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# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 28-Mar-2018 | Report No: PIDISDSA23741



**BASIC INFORMATION**

**A. Basic Project Data**

Country Niger	Project ID P163157	Project Name Youth Employment and Productive Inclusion Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 16-Apr-2018	Estimated Board Date 14-Jun-2018	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Republic of Niger	Implementing Agency Ministry of Employment, Work and Social Protection	

Proposed Development Objective(s)

The objective of the project is to expand income-generating activities for youths in selected poor areas in Niger.

Components

- Youth productive inclusion in rural areas
- Youth insertion in selected activities in semi-urban areas
- Institutional Support and Project Management

**Financing (in USD Million)**

Financing Source	Amount
IDA Grant	30.00
<b>Total Project Cost</b>	<b>30.00</b>

Environmental Assessment Category

C - Not Required

Decision

The review did authorize the preparation to continue



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Other Decision (as needed)

## B. Introduction and Context

### Country Context

- 1. Niger is one of the poorest countries in the world, and suffers from frequent domestic and external shocks.** With a Gross Domestic Product (GDP) per capita of US\$895 (PPP, constant 2011), Niger was the 6th poorest country in the world in 2014. The country also ranked 187th out of 187 countries on the United Nation Development Program (UNDP) Human Development Index.
- 2. Niger has experienced relative political stability in recent years, with beneficial effects for economic growth since 2011.** Historically subject to frequent coups d'état since its independence from the French Community in 1960, the country experienced a period of relative political stability between 1999 and 2010. However, the political environment worsened again in 2010, when, following a political crisis, a transition military regime came to power. In 2011, democracy was restored and a new president elected. Since then, the country has registered a good economic performance, with GDP growth as high as 11.8 percent in 2012 (the highest in the last 35 years) and 6.9 in 2014. The country is however exposed to security threats due to the instability in countries of the sub-region such as the Libyan conflict, the Mali crisis and the Boko Haram armed attacks.
- 3. Traditionally driven by a rural sector frequently affected by climatic shocks and subject to the fluctuations in the price of its mineral exports, Niger's growth rate is very volatile.** Agriculture (36.7) and services (43.6) account for the largest shares of GDP, while the industrial sector remains underdeveloped and only contributes to a small fraction (19.5) of domestic product. Agricultural products and livestock account for half of Niger's exports, while the other half consists of uranium. In 2011, the country started to produce petroleum, which together with uranium production is likely to contribute to growth in the medium term.
- 4. Niger is one of the world's most vulnerable countries to climate change.** It is strongly exposed to climate risks. The economy is not very diversified and is largely dependent on rain-fed agriculture. The country's economic performance is thus closely linked to rainfall patterns. Between 1984 and 2010, Niger experienced eight years of negative growth rate and drought was largely responsible for six of them<sup>1</sup>. Natural disasters have impacted Niger again in 2011 and 2012: the 2011 drought led to a food crisis that affected almost half of the population; in 2012, approximately 176,000 people were left without a home due to violent floods.
- 5. Even in years of good economic performance, economic growth only partially translates into improvements in development outcomes due to extremely high rates of population growth and**

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<sup>1</sup> Agricultural sector risk assessment in Niger (2013). Washington, D.C.: World Bank Group.



**fertility.** With an annual population growth of 4.0 percent since 2010 and a fertility rate of 7.6 children per woman, Niger has one of the most rapidly growing populations in the world. The country population is expected to reach 54 million people in 2050, up from 11.4 million in 2000 and 19.9 million in 2015. In years of slower GDP growth, such as 2011, GDP per capita growth was negative because of the high population growth. The fast demographic growth creates a youth bulge, with a large number of youths entering the working-age population every year. The ability of the country to benefit from a demographic dividend will in part depend on whether youths who enter the working-age population can engage in productive employment opportunities.

**6. Niger has very low human development outcomes, an issue that is compounded by fast demographic growth.** Fast population growth poses serious challenges to the already scarce infrastructures present in the country, especially those needed for delivery of health, nutrition and education services. Human development indicators are particularly alarming among children, who suffer from high levels of child mortality and malnutrition. High fertility also has detrimental implications on the possibility for women to acquire education or participate in the labor force.

**7. Poverty reduction is closely linked to growth in the rural economy and in agriculture.** Approximately 9 out of 10 poor individuals reside in rural areas, and 8 out of 10 workers are employed in agriculture. Between 2005 and 2011, both the incidence and the depth of poverty fell by approximately 10 percentage points, from 51.3 and 20.5 percent to 40.8 and 10.4, respectively. However, the economic shocks that affect the country have severe impacts on the poorest segments of the population, with significant long-term repercussions. Nearly one quarter of rural households reported to have decreased consumption of food to cope with the food crisis in 2009, and one third reported to have reduced the number of meals per day consumed by children. A qualitative assessment of constraints to productive employment (Bossuroy, Koussoube and Premand, 2018) shows that rural households commonly cope with shocks through the depletion of productive assets, i.e. selling of livestock or consumption of seeds needed for planting. While sometimes necessary as an immediate reaction to catastrophic economic shocks, these behaviors can have long-term consequences on the country's potential to diversify its economy and further decrease poverty. On the other hand, the mining sector is characterized by high productivity levels, but employs only a small fraction of the population (less than one percentage point).

**8. Almost all of the active population works, often out of necessity, while the unemployment rate in its strict definition is limited to a minimal - 0.5 percent,** corresponding to the educated urban youth searching for formal jobs. However, the vast majority of individuals who are employed are self-employed in agriculture or in non-agricultural micro-enterprises and off-farm activities, while wage jobs are very rare. In addition, 43 percent of Nigeriens who are employed work less than 40 hours per week, and 32 percent work less than 24 hours per week. A large share of those working in agriculture do not receive any income from their work. Agriculture being 89 percent rain-fed, most jobs are seasonal with long down seasons. Underemployment is therefore a critical issue.

**9. More than 80 percent of workers are farmers, and 95 of all households have at least one member who is a farmer, including half of all households in urban areas.** Because of their high exposure to uninsured risks and very limited access to capital, individuals working in agriculture tend to choose low-yielding but less risky inputs. Except for rice, average yields per hectare of agricultural products such as millet, sorghum and groundnuts are well below the Sahelian average. Agricultural employment is



poorly diversified and focused on subsistence crops, with three quarters of agricultural households that do not commercialize any agricultural production. Only 10 percent of villages have a permanent market. Inputs use is very low, with for example irrigation being used by only 10 percent of farmers.

**10. There are increasing economic opportunities in off-farm employment, including activities in agricultural value-chains.** Low-skilled self-employment is the most accessible off-farm opportunity for many rural households. Even though (off-farm) activities are generally not the main source of employment, about 20 percent of Nigeriens have diversified activities across agricultural and non-agricultural activities, a combination which is associated with higher income levels (by 20 percent on average). Diversification in the rural non-farm economy is also a potential risk-management strategy, as well as a potential strategy to adapt to climate change, for a large number of rural households. Women are well represented in the non-agricultural (off-farm) sector. Non-agricultural (off-farm) micro-enterprises generally provide cash earnings throughout the year, a welcome complement to the highly seasonal work in subsistence agriculture. Yet the productivity of non-agricultural micro-enterprises is constrained by lack of access to capital and limited skills. Micro-enterprises are generally one-person production units operating at a very local level and without any capital other than the household's savings. Further, two thirds of households abandon their non-farm secondary occupation when demand for farm labor increases, keeping investments and productivity levels low. The poor and non-educated have more unstable jobs portfolios, and interrupt non-agricultural activities more often.

**11. Multiple constraints prevent youths from engaging in more productive employment.** A set of priority constraints have been identified through a series of qualitative and quantitative assessments in Niger and more broadly in the Sahel (Bossuroy et al., 2018). These core binding constraints for youth relate to access to capital, skills, limited aspirations and information on employment opportunities, social norms, as well as access to markets and inputs. Constraints related to aspirations and social norms are particularly strong for women.

**12. Labor productivity is also stifled by extremely low levels of education:** 70 percent of Nigeriens have not completed any level of schooling, although this number is decreasing rapidly in younger generations. Fertility rates keep Nigerien women out of the labor force periodically. At any point in time, 34 percent of Nigerien women are out of the labor force. Girls are married very young: 60 percent of girls are married by age 18, against only 2 percent of boys of the same age.

**13. The latest national household survey and information from a series of qualitative focus groups show that many Nigerien youths aspire to public sector jobs,** which are available to less than 2 percent of the population, and only a very small fraction aspire to working in agriculture. Youths report social and family pressure against migration and innovation, a constraint that affects women disproportionately. Almost half of the youths feel obligated to have the same occupation as their parent, and the same share believes that success is determined by luck as opposed to efforts or initial endowments. The sense of disempowerment and emotional distance to their economic activities stifle risk-taking, economic diversification and forward-looking decision-making related to saving, investment or innovation.



## Sector and Institutional Context

14. **Employment constitutes a strategic priority for the Government of Niger, and youths are important potential drivers of development.** The promotion of youth employment has been consistently highlighted in several national strategies<sup>2</sup>. The new Economic and Social Development Plan for 2017-2021 (PDES, *Plan de Développement Economique and Social*) covers youth employment issues in several axes. The second axis addresses social development and demographic transition through human capital development, women's empowerment, socio-economic inclusion of youths and vulnerable groups, and strengthening of the social protection system. The third axis focuses on accelerating economic growth through transforming and modernizing the rural economy, promoting economic empowerment of rural women, and supporting a more dynamic private sector.

15. **A range of sectoral policies seek to outline approaches to address the employment challenge, although many of these sectoral documents are in the process of being updated following the finalization of the PDES.** The 2009 employment policy is in the process of being updated and is expected to better align strategic priorities with the challenges of under-employment (see "Country Context" above), as well as strengthen the links between employment policies, social protection policies, and poverty reduction. The 2011 National Social Protection Policy already stresses the importance of the interaction between social protection, labor and employment and sets out the explicit objective to support access to productive activities for the most vulnerable. A new action plan for youth entrepreneurship 2018-2020 is being developed, but the focus remains mostly on more formal entrepreneurship and SMEs. A new national youth policy is also being finalized, and covers the inclusion of female and male youth in economic activities. Youth employment also features as an issue in the 2016 agricultural policy and in the strategy for sustainable development of livestock. Finally, the third axis of the 3N Initiative of "Nigeriens Nourishing Nigeriens" adopted by the GoN in April 2012 aims to improve the resilience of the population to climate change, food crises, and natural disasters.

16. **Many technical ministries and institutions are working on issues related to youth employment.** The Ministry of Employment, Work and Social Protection has traditionally taken the lead on core issues related to employment, including national employment policies, analysis of employment data (through ONEF, *Observatoire national de l'Emploi et de la Formation Professionnelle*) and programs (through ANPE, *Agence Nationale pour la Promotion de l'Emploi*). The Ministry has regional directions, and ANPE has recently expanded its presence to regional capitals. The Ministry of Youth Entrepreneurship was created recently, in 2016. In practice, the division of responsibilities between the two ministries on issues related to youth employment is still being fine-tuned. Other technical ministries working on employment issues include the Ministry of Technical and Vocational Training (overseeing the World Bank supported PRODEC project, as well as the Fund for Professional Development and Learning (FAFPA - *Fond d'Appui à la Formation Professionnelle Continue et à l'Apprentissage*), the Ministry of Agriculture and Livestock, the Ministry of Commerce and Private Sector Promotion (to which are affiliated institutions such as the *Chambre de Commerce et d'Industrie du Niger and Maison des Entreprise*), the Ministry of Promotion of Women and Child Protection, or the Ministry of Youths and Sports. Other key institutions include the Haut-Commissariat à l'Initiative 3N linked to the Office of the President, and the Safety Nets Unit in the Office of the Prime Minister. The inter-sectoral committees recommended by the national

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<sup>2</sup> For example, the Strategy for Sustainable Development and Inclusive Growth Niger 2035 (SDCCI, *Stratégie de Développement Durable et de Croissance Inclusive Niger 2035*), the Government's Renaissance Program (*Programme de Renaissance Acte II du Président de la République*) and the general policy declaration of the Prime Minister from June 2016 (DPG, *Déclaration de Politique Générale du Premier Ministre*).



employment strategy have not been operationalized, which contributes to the fragmentation of actions.

17. **Despite the strategic relevance of the employment issue for the Government of Niger, actions and programs remain fragmented, with low coverage overall.** Actions tend to prioritize youths with relatively high levels of education (in particular university graduates), youths in urban areas, as well as employment and entrepreneurship in the formal sector such as SME. In contrast, off-farm self-employment and micro-enterprises are less considered, despite the prevalence of employment in that sector, and its importance for poverty reduction. Youths in rural areas are also less directly considered, even though the transformation and modernization of the rural economy are at the core of the national development plan. Existing programs tend to primarily address issues related to skills, with less attention given to the other multiple constraints that prevent youths from entering new activities, raising their earnings and increasing their productivity, including in off-farm self-employment and micro-enterprises.

18. **The support by other donors to employment programs remains limited in scope and coverage, although some ongoing or recent projects are testing novel approaches.** The project considered emerging lessons from these interventions. DANIDA, together with the Swiss Development Corporation, finances the PECEA project (*Programme de Promotion de l'Emploi et de la Croissance Economique dans l'Agriculture*). It is overseen by the 3N initiative and supports agricultural value chains in the regions of Zinder and Diffa, with linkages to the World Bank supported Investment Climate and Competitiveness Support Project. AFD recently approved a youth project in the region of Diffa, which includes a Component on promoting income-generating activities for youth, as well as a Component on promoting youths' social and professional insertion through training. UNFPA/PNUD supports a pilot to encourage youth inclusion and promote peace in 8 communes considered at-risk, with oversight from the Ministry of Youths and Sports. In addition, ILO provides technical assistance to the Ministry of Employment, Work and Social Protection for the update of the national employment strategy.

### C. Proposed Development Objective(s)

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Development Objective(s) (From PAD)

The objective of the project is to improve the ability of youths to access income-generating opportunities in selected poor areas in Niger

Key Results

19. The project's performance in achieving its development objective will be measured through the following key indicators:

- Number of direct project beneficiaries (target: 40,000), and the percentage of beneficiaries who are women (target: 50 percent) (core)



- Share of rural beneficiaries in component 1 who start, expand or diversify their economic activity after receiving the integrated support package (target: 85 percent)

Share of urban or semi-urban beneficiaries in component 2 who maintain an income generating activity after 6 months in the activity for which they received support (target: 75 percent)

#### D. Project Description

20. **Theory of Change.** The project seeks to improve employment outcomes for the poor and vulnerable youth in Niger with full consideration given to the main features highlighted in the context section: Nigeriens are overwhelmingly engaged in economic activities with low productivity and vulnerable to climate shocks; agriculture accounts for 81 percent of the working age population and the wage sector is very thin, but productivity gains can be expected from increased diversification into off-farm activities and development of agricultural value chains; youth face multiple constraints to productivity, including vulnerability to income or production shocks and limited access to skills, capital, technology and markets.

21. **The project relies on the provision of integrated packages of services designed to boost productivity and encourage diversification of activities through the alleviation of the most pressing constraints faced by the youth.** The package Components therefore include skills development, enhanced risk-coping mechanisms through savings facilitation, capital support, linkages to markets, and coaching. In a context where self-employment is pervasive and wage employment virtually non-existent in the poorer areas, the project focuses on strengthening or diversifying micro-enterprises managed by the youth, with downstream potential for yielding additional gains through job creation.

22. **Component 1 addresses constraints to productivity and diversification at the individual level and focuses on rural youth, while the Component 2 also addresses higher-level constraints related to access to markets and technology, and focuses on urban and semi-urban youth.** In the first Component, rural youths will be equipped with skills, start-up capital and community-level support needed to identify economic opportunities, diversify activities and build resilience. In the second Component, semi-urban youths will be trained and receive an integrate start-up support package to enter specific jobs related to value chains by which they will offer services that promote access to markets and technology for surrounding communities. To leverage interactions between both Components, they will be implemented in the same communes. Rural beneficiaries from Component 1 will be able to take advantage of the services offered by urban beneficiaries from Component 2 to improve their economic activities. Conversely, the market and technology services offered by Component 2 beneficiaries will meet a solvable demand from Component 1 beneficiaries.

23. **Recognizing the importance of gender specific constraints, Component 1 and Component 2 will include interventions to help address those obstacles and boost women's economic opportunities.** Women have limited access to good work opportunities as early family



formation and societal norms constrain women's possibilities to acquire education or enter the labor market. Outreach activities will be conducted to motivate young women to enroll in the project. These activities will include gender-sensitive approaches and will engage with community leaders, families and influential male relatives when appropriate. Once they are enrolled in the project, women beneficiaries will receive life skills training, and will benefit from dedicated mentoring addressing pervasive social barriers and boosting self-confidence.

## A. Project Components

### Component 1: Youth productive inclusion in rural areas (US\$15.7 million)

24. **Scope.** This Component will deliver an integrated package of cross-cutting support services addressing the main constraints that are preventing youths, and young women in particular, from engaging in more productive employment in rural areas. The integrated support package to be financed will include: (i) sensitization campaign on individual aspirations and social norms, (ii) creation of youth groups and establishment of group-based savings mechanisms, (iii) mentoring/coaching (iv) training in life skills (v) training in micro-entrepreneurship skills and (vi) a capital injection in the form of an individual cash grant. Youth will be grouped in order to facilitate the delivery of the integrated support package. This Component is expected to promote youth empowerment and help youths to engage in more productive and sustainable self-employment, enabling them to diversify economic activities and become less vulnerable to climate related shocks and climate change.

25. **Sensitization and enrollment campaign.** Information and sensitization campaigns will be conducted to raise awareness of the project activities and to encourage youths and especially women to register for the program. The awareness-raising activities will target all youths in selected villages, as well as village leaders and the broader population. The sensitization activities will include discussions on individual aspirations, social norms, gender issues, as well as information on upcoming project activities. This sensitization will be provided based on a set of modules developed for West Africa and already tested in Niger, which will be adapted for youths. Some of the sensitization activities will showcase trajectories of successful youths' that can inspire others. Sensitization activities will take place before youths are invited to apply to the project. They will aim to secure broad community buy-in for project activities, alleviate constraints to participation related to limited aspirations or social and gender norms, and ensure inclusiveness. The possibility of using ICT tools and videos appealing to youths as part of these sensitization activities will be considered. Following the sensitization campaigns, youths will be invited to apply to participate in the project. Temporary enrollment points will be set-up in villages to facilitate application. Enrollment agents will use a registration protocol that ensures a strict gender balance of candidates, and will coordinate with communal employment agents to boost the mobilization of women if necessary. Data collection agents will collect application information for each youth, based on a harmonized questionnaire developed for the unified social registry. After completion of the application process, selection criteria will be applied, and selected youths will be invited to register in the program.

26. **Group Creation.** Once youths selected for the project have registered, groups will be created, separately by gender. The groups will include 15-30 youths. The creation of youth groups will not only help with service delivery at scale, it will also foster positive social and economic dynamics at the community level. Youths will not be required to work together on collective economic activities, although they may choose to do so. Groups may also facilitate buying inputs or selling outputs, as they will create bargaining power and increase capacity to meet fixed costs (e.g. transportation). The groups could also



support other social and cultural activities to strengthen social cohesion.

27. ***Coaching and Mentoring.*** The integrated support package will include mentoring of youths by village coaches to ensure follow-up over time. Following the model implemented through the safety net project, village coaches will be chosen by youths in each participating village. They will receive small monthly stipends in compensation for providing mentoring and support to youths. Village coaches will help create youth groups and facilitate village savings and loan associations. They will provide follow-up across the various interventions of the integrated support package, especially after the training and provision of cash grants. Coaches will be trained and supervised by the communal employment agents to be recruited under Component 3.

28. ***Community-based savings mechanisms.*** The youth groups will be trained by village coaches on community-based savings mechanisms, based on the Village Savings and Loan Association (VSLA) approach that has been implemented successfully in Niger and elsewhere in the region. VSLAs consist of a group of individuals who save a small amount every week. Each group determines their own share value and the maximum amount members can contribute. After several months, the savings shares accumulated by the group become large enough for the group to offer small loans to members. Most loans are short-term, at an interest rate determined by the group. At the end of each cycle, usually after a year, members can withdraw savings to facilitate investments in productive activities.

29. ***Life skills training.*** Youths will be offered training in life skills, which will be delivered by group in the villages. Life skills training will cover topics related to aspirations, self-esteem, personal initiative, goal-setting, decision-making, self-affirmation, communication and leadership. The modules will be based on the Life Skills Workshop methodology developed and implemented by the Benin Youth Employment project, adapted for illiterate populations in the Sahel, and already implemented at scale in Niger through the safety net project. The life skills training will also address gender issues through specific modules on women's empowerment and gender relations, including on family planning. This activity is expected to enhance women's empowerment, which global evidence suggests brings about multiplier effects at the household level in a range of areas including health, education, nutrition, savings, etc.

30. ***Micro-entrepreneurship training.*** Youths will be offered training in micro-entrepreneurship, which will also be delivered by group in the villages. Micro-entrepreneurship training will provide youths with basic business skills covering topics such as marketing, launching a small economic activity, basic household and business accounting, and business skills. It will be based on the ILO GERME level 1 curriculum, which is implemented across Niger as part of the safety net project, and will be further adapted for the particular needs of low-skilled youths in Niger. The training approach relies on vignettes, role plays and group discussions to share experience and impart knowledge to largely illiterate audiences. The training in micro-entrepreneurship will be general and not limited to any specific activity (as opposed to Component 2 below). It will include some information about employment opportunities for youths at the local level, and it will encourage youths to find opportunities that are suited to their particular circumstances and interests. It also teaches fundamental skills and best practices for micro-business management. During the micro-entrepreneurship training, youths will work through a basic tool to plan in which activities to invest in and prepare for the cash grant.

31. ***Cash grants.*** To address capital constraints, youths will receive an individual cash grant after having participated in the training and gone through the basic planning tool. The cash grant will be around \$200, with the objective to facilitate the set-up or expansion of micro-enterprises. It will be given in two



separate tranches. The cash grant amount was benchmarked based on international literature, given the stated objective to support more productive micro-enterprises. Component 1 will focus on micro-entrepreneurship and complement other ongoing initiatives, rather than seeking to provide financing to set-up more formal SMEs, as is already being done under other initiatives.

32. **Cash Grant Payment Modalities.** Payment agencies (which may be a financial institution or a micro-finance agency acceptable to the Bank, depending on the area covered) will be recruited to deliver cash grants to beneficiaries. The PIU will transfer funds to each of the payment agency accounts. The cash grants will be paid to beneficiaries in two tranches. The second tranche will be paid after employment agents verify the beneficiaries' progress in setting-up their income-generating activity. For each tranche, upon receiving a list of beneficiaries from the PIU, the payment agency will make the funds available to their field agents, who will set-up a temporary distribution point in each village where the beneficiaries will then go to collect their cash grants. Payments will be made after verification of the beneficiaries' identity. The payment agencies will provide the PIU with a detailed financial report showing the funds received, the amounts distributed to the beneficiaries, and any remaining balance. The detailed list of beneficiaries will be adequately maintained for auditing purposes. The manual of procedures will provide a detailed description of the payment system.

33. **Implementation and Delivery Arrangements.** Component 1 will be implemented by the PIU to be set-up in the Ministry of Employment, Work and Social Protection, in collaboration with ANPE. Communal employment agents will be recruited under Component 3 by the National Employment Agency (*Agence nationale pour l'emploi*, ANPE) and installed at the commune level. Communal employment agents will supervise implementation of Component 1. The sensitization campaign will be implemented by specialized facilitators and the communal employment agents. Firms will be hired to collect enrollment data and perform registration. Communal employment agents will facilitate the identification of village coaches, and will be responsible for training and supervising them. Village coaches will facilitate the creation of youth groups, and of village savings and loan association. Micro-entrepreneurship trainings and life-skills training will be delivered by specialized trainers through NGOs or by consulting firms procured by the PIU. Payment agencies (which may be a financial institution or a micro-finance agency acceptable to the Bank, depending on the area covered) will be recruited to deliver cash grants to beneficiaries. Village coaches will provide coaching and mentoring after the delivery of the trainings and cash grants. Delivery mechanisms have been defined based on lessons from the Sahel Adaptive Social Protection Program on implementing a similar integrated livelihood support package through large-scale safety nets projects in several Sahel countries.

## **Component 2: Youth insertion in selected activities in semi-urban areas (US\$7 million)**

34. **Scope.** The aim of Component 2 is to facilitate insertion in selected activities for youths living in semi-urban areas. In each participating commune with semi-urban areas, the project will identify a few income-generating activities and trades that have the potential to be economically viable, have growth potential and can generate positive spillover effect on the local economy. The objective is to foster the development of off-farm micro-enterprises by youths, but also unlock the potential for more efficient markets and better employment around the selected areas. The Component will finance integrated support to facilitate youth insertion in these activities, including short-term technical training, life skills and entrepreneurship training, as well as start-up support including capital. In contrast to Component 1, which takes a group-based and cross-cutting approach at the village level, this Component will focus on individual beneficiaries and large enough localities to leverage links to trade and value chains.



35. **Criteria for selection of activities.** As a first step the project will identify the economic activities to be supported, along the following criteria: (i) having income-generating potential for youths, (ii) having social value or positive spill-overs or externalities on the local economy, (iii) being suitable across regions (i.e. not be purely local), and (iv) being accessible with short-term technical training and a reasonable amount of start-up capital. Based on these criteria, the selected activities must address some of the key constraints to the development of agricultural value chains or have positive spill-overs on the local economy if they are not related to agricultural value chains. Agricultural value chain analyses conducted in Niger highlight that the transformation of agricultural products is lacking, so relevant activities in agricultural value chains may include processing and packaging. Examples of relevant jobs in agricultural value chains include brokers for purchasing inputs or selling outputs on the market, storage, transformation, transportation, commercialization of agricultural products. Some activities not related to agricultural value chains can also be relevant in semi-urban areas of Niger such as repairing cell-phones or solar panels. Strong investments in solar technology are expected in Niger over the next decades. This creates new opportunities for youths to be trained in the maintenance and repair of solar panels, which could contribute to alleviate constraints in access to electricity in rural areas in a sustainable way.

36. **Process to identify activities.** The process of identification of relevant activities and trades will be validated by FAFPA's regional committees, which include various private sector representatives,<sup>3</sup> complemented with a representative of the ANPE. Regional committee members have local knowledge of the employment situation and will ensure that the selected trade and activities are relevant in the local context. Informational and analytical studies will be provided to the committees on the following topics: (i) innovative trades and techniques, (ii) activities in agricultural value chains, (iii) activities and jobs that can have positive spill-overs on the local economy and (iv) how to encourage women to join non-traditional trades. These studies are expected to broaden the regional committees' horizons in terms of potential economic activities to be developed in the area and to instill innovation.

37. **Sensitization and enrollment campaign.** As for Component 1, information and sensitization campaigns will be conducted to raise awareness of the project activities and to encourage youths and especially women to register for the program. The scope will be slightly different than in Component 1, since Component 2 will operate in semi-urban areas and focus on specific activities. The sensitization activities will include information on upcoming project activities and messages aimed at addressing social norms and lifting aspirations. Particular emphasis will be put on the participation of women in non-traditional trades, through communication on gender and social norms and the use of relevant role models. Temporary enrollment stations will be set-up in semi-urban areas to facilitate application, and enrollment data based on a harmonized questionnaire developed for the unified social registry will be collected. After selection criteria are applied, selected youths will be invited to register in the program.

38. **Technical training.** Short-term technical trainings in the specific activities identified for the Component will be provided by public or private training providers. FAFPA will be responsible for developing curricula that comply with high quality standards and for providing certification to beneficiaries who successfully complete training courses. The project will support FAFPA to update existing training modules and develop curricula for new activities and trades identified at the local level. FAFPA will

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<sup>3</sup> FAFPA's regional committees include representatives of the Ministry of Technical and Professional Training (Ministère des enseignements professionnels et techniques), the regional bureau of FAFPA, the regional chamber of Agriculture, the regional chamber of Commerce and Industry, the regional chamber of Trades and the regional confederation of Artisans.



contract training centers to deliver the training. This may include public centers where they are available, but efforts will also be made to connect with private training providers, including to facilitate value-chain linkages.

39. ***Integrated start-up support.*** Start-up support will be provided either through the provision of in-kind toolkits and equipment or in cash depending on the nature of the jobs supported. When support is provided in cash, payment mechanisms will be used in a similar way as in Component 1. If in-kind support is chosen for certain trades or areas, FAFPA will be responsible for procuring and distributing the assets to beneficiaries. In addition to capital support, the component will also provide life-skills and micro-entrepreneurship training as part of the integrated support package, using adapted materials from Component 1. The objective is to provide beneficiaries with basic knowledge of accounting, marketing, and key tips to start a business. Micro-entrepreneurship training also includes the elaboration by each participant of a basic business plan with the characterization of potential customers and competitors. In addition to capital support and enterprise development training, beneficiaries will receive a life skills training that teaches a broad set of social and behavioral skills. Life-skills training aims at improving youths' ability to plan for the future and at raising their motivation toward the development of new income generating activities.

40. ***Scope for innovation.*** The component aims to leverage interactions between farm and non-farm activities through the linkage of youth to value chains and the private sector. Innovative approaches will be explored to generate knowledge and operational learning on this topic. Innovations may include supporting emerging non-traditional jobs, identifying new business models for young beneficiaries to develop profit-making activities, partnering with private sector providers to provide training and start-up capital through micro-franchise agreements. Implementation arrangements for such pilots will be discussed with counterparts with consideration for testability and scalability.

41. ***Implementation and Delivery Arrangements.*** Component 2 will be implemented by FAFPA, which is the lead organization for the implementation of short term training programs in Niger. FAFPA is well placed to implement Component 2 considering its strong links with the private sector and the chambers of agriculture. FAFPA also has regional committees and local representatives throughout Niger. FAFPA has already been partially strengthened through the second Component of the Bank-supported PRODEC project. The sensitization campaign for Component 2 will be implemented by specialized facilitators, FAFPA representatives, and the communal employment agents to be recruited under Component 3. Firms will be hired to collect inscription data and perform registration. FAFPA will set-up partnerships or contract training providers to deliver technical training modules. It is expected that training providers will include a mix of public and private institutions. As in Component 1, trainings on micro-entrepreneurship and life-skills will be delivered by external providers such as NGOs or consulting firms. Capital start-up support may include cash grants or in-kind support, depending on the activities. Cash grants would be paid by payment agencies through a mechanism similar to that for Component 1. In-kind support would be procured by FAFPA and distributed under the supervision of FAFPA representative. FAFPA representative will provide follow-up support to youths after completion of the training and provision of start-up support.

### **Component 3: Institutional Support and Project Management (US\$7 million)**

#### ***Sub-Component 3.1: Support to Local Employment Services (US\$1.9 million)***



42. ***Extension of employment services to the commune level.*** Sub-Component 3.1 will support the extension of employment support services to the commune level. Only recently did ANPE services become available in some regional centers, and they still tend to focus on linkages with formal employment. As a result, the vast majority of rural and semi-urban youths in a situation of underemployment have little or no access to employment services. The Component will facilitate the extension of these services at the commune level, while allowing to recalibrate them to better offer information, sensitization and orientation services relevant to rural and semi-urban employment opportunities, and in particular off-farm self-employment and micro-entrepreneurship. The extension of employment services to the local level is in line with the organizational assessment conducted in 2011 by the ANPE, which highlights the need to open job centers in communes and to provide advisory support better adapted to rural youths with low education levels.

43. ***Recruitment and training of communal employment agents.*** Communal employment agents (*conseillers emploi*) – men and women from the region, with at least secondary education and familiar with local economic opportunities – will be recruited by ANPE. They will operate at the commune level, embedded in municipal offices and working in close relationship with local staff from technical services at the commune level. ANPE will sign cooperation agreements with communes to ensure the integration of the employment agents at the commune level, with a view to ensuring the sustainability of the model. The project will pay for the recruitment and wages of local employment agents and the costs associated with their equipment. Communal employment agents will be trained to offer a range of services. Local employment agents will implement some of the activities supported under Components 1 and 2, in particular sensitization activities on employment opportunities at the local level. Local employment agents will be in close contact with a network of local businesses such as input suppliers, bulk buyers, transporters, will identify local examples of success, and facilitate exchanges of experience. They will also have a role in identifying, training and supervising village coaches under Component 1.

44. ***Referral and orientation to other interventions.*** A referral and orientation system will also be put in place, with the objective to help connect youths to other programs or services that may address their needs. For instance, youths seeking support with agricultural production will be linked to the technical agricultural services, youths needing literacy training may be referred to the PRODEC project, or higher-skilled youths interested in a business plan competition will be referred to the PRACC project. Communal employment agents will be at the core of the system as they will be responsible for providing information relevant to youth employability. Village coaches will also have a role to consolidate information on youths' needs and economic opportunities at the local level.

### ***Sub-Component 3.2: Institutional support to Employment Sector Coordination (US\$1.1 million)***

45. **Sub-Component 3.2 will support coordination in the employment sector.** At a policy level, the project will support the government with operationalizing the national employment strategy, as well as establishing an inter-sectoral platform for policy discussions on employment. At system level, the project will foster a better integration of employment and social protection systems. The national safety nets project



is working to establish a Unified Social Registry, which is expected to enable social protection programs to identify the poor better, and to significantly improve the coordination of targeting across various interventions. Registering beneficiaries into the Unified Social Registry will facilitate linkages between employment and social protection systems. Sub-Component 3.2 will also fund studies on local employment opportunities, which will support the identification of activities to be supported under Component 2, and the impact evaluation which will inform future employment sector policies.

### ***Sub-Component 3.3: Project Management (US\$4.3 million)***

46. **Sub-Component 3.3 will support project management, including fiduciary matters, communication, planning, data collection, monitoring and evaluation activities** under the project as well as a steering committee to oversee project implementation. A monitoring and information system will be developed for the project, and the project M&E functions will be funded from this Component, including process evaluations.

## **E. Implementation**

### Institutional and Implementation Arrangements

47. **The Ministry of Employment, Work and Social Protection (MEWSP) will be responsible for coordinating and supervising the implementation of the project.** The project will be coordinated by a project implementation unit (PIU), to be established under the supervision of the General Secretary of the MEWSP. Supervision by the General Secretary will facilitate coordination between the General Directorate for Employment, the General Directorate for Social Protection, and ANPE, which is in line with the objective to strengthen synergies between employment and social protection policies. The PIU will be created through an *arrêté*. Given limited experience in program implementation, the creation of a PIU is deemed preferable to the implementation of the program by an existing structure under the Ministry. Transition to government structures may be considered at mid-term review. The PIU will be composed of a coordinator, a financial management analyst, a procurement specialist, a technical specialist, a monitoring and evaluation specialist, and a communications specialist.

48. **The project will have two implementing agencies:** (i) The PIU to be created in the MEWSP (for Components 1 and 3), and FAFPA (Component 2). Each implementing agency will have a designated account. The PIU will implement Component 1 in partnership with ANPE. It will also implement Component 3.1, again in partnership with ANPE. FAFPA, under the Ministry of Professional Training and Employment (*Ministre de la Formation Professionnelle et de l'emploi*) (MFPE), has significant experience in project implementation related to technical skills training and apprenticeship. It is the lead implementation agency for two sub-Components of the Skills Development for Growth Project.

49. **This set-up was determined to be the best institutional option available among the technical ministries and institutions working on issues related to youth employment.** The Ministry of Employment, Work and Social Protection is better positioned to coordinate the implementation of the project, since it has the most experience in dealing with overall employment issues, has regional presence across the country, and has experience in project implementation through ANPE. It is also well-positioned to strengthen synergies between the national employment and social protection systems. FAFPA provides complementary experience related to technical skills development. In contrast, the Ministry of Youth



Entrepreneurship was created recently (in 2016). So far, it has a narrower focus on formal entrepreneurship and does not have any decentralized presence outside of Niamey. Finally, it was also considered more appropriate to keep the project in a technical ministry, rather than anchor it in the Prime Minister's office or Ministry of Planning.

50. **At the local level, program delivery will rely on the collaboration between several key agencies.** The communal employment agents, working under the dual oversight of ANPE and the municipality, will be in charge of coordinating the different actors at the local level, while also facilitating exchanges of information and opportunities with the private sector. For Component 1, village coaches, selected and established at the community level, will act as the primary point of contact for beneficiaries and providers while delivering certain benefits such as group creation, savings promotion and mentoring. FAFPA's regional committees and local representatives will be instrumental in implementing Component 2. Their cross-sectoral nature will facilitate synergies with other decentralized government programs. Service providers will be contracted to deliver sensitization campaigns, collect inscription data and perform registration, conduct training and deliver cash grants.

51. **A steering committee will be established through an *arrêté*** and will be responsible for guiding the implementation of the project, ensuring multi-sectoral collaboration, and approving the annual work plan and budget of the project. The committee will meet twice a year to approve the project's work plan and budget to review the progress in the execution of these documents. The steering committee will be presided by the General Secretary of MEWSP. It is expected to include representatives from the various institutions represented in the project preparation committee (see next paragraph).

52. **An IDA advance of US\$1.2 million was provided to the Government of the Republic of Niger to finance project preparation activities** and ensure readiness for implementation immediately following project effectiveness. The advance covers preparation of the Project Implementation Manual and any other necessary studies, recruitment of key contractual staff in the PIU, and coordination of discussions on project design between key national actors. A multi-sectoral project preparation committee was created by *arrêté*. A representative of the Ministry of Planning is the president, and a representative of MEWSP is vice-president<sup>4</sup>. Day to day execution of the PPA has been handled by the Technical Implementation Unit (*Unité de Gestion Technique - UGT*) within the CFS. A Memorandum of Understanding was signed between the Ministry of Planning, which presides over the project preparation committee, and CFS. Project execution will be transferred to the PIU once it has been established and key staff have been recruited.

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<sup>4</sup> Other members include representatives from the Prime Minister's Office, 3N, FAFPA, Agency for Volunteer Service for Development, , CFS, ANPE, and the following Ministries : Commerce and Private Sector Development, Professional and Technical training ; Humanitarian Action and Disaster Management ; Agriculture and Livestock ; Women's Empowerment and Child Protection; Primary Education, Literacy, National Languages and Civic Education ; Youth Entrepreneurship..



**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The proposed project will target the youth aged 15-25 living in selected rural and semi-urban areas in 36 communes across all eight regions of Niger (Agadez, Diffa, Zinder, Tahoua, Tillaberi, Maradi, Dosso and Niamey). The geographical targeting uses a combination of poverty and security criteria.

**G. Environmental and Social Safeguards Specialists on the Team**

Cheikh A. T. Sagna, Social Safeguards Specialist  
Bougadare Kone, Environmental Safeguards Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	This policy is not triggered as the nature and scope of the project activities are not expected to generate adverse social and environmental impacts and risks. The project components and inherent activities do not include any physical facilities. These activities include i) group formation and establishment of group-based savings mechanisms, ii) cross-cutting training in micro-entrepreneurship skills, iii) psycho-social support and life-skills training, iv) a small capital injection in the form of a toolkit or a cash grant (around \$200 per microenterprise), and v) mentoring/coaching and vi) technical and business training specific to the prioritized jobs.
Natural Habitats OP/BP 4.04	No	This policy is not triggered since no impact is expected on natural habitats.
Forests OP/BP 4.36	No	No interventions are financed in forest areas, nor do they involve forests.
Pest Management OP 4.09	No	This policy is not triggered because the project will not finance the purchase or use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The policy is not triggered because there are no project activities that will impact the quality or management of physical cultural resources as defined under the policy.



Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	No	The proposed technical assistance and cash-transfer activities are not expected to require land acquisition and thus, the policy is not triggered.
Safety of Dams OP/BP 4.37	No	The project will not finance the building of dams and is not supporting dam infrastructure.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered since the project will not finance activities that impact international waterways as defined by the policy.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered as there are no known disputes over project areas

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

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.

The project is classified as a category C, as it is not expected to have any significant adverse environmental impact. To fully monitor and mitigate even minimal impacts from small-scale economic activities, preventive environmental guidelines will be adopted, including routine measures consisting in training beneficiaries on risk identification and management by type of activities. Periodic field visits will be carried out on a sample basis by relevant national structures to ensure supervision and monitoring of economic activities.

The Government of Niger has previously successfully implemented Bank-financed projects with moderate or substantial risks and impact. The Bureau des Evaluations Environnementales et des Études d’Impacts (BEEEI), the National Environmental Agency (NEA), and its decentralized regional/local structures, have the basic technical capacity to assure the subsequent external monitoring of the compliance on the national social and environmental regulations.

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



## **B. Disclosure Requirements**

## **C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

### **The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

NA

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?

NA

### **All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

NA

Have costs related to safeguard policy measures been included in the project cost?

NA

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

NA

## **CONTACT POINT**

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**APPROVAL**

Task Team Leader(s):	Thomas Bossuroy Patrick Premand
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**Approved By**

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