

KEY ACTIVITIES AND ACHIEVEMENTS

WINDOW 1: JOBS LENDING AT SCALE

The Jobs Umbrella MDTF's grants under window 1 support (i) improving the technical quality of operations for improved targeting of job outcomes in key sectors, (ii) scaling up operational approaches targeting job outcomes, especially in low-income and fragile settings, and (iii) standardizing operational approaches to jobs challenges in client countries and framing a WBG-wide integrated jobs strategy. This section summarizes the progress and main achievements of these grants in 2023, which cover projects across a range of sectors and topics that include agriculture, private sector development, social protection, environment, gender, and indirect jobs estimation.

Supporting Effective Jobs Lending at Scale. In addition to financing grants to support several country projects across different sectors, the Supporting Effective Jobs Lending at Scale (SEJLS) program finances a grant supporting technical assistance and public outreach for the grant portfolio. The first grant component fills the need to better define and measure outcomes and impacts of jobs-relevant policies and programs, while the second one creates new knowledge on effective jobs-related interventions and measurement, especially for the most vulnerable groups.

This first component of the grant financed management for a portfolio of 15 grants that supported the technical quality of WBG operations to maximize job-related outcomes. The grants supported analyses to estimate jobs' outcomes in operations that provided jobs-related relevant information for the projects and created critical frameworks and tools to evaluate the potential for job creation and economic growth of new projects in similar sectors. Research activities also provided relevant guidance to improve the M&E systems related to job outcomes in Bank projects. Some projects adopted suggestions for their theory of change and included jobs-related indicators, while others benefited from improved criteria for project economic analysis and recommendations for improvements in their monitoring and evaluation systems to better account for jobs' outcomes. Most of the supported projects by the SEJLS grants are expected to serve as replicable models for job-relevant projects, which will help systematize jobs-related operational approaches across WBG departments.

The second component supported the preparation of a report on best practices for jobs lending operations design. Other activities included developing <u>blogs</u> that helped the Jobs MDTF team distill the successes, challenges, and <u>lessons learned</u> from each of the SEJLS grants' contributions to operational projects. This report and outreach will help shape jobs-relevant interventions in similar sectors and contexts.

Grants under Window 1 by theme

Social Protection

Mexico. The Mexico Youth Labour Market Inclusion Project concluded in mid-2023. The project offered an integrated package of activities to support the transition of low-income youth from upper secondary school to formal employment in strategic economic sectors in San Luis Potosi, Mexico. Interventions included a labor market literacy workshop delivered at schools by the National Employment Services office, a formal employment incentive (FEI) delivered directly to project beneficiaries to encourage their entry and success in formal employment, and an SMS-based strategy to support project activities and track school-to-work trajectories.

Report lessons include:

- The formal employment incentive increased youth motivation to search for a formal job, ability to remain employed, and perception that the final salary was relatively higher despite a low entry wage.
- Youth with formal employment fared better through the COVID-19 pandemic.
- Youth value more activities than just working, such as the chance to develop a professional
 career and perform various tasks, and a lack of opportunities and repetitive tasks may result
 in youth opting out of formal jobs and trying to become entrepreneurs, causing them to lose
 their social security benefits.
- Young women perceive a lack of growth opportunities within the automotive sector.

During 2023, the team focused on dissemination efforts of the pilot's results by producing six videos, finalizing a cost-benefit analysis on replicating the intervention, a pilot implementation manual, and a school-to-work trajectory analysis for upper-secondary graduates in San Luis Potosi, Mexico. In terms of dissemination events, in March 2023, the team held a presentation of the pilot's results to the Education Subcommittee of the National Productivity Committee, while in May 2023, they held a multisectoral dialogue with project counterparts, a labor market literacy workshop training to operational counterparts, and two workshops for national and local government, firms, NGOs and academia to promote youth employment, exchange experiences and collaborate in the articulation of future programs or policies using lessons learned from the pilot.

Côte d'Ivoire. Between 2019 and 2021, the <u>Côte d'Ivoire (CIV) Economic Inclusion into Value Chains pilot</u> explored ways to increase the earnings of the poorest smallholder rice farmers by connecting them to the value chain. In 2022, the MDTF grant supported the evaluation of the pilot, and in 2023, the team finalized a <u>Synthesis Report</u> sharing insight on intensive value chain development for smallholder rice growers:

- Intensified lowland rice production can be profitable and bolstered through contract farming arrangements.
- Farmers need sustained public investment in extension, value chain stakeholder coordination, and institution building.
- Indispensable access to credit for farmers and other value chain actors requires significantly reduced transaction costs through digitization and creative credit design.

- Increased training and price incentives can improve the production quality of paddy rice.
- It is crucial for the Government to develop the needed mechanization services, working capital, and capacity building for the downstream stakeholders.
- Simultaneous support on multiple fronts can be helpful in making rice growing profitable.
- Reducing coordination costs and technical assistance is a valid way forward while commercial terms for all transactions are maintained (i.e., without input/output price subsidies).
- Promoting the self-selection of motivated stakeholder coalitions can be done through appropriate designs (business competitions, upfront downpayments), though to be traded off against scale to enable a minimally viable ecosystem.

Within CIV, these insights from the pilot have fed into the design of an IFC-financed intervention to support smallholder rice contract farming arrangements with larger rice millers. Moving forward, they are a critical input into the high-level World Bank policy dialogue with the Government of CIV regarding the development of the rice sector to reduce rice import dependence, which has recently been initiated. The team will continue to engage with the CMU (Country Management Unit) in CIV, the West Africa regional partners, and IFC (International Finance Corporation) and Agriculture and Food Global Practice colleagues to build these insights into better rice support and broader intensive value chain development design.

The project strengthened local capacity in inclusive value chain development, intensive value chain development analysis, and data collection by training local staff. It also provided extension services to 1000 farmers and technical assistance to five mills. In addition, regional and national workshops at the end of each agricultural campaign informed broader regional and national policy dialogues and learning events on sustainable smallholder rice production.

Gender

IFC's Women's Employment Program. SEJLS financed a grant to the IFC Women's Employment Program to create qualitative and quantitative evidence on the impacts of promoting gendersensitive policies at the workplace among private sector firms in emerging markets. The grant, which ended in mid-2023, will further IFC gender work and promote gender inclusion by quantifying the business case to create equal employment opportunities. The estimated return on investment for applying gender-smart solutions is one of the key innovations of this methodology. Based on literature reviews and interview findings, gender-smart solutions resulted in a statistically correlated impact on the organization's financial return, leading to a positive return on investment and other qualitative benefits to the organization and its employees. The final product delivered in 2023 under the grant was a sectoral note that summarizes insights and lessons learned from IFC's gender advisory approach and outlines the business rationale, best practices, and benefits of integrating gender-smart strategies into talent management, which the team will adapt for external audiences.

Agriculture and Fisheries

Kiribati. This grant supported the <u>Kiribati: Pacific Islands Regional Oceanscape Program</u> to improve the management of selected fisheries and seafood safety. The grant contributed to directly measuring employment improvements for men and women in Kiribati fisheries, illustrating the following results:

(i) mapping the upstream and downstream value chains; (ii) improved data collection on the people deriving their income or livelihoods in these value chains; (iii) estimation of project direct and indirect net employment effects; and (iv) establishment of a systematic monitoring framework. The project's analytical framework identified institutional mechanisms for more systematic data collection. A final analysis also indicated modest direct and indirect immediate jobs impacts with more time required to see results from larger project investments in technical analytics, infrastructure, and training.

South Sudan. The SEJLS initiative supported the <u>South Sudan Resilient Agricultural Livelihoods</u> <u>Project (P169120)</u> on upstream and downstream job creation for primary production in food sector value chains. Despite security challenges and capacity constraints, the team completed qualitative and quantitative data collection in 2023 in four markets. The data allowed for a detailed analysis of market revival and jobs in food-sector activities outside of primary production. Key findings include (i) active competition between local produce and imports; (ii) limited access to funding and inflation as major limiting factors on food system activities; (iii) the small scale of food processing activities despite high returns to investment; (iv) low-scale aggregation with potential for scale-up through cooperatives; and (v) household activities as the main source of jobs in the food system with limited paid jobs in non-household value chains. The assessment emphasized the importance of understanding market conditions, restoring aggregator activity, and focusing on revenue growth in market-linked activities to impact food sector jobs. It also outlined the specific challenges faced by women in the agricultural sector to inform project support. Finally, the grant contributed to results indicators to measure farming practices and farming outputs, activity of cooperatives, activity in input markets, and a direct measure of jobs created by the project.

Private Sector

Malawi. This SEJLS grant helps the Financial Inclusion and Entrepreneurship Scaling (FinES) project identify, assess, and report jobs-related benefits. In 2023, the grant supported three main activities, contributing to creating jobs and improving job quality and sustainability. First, the team measured direct and indirect jobs created or sustained through project funding to Micro, Small, and Medium Enterprises (MSME) by linking the project with proposed indicators on job impacts. The team also identified the criteria for prioritizing funding to MSMEs that have a higher impact on the creation of jobs and trained participating financial institutions to prioritize funding to MSMEs with greater job impact. The second group of activities focused on refining an MSME Survey from 2022. This survey evaluated MSME advancements since the baseline survey in 2019, identifying key MSME sectors with significant job creation impact and potential scalability and recommending policy interventions to support MSME growth. Finally, the team supported the design of Small and Medium-sized enterprises (SME) capacity-building training programs focusing on SMEs with higher potential to grow and create sustainable jobs.

Jobs Knowledge

Measuring indirect jobs impacts of the WBG. 2023 was the final year of the grant for estimating indirect jobs impacts of WBG interventions. The grant produced 21 pilot exercises of indirect job estimation. In the last year of the grant, these pilots have informed a review paper split into two sections—one which focused on summarizing the exercise and lessons learned and one that provided more details regarding the methodologies—across the portfolio of pilot cases committed