

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA17332

Date ISDS Prepared/Updated: 01-Mar-2016

Date ISDS Approved/Disclosed: 16-Feb-2016

I. BASIC INFORMATION

1. Basic Project Data

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|--|--|------------------------------|------------------------------|
| Country: | Kenya | Project ID: | P151831 |
| Project Name: | Kenya Youth Employment and Opportunities (P151831) | | |
| Task Team Leader(s): | Cornelia M. Tesliuc | | |
| Estimated Appraisal Date: | 25-Jan-2016 | Estimated Board Date: | 19-May-2016 |
| Managing Unit: | GSP01 | Lending Instrument: | Investment Project Financing |
| Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? | | | No |
| Financing (In USD Million) | | | |
| Total Project Cost: | 150.00 | Total Bank Financing: | 150.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | | Amount |
| BORROWER/RECIPIENT | | | 0.00 |
| International Development Association (IDA) | | | 150.00 |
| Total | | | 150.00 |
| Environmental Category: | C - Not Required | | |
| Is this a Repeater project? | No | | |

2. Project Development Objective(s)

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

3. Project Description

1. The Project consists of four components: (i) Improving Youth Employability; (ii) Support for Job Creation; (iii) Improving labour market information system; and (iv) Strengthening Youth Policy Development and Project Management. The fourth component will also support the establishing of a Project Coordination Unit (PCU).

Component 1: Improving youth employability (US\$75 million).

2. 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 and it contains two subcomponents:

a) Sub-component 1.1: Provision of training and work experience in the formal sector (US\$37.7 million). This subcomponent will provide targeted beneficiaries with three months of training and three months of internship experience with a formal sector employer. The training will cover life skills, core business skills, and technical skills. The MPSYGA will enter into a national contract with a number of providers for delivery of life skills and core business skills using a standard curriculum. Following completion of the life skills and core business skills training, NITA will organize further technical training that will include an internship. The technical training will be offered by public and private formal training institutions accredited by NITA, the Technical Vocational Training Authority, or other recognized accreditation agencies under a results-based contract. These training providers will partner with employers and provide skills training demanded by the employer. This and the following subcomponent will include support for NITA capacity building and program management by a Project Implementation Unit (PIU).

b) Sub-component 1.2: Provision of training and work experience in the informal sector (US\$37.3 million). This subcomponent will be especially suitable to vulnerable youth with limited education and youth in rural areas. Its duration and training approach will be the same as that in the formal sector with targeted youth receiving the same life and core business skills training organized by the MPSYGA. Technical training, however, will be offered on the job by a master craftsman in a traditional apprenticeship. NITA will contract with master craftsmen to deliver this training and an internship. Master craftsmen will be certified by NITA. To improve the quality of the training offered by master craftsmen and the recognition of this training in the marketplace, the subcomponent will support the (i) upgrading of master craftsmen skills and (ii) development and updating of NITA certification standards for traditional apprenticeship trades. NITA will implement this activity.

Component 2: Support for Job Creation (US\$41.5 million).

3. This component will address key constraints and market failures that limit the demand for youth employment and hamper youth productivity, once they are employed. This component is structured into two subcomponents, jointly implemented by the MPSYGA and the Micro and Small Enterprise Authority (MSEA)

a) Sub-component 2.1: Support for the self-employed. This subcomponent supports employment and earnings generation among urban and rural youth by financing: (i) business start-up grants; and (ii) relevant BDS.

b) Sub-component 2.2. Catalytic interventions for job creation. This subcomponent supports innovative interventions to create jobs for targeted youths by financing (i) a business plan competition for high-potential job creators and (ii) an innovation challenge to identify high-impact

interventions for creating economic opportunities for the hard-to-serve and fund them to scale.

Component 3: Labour Market Information System (LMIS) (US\$13.5 million).

4. 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. This component will provide support the development of a one-stop-shop for access to LMI by strengthening Kenya's Labor Market Information System (LMIS) with its survey and administrative data sources through the following activities: (a) identification of LMIS users and their information needs; (b) production of LMIS content; and (c) dissemination of LMI content and creation of awareness. It will be implemented by the MLEA through its Department of National Human Resource Planning and Development (DNHRP&D).

Component 4: Strengthening Youth Policy Development and Project Management (US\$ 20 million).

5. 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

a) Sub component 4.1: Building Youth Employment Policy development capabilities: This subcomponent will finance activities aimed at building the Directorate of Youth Affairs' capacity to better review current policies and conceptualize, develop, and coordinate new policies and strategies, including the proposed NYES and the National Youth Internship Policy. The component will also finance training key officers in communications, advocacy, and lobbying, equipping them to manage the consultations and validation processes that are key to building policy ownership.

b) Sub-component 4.2: Building capacity for monitoring and evaluation of youth employment policies and programs:

This subcomponent will finance capacity-building activities for program evaluation in the Directorate of Youth Affairs to improve its ability to plan for, evaluate, and disseminate the impacts and cost-effectiveness of youth employment policies and programs and generate a more solid evidence base for decision making. This will focus on: (i) Capacity Building for monitoring and evaluation, which will include training and other activities to build officers capabilities to design and undertake M&E activities and contract management (ii) Conducting evaluations of youth employment programs, including (a) a design and implementation evaluation of selected government youth funds and (b) an impact evaluation of at least two of the key interventions supporting job creation under Component 2 of this Project, namely: (i) the targeted start-up grant and business development services; and (ii) the business plan competition for high-potential job creators.

c) Sub component 4.3: The MPSYGA will be responsible for the overall project management of the KYEOP. Given the complexity of the project, with different IAs for each component, there is a need to establish a PCU. The unit will be fully integrated into the Directorate of Youth Affairs with its director serving as the national project coordinator (NPC). Day-to-day management and implementation of each activity will remain with the corresponding IA. The PCU will coordinate the activities of these agencies and take responsibility for (i) project management and (ii) managing the

process of intake, awareness-raising on government funds and AGPO, and channelling of eligible project beneficiaries to appropriate services. An important function for the PCU will be to design and implement a complaints and grievance system that will allow potential beneficiaries, the wider public, and other stakeholders to raise grievances related to the intake process or the overall administration of the project. The system will enable the PCU to record and address arising complaints and grievances. The complaints system should be linked to the project MIS to ensure proper recording and tracking of complaints received, referred, and resolved.

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

5. Environmental and Social Safeguards Specialists

Gibwa A. Kajubi (GSU07)

Susanne Ndunge Ndivo (GSURR)

| 6. Safeguard Policies | Triggered? | Explanation (Optional) |
|--|-------------------|--|
| Environmental Assessment OP/BP 4.01 | No | The project does not trigger OP/BP 4.01. This is fundamentally a capacity building project to train and upgrade skills of unemployed youth to find employment and to help launch new business start-ups. |
| Natural Habitats OP/BP 4.04 | No | The project will not affect or involve natural habitats. |
| Forests OP/BP 4.36 | No | The project will not affect or involve forests or forestry. |
| Pest Management OP 4.09 | No | The project will not involve pest management |
| Physical Cultural Resources OP/BP 4.11 | No | The project will not affect or involve physical cultural resources |
| Indigenous Peoples OP/BP 4.10 | Yes | The project will be inclusive and ensure youth from vulnerable marginalized communities / groups have an equal chance of enrollment in the project. The activities of the project will also be in counties with marginalized communities (VMGs) and therefore will involve youths from VMG groups. A Vulnerable and Marginalized Groups Framework has been prepared to ensure they participate and benefit from the project. |
| Involuntary Resettlement OP/BP 4.12 | No | The project does not involve land acquisition leading to involuntary resettlement and/or restrictions of access to resources and livelihoods. |
| Safety of Dams OP/BP 4.37 | No | N/A |
| Projects on International Waterways OP/BP 7.50 | No | N/A |
| Projects in Disputed Areas OP/BP 7.60 | No | N/A |

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

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| <p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> |
| <p>9. The KYEOP Project is proposed as category C. There are no irreversible adverse environmental and social issues anticipated from the investments to be financed under the Project. It is anticipated that the project will have positive social impacts at the individual, community, County and National Level. Increased youth employability will result to;(i) increased incomes among the vulnerable youth which will enable them earn decent living 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 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.</p> <p>10. However, social risks envisioned in the implementation process include: (i) the provision of cash grants to support job creation may be prone to corruption. The project will put in place accountable and transparent systems where the targeted beneficiaries at county, sub-county and community level may provide feedback and be able to lodge their grievances regarding project implementation (ii) With the recently devolved County Governments their participation in national Government projects is relatively low. The implementation manual will clearly indicate the roles and responsibilities of the various stakeholders enhance county participation in the project; (iii) socio-cultural issues such as early pregnancy, early and forced marriage has forced many young girls take responsibilities of their children and families. This kind of situation may hinder vulnerable girls from benefiting from the project as some communities (North Eastern, such as Somali, Turkana perceive) marriage as a form of employment. The project will endeavor to ensure equitable representation of both male and female youth to benefit from the Project. Moreover, the project will make efforts to remove barriers that make it difficult for either gender to access project benefits , such as in scheduling 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</p> |
| <p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> |
| <p>N/A</p> |
| <p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p> |
| <p>N/A</p> |
| <p>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.</p> |
| <p>11. The constitutional and policy framework to address safeguard issues is in place, with the Kenya Constitution 2010 explicitly articulating the need for protection for VMGs . The implementation structure of the client is well structured from community level, across the county to the national level. Defined institutions exist at each level with specific roles and responsibilities to handle safeguards. The critical level is at the community, where the targeting process envisions</p> |

having inclusive and participative systems on safeguards with well-defined indicators and simple M&E tools to capture information on the safeguards indicators. This information is aggregated at county level before it is transmitted to the national level. However, in practice there is limited institutional capacity for the management of the safeguard policies particularly at county and community level. Major gaps include inconsistency in data collection, analysis and feedback at each of the levels. There is need to build capacity (sensitization and training) at the various levels in order ensure that information is collected, analyzed and used at the various levels in effectively and efficiently manner. The various implementing agencies have appointed competent safeguards focal persons at agency level and at county levels to ensure safeguard issues are address timely and appropriately.

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

12. The key stakeholders involved in consultations included ;(i) VMGs sampled from the three regions with presence of VMGs in Kenya including Coastal, Rift Valley and North Eastern; (ii) leaders of civil society organizations working closely with VMGs; (iii) Social safeguards officers in the four implementing agencies; and (iv) National and County officers working with youth in counties with VMGs presence . In the preparation of VMGF, VMGs and stakeholders were informed, consulted, and mobilized to participate in the process of social assessment. CSOs and county officers played a critical role in informing and mobilizing the VMGs to participate in the consultation meetings which were held at village level providing opportunity for VMG youth, and local leadership to participate. The social assessment gathered information on demographic data; (i) social, cultural and economic situation; and (ii) social, cultural and economic impacts, potential positive and negative effects of KYEOP on the indigenous communities. This provided an opportunity for VMGs and stakeholders to give their views on the project which informed project preparation as well as the VMGF.

13. The social assessment and VMGF was publicly disclosed in stakeholders workshop attended by representatives from VMGs and other stakeholders in workshop held February 8th 2016 at the Youth Empowerment Centre in Embakasi, Nairobi. Inputs from disclosure workshop were incorporated to VMGF. The final documents will be disclosed in Ministry of Public Service, Youth and Gender website on February 15, 2016 and copies of the same shared with civil society organizations working with VMGs. The documents will also be disclosed in the Bank info shop.

B. Disclosure Requirements

| Indigenous Peoples Development Plan/Framework | |
|---|-------------|
| Date of receipt by the Bank | 07-Jan-2016 |
| Date of submission to InfoShop | 01-Mar-2016 |
| "In country" Disclosure | |
| Kenya | 22-Feb-2016 |
| <i>Comments:</i> The disclosed version of the VMG (dated February 2016) includes minor adjustments to implementation arrangements based on discussions held following the disclosure forum | |
| If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP. | |
| If in-country disclosure of any of the above documents is not expected, please explain why: | |

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C. Compliance Monitoring Indicators at the Corporate Level

| OP/BP 4.10 - Indigenous Peoples | |
|--|---|
| Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan? | Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>] |
| If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager? | Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>] |
| The World Bank Policy on Disclosure of Information | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| 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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| All Safeguard Policies | |
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have costs related to safeguard policy measures been included in the project cost? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

III. APPROVALS

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|-------------------------------|--|-------------------|
| Task Team Leader(s): | Name: Cornelia M. Tesliuc | |
| Approved By | | |
| Safeguards Advisor: | Name: Johanna van Tilburg (SA) | Date: 21-Mar-2016 |
| Practice Manager/ Manager: | Name: Penelope Jane Aske Williams (PMGR) | Date: 01-Aug-2016 |