

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA18371

Date ISDS Prepared/Updated: 11-Jul-2016

Date ISDS Approved/Disclosed: 11-Jul-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	Bosnia and Herzegovina	Project ID:	P152347
Project Name:	Bosnia and Herzegovina Employment Support Program (P152347)		
Task Team Leader(s):	Mirey Ovadiya,Josefina Posadas		
Estimated Appraisal Date:	20-Jun-2016	Estimated Board Date:	15-Sep-2016
Managing Unit:	GSP03	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:	97.91	Total Bank Financing:	56.10
Financing Gap:	0.00		
Financing Source			Amount
Borrower			41.81
International Bank for Reconstruction and Development			56.10
Total			97.91
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The project development objective is to increase formal private sector employment among targeted groups of registered job seekers. The project will achieve this by financing a menu of active labor market programs, supporting strengthening of job intermediation, and by modernizing monitoring and evaluation practices of the public employment services.

3. Project Description

The project will have two components:

1. Support for Employment Promotion (ALMPs)

The objective of the component is to help the government scale up and increase the effectiveness and efficiency of its active labor market programs and job intermediation in order to help improve labor market outcomes.

Sub-component 1a- Employment promotion through improved ALMPs. The financing from the project will allow expansion of the coverage of ALMPs and will improve the effectiveness and efficiency of selected ALMPs over time by better targeting and better definition of program design parameters.

This sub-component will finance a package of financial incentives directed at jobseekers and employers which will be accompanied by contractual obligations and co-responsibilities to ensure financing of medium-term productive jobs in the formal private sector and discourage subsidizing seasonal employment. These measures will include targeted wage subsidies, on-the-job training, and self-employment programs. The sub-component will build on wage subsidy programs that are currently being implemented and aim to improve their design and targeting. It will also aim to maximize the complementarities between intermediation and ALMPs to improve the effectiveness of the wage subsidy programs that are currently under implementation. This sub-component will provide results-based financing (RBF); the funds allocated for this sub-component will be disbursed upon achievement of agreed results to be measured by disbursement linked indicators (see Annex 2).

The governments of the two entities may opt for different parameters for these ALMPs that cater best to their priorities and the needs of their target populations. Each year the program will finance two or three of the programs included in the annual work-plans of the Employment Services with emphasis on adjusting targeting and other design features of the programs to improve their cost-effectiveness and/or impact. The programs to be funded every year should change based on learning and results from previous years. Target groups will include youth, long-term unemployed, those with low-skills, individuals above 45 years of age and vulnerable groups. Women are expected to benefit from these programs as they are over represented in each of these target groups. The target groups are broadly the same for both entities, however the measures will differ on the basis of the unemployment trends and priorities for each entity (see Annex 2 for details). This sub-component builds on the successful experiences of the recently-completed Social Safety Nets and Employment Support (SSNESP) operation as well as recent experiences with wage subsidies, voucher, and on-the-job training programs implemented by the Employment Services. All active labor market programs will be co-financed 50/50 from general revenues. The project will support several active labor market programs including on the job training/apprenticeship, self-employment, and wage subsidies for select groups. Details of the employment programs that will be supported can be found in Annex 2a.

Sub-component 1b-Employment promotion through improved job intermediation. This sub-component will aim to increase job placements by providing improved employment services for jobseekers and employers. These activities are aligned with those that the PES (FBH and RS) have already included in their employment strategy and annual action plans. These activities will be primarily financed out of own budget funds.

Services for jobseekers will consist of activities such as use of improved methodologies for the intake/registration of newly unemployed, categorization of jobseekers by risk of falling into long-term unemployment, and tailored counseling to clearly identify and focus resources on the jobseekers in need of support from the employment services. Improved processes within employment services are

expected to increase facetime with jobseekers, shorten waiting time between first registration and development of an individual action plan, and increase monitoring of progress and needs of the jobseeker.

Services for employers will consist of activities such as development of new employer outreach methodologies (more calls and visits to employers), local skills needs surveys/interviews with employers, and promotion of online services to increase the number of registered vacancies with the employment services, and facilitation of vacancy opening and filling by providing tailored HR services to employers.

This will mean minimizing the time dedicated to administrative tasks by automating certain processes and using online services and electronic media to the extent possible, as well as establishing division of functions for staff in those employment offices that have not started this practice. It will also mean physically reorganizing employment offices to separate business processes (division between administration and counseling). In addition, it will emphasize better communication with clients through better information dissemination and intensified outreach.

Recognizing different starting points for each employment office, the project will aim to support achievement of gradual uniformity in the manner in which employment services are delivered. Although intake, registration and profiling processes will be improved for all jobseekers, the counseling efforts will be focused on those who declare that they need support, and, in particular, on those who have been out of the labor market for a short period and are closest to the market as well as those who are hard to employ. One way of splitting effort among these two groups is proportionally to their share in the total population of registered jobseekers, based on the administrative data of the employment services. A draft manual of procedures that outlines improved processes has been developed with support from the SDC, but it will need to be further revised, adopted, and implemented gradually by all employment offices over the project implementation period.

The project will rely on the parallel efforts and financing of the Swiss Agency for Development Cooperation (SDC) to improve services for jobseekers and employers (i.e. case management and employer outreach). The SDC has been working with employment services for over three years under the Youth Employment Project (YEP); a new round of grant financing has become effective in April 2016. The SDC Youth Employment Project (YEP) will be implemented in a demand driven manner (i.e. participation will be on a first-come, first-served basis). Yet, the aim will be maximum coverage of all employment offices. The YEP will be implemented parallel to the World Bank project.

In order to roll out the implementation of the activities, training and technical support modalities will be developed and implemented by the entity level Public Employment Services (FBH and RS). These modalities will include training of a core team of technical staff (training of trainers) to provide training to key technical staff in a cascade fashion on new methodologies for jobseeker profiling, employer outreach and use of information technologies for tracking jobseekers and contacting with employers.

The project would support targeted knowledge exchange and communication activities aimed at promoting uniform understanding and use of improved employment services management practices and implementation of ALMPs. The activities would include support for learning events, establishing peer-to-peer learning protocols across canton and entity staff, exchange visits, and broader

information campaigns for the general public.

The agreed activities will be accomplished with a combination of government financing, resources from the SDC grant, and a very small portion of the loan. Many proposed activities relate to changes in processes that have zero cost, while others are of relatively low cost.

Support for management systems, monitoring, and communications (TA)

This component will support effective monitoring of the project and provide financing for strengthening management systems to monitor active labor market programs and employment services, and developing and implementing an effective communications strategy targeting jobseekers, employers, policymakers, and the overall population. It will build the basis for the evidence collection and learning required to improve ALMPs and job intermediation over the implementation period. It will provide financing using traditional investment lending mechanisms. It will finance enhancements of IT systems to: (i) enable data exchange amongst employment bureaus and other institutions; (ii) offer online services; (iii) monitor services offered to jobseekers and employers; (iv) introduce/monitor branch office performance; and (v) monitor and disseminate labor market trends. The above pre-supposes connectivity of all offices to an upgraded IT system that would allow interface and data exchanges with other relevant institutions for verification of jobseeker status and basic data (e.g. social assistance, agriculture subsidies recipients, etc.). This component will finance and ensure a strong communications and outreach strategy to plan, develop, and disseminate information on project resources, activities and results via multiple channels to jobseekers, employers, policymakers, and the general population. It will also finance process and impact evaluations of select ALMPs and/or institutional measures to be implemented by the Employment Services and Ministries of Labor as well as beneficiary surveys. In the RS a randomized control trial impact evaluation of selected programs will be conducted.

Dedicated project monitoring teams under the FBH Ministry of Labor and Social Welfare and the RS Ministry of Labor and Veterans Affairs, will administer the funds, monitor and report on the implementation of project activities and achievement of Disbursement Linked Indicators (DLIs), commission evaluations of select ALMPs, and implement selected activities under Component 2.

As with Component 1, these activities will be accomplished with a combination of government financing (through annual work plans/budgets), the parallel SDC grant, and financing from the loan.

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

The project will finance activities in the whole territory of the BIH. Project beneficiaries are expected to be the "unemployed" which will include some of the more vulnerable and marginalized.

5. Environmental and Social Safeguards Specialists

Esma Kreso (GEN03)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The team has confirmed that the project has evolved and as such will not include any works or employment of unemployed population in public works. Some implications regarding the environment, if any,

		predominantly under Component 1 - on the job training and self-employment might benefit from a training organized by the Client, and assisted by the World Bank team on enhanced environmental protection measures in employment creation.
Natural Habitats OP/BP 4.04	No	There are no activities with a physical footprint envisaged, nor any activities that would have implications regarding the environment including natural habitats.
Forests OP/BP 4.36	No	There are no activities with a physical footprint envisaged, nor any activities that would have implications regarding the environment including forests.
Pest Management OP 4.09	No	There are no activities with a physical footprint envisaged, nor any activities that would have implications regarding the environment including agriculture and/or pest management.
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	Permanent or temporary land acquisition will be excluded from sub projects.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	There are no activities with a physical footprint envisaged, nor any activities that would have implications regarding the environment including international waterways.
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<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>There are no direct or indirect environmental safeguards associated with the proposed project. During the PCN stage, the team and Client had envisaged employment of unemployed citizens in the area of public works or works of general interest. During the development of the project's scope, the involvement in public works has completely been abandoned, and the project will only implement assistance measures to improve the labor market in country.</p> <p>As an added value, the team will include segments on improving environmental performance, linked to Component 1 - On the job training and Self employment support.</p> <p>The team and Client have confirmed that the project will not include any construction or reconstruction works aimed at improving services offered.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>

None are anticipated.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
none.
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.
there are no recommended measures due to the scope and activities of the project that have no environmental implications.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The project will be implemented by the Ministry of Labor and Veteran Affairs in RS and Ministry of Labor and Social Policy in FBIH. The key stakeholders are the users of the employment services in both Entities, namely unemployed job seekers. Since there are no instruments for safeguards that need to be prepared specific consultations regarding this segment of the project will not be carried out.

B. Disclosure Requirements

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:

C. Compliance Monitoring Indicators at the Corporate Level

The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Mirey Ovadiya,Josefina Posadas
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<i>Approved By</i>		
Practice Manager/ Manager:	Name: Anita M. Schwarz (PMGR)	Date: 11-Jul-2016