhance inclusion of vulnerable hard-to-serve youth through the innovation challenge.

35. It is anticipated that the project will have positive social impacts at the individual, community, county and national levels. Increased youth employability will result in ;(i) increased incomes among the vulnerable youth, which will enable them to improve their living standards and participate in the social- economic life of their communities; ( ii) reduce idleness among the youth, reducing insecurity and drug abuse in communities, especially in the coastal and Northern Eastern regions where consultations with the communities indicated the practice is rampant ;(ii) enhanced capacity (technical skills and knowledge) among the youth and communities to strengthen the livelihoods;(iv)enhanced civil awareness among the youth to know their rights and claim their entitlements enabling them play an active role in their lives and participate in public governance; and (v) improved leadership and organizational capacity among the youth.

36. However, social risks envisioned in the implementation process include: (i) the provision of cash grants to support job creation may face risks related to corruption. The project will put in place accountable and transparent system where the targeted beneficiaries at county, sub-county and community level will monitor project activities and outputs and ensure public disclosure of those benefit from the project to community level (ii) the participation of county governments in county-level activities remains relatively low, in comparison to the national Government. The project implementation manual will clearly indicate the roles and responsibilities of the various stakeholders with a view to enhancing county participation in the project; (iii) socio-cultural issues such as early pregnancy and early and forced marriage have forced many young girls to devote their

time to caring for their children and families. This situation may hinder vulnerable girls and women from benefiting from the project, as some communities (North Eastern, such Somali, Turkana) perceive marriage as a form of employment. The project will be intentional in targeting an equitable number of youth (male and female) in the components. Moreover, the project will make efforts to remove barriers that make it difficult for either gender to access project benefits. For example, the project will aim to schedule training for young mothers at a time convenient to them, allowing lactating mothers to participate in training with their young babies and caregivers among others.

37. A Vulnerable and Marginalized Groups Framework has been prepared in consultation with youth in vulnerable communities. The VMGF spells out appropriate grievance handling procedures, from community level, county and national level. The youth among other stakeholders (civil society organization, local leaders) will be actively involved in monitoring project implementation at the various levels through, for example, the establishment of youth and other local committees.

## **VII. Contact point**

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