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Report No: PP2278

PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF US\$ 2.75 MILLION

TO THE

REPUBLIC OF IRAQ

FOR THE

PROMOTING THE INCLUSION OF CONFLICT-AFFECTED IRAQI YOUTH PROJECT
(P161654)

May 29, 2017

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CURRENCY EQUIVALENTS
(Exchange Rate Effective March 30, 2017)

Currency Unit = Iraqi Dinar

IQD 0.00086 = US\$ 1
US\$ 1 = IQD 1169

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CQS	Consultants' Qualification Selection
DA	Designated Account
EMF	Environmental Management Framework
EODP	Emergency Operation for Development Project
FM	Financial Management
GRS	Grievance Redress System
ICR	Implementation Completion and Results
ICT	Information and Communication Technology
IFR	Interim Unaudited Financial Reports
IDP	Internally Displaced People
ISF	Iraqi Security Forces
JSDF	Japanese Social Development Fund
M&E	Monitoring and Evaluation
MoYS	Ministry of Youth and Sports
NDP	National Development Plan
NGO	Nongovernmental Organizations
PLR	Performance and Learning Review
PMU	Project Management Unit
POM	Project Operations Manual
QCBS	Quality and Cost Based Selection
REOI	Request Expressions of Interest
SOE	Statement of Expenses
TOR	Terms of Reference
UN	United Nations
WB	World Bank

Regional Vice President:	Hafez Ghanem
Country Director:	Ferid Belhaj
Global Practice Senior Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager:	Ayat Soliman
Task Team Leader:	Gloria La Cava

IRAQ
Promoting the Inclusion of Conflict-Affected Iraqi Youth

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APPRAISAL DATA SHEET

Iraq

Promoting the Inclusion of Conflict-Affected Iraqi Youth (P161654)

PROJECT PAPER

MIDDLE EAST AND NORTH AFRICA

0000009361

Report No.: PP2278

Basic Information			
Project ID P161654	EA Category B - Partial Assessment	Team Leader(s) Gloria La Cava, Michelle P. Rebosio Calderon	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [X]		
	- Fragile States		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 12-June-2017	Project Implementation End Date 30-June-2020		
Expected Effectiveness Date 12-June-2017	Expected Closing Date 30-June-2020		
Joint IFC No			
Practice Manager/Manager Ayat Soliman	Senior Global Practice Director Ede Jorge Ijjasz-Vasquez	Country Director Ferid Belhaj	Regional Vice President Hafez M. H. Ghanem
Approval Authority			
Approval Authority CD Decision			
Borrower: Republic of Iraq			
Responsible Agency: Ministry of Youth and Sports			
Contact:	H.E. Abed Al-Hussein Abed Al	Title:	Minister

Rida Abttan										
Telephone No.: +9647727242800					Email: myouthsports@gmail.com					
Project Financing Data(in USD Million)										
Total Project Cost:		2.75				Total Bank Financing:		0.00		
Financing Gap:		0.00								
Financing Source						Amount				
Japan Social Development Fund						2.75				
Total						2.75				
Expected Disbursements (in USD Million)										
Fiscal Year	2017	2018	2019	2020	0000	0000	0000	0000	0000	0000
Annual	0.10	0.80	1.10	0.75	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative	0.10	0.90	2.00	2.75	0.00	0.00	0.00	0.00	0.00	0.00
Institutional Data										
Practice Area (Lead)										
Social, Urban, Rural and Resilience Global Practice										
Contributing Practice Areas										
Proposed Development Objective(s)										
The Project Development Objective is to promote the social and economic inclusion of at least 3,000 conflict-affected Iraqi youth (ages 15-29) through engagement in entrepreneurship and youth-led community development activities.										
Components										
Component Name						Cost (USD Millions)				
Youth-led Community Development, Peacebuilding and Micro-Entrepreneurship						2,475,000.00				
Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination						275,000.00				
Compliance										
Policy										

Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]		
Does the project require any waivers of Bank policies?	Yes []	No [X]		
Have these been approved by Bank management?	Yes []	No []		
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []		
Safeguard Policies Triggered by the Project				
	Yes	No		
Environmental Assessment OP/BP 4.01	X			
Natural Habitats OP/BP 4.04		X		
Forests OP/BP 4.36		X		
Pest Management OP 4.09		X		
Physical Cultural Resources OP/BP 4.11		X		
Indigenous Peoples OP/BP 4.10		X		
Involuntary Resettlement OP/BP 4.12		X		
Safety of Dams OP/BP 4.37		X		
Projects on International Waterways OP/BP 7.50		X		
Projects in Disputed Areas OP/BP 7.60		X		
Legal Covenants				
Name	Recurrent	Due Date		
Description of Covenant				
Conditions				
Source Of Fund	Name	Type		
Description of Condition				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Gloria La Cava	Team Leader (ADM Responsible)	Sr Social Scientist		GSU03

Michelle P. Rebosio Calderon	Team Leader	Senior Social Development Specialist, Safeguard Po		GSU05	
Lina Fares	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist		GGO05	
Walid Hamoud Ali Al-Najar	Financial Management Specialist	Financial Management Specialist		GGO23	
Charlene D'Almeida	Team Member	Program Assistant		GSU11	
Manuel Emilio Figueredo Thomson	Team Member	Consultant		GSU11	
Mazhar Farid	Counsel	Legal Analyst		LEGAM	
Shafick Hoossein	Safeguards Specialist	Young Professional		GEN05	
Srivathsan Sridharan	Team Member	Finance Analyst		WFALA	
Tracy Hart	Safeguards Specialist	Senior Environmental Specialist		GEN05	
Extended Team					
Name	Title	Office Phone	Location		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Iraq	Baghdad	Baghdad	X		

I. STRATEGIC CONTEXT

A. Country Context

1. Iraq is a fragile state in the midst of a serious confrontation with ISIS. The country is at a crossroads not just for the security of its people but also for the stability of the region. Iraq has been affected by conflict since the early 1980s, but conflict-related deaths have increased significantly since 2003, totaling more than 179,000 violent deaths between that year and 2013.¹ Conflict in Iraq has taken place simultaneously to protracted institutional transitions and political instability that weakened its institutional capacity and the state's ability to deliver on its social contract. As a result, the country is persistently ranked around or below the 10th percentile globally based on indicators of government effectiveness, rule of law, and control of corruption.²
2. **The current conflict situation in Iraq has created a humanitarian crisis, put pressure on fiscal spending, and plunged the non-oil economy into a deep recession.** In mid-2014 ISIS managed to capture and control nearly one-third of Iraq's territory. In 2015 and 2016, the Iraqi Security Forces (ISF) made significant progress recapturing towns and cities under ISIS control, such as Tikrit, Ramadi, and Fallujah, among others. The loss of territory by ISIS has caused the group to intensify its attacks against civilians, with the intention of re-enforcing sectarian divisions. Currently, the ISF is conducting a military offensive to retake Mosul, Iraq's second largest city and the capital of the Nineveh governorate, and it is expected that as many as 1.2 million people could be affected by violence in this location.
3. **Current violence in Iraq has created a humanitarian crisis. Over ten million people in Iraq are currently estimated to be in critical need, including internally displaced people (IDPs), refugees, and others affected by conflict.** This is causing further strains on service delivery, while increasing expenditures on security³. Moreover, the conflict has led to a 7 and 6.7 percent contraction of the non-oil economy in 2014 and 2015, respectively. ISIS-controlled areas have been particularly affected, as productive assets and infrastructure in these areas have been destroyed, trade routes have been cut or severely curtailed, and investor and consumer confidence has dwindled.

B. Sectoral and Institutional Context

4. **Iraq's population is one of the youngest in the world. Nearly 50 percent of the country's population is less than 19 years old, and approximately a third is between 15 and 29 years.** By 2040, Iraq's youth population is expected to reach 17.6 million (27.1% of the population). Iraq's youth population is high by regional and international standards. Sixty percent of its population is under age 25, compared to 54 percent in other Arab countries and 48 percent in developing countries.

¹ Iraq Body Count Project, 2017

² World Wide Governance Indicators, 2015

³ Security costs are projected to increase by over US\$1.7 billion in 2016 according to the IMF Staff-Monitored Program, 2015

5. **Iraq's large youth population presents both opportunities and challenges for economic development.** Youth may add vitality and innovation to the Iraqi economy, yet if not properly integrated they may also constitute a drain on limited national resources. Youth unemployment is high, and is estimated by the World Bank to be 34.6 percent: 57.7 percent for females and 30.8 percent for males.⁴ There are also significant differences between female and male employment. For example, only 6.4 percent of working women between 20-24 are paid, while more than 93 percent of working men in the same age group receive payment.⁵ The public sector is responsible for 40 percent of all jobs in Iraq, with the remaining being provided by the private sector.⁶ Youth are underrepresented in government jobs, and the weak role of the private sector prevents it from being an engine of employment for Iraqi youth. Youth unemployment has significantly risen due to the impacts of the ongoing conflict.
6. **Low levels of education make it difficult for young people to succeed.** It is reported that among youth aged 15–29, 33.4 percent were illiterate or semi-illiterate, 33 percent graduated from primary school, 28 percent finished middle or high school, and only 7 percent completed post-secondary education. Overall, 3.4 million Iraqi youth were out of school.⁷ Despite low enrollment and graduation rates, education is an important goal for Iraqi youth. As shown by the 2009 National Youth and Adolescent Survey, 63 percent of youth between the ages of 15-29 wanted to obtain a university degree.⁸ However, economic factors often prevent youth from continuing their education. In fact, the same youth survey reports that 40 percent of youth dropped out of school to go work or due to poor financial conditions. Furthermore, 72 percent of women between the ages of 15–29 and 18 percent of men were neither in education nor in employment or training (NEETs). The situation deteriorated after the impacts of the conflict with ISIS and the fall of the price of oil: an additional 7.5 percent of Iraqis are expected to be poor due to the effects of these ‘twin crises.’
7. **Decades of conflict have severely limited the opportunities available for Iraqi youth and increased their social and economic vulnerabilities.** The government of Iraq has expressed its commitment to promote policies that build trust among vulnerable youth as part of the General Framework of the Government Program (2014-2018). The Knowledge Network Survey (2011) found that only 40 percent of surveyed youth perceived the value of taking part in social and political life, pointing to the high level of youth alienation from civic life long before the current escalation of conflict. Youth's economic isolation is also a security concern. A recent Arab Youth Survey (Burson-Marsteller 2016) highlights the connection between youth unemployment and the potential for radicalization. Almost a quarter (24%) of surveyed youth listed lack of job and other opportunities as the main reason for some youth joining ISIS.⁹ In countries where ISIS has a larger presence, such as Iraq, young people have worse perceptions of the economy. In fact, only 39 percent of Iraqi youth believed they had good job opportunities.

⁴ World Bank, WDI (2014)

⁵ UNDP (2014), Iraq Human Development Report

⁶ UNDP (2015). *About Iraq*

⁷ UNDP (2014), Iraq Human Development Report

⁸ Republic of Iraq, Iraq National Youth and Adolescents Survey, 2009

⁹ ASDA'A Burson-Marsteller, *Arab Youth Survey, 2016*.

8. **There are an estimated 3.1 million IDPs and over 230,000 refugees in Iraq.**¹⁰ Youth represent a particularly high percentage among the forcibly displaced, with 49 percent of IDPs being under the age of 18, and more than 20 percent between the ages of 15 and 29. Youth are among the most vulnerable and marginalized IDPs, since most are denied access to education or employment. In fact, more than 2 million displaced children and children from host communities are out of school, partly due to the closure of 5,351 out of 23,139 schools during the 2015-2016 academic year. Competition over limited resources has increased tension between host communities and IDPs, making idle youth particularly more vulnerable to violence under conditions of deprivation and community conflict. A large number of these IDPs and refugees currently reside in Baghdad, Anbar, Dahuk, Ninewa, Erbil, and Kirkuk.
9. **The proposed project, conceived as a second pilot to address the threat posed by ISIS to youth in conflict-affected communities, will build on the positive outcomes achieved by the first Japanese Social Development Fund (JSDF) pilot, the Youth Livelihoods Development in Southern Iraq Project.** The first pilot supported unemployed youth in homogenous communities in Southern Iraq gain access to opportunities for positive engagement and sustainable livelihoods through (i) life and employability skills training, (ii) youth-led community activities, (iii) workplace apprenticeship, and (iv) entrepreneurship activities. The life and employability training improved youth knowledge on key interpersonal and employability skills (such as team work, critical thinking, market literacy, and problem solving) by 37.6 percent, as measured by a youth livelihoods index (Outcome Evaluation Report, October 2015). Youth-led community developments activities offered youth an opportunity to apply their newly acquired skills, while making positive improvement to their communities. As a result, 81 percent of community members reported more positive perceptions of local youth than at the beginning of the project. In addition, work-place apprenticeships and micro-entrepreneurship support contributed to increased youth income and employment opportunities, with youth beneficiaries securing an average of 4.1 hours of additional work per week. Micro-entrepreneurship activities were particularly successful, with 82 percent of youth beneficiaries still operating their enterprises one year after grant disbursements, and an average of 1.8 jobs created per enterprise. Work placement activities proved to be less sustainable, given limited commitment by employers to hire youth upon the completion of the program. Overall, the Outcome Evaluation Report also noted that the combination of project activities had a positive contribution towards violence reduction and stability at the community level.
10. The proposed second JSDF pilot will specifically test (a) soft skills training, (b) youth-led community development, and (c) micro-entrepreneurship activities in conflict-affected communities. Work placement activities will be dropped given that employability initiatives proved to be less effective than micro-entrepreneurship to build sustainable sources of income. The proposed new JSDF pilot will test activities geared towards conflict-affected youth, as they tend to be more vulnerable to violence and radicalization by violent extremist organizations. In particular, the proposed project will test the following new dimensions:

¹⁰ Iraq: Humanitarian Bulletin, April 2017. UN Office for the Coordination of Humanitarian Affairs

- (a) Diverse youth beneficiaries: they will comprise youth from different social groups who have been directly affected by the post-2014 confrontation with ISIS. Specifically, at least 30 percent of beneficiaries will be IDP youth, and the project will target youth who live in conflict-affected communities. In the previous pilot, only 1 percent of beneficiary youth were IDPs and 3 percent were returnees. The proposed new JSDF pilot will also extend the upper age limit to include youth aged 15-29 (first pilot covered youth aged 16-24), given the large number of youth within this age bracket affected by the conflict.
 - (b) Mixed communities: the proposed new JSDF pilot will cover diverse communities across Baghdad, and progressively include recovered areas in Tikrit and Diyala, subject to local security conditions. This will enable the testing of the effectiveness of peace-building approaches in conflict-affected communities. By contrast, the previous pilot covered mostly homogenous communities in Basra, Missan, and Thiqr Governorates.
 - (c) Peace-building approach: activities will include, to the extent possible, mixed groups of youth beneficiaries, so as to build trust and tolerance between youth from different backgrounds. Soft-skills activities will mainly focus on emotional coping skills and social-interpersonal skills that foster cooperation and reduce youth's vulnerability to violence. Psychosocial support will also be provided in daily sessions as needed. Youth-led community development activities will consist of longer grassroots engagements, so as to promote greater interaction between youth beneficiaries while working on common community objectives. In addition, the project will prioritize and encourage youth-led community activities that generate a positive peace dividend. Sports and cultural activities will be encouraged as they foster cohesion, leadership, and positive youth identities. Lastly, micro-entrepreneurship activities will be improved through more structured business development training and personalized post-grant mentoring, which was not offered in the previous pilot.
11. The emergence of ISIS in mid-2014 and the subsequent formation of a more inclusive government have triggered a new sense of urgency and a relatively greater enabling environment for testing these new approaches. These would not have been possible under the first JSDF pilot.

C. Higher Level Objectives to which the Project Contributes

12. The proposed project is consistent with the Performance and Learning Review (PLR) for the period 2013-2016, which updated the Country Partnership Strategy to reflect changed country circumstances and with a view to countering violence, extremism, and instability. The proposed project is particularly aligned with the first objective of the PLR "delivering basic public services, especially in areas where the security threat has diminished, reducing poverty, and enhancing citizen's trust in government institutions." The project directly addresses this objective through activities that promote the social and economic integration of conflict-affected youth. The project supports social inclusion through youth-

led community development activities that encourage interaction between groups coming from different social groups and between young people and their elders. In addition, the economic inclusion of young people is supported through activities to promote entrepreneurship. Entrepreneurship activities are expected not only to reduce poverty among young beneficiaries but also to make services and goods more accessible for populations where enterprises are set up. The project also supports youths' individual capacities to cope with conflict, helping to provide them with valuable life skills and skills to promote resilience to trauma. In addition, the proposed project's youth focus is consistent with the CPF, currently under preparation, which highlights the need for more comprehensive youth policies to enhance stabilization and local development efforts.

13. The proposed project is also in line with Iraq's 2013-2017 National Development Plan (NDP). In particular, the project supports the NDP's objective of youth empowerment, developing values of citizenship and belonging, and achieving a real increase in youth employment. The proposed project will assist the Ministry of Youth and Sports (MoYS) in achieving its youth objectives by contributing to its existing project portfolio. Despite its large technical staff, including engineers and youth workers, the MoYS is only implementing one internationally funded project, a public education campaign on hygiene and water rationalization supported by UNICEF. As part of this project, the MoYS has trained and mobilized youth volunteers across all provinces to help raise awareness on hygiene and water rationalization in schools, universities, and other public places. The MoYS has also organized a Youth Volunteer Center with over 8,000 youth members across Iraq, and organizes occasional events such as cleaning and tree planting campaigns. The proposed project will ensure project sustainability of youth-led community development initiatives by linking youth groups to the existing Youth Volunteer Center. The MoYS will also coordinate closely with the Ministry of Labor and Social Affairs' (MoLSA) Department of Vocational Training to link youth beneficiaries with additional training opportunities.
14. The Bank's involvement is critical given that no major donor is currently investing in peace-building activities tailored to conflict-affected youth in Baghdad, and there are very limited similar interventions in other parts of the country. UN agencies, international NGOs, and a number of countries have engaged in stabilization efforts that target IDPs and communities liberated from ISIS. In particular, the UNDP's Iraq Crisis Response and Resilience program and the Funding Facility for Stabilization support activities that build resilience, improve the delivery of local service, rebuild and rehabilitate basic infrastructure, and strengthen social cohesion in conflict-affected communities. International NGOs like Mercy Corps, Peace Winds Japan, and JEN have invested in livelihoods project that provide assistance to IDPs and refugees. These projects include hygiene/sanitation workshops, education support and schools rehabilitation, safe spaces for children and youth, and emergency support through cash assistance and emergency aid packages. The proposed project will complement international partners' activities by targeting communities in Baghdad without donor presence, and by piloting youth-led peacebuilding initiatives geared towards addressing radicalization and violent extremism.
15. The proposed project will complement Bank-financed operations by enhancing the peacebuilding contributions of the Emergency Operation for Development Project-

P155732 (EODP). The EODP supports the reconstruction and rehabilitation of infrastructure and government services at local level in areas recently recovered from ISIS' control. The proposed project builds on the EODPs stabilization efforts but takes a step further by reducing youth vulnerability to violence and radicalization. The proposed project will first target conflict-affected communities in Baghdad, particularly communities with a high concentration of IDP youth. The project will subsequently make efforts to include the targeted areas of the EODP, so as to maximize the impact of existing stabilization initiatives.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

16. The Project Development Objective is to promote the social and economic inclusion of at least 3,000 conflict-affected Iraqi youth (ages 15-29) through engagement in entrepreneurship and youth-led community development activities.¹¹
17. To achieve its objective, the proposed project will pilot locally based approaches that address youth's social and economic vulnerabilities through the provision of (i) soft skills training and psychosocial support, (ii) trainings and grants for youth-led community development activities, and (iii) business development training, grants for youth business start-up/expansion, and post-grant mentorship.

18. PDO Level Results Indicators

Indicator Name	Unit of Measure	Baseline	End Target	Data Source/Methodology	Responsibility for Data Collection
1. Increase in reported income of young people supported by project entrepreneurship activities	% increase	TBD	20	Project evaluation	MoY
2. Youth beneficiaries reporting that the project has contributed towards improved community cohesion and tolerance	%	TBD	70	Project evaluation	MoY
3a. # of Direct Beneficiaries	#	TBD	3000	Project records	MoY
3b. Female	%	TBD	50	Project records	MoY

¹¹ This PDO is similar to that of the first JSDF pilot. However, this second JSDF pilot responds to changed country circumstances and tests peace-building approaches across diverse youth beneficiaries affected by radicalization and violent extremism in mixed communities.

Beneficiaries					
3c. IDP Beneficiaries	%	TBD	30	Project records	MoY

19. Baseline information will be collected at the beginning of the project. End Targets were selected in consultation with the MoYS and based on Bank experience on similar youth projects, including the Youth Livelihoods Development in Southern Iraq Project. Results will be measured both quantitatively and qualitatively, with many of the "softer" aspects of project implementation being captured through focus group discussions and interviews with participants. Participant satisfaction with the project will be measured qualitatively, as will participant experiences working in groups with youth coming from different backgrounds, and their experiences trying to overcome challenges to entrepreneurship. This qualitative data can be used to refine the project during implementation, as well as to better design future initiatives.

Project Beneficiaries

20. The direct project beneficiaries targeted by this project are uneducated and either unemployed or underemployed youth (ages 15-29), with a particular focus on those that are internally displaced. These youth are among the most vulnerable segments of the population in Iraq, as they are vulnerable to poverty, long-term unemployment, and violence. At least fifty percent of the beneficiaries will be young women, and programming will be adjusted to meet their needs and priorities.

21. While the project will focus on vulnerable young people, it will also engage several educated youth as community mobilizers. Community Mobilizers will provide support and mentoring to youth groups throughout the different project activities. These mentoring relationships between more and less educated youth can ensure that the perspective of the broader youth cohort is considered in development programming. Youth volunteers will also participate in Monitoring and Evaluation (M&E) activities by assisting in data collection and other monitoring functions.

22. Local communities will benefit through the youth-driven development activities and from the increased youth incomes supported by the micro-entrepreneurship activities. Local communities will actively participate in the project by helping refine the design of key activities, as this will ensure all activities have community support and are addressing local needs.

III. PROJECT DESCRIPTION

A. Project Components

Component 1: Youth-led Community Development, Peacebuilding and Micro Entrepreneurship (USD 2,475,000)

23. The first activity under this component will be to conduct a rapid needs assessment and mapping. The objective of the assessment will be to determine municipalities and

neighborhoods in Baghdad to conduct activities. This will be done according to the following criteria: (i) high concentration of conflict-affected youth (ii) high concentrations of IDPs and returnees, (iii) safe spaces to conduct training and outreach activities, (iv) high demand and low supply for youth learning and leisure activities, (v) limited international donor presence. The MoYS will engage a specialized consultant to conduct this assessment at the outset of the project. The selected locations resulting from this assessment will have to receive no objections from the World Bank.

Sub-component 1.1: Soft Skills Training and Psychosocial Support

24. This sub-component will be the entry-point for all participants into the project and will provide soft-skills training for at least 3,000 conflict-affected¹² youth and psychosocial support modules as needed. The sub-component will build on the successful achievements of the Youth Livelihoods Training activity in the first JSDF pilot, which was the flagship activity of the previous project and reached 119 percent of the target number of beneficiaries. However, unlike the previous pilot, this pilot will test and tailor soft-skills trainings to diverse groups of conflict-affected youth, so as to enhance the peacebuilding dimension of the activities. To reflect changed country circumstances, the type of soft-skills training will also be adjusted to include emotional coping skills (managing stress, feelings, and moods) and social/interpersonal skills, as opposed to the more traditional employability focus.
25. The MoYS will contract a local NGO, through a competitive bidding process, to conduct activities under this sub-component. The first step under this sub-component will involve extensive community outreach, so as to ensure the project reaches the most vulnerable youth in conflict-affected communities. Community Mobilizers, seconded from the MoYS, will work closely with the contracted NGO, as well as CBOs, youth centers, and respected community members to identify and invite vulnerable youth in selected communities to participate in the project. Potential beneficiaries will be invited to a boot camp to test their commitment and readiness to participate in project activities. In addition, the contracted NGO will provide food and transport for all project beneficiaries to ensure the most vulnerable youth are able to participate.
26. Selected participants will then be grouped in class sizes of no more than 20 youth, so as to ensure close interaction between all participants. The Outcome Evaluation Report from the previous pilot revealed positive outcomes associated with small group soft-skills training. In particular, youth reported greater self-confidence, strengthened group and community cohesion, and more confidence dealing with the opposite sex. The proposed project will build on these positive outcomes by testing activities that build cooperation and teamwork across diverse groups of conflict-affected youth. The soft skills training will last two weeks and will involve structured, interactive, and practical daily trainings. The trainings will include a mixed set of engaging activities such as leadership, decision-making, communications training, culture and sports, community-based events, and group based psychosocial support. The contracted NGO will engage specialists to conduct daily group-based support sessions, where youth will have an opportunity to safely express their

¹² Conflict-affected youth refers to youth from or living in communities that have been adversely impacted by the ongoing conflict.

hopes, fears, and challenges and learn from each other's experiences. Following the successful completion of this sub-component, participants will be eligible to apply to the youth-led community development and/or the micro-entrepreneurship activities.

Sub-component 1.2: Youth-led Community Development and Peacebuilding

27. This sub-component will engage at least 2,000 conflict-affected youth in youth-led community development activities. The MoYS will contract the same local NGO selected for component 1.1 to support activities under this sub-component, given the natural linkages between both sub-components' activities. The contracted NGO will support youth of diverse backgrounds to: (a) negotiate with one another about what activities are needed in specific communities; (b) develop a plan to advocate for these activities at local level, and (c) implement small-scale initiatives, such as provision of equipment for public spaces, small improvements of public spaces, inclusive cultural and sports activities, or additional skill-building activities. The proposed project will build on the achievements of the first JSDF pilot by testing youth community development activities in fragile and conflict-affected neighborhoods. The new pilot will also test longer-term engagements, provide youth with greater leadership opportunities, prioritize activities that prevent violence and foster tolerance, and encourage and assist youth groups to constitute their own CBOs.
28. The eligibility criteria for young participants will require prior participation in the soft skills training and residence in the identified communities in line with the rapid needs assessment. All youth selected to participate in youth-led community development activities will complete a one-week training on how to design and implement local community projects. Each group of youth will then be expected to complete either a small infrastructure or a non-infrastructure activity that serves an identified community need. All youth should participate in the implementation of the activity, which should bring different social groups together. Non-infrastructure activities can include the provision of equipment for community or youth-focused infrastructure, organization of events, skill-building seminars, clean-up campaigns, or the development of online platforms, activities or seminars. For infrastructure activities, youth will be able to repair small-scale infrastructure or to rehabilitate public spaces, including but not limited to repair of youth centers, parks, classrooms, youth-friendly spaces in health centers, business and innovation centers, and libraries, and sports and cultural facilities. The selection of activities will be done in a way that is participatory and inclusive of all youth participants and that has demonstrable impacts for other young people or for communities at large.
29. Sustainability of activities will be built into the project design. Young people will develop a plan to determine how non-infrastructure activities will be sustainable either by: (1) finding ways of encouraging communication between event participants on online platforms; or (2) developing plans for fundraising for small ongoing activities. For infrastructure activities, the project will build young people's capacity to interact with service providers or project "owners" (local government officials) and together with them to determine an ongoing operations and maintenance plan for activities, when appropriate. At a national level, this sub-component could lead to the scaling-up of youth-led community development activities across Iraq. For example, lessons learned from this

pilot could inform the establishment of a national youth volunteer service program, which could be financed through a combination of government resources, private sector contributions, and crowd sourcing.

30. Youth group activities must be endorsed by at least one entity in the community to demonstrate community buy-in. This can be a government agency, local organization or a tribal leader. A Grant Approval Committee, chaired by the MoYS and comprised of national youth NGOs, representatives of the business community, local government representatives, and specialized staff from the contracted NGO will then review and approve the projects taking into account the community's endorsement and the project's compatibility with the overall program's goals, criteria for this activity, and the WB's procurement and safeguards requirements. Youth participating in this sub-component are not registered legal entities to whom the selected NGO can sub-grant the sums for implementation. Therefore, the selected NGO will directly manage procurement of items for all youth community development activities based on a simple procurement plan. The selected NGO will set clear controls and guidelines for implementation of this sub-component to ensure good and accountable management of funds.

Sub-component 1.3: Micro-entrepreneurship

31. This sub-component will provide immediate assistance to at least 1,000 conflict-affected youth to set up independent micro-businesses. Micro-entrepreneurship activities in the previous pilot helped create 1.8 jobs per enterprise, which was 150 percent of the target of 1.2 jobs per enterprise. The proposed pilot will build on the success of the previous pilot by testing new micro-entrepreneurship activities in fragile communities where the conflict has curtailed economic opportunities for youth. Micro-entrepreneurship activities will take place in the same locations as the community development activities to maximize the overall impact of the project while reducing implementation costs. The MoYS will engage a Service Provider, which will be contracted under a competitive bidding process, to conduct business development training and post grant mentorship activities under this sub-component, while the MoYS will be responsible for the provision of business development grants to selected beneficiaries. This sub-component will serve as a springboard to develop a mechanism to ensure affordable access to finance to a much larger scale of youth micro-entrepreneurs across Iraq.
32. To be eligible for this sub-component, potential youth beneficiaries will first need to submit a basic business idea they intend to pursue. A Grant Approval Committee (GAC), comprised of representatives from the business community, local government representatives, representatives from the MoYS, and specialized staff from the contracted service provider will then select youth based on the feasibility of their proposal. Feasibility assessment will be based on timeframes for implementation (returns should be demonstrable in the short-to-medium term), cost (budget required should be no more than \$1000), cost efficiency, and market demand. In addition, proposed micro-enterprises that bring together two or more youth will be prioritized, so as to provide another venue for greater cohesion and mutual learning.
33. Selected youth beneficiaries for this sub-component will first complete two-weeks of

business development training, which will help youth further develop their business idea and create a strong business plan. During the first week of training, the contracted service provider will guide young beneficiaries through a process whereby they explore the businesses in their communities by interviewing business owners and workers through a rapid participatory market assessment. Young people's aim will be to understand the kind of businesses that succeed and the skills required to succeed in those businesses. Young people will share the results of their assessment with each other, and complete a map of the market in their neighborhoods. During the second week of training, youth will learn about marketing, purchasing, pricing, finance management, customer relationship and business design. The curriculum will be based on experiential learning principles and efforts will be made so that experienced entrepreneurs are invited to present their experiences, provide advice, and eventually become mentors.

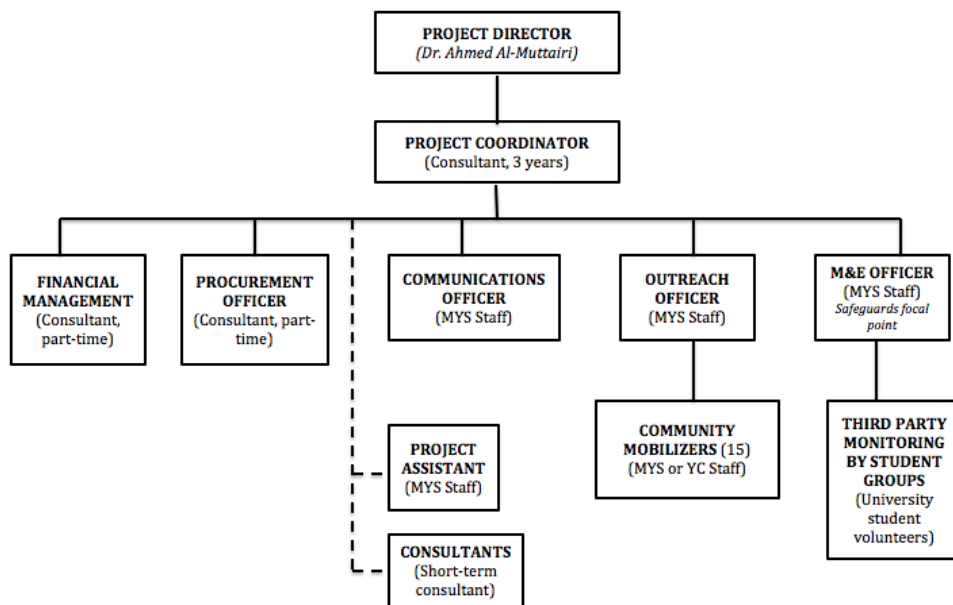
34. Upon completion of the business development training, youth will submit their business proposal to the aforementioned selection committee for approval. The MoYS, through the PMU, will then provide start-up capital to young people through seed grants on a competitive basis. Youth will also be required to match approximately 25 percent of the grant value with financial or in-kind contribution to create a greater sense of ownership among beneficiaries. In-kind contributions include goods, materials, works and services, such as labor, construction materials and/or equipment. A cost-table to value in kind-contributions will be included in the Operations Manual.
35. In line with recommendations from the final evaluation of the previous pilot, the contracted service provider will pair young people with mentors and coaches to ensure businesses are as successful as possible given the difficulties of the environment. Business advisory service and support will be provided to beneficiaries for one year from business start-up.

Component 2: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination (USD 275,000)

Project Management and Administration

36. A Project Management Unit will be responsible for overall coordination and implementation of the project. Key responsibilities will include project coordination, beneficiary outreach, procurement, financial management, safeguards, communication and knowledge management, selection and oversight of a local NGO and service provider, and monitoring and evaluation. The PMU will comprise a team of dedicated MoYS staff who are seconded to the PMU, as well as small team of consultants. The MoYS will also deploy about 20 of its young tertiary graduate staff as community mobilizers for the proposed project.
37. As reflected in the PMU chart (figure 1), most PMU responsibilities will be fulfilled by the MoYS, which has a number of qualified professionals (i.e. IT engineers and civil engineers) that will be deployed in view of the high priority placed by the Iraqi Government in this project. The expenditures financed by this component will primarily include consultant salaries for the PMU, transportation, and office operating costs.

Figure 1. Project Management Unit



38. The PMU will contract an NGO and Service Provider to conduct specific project activities. In particular, one NGO will be contracted to conduct activities under the soft skills training and youth-led community development sub-components, while a Service Provider will be contracted to conduct business development trainings and post grant mentorship to beneficiaries. The MoYS will directly manage the grant-disbursement process for micro-entrepreneurship beneficiaries. Given the different skills required to provide the different project activities, the MoYS will oversee and manage the process while subcontracting an NGO and Service Provider with relevant thematic expertise.

Monitoring and Evaluation

39. The PMU will put in place a robust M&E system to track progress and results. The project will therefore draw on several complementary M&E tools in order to i) support project management; ii) ensure accountability; and iii) foster knowledge generation. This sub-

component will finance an M&E consultant who will assist the PMU and M&E officer in establishing a management information system for the project, external audits, and periodic assessment. The M&E consultant will also assist with periodic beneficiary data collection by mobile phone.

40. The PMU will be responsible for day-to-day project monitoring. Monitoring will be implemented using an Information and Communication Technology (ICT) tool, which allows real time monitoring of on-going activities and to evaluate changes of performance over time. The PMU will develop the detailed monitoring framework for component 1 with World Bank assistance. Standard monitoring will be complemented with targeted periodic assessments to ensure the quality and effectiveness of delivery of the activities offered. These assessments will be carried out by independent consultants at critical milestones of project implementation, for example after the first year, at mid-term, or when problems are detected. Students and volunteers, under the supervision of the M&E Officer, will also be engaged to conduct spot checks and phone calls to beneficiaries to obtain their feedback on the different project activities.
41. Participatory M&E systems will be used to ensure that the proposed project activities address the needs of the target population. In the selected areas, a Youth M&E Committee will be set up to monitor the beneficiary targeting mechanism for all activities, the effectiveness of youth-led community development activities and of youth communications efforts, the effectiveness of skills development activities, the use of seed grants, and the overall results of component 1. The Youth M&E Committee will be made of a mix of project beneficiaries and young people who have experience as beneficiaries of similar projects. The young people who have previously benefited from such projects can bring in a more informed perspective about the changes expected in such activities, and can serve as mentors for the rest of committee members.
42. The project will also fund an Implementation Completion and Results (ICR) Report that will gather lessons learned for future Bank activities within Iraq and in other similar settings. The ICR will be developed by an independent consultant with experience working on youth activities.

Knowledge Dissemination

43. Knowledge sharing will take place throughout the project. A knowledge management specialist will be contracted to consolidate lessons learned throughout project implementation. Lessons learned would be disseminated in yearly forums, where youth beneficiaries will have an opportunity to present results from youth-led community development activities or micro-entrepreneurship activities. These yearly forums will also provide an opportunity for youth to interact with participants from other communities in a safe and guided environment. The forums will be widely documented and the media will be invited so as to strengthen the counter-narrative of youth as positive agents of peace in the Iraqi context. Iraqi government officials, the Government of Japan, and other development partners will be invited in order to raise awareness of the importance of investing in youth peace building initiatives and to showcase potential intervention models.

B. Project Financing

Instrument

44. The financing instrument will be **Investment Project Financing** through a grant by the Japanese Social Development Fund (JSDF) for Iraq of US\$2,750,000. The JSDF will cover 100 percent of the total project costs.

Project Cost and Financing

Project Components	Project Cost	Grant Financing	% Financing
Component 1: Youth Driven Community Development, Peacebuilding, and Micro-Entrepreneurship	\$ 2,475,000	\$ 2,475,000	100%
<i>Sub-component 1.1 Soft-Skills and Psychosocial Support</i>	\$ 445,000	\$ 445,000	100%
<i>Sub-component 1.2 Youth-led Community Development and Peacebuilding</i>	\$ 1,030,000	\$ 1,030,000	100%
<i>Sub-component 1.3 Micro-entrepreneurship</i>	\$ 1,000,000	\$ 1,000,000	100%
Component 2: Project Management, Monitoring & Evaluation	\$ 275,000	\$ 275,000	100%
<i>Sub-component 2.1 Project Management and Administration</i>	\$ 210,400	\$ 210,400	100%
<i>Sub-component 2.2 Monitoring & Evaluation</i>	\$ 47,100	\$ 47,100	100%
<i>Sub-component 2.3: Knowledge Dissemination</i>	\$ 17,500	\$ 17,500	100%
Total Project Cost	\$ 2,750,000	\$ 2,750,000	100%
Interests during Implementation			
Total Financing Required	\$ 2,750,000	\$ 2,750,000	100%

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

45. The Iraqi Ministry of Youth and Sport (MoYS) will be the Recipient and responsible implementing agency for the project. The MoYS focuses on providing informal education and free-time activities. The Ministry operates out of its existing 165 youth centers and strives to provide the 450 sports clubs nationwide the freedom to develop and ensure equal opportunity for young Iraqis in team sports and individual athletics. Within the MoYS, the Director General of Scientific Welfare, will be responsible for project implementation.

The Director General is also the head of a newly established unit within the MoYS, which coordinates all WB and UN programs, so this will facilitate donor coordination and additional resource mobilization.

46. The Ministry of Youth and Sports will be responsible for staffing a small unit with project consultants who would be responsible for implementing project activities in the selected areas. A PMU established within the MoYS will be responsible for overall coordination and oversight of project activities and grant management, including fiduciary responsibilities, such as financial management and procurement, as well monitoring and evaluation and community outreach.
47. At the local level, the MoYS will make available to the project its Youth Centers and other local structures for outreach and delivery of services, and provide logistical support (physical space and some equipment) as needed. The MoYS will also provide its Youth Center's vehicles to facilitate the transportation of program participants.
48. The PMU will competitively select a qualified NGO to conduct activities under Sub-Component 1.1 and 1.2, and a Service Provider to conduct trainings and post-grant mentorship under Sub-Component 1.3. The NGO and Service Provider will be selected based on their track record in working with disadvantaged youth, as well as their experience in soft skills and community development training or micro-enterprise development, respectively.

B. Results Monitoring and Evaluation

49. A monitoring and evaluation system will be established for the project. The PMU will establish an M&E online platform to track every step of the project's implementation from beneficiary selection, grant disbursement, and post grant follow-ups. The platform will allow key stakeholders in project management and monitoring as well as the World Bank to access and analyze data about activity status in real time. The platform will be instrumental in monitoring both intermediate and final results, in line with project indicators. In addition to the mandatory indicators required by the results framework, the PMU will work with each sub-grant recipient to define simple and consistent indicators tailored to their specific sub-grant activities on which they regularly self-report (e.g. number of jobs created, increase in income, etc.). A sub-grant specific beneficiary completion survey will be carried at the end of activities. The PMU will conduct follow up beneficiary completion surveys on a selective basis for some of the sub-grants six to twelve months after grant completion. The PMU will also contract an independent consultant to conduct an ICR report and gather lessons learned upon completion of the project.
50. The Project will benefit from the expertise of the MoYS Compliance Unit which will be screening youth led community development activities to ensure that they are in compliance with environmental and social safeguards. Several knowledge exchange sessions will be ensured with World Bank for harmonization of safeguards procedures and checklists.

C. Sustainability

51. The project’s sustainability is strengthened by strong country ownership. The Iraqi Government is strongly committed to putting in a place a program that promotes youth’s social and economic integration, as reflected in the country’s National Development Plan (2013-2017). The MoYS will be the lead implementing agency for this project, thus making it a pilot project for the ministry, and providing the basis for scale-up and future improvement of youth community development and entrepreneurship initiatives. The MoYS’ staff commitment to the project reveals the priority the project has for the ministry, as it seeks to enhance policies that promote youth community development. The MoYS has also expressed its commitment to mobilize additional development partner and government support to expand the coverage of the program following the pilot of the proposed activities. In addition, lessons from the proposed activities will inform future Bank operations targeting conflict-affected communities throughout Iraq. In particular, the proposed activities could be scaled-up in coordination with the Emergency Operation for Development Project.
52. The project will set up the institutional architecture and implementation structure for a national program beyond the project duration. By using a decentralized delivery model that relies on a local NGO and Service Provider, and by tapping into existing public facilities of the MoYS (i.e. youth centers), the project can subsequently be expanded beyond the pilot areas without having to create new delivery mechanisms. Furthermore, by creating the structures and materials needed to implement this program, as well as testing the efficiency of different delivery mechanisms, the pilot project is expected to reduce the cost per beneficiary for future phases and for other organizations that are interested in adopting this approach, thereby further facilitating its continuity and expansion.

V. KEY RISKS AND MITIGATION MEASURES

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Low
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Substantial
7. Environment and Social	Moderate
8. Stakeholders	Moderate
OVERALL	Substantial

53. **Political and Governance:** The political and governance risk is substantial as the surge of recent ISIS bombings targeting civilians in Baghdad and protests in the International Zone could disrupt program implementation. However, government support and ownership for the proposed activities is high. The Iraq CPF (FY17-22) indicates strong support for operations that contribute to inclusion, social cohesion, and building the social contract between the State and its citizens both at the national and sub-national level. The Ministry of Youth and Sports is particularly committed to ensure high accountability of project funds. A Grant Approval Committee comprised of representatives from the private sector, NGOs, and the MoYS will oversee the approval and selection of all youth-led community development and business grants to enhance transparency and accountability over project resources.
54. **Institutional Capacity for Implementation and Sustainability:** The institutional capacity for implementation and sustainability risk is substantial, yet with mitigating measures in place the risk rating will be moderate. While the MoYS has no experience working with the Bank and has few ongoing operations, the MoYS has a large team of engineers and tertiary graduates that will support the proposed project activities through the PMU or as community mobilizers. The MoYS has shown a high level of commitment to the project during preparation, and MoYS staff have participated in Bank procurement trainings. MoYS staff assigned to the PMU will also participate in a regional safeguards training to be conducted in May, 2017. In addition, to mitigate capacity related risks, the MoYS will rely on an experienced NGO and Service Provider to implement most project activities.
55. **Technical:** The technical design risk of the project is deemed substantial given the emphasis of reaching the most vulnerable and excluded youth, as well as the goal of promoting social cohesion. To mitigate this risk, the MoYS will deploy community mobilizers familiar with the targeted communities to support outreach to the most vulnerable youth. In addition, the soft-skills training activities will provide an opportunity for youth from different backgrounds to interact with each other under a structured and guided environment prior to implementing youth-led community development activities. The Bank will also provide substantial support to the Ministry of Youth and Sports to ensure that the project meets its objectives.
56. **Fiduciary and Other Risks:** The overall fiduciary risk is high, but with the mitigation measures in place, as detailed in Annex 2, the risk rating will be substantial. The Bank's team undertook an assessment of the financial management and procurement systems within MoYS, and concluded that the proposed fiduciary arrangements will satisfy the minimum requirements under OP/BP10.00. The PMU will contract a Financial Management and Procurement consultant to mitigate financial and procurement risks, and World Bank procurement procedures will be followed in the implementation of project activities.

VI. APPRAISAL SUMMARY

57. Economic benefits for the project accrue from two different types of activities: youth led community development and micro-entrepreneurship. Because this project is the first of

its type to operate in these specific areas of Baghdad, specific data on project benefits is not available. However, given the current data on youth, incomes and employment in Iraq, the project is therefore expected to accrue the following benefits:

- (a) Young people who participate in youth-led community development activities are likely to develop networks that allow them to have a greater role in social and economic life. Although the exact impact of these activities on youth employment cannot be directly attributed, a preliminary analysis carried out for the project tells us that the majority of youth believe that engagement in these activities leads to better chances of employment. In fact, UNICEF's 2011 "Iraq Multiple Indicator Cluster Survey" says that 52 percent of youth obtain employment through networks. We therefore can estimate that out of 3000 sub-component beneficiaries, approximately 1560 will have increased income due to their participation in this component. Since the project targets vulnerable individuals, we can assume that without the project the selected youth would have incomes at or below the country's poverty line of \$2.20/day or approximately \$66/month. Even if the project leads to a conservative estimate of 10 percent increase in income for these 1560 youth, then the estimated financial benefit for these youth over 10 years is \$1,235,520. In addition to this, the youth-led community development projects are in themselves likely to have positive economic impacts. Because it is unclear what these projects will be at this point, we are not able to quantify this impact.
- (b) The benefits accruing from the micro-entrepreneurship activities are more easily attributable. Unemployed and unskilled vulnerable young people will be selected for this component. It is assumed that these young people can attribute 50 percent of their future income to this project. If the 1000 beneficiaries of these activities double their expected income from \$66/month to \$132/month, then the benefits accruing to them over 10 years is \$9,504,000. This activity would also have indirect positive economic benefits. If 20 percent of micro-enterprises generate at least one job at \$66 USD (a conservative estimate), and half of these micro enterprises exist after 10 years, then the activity would yield an additional benefit of \$1,584,000.

In essence, this project is expected to have a minimum, quantifiable return of \$12,323,520 over 10 years.

Financial Management

58. The Bank's team undertook an assessment of the financial management systems within MoYS. The assessment concluded that with the implementation of agreed-upon actions, the proposed FM arrangements will satisfy the minimum requirements under OP/BP10.00. Annex 2 provides additional information on the FM assessment and the recommended mitigation measures.
59. Based on the proposed implementation arrangements, MoYS will be responsible for the project implementation and coordination through establishing a Project Management Unit

(PMU), which will assume the responsibility of the Project's financial management and disbursement arrangements. The PMU will be responsible for planning and coordinating specific activities, including FM (payment authorization, disbursement, accounting, reporting and audit), procurement of consultants (and related contract management), and monitoring and evaluation. A part-time Financial Officer, financed by the grant, will be hired under the supervision of MoYS's Finance Director. The FM team will comprise of the hired Financial Officer, and a seconded accountant/ internal controller from MoYS's own staff.

60. The FM arrangements were designed to mitigate the identified FM risks, which would suit the available capacity during implementation, including:
- (a) Centralized FM function within the PMU that will be established at MoYS; with FM team consisting of an externally hired Financial Officer, under the supervision of the MoYS Director of Financial Department, and a seconded accountant
 - (b) Simplified accounting and reporting arrangements to give timely information on the project financial performance and status; Excel spread sheets will be used to record project financial transactions and generate simplified Interim Unaudited Financial Reports (IFRs);
 - (c) Opening a Designated Account (DA) for the PMU with a sufficient advance payment;
 - (d) Grants provided under the Micro-Entrepreneurship sub-component will be subject to a matching grant requirement for beneficiaries as grantees must provide 25% in matching financial or in-kind contributions. Grants will not exceed US\$ 1,000 per beneficiary. Grants would be disbursed in two tranches of 50% each. The first tranche will be paid out to the beneficiary following the GAC approved budget and business plan. Few cases might require 100% grant provisions towards the procurement of goods. MoYS, in these cases, will be responsible for procuring the goods directly on behalf of the beneficiary, based on the business plan specifications.
 - (e) An NGO will be contracted to manage procurement of material and needs under the youth-led community driven development activities with extending no cash to the informal youth groups, based on clear set phases and deliverables in the contract between the NGO and the MoYS.
 - (f) Participatory M&E systems will be used to ensure that activities address the needs of the target population. In the project selected areas, a Youth M&E Committee will be set up that will monitor: the beneficiary targeting mechanism for all activities, the effectiveness of the youth-led community development activities and of youth communication efforts, the effectiveness of skills development activities, the use of seed grants and utilization of the two sequential tranches, and the overall results of the project.
 - (g) Project controls will be documented in the POM, including procedures, inter alia, on internal controls, financial reporting and auditing, responsibilities' and duties, flow of information, and other. The manual will also state clearly the financial responsibilities of the hired NGO and Service Provider, fiduciary and monitoring aspects, and reporting obligations to PMU.

- (h) Hiring an independent external auditor acceptable to the Bank to provide an independent opinion on the project's financial statements.

Procurement

- 61. Assessments and reviews conducted on procurement of the implementing agency (MoYS) reflect the current uncertainty of public procurement law and regulations and their enforcement to be the major procurement issue. Based on the results of the assessment, the overall Procurement risk is "High", however with mitigation measures in place, its Procurement risk rating will be reduced to "Substantial". MoYS will implement the Project using a PMU as the project implementing unit that will have overall responsibility for the management of the project, including procurement management using seconded staff from the MoYS. The PMU will be responsible for planning and coordinating specific activities, including procurement of small value goods, consultants, and training. The Procurement team will consist of a part time outsourced Procurement Officer, and will be supported by MoYS own fulltime staff. Implementation procurement arrangements are detailed in Annex 2.
- 62. The project will finance the procurement of training and consultancy services under the two components that include:
 - (a) Soft Skills and Psychosocial support training Program.
 - (b) Youth –Led community development and peacebuilding training Program.
 - (c) Micro-Entrepreneurship for training the vulnerable Iraqi youth in the selected communities.
 - (d) Develop the detailed monitoring framework and assess the quality and effectiveness of delivery of the services offered.
 - (e) Hiring individuals to support the project management team including Project Coordinator, Financial officer, Procurement officer, Monitoring Data Collection, and knowledge management.
 - (f) Several consultants for conducting limited services (Rapid needs assessment and mapping, Information Communication Technology, Implementation Completion Report).
 - (g) Auditing services by External auditor.
- 63. Soft Skills and Psychosocial Support and Youth-Led Community Development and Peacebuilding training programs will be conducted by an NGO. The contract between the NGO and the MoYS needs to include the management of procurement of material and needs under the youth-led community driven development activities with extending no cash to the informal youth groups, based on clear set phases and deliverables in the contract.
- 64. MoYS will manage the Micro-Entrepreneurship activities and the provision of grants to the youth was agreed to be based on a set of selection and eligibility criteria to be detailed in the Project's Operational Manual. The grants will be given in two tranches, for a maximum of US\$1,000 in total. The success in proving a business establishment or the purchase of goods/services by providing receipts after receiving the first tranche, will qualify the candidates to receive the second tranche.

Safeguards

65. Assessed environmental impacts for this project are minor and site-specific, unlikely to be reversible, and easily mitigated. OP 4.01 Environmental Assessment is the only operational policy applicable, as to be implemented through the negative list incorporated into activities screening. Due to the presence of small youth-implemented activities, an Environmental Management Framework (EMF) has been prepared. The monetary size of these grants are such that, in conjunction with the screening protocol, impacts are expected to be mitigated by following Environmental Health and Safety general guidelines, which have been provided to the client in English and Arabic.
66. Social risks are considered to be low as social issues have been considered throughout the project's design. In particular, mechanisms to select beneficiaries prevent potential exclusion of vulnerable groups and promote transparency and accountability. Communications efforts that are part of the project also ensure that potential beneficiaries are aware of the project and can participate. In addition, mechanisms to select community activities also involve community leaders and youth, thereby improving relationships between elders and young people, and resulting in positive social impacts. Activities that bring diverse groups of young people together are also expected to promote social cohesion.
67. Infrastructure activities supported by the project will be limited to rehabilitation or refurbishment of existing places with no changes in land use. The project will therefore not trigger OP 4.12, and any impacts on land, property, and livelihoods will be screened out.
68. Consultations were held from March 07-09, 2017 in youth centers in Abu Ghraib, Zeyona, and Al Sadr City, with 89 potential beneficiaries attending. As part of these consultations, information on the project was disclosed and discussed; outcomes of the consultation discussion have been incorporated into the finalization of project design. The EMF has been disclosed on the MoYS website on March 23, 2017, as well as on the external World Bank website on March 28, 2017. Both disclosures included an Executive Summary of the EMF in English and in Arabic.
69. Safeguards implementation will be supported by a full-time Monitoring and Evaluation staff member, with additional technical assistance from an environmental engineer. Both will take additional training specific to World Bank environmental and social safeguards, including detailed instruction on safeguards policy issues, mitigation measures, implementation good practices, as well as monitoring and reporting. The EMF and the Operations Manual provide more detailed good practice guidelines for expected types of youth activities to be implemented.

A. World Bank Grievance Redress

70. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

ANNEX 1: RESULTS FRAMEWORK AND MONITORING

Country: Iraq

Project Name: Promoting the Inclusion of Conflict-Affected Iraqi Youth (P161654)

Results Framework

Project Development Objective (PDO): The Project Development Objective is to promote the social and economic inclusion of at least 3,000 conflict-affected Iraqi youth (ages 15-29) through engagement in entrepreneurship and youth-led community development activities.

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR3	YR 4	YR5				
1. % increase in reported income of young people supported by project entrepreneurship activities	<input type="checkbox"/>	Percentage increase	TBD	20%	20%	20%			Annual	Project Evaluation	MoYS	
2. % of youth beneficiaries reporting that the project has contributed towards improved community cohesion and tolerance	<input type="checkbox"/>	Percentage	TBD		70%	70%			Annual	Project evaluation	MoYS	
3. # of Direct Project Beneficiaries	<input checked="" type="checkbox"/>	Number	TBD	600	1,800	3,000			Annual	Project records	MoYS	
3.a Female Beneficiaries		Percentage	TBD	50%	50%	50%			Annual	Project records	MoYS	
3.b IDP Beneficiaries		Percentage	TBD	30%	30%	30%			Annual	Project records	MoYS	

:												
INTERMEDIATE RESULTS												
Intermediate Result (Component One):												
# of youth business enterprises supported	<input type="checkbox"/>	#	TBD	90	270	450			Annual	Project records	MoY	
# of part time or full time jobs created per youth business enterprise	<input type="checkbox"/>	#	TBD	1.2	1.2	1.2			Annual	Project evaluation	MoY	
# of youth attributing increased income to project activities		#	TBD		200	400			Annual	Project evaluation	MoY	
# of enterprises supported that exist 1 year after grant disbursement		#	TBD		100	250			Annual	Project evaluation	MoY	
# of youth participating in project training activities		#	TBD	600	1,800	3,000			Annual	Project records	MoY	
# of youth-led community development activities completed		#	TBD	20	60	100			Annual	Project records	MoY	
# of youth reporting increased access to decision-making at the local level		#	TBD		1,080	1,800			Annual	Project evaluation	MoY	
# of people benefitting from youth-led community development activities		#	TBD	1,000	3,000	5,000			Annual	Project evaluation	MoY	

***Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)**

****Target values should be entered for the years data will be available, not necessarily annual**

ANNEX 2: DETAILED PROJECT DESCRIPTION

IRAQ: Promoting the Inclusion of Conflict-Affected Iraqi Youth (P161654)

1. The project is comprised of two components: Youth-led Community Development, Peacebuilding and Micro Entrepreneurship and Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination

Component 1: Youth-led Community Development, Peacebuilding and Micro Entrepreneurship (USD 2,475,000)

2. The first activity under this component will be to conduct a rapid needs assessment and mapping. The objective of the assessment will be to determine municipalities and neighborhoods in Baghdad to conduct activities. This will be done according to the following criteria: (i) high concentration of conflict-affected youth (ii) high concentrations of IDPs and returnees, (iii) safe spaces to conduct training and outreach activities, (iv) high demand and low supply for youth learning and leisure activities, (v) limited international donor presence. The MoYS will engage a specialized consultant to conduct this assessment at the outset of the project. The selected locations resulting from this assessment will have to receive no objections from the World Bank.

Sub-component 1.1: Soft Skills Training and Psychosocial Support

3. This sub-component will be the entry-point for all participants into the project and will provide soft-skills training for at least 3,000 conflict-affected¹³ youth and psychosocial support modules as needed. The sub-component will build on the successful achievements of the Youth Livelihoods Training activity in the first JSDF pilot, which was the flagship activity of the previous project and reached 119 percent of the target number of beneficiaries. However, unlike the previous pilot, this pilot will test and tailor soft-skills trainings to diverse groups of conflict-affected youth, so as to enhance the peacebuilding dimension of the activities. To reflect changed country circumstances, the type of soft-skills training will also be adjusted to include emotional coping skills (managing stress, feelings, and moods) and social/interpersonal skills, as opposed to the more traditional employability focus.
4. The MoYS will contract a local NGO, through a competitive bidding process, to conduct activities under this sub-component. The first step under this sub-component will involve extensive community outreach, so as to ensure the project reaches the most vulnerable youth in conflict-affected communities. Community Mobilizers, seconded from the MoYS, will work closely with the contracted NGO, as well as CBOs, youth centers, and respected community members to identify and invite vulnerable youth in selected communities to participate in the project. Potential beneficiaries will be invited to a boot camp to test their commitment and readiness to participate in project activities. In addition, the contracted NGO will provide food and transport for all project beneficiaries

¹³ Conflict-affected youth refers to youth from or living in communities that have been adversely impacted by the ongoing conflict.

to ensure the most vulnerable youth are able to participate.

5. Selected participants will then be grouped in class sizes of no more than 20 youth, so as to ensure close interaction between all participants. Results from the previous pilot revealed positive outcomes associated with small group soft-skills training. In particular, youth reported greater self-confidence, strengthened group and community cohesion, and more confidence dealing with the opposite sex. The proposed project will build on these positive outcomes by testing activities that build cooperation and teamwork across diverse groups of conflict-affected youth. The soft skills training will last two weeks and will involve structured, interactive, and practical daily trainings. The trainings will include a mixed set of engaging activities such as leadership, decision-making, communications training, culture and sports, community-based events, and group based psychosocial support. The contracted NGO will engage specialists to conduct daily group-based support sessions, where youth will have an opportunity to safely express their hopes, fears, and challenges and learn from each other's experiences. Following the successful completion of this sub-component, participants will be eligible to apply to the youth-led community development and/or the micro-entrepreneurship activities.

Sub-component 1.2: Youth-led Community Development and Peacebuilding

6. This sub-component will engage at least 2,000 conflict-affected youth in youth-led community development activities. The MoYS will contract the same local NGO selected for component 1.1 to support activities under this sub-component, given the natural linkages between both sub-components' activities. The contracted NGO will support youth of diverse backgrounds to: (a) negotiate with one another about what activities are needed in specific communities; (b) develop a plan to advocate for these activities at local level, and (c) implement small-scale initiatives, such as provision of equipment for public spaces, small improvements of public spaces, inclusive cultural and sports activities, or additional skill-building activities. The proposed project will build on the achievements of the first JSDF pilot by testing youth community development activities in fragile and conflict-affected neighborhoods. The new pilot will also test longer-term engagements, provide youth with greater leadership opportunities, prioritize activities that prevent violence and foster tolerance, and encourage and assist youth groups to constitute their own CBOs.
7. The eligibility criteria for young participants will require prior participation in the soft skills training and residence in the identified communities in line with the rapid needs assessment. All youth selected to participate in youth-led community development activities will complete a one-week training on how to design and implement local community projects. Each group of youth will then be expected to complete either a small infrastructure or a non-infrastructure activity that serves an identified community need. All youth should participate in the implementation of the activity, which should bring different social groups together. Non-infrastructure activities can include the provision of equipment for community or youth-focused infrastructure, organization of events, skill-building seminars, clean-up campaigns, or the development of online platforms, activities or seminars. For infrastructure activities, youth will be able to repair

small-scale infrastructure or to rehabilitate public spaces, including but not limited to repair of youth centers, parks, classrooms, youth-friendly spaces in health centers, business and innovation centers, and libraries, and sports and cultural facilities. The selection of activities will be done in a way that is participatory and inclusive of all youth participants and that has demonstrable impacts for other young people or for communities at large.

8. Sustainability of activities will be built into the project design. Young people will develop a plan to determine how non-infrastructure activities will be sustainable either by: (1) finding ways of encouraging communication between event participants on online platforms; or (2) developing plans for fundraising for small ongoing activities. For infrastructure activities, the project will build young people's capacity to interact with service providers or project "owners" (local government officials) and together with them to determine an ongoing operations and maintenance plan for activities, when appropriate. At a national level, this sub-component could lead to the scaling-up of youth-led community development activities across Iraq. For example, lessons learned from this pilot could inform the establishment of a national youth volunteer service program, which could be financed through a combination of government resources, private sector contributions, and crowd sourcing.
9. Young people will communicate through project-organized meetings and through social media, and will select their own leadership committee to become the key organizing committee for group activities. The leadership group will be responsible for making sure that the activities are implemented according to the priorities of the larger group of young people, and will communicate with the contracted NGO, the MoYS, and other young people on the progress and quality of activities. This youth-led monitoring process will help the stakeholders understand both the responsibilities of leadership as well as the challenges in ensuring high quality implementation in a sensitive context. Youth will be encouraged to communicate their experiences via social media in view of creating positive messages and countering extremist narratives. Each young leader will have a mentor that can advise him/her both on group leadership as well as on other self-development issues.
10. Youth group activities must be endorsed by at least one entity in the community to demonstrate community buy-in. This can be a government agency, local organization or a tribal leader. A Grant Approval Committee, chaired by the MoYS and comprised of national youth NGOs, representatives of the business community, local government representatives, and specialized staff from the contracted NGO will then review and approve the projects taking into account the community's endorsement and the project's compatibility with the overall program's goals, criteria for this activity, and the WB's procurement and safeguards requirements. Youth participating in this sub-component are not registered legal entities to whom the selected NGO can sub-grant the sums for implementation. Therefore, the selected NGO will directly manage procurement of items for all youth community development activities based on a simple procurement plan. The selected NGO will set clear controls and guidelines for implementation of this sub-component to ensure good and accountable management of funds.

Sub-component 1.3: Micro-entrepreneurship

11. This sub-component will provide immediate assistance to at least 1,000 conflict-affected youth to set up independent micro-businesses. Micro-entrepreneurship activities in the previous pilot helped create 1.8 jobs per enterprise, which was 150 percent of the target of 1.2 jobs per enterprise. The proposed pilot will build on the success of the previous pilot by testing new micro-entrepreneurship activities in fragile communities where the conflict has curtailed economic opportunities for youth. Micro-entrepreneurship activities will take place in the same locations as the community development activities to maximize the overall impact of the project while reducing implementation costs. The MoYS will engage a Service Provider, which will be contracted under a competitive bidding process, to conduct business development training and post grant mentorship activities under this sub-component, while the MoYS will be responsible for the provision of business development grants to selected beneficiaries. This sub-component will serve as a springboard to develop a mechanism to ensure affordable access to finance to a much larger scale of youth micro-entrepreneurs across Iraq.
12. To be eligible for this sub-component, potential youth beneficiaries will first need to submit a basic business idea they intend to pursue. A Grant Approval Committee (GAC), comprised of representatives from the business community, local government representatives, representatives from the MoYS, and specialized staff from the contracted service provider will then select youth based on the feasibility of their proposal. Feasibility assessment will be based on timeframes for implementation (returns should be demonstrable in the short-to-medium term), cost (budget required should be no more than \$1000), cost efficiency, and market demand. In addition, proposed micro-enterprises that bring together two or more youth will be prioritized, so as to provide another venue for greater cohesion and mutual learning.
13. Selected youth beneficiaries for this sub-component will first complete two-weeks of business development training, which will help youth further develop their business idea and create a strong business plan. During the first week of training, the contracted service provider will guide young beneficiaries through a process whereby they explore the businesses in their communities by interviewing business owners and workers through a rapid participatory market assessment. Young people's aim will be to understand the kind of businesses that succeed and the skills required to succeed in those businesses. Young people will share the results of their assessment with each other, and complete a map of the market in their neighborhoods.
14. Based on the youth's rapid market assessment and on the experience of other successful micro-entrepreneurship support activities carried out in Iraq and elsewhere in the Middle East and North Africa region, the project will adapt existing business development curriculums to meet the needs of local young entrepreneurs. This curriculum and related training will be tailored to the very specific needs of the locations identified by this project and to the skills and interests of the selected young people to support realistic business opportunities. The curriculum will be based on experiential learning principles

and efforts will be made so that experienced entrepreneurs are invited to present their experiences, provide advice, and eventually become mentors. During the second week of training, youth will learn about marketing, purchasing, pricing, finance management, customer relationship and business design.

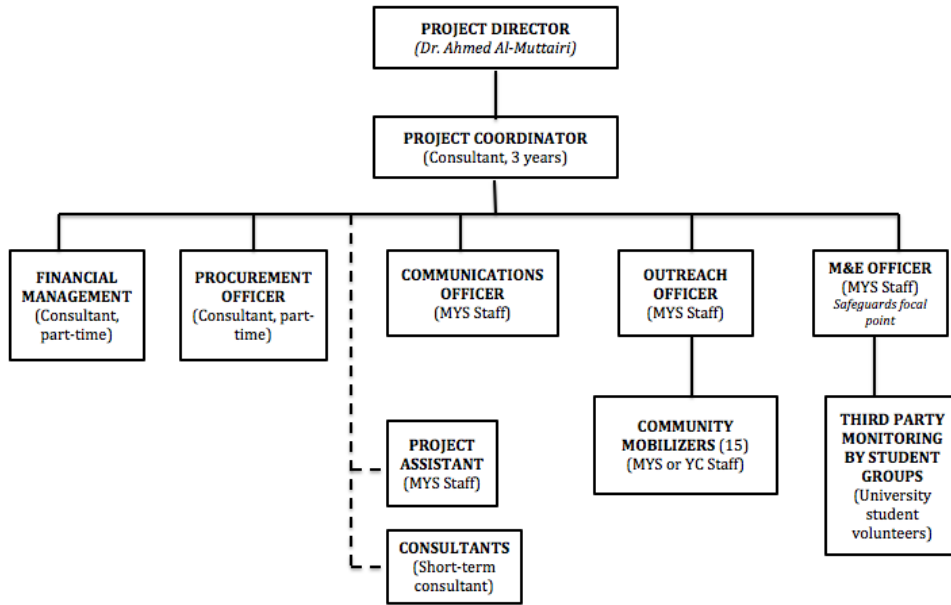
15. Upon completion of the business development training, youth will submit their business proposal to the aforementioned selection committee for approval. The MoYS, through the PMU, will then provide start-up capital to young people through seed grants on a competitive basis. Youth will also be required to match approximately 25 percent of the grant value with financial or in-kind contribution to create a greater sense of ownership among beneficiaries. In-kind contributions include goods, materials, works and services, such as labor, construction materials and/or equipment. A cost-table to value in kind contributions will be included in the Operations Manual.
16. In line with recommendations from the final evaluation of the previous pilot, the contracted service provider will pair young people with mentors and coaches to ensure businesses are as successful as possible given the difficulties of the environment. Business advisory service and support will be provided to beneficiaries for one year from business start-up.

Component 2: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination (USD 275,000)

Project Management and Administration

17. A Project Management Unit will be responsible for overall coordination and implementation of the project. Key responsibilities will include project coordination, beneficiary outreach, procurement, financial management, safeguards, communication and knowledge management, selection and oversight of a local NGO and service provider, and monitoring and evaluation. The PMU will comprise a team of dedicated MoYS staff who are seconded to the PMU, as well as small team of consultants. The MoYS will also deploy about 20 of its young tertiary graduate staff as community mobilizers for the proposed project.
18. As reflected in the PMU chart (figure 1), most PMU responsibilities will be fulfilled by the MoYS, which has a number of qualified professionals (i.e. IT engineers and civil engineers) that will be deployed in view of the high priority placed by the Iraqi Government in this project. The expenditures financed by this component will primarily include consultant salaries for the PMU, transportation, and office operating costs.

Figure 1. Project Management Unit



19. The PMU will contract an NGO and Service Provider to conduct specific project activities. In particular, one NGO will be contracted to conduct activities under the soft skills training and youth-led community development sub-components, while a Service Provider will be contracted to conduct business development trainings and post grant mentorship to beneficiaries. The MoYS will directly manage the grant-disbursement process for micro-entrepreneurship beneficiaries. Given the different skills required to provide the different project activities, the MoYS will oversee and manage the process while subcontracting an NGO and Service Provider with relevant thematic expertise.

Monitoring and Evaluation

20. The PMU will put in place a robust M&E system to track progress and results. The project will therefore draw on several complementary M&E tools in order to i) support project management; ii) ensure accountability; and iii) foster knowledge generation. This sub-component will finance an M&E consultant who will assist the PMU and M&E officer in establishing a management information system for the project, external audits, and periodic assessment. The M&E consultant will also assist with periodic beneficiary data collection by mobile phone.

21. The PMU will be responsible for day-to-day project monitoring. Monitoring will be implemented using an Information and Communication Technology (ICT) tool, which allows real time monitoring of on-going activities and to evaluate changes of performance over time. The PMU will develop the detailed monitoring framework for component 1 with World Bank assistance. Standard monitoring will be complemented with targeted periodic assessments to ensure the quality and effectiveness of delivery of the activities offered. These assessments will be carried out by independent consultants at critical milestones of project implementation, for example after the first year, at mid-

term, or when problems are detected. Students and volunteers, under the supervision of the M&E Officer, will also be engaged to conduct spot checks and phone calls to beneficiaries to obtain their feedback on the different project activities.

22. Participatory M&E systems will be used to ensure that the proposed project activities address the needs of the target population. In the selected areas, a Youth M&E Committee will be set up to monitor the beneficiary targeting mechanism for all activities, the effectiveness of youth-led community development activities and of youth communications efforts, the effectiveness of skills development activities, the use of seed grants, and the overall results of component 1. The Youth M&E Committee will be made of a mix of project beneficiaries and young people who have experience as beneficiaries of similar projects. The young people who have previously benefited from such projects can bring in a more informed perspective about the changes expected in such activities, and can serve as mentors for the rest of committee members.
23. The project will also fund an Implementation Completion and Results (ICR) Report that will gather lessons learned for future Bank activities within Iraq and in other similar settings. The ICR will be developed by an independent consultant with experience working on youth activities.

Knowledge Dissemination

24. Knowledge sharing will take place throughout the project. A knowledge management specialist will be contracted to consolidate lessons learned throughout project implementation. Lessons learned would be disseminated in yearly forums, where youth beneficiaries will have an opportunity to present results from youth-led community development activities or micro-entrepreneurship activities. These yearly forums will also provide an opportunity for youth to interact with participants from other communities in a safe and guided environment. The forums will be widely documented so as to strengthen the counter-narrative of youth as positive agents of peace in the Iraqi context. Iraqi government officials, the Government of Japan, and other development partners will be invited in order to raise awareness of the importance of investing in youth peace building initiatives and to showcase potential intervention models.

ANNEX 3: IMPLEMENTATION ARRANGEMENTS

IRAQ: Promoting the Inclusion of Conflict-Affected Iraqi Youth (P161654)

Project Administration Mechanism

1. The Ministry of Youth and Sports will serve as both the grant recipient and implementing agency for the project. A Project Management Unit (PMU), comprised of staff seconded from the MoYS and specialized consultants will be responsible for day to day operations and will oversee the implementation of all project activities. Most PMU responsibilities will be fulfilled by MoYS staff, including the Communications Officer, Outreach Officer, M&E Officer, Project Assistance, and Community Mobilizers. The PMU will also include a small group of consultants with experience working in international projects, including a Project Coordinator, FM Specialist, and Procurement Specialist. The specific functions and roles of the PMU will be clearly defined in the Operations Manual. The MoYS will contract an NGO to conduct activities under the soft skills training and youth-led community development sub-components, while a Service Provider will be contracted to conduct business development trainings and post grant mentorship to beneficiaries. The MoYS will directly manage the grant-disbursement process for micro-entrepreneurship beneficiaries. Given the different skills required to provide the different project activities, the MoYS will oversee and manage the process while subcontracting an NGO and Service Provider with relevant thematic expertise.

Financial Management, Disbursements and Procurement

Financial Management

2. **Staffing.** The Project's main FM and disbursement functions will be managed by the PMU. The PMU will hire a part-time Financial Officer with World Bank financed projects experience and English fluency, financed by the grant, and who will work under the supervision of MoYS's Finance Director. The TOR and selection of the Financial Official will be submitted to the Bank for its No-Objection. An accountant/internal controller will be seconded from MoYS to assist the Financial Officer.
3. **Project FM risk.** Based on the results of the assessment, the overall FM risk is "High". With mitigation measures in place, the project will have acceptable project FM arrangements and its FM risk rating will be "Substantial". The FM risk is assessed as "Substantial" mainly due to:
 - a) Limited capacity at the ministry to meet the Project's financial management requirements;
 - b) Security conditions do not allow visits by the Bank team to perform physical verification;
 - c) Overall weaknesses and shortcomings in the control environment;
 - d) Limited accounting and reporting systems in providing timely and comprehensive information;

- e) Limited physical presence of Bank staff in Baghdad and limited independent verification function;
- f) Delays in making payments due to the shortfalls in the Iraqi banking sector.
- g) Sub-grants administered and provided for procurement of materials by the hired NGO are not made to eligible beneficiaries per the specified criteria cleared ahead by the World Bank and set clearly in the contract with the NGO.
- h) Microfinance sub-grants administered and provided by MoYS are not made to eligible youth beneficiaries per the specified criteria set in the Project Operations Manual.

4. The following measures are proposed to mitigate FM-related risks:

- a) FM function within the PMU, with FM team consisting of an externally hired Financial Officer, under the supervision of the MoYS Director of Financial Department, and a seconded accountant;
- b) Simplified accounting and reporting arrangements to give timely information on the project financial performance and status; excel spread sheets will be used to record project financial transactions and generate simplified Interim Unaudited Financial Reports (IFRs);
- c) Financing 100% of activities to avoid delays that arise from counterpart financing;
- d) Opening a Designated Account (DA) in a bank acceptable to the World Bank with sufficient advances;
- e) Submission of quarter Interim Unaudited Financial Reports (IFRs) will allow the Bank team to follow up on the disbursement progress and address any bottlenecks on timely basis;
- f) An independent external auditor, acceptable to the World Bank, will be hired to audit the project's annual financial statements in accordance with terms of reference (TORs) acceptable to the World Bank.
- g) The development of an FM manual for this Project that will be documenting the procedures, inter alia, on internal controls, financial reporting and auditing, responsibilities' and duties, flow of information, and other based on the Project Operations Manual (POM). The manual will also state clearly the financial responsibilities of the hired NGO(s), fiduciary and monitoring aspects, and reporting obligations to PMU;
- h) Grants provided under the Micro-Entrepreneurship sub-component will be subject to a matching grant requirement for beneficiaries as grantees must provide 25% in matching financial or in-kind contributions. Grants will not exceed US\$ 1,000 per beneficiary. Grants would be disbursed in two tranches of 50% each. The first tranche will be paid out to the beneficiary following the GAC approved budget and business plan. Few cases might require 100% grant provisions towards the procurement of goods. MoYS, in these cases, will be responsible for procuring the goods directly on behalf of the beneficiary, based on the business plan specifications.
- i) A contracted NGO will be responsible for procurement of material and needs under the youth-led community driven development activities with extending no

cash to the informal youth groups, based on clear set phases and deliverables in the contract between the NGO and the MoYS.

- j) Participatory M&E systems will be used to ensure that the proposed project activities address the needs of the target population. In the project selected areas, a Youth M&E Committee will be set up that will monitor: the beneficiary targeting mechanism for all activities, the effectiveness of the youth-led community development activities implementation and of youth communication efforts, the effectiveness of skills development activities, the use of seed grants and utilization of the two sequential tranches, and the overall results of the project.

5. **FM Arrangements for Sub-grants to youth individuals and youth groups:** The project is designed to provide sub-grants through two programs, the youth-led community development and the entrepreneurship program. For the first, informal youth groups will be formed following a training and learning process. Youth groups will submit proposals to a Grant Approval Committee, chaired by the MoYS and comprised of national youth NGOs, representatives of the business community, local government representatives, and specialized staff from the selected NGO, which will review and approve the projects taking into account the community's endorsement, the project's compatibility with the overall program's goals, criteria for this activity, and the WB's procurement and safeguards requirements. Subject proposals will be allocated a sub-grant amount and the selected NGO, hired to conduct soft skill and youth-led community development trainings under sub-components 1.1 and 1.2, will procure the requested material and needs for the youth projects. No direct cash will be provided to these informal youth groups. As the contract/agreement between the selected NGO and MoYS (for subcomponent 1.1. and 1.2) is submitted to the World bank for No Objection, the Bank team will ensure that the agreement terms reflect the beneficiary youth eligibility criteria, selectivity process design, internal controls in place, and assurance from the firm's auditor on the payment mechanism. As for the latter, a firm will be hired to provide training to targeted beneficiaries. Following the training and based on a set of eligibility criteria, cleared by the Bank, a Grant Approval Committee (GAC), comprised of representatives of the business community, local government representatives, representatives from the MoYS, and specialized staff from the contracted service provider will then select beneficiaries to receive seed grants that will enable the start-up or expansion of their small businesses. MoYS through the PMU will be responsible for provision of the sub-grants to selected youth entrepreneurs. By implementing the respective financial mitigating measures, grants provision under the Micro-Entrepreneurship sub-component will be subject to a matching grant requirement as grantees must provide 25% in matching financial or in-kind contributions. Grants will not exceed US\$ 1,000 per beneficiary. Furthermore, grants would be disbursed in two tranches of 50% each. The first tranche will be paid out to the beneficiary following the GAC approved budget and business plan. An exception to that is the procurement of goods by MoYS for those that require 100% grant financing per their approved business plan.
6. **Operational progress** of these startup small businesses assessed by the Monitoring and Evaluation function will provide feedback and be used to compare with the financial progress of this sub-component.

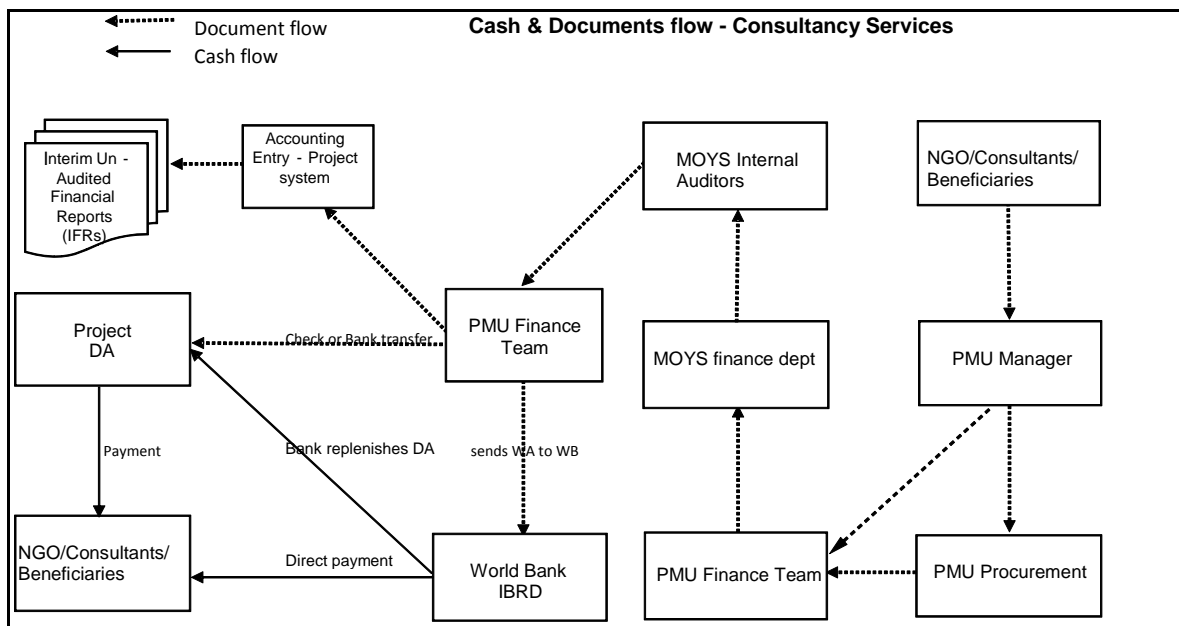
7. **Accounting and Financial Reporting.** The project will follow the cash basis of accounting and key accounting policies and procedures will be documented in the financial procedures manual which will be finalized before project effectiveness. The ministry uses a simple accounting software to capture its daily financial transactions. All daily transactions are recorded manually and excel is used for reporting. Manual accounting and excel spread sheets will be used to record project financial transactions and generate the quarterly IFRs.
8. The PMU will be responsible for preparing the following:
 - (a) **Interim Unaudited Financial Reports (IFRs)** and submitting them to the Bank within 45 days from the end of each quarter. The format of the reports will be agreed before Project effectiveness date. These reports will consist of: i) Statement of Cash Receipts and Payments by each category, (ii) “the list of all signed Contracts per category” showing Contract amounts committed, paid, and unpaid under each contract, and (iii) Reconciliation Statement for the balance of the Designated Account.
 - (b) **Annual Project Financial Statements (PFS)** which will be audited by an independent external auditor. The audit report should be submitted to the Bank not later than six months following the end of each fiscal year. The PFS should include: Statement of Cash Receipts and Payments by category and accounting policies and explanatory notes, including a footnote disclosure on schedules: (i) List of all signed Contracts per category: showing Contract amounts committed, paid, and unpaid under each contract, (ii) Reconciliation Statement for the balance of the Designated Accounts, (iii) List of assets (goods and equipment).
9. **Internal controls:** Project’s expenditure cycle will follow the controls specified in the National Financial System of the Republic of Iraq, which includes: (i) technical approval of the department involved; (ii) checking and approval by finance staff; (iii) verification of the accuracy of the payments and its compliance with the applicable laws in Iraq and the World Bank procurement and FM procedures as well as the Grant terms and conditions. Although the project will follow the Government-applied controls set in the local laws, there will be supplementary controls in place for monitoring project activities, including the verification and approval of the PMU staff (financial and technical). A financial management manual will be prepared. This manual will document the Project’s implementation of internal control functions and processes and describe the roles and responsibilities of the PMU staff and MoYS finance department, summarized in terms of authorization and execution processes. The manual will also describe clearly the fiduciary responsibilities by MoYS and PMU on handling and administrating the sub-grants to beneficiaries, the related financial procedures and controls to be set in place, and the required financial reporting obligations.
10. On a monthly basis, the PMU Financial Officer will reconcile the Project account bank statement with the account book balance. Reconciliations should be prepared by the PMU Financial Officer and verified by the PMU Manager. All reconciling items (if any) should be listed, explained and followed upon. Copies of the reconciliation together with the account bank statement should be kept in the Project files and should be attached to the

IFRs.

11. **Financial Audit:** MoYS like all public entities is subject to Iraq SAI annual audit as per the government regulations. However, the project will not rely on the Iraq SAI but rather will hire an external audit firm. The Project's financial statements will be audited annually by an independent auditor acceptable to the Bank, in accordance with internationally accepted auditing standards and terms of reference cleared by the Bank. The PMU will be responsible for preparing the TORs for the auditor and will submit them to the Bank for clearance. The PMU should engage an external auditor six months following the submission of the first withdrawal application. The audit report will be sent to the Bank no later than 6 months following the end of the Project's fiscal year. The report shall include an opinion on the Project's financial statement. The auditor will also be requested to provide an opinion on the Project's effectiveness of internal control system. Finally, a management letter shall accompany the audit report, identifying any deficiencies in the control system the auditor finds pertinent, including recommendations for their improvement.

12. **Budgeting:** The PMU will maintain a detailed disbursement plan per quarter. This plan will be developed based on the initial procurement plan, approved business plans for grant provisions, or based on the schedule of outputs as defined in the implementation schedule and estimated payments cycles, and revised upon need. It will be used as a monitoring tool to analyze budget variances and manage cash, and will feed into the quarterly Interim Unaudited Financial Reports (IFRs). To ensure that funds are readily available for project implementation, a Designated Account (DA) will be opened for the PMU in U.S Dollar. The PMU will be responsible of managing its DA, preparing the reconciliations, and submitting monthly replenishment applications with appropriate supporting documentation.

13. **Flow of Documentation and flow of funds.** The flowchart below depicts the flow of documentation and flow of funds at the PMU:



Disbursements

14. **Designated Account (DA).** To ensure that funds are readily available for project implementation, a DA will be opened for the PMU in U.S Dollar. Authorized signatories, names and corresponding specimens of their signatures would be submitted to the Bank prior to the receipt of the first Withdrawal Application. The PMU will be responsible for submitting monthly replenishment applications with appropriate supporting documentation. The proceeds of the Grant will be disbursed in accordance with the World Bank's disbursements terms that will be outlined in the Disbursement Letter and in accordance with the World Bank Disbursement Guidelines for Projects. Transaction-based disbursement will be used under this project. Accordingly, requests for payments from the Grant will be initiated through the use of Withdrawal Applications (WAs) either for advances, direct payments, reimbursements or replenishments to the DA. All WAs will include appropriate supporting documentation, including detailed Statement of Expenditures (SOEs) for reimbursements and replenishments to the DA. The category of Eligible Expenditures that may be financed out of the proceeds of the Grant and the percentage of expenditures to be financed for Eligible Expenditures will be spelled out in the Grant Agreement.
15. **E-Disbursement.** The World Bank has introduced e-disbursement for all projects in Iraq. Under e-Disbursement, all transactions will be conducted and associated supporting documents and IFRs scanned and transmitted online through the World Bank's Client connection system. The use of e-Disbursement functionality will streamline online payment processing to (i) avoid common mistakes in filling out WAs; (ii) reduce the time and the cost of sending WAs to the Bank; and (iii) expedite the Bank processing of disbursement requests.
16. **Statements of Expenditures.** All Reimbursement and Designated Account Replenishment Applications for withdrawal of proceeds from the grant account will be fully documented. Necessary supporting documents will be sent to the Bank in connection with contracts that are above the prior review threshold contracts as per the procurement plan, except for expenditures under Contracts with an estimated value of: (a) US\$150,000 or less for Goods; (b) US\$100,000 or less for Consulting Firms; and (c) US\$50,000 or less for Individual Consultants, incremental operating costs, as well as Training, which will be claimed on the basis of SOEs. The documentation supporting expenditures will be retained at the PMU and will be readily accessible for review by external auditors and periodic Bank supervision missions.
17. *"Incremental Operating Costs"* means Project related incremental costs incurred by the PMU on account of communication, translation and interpretation, printing, procurement-related advertising, office supplies, banking charges, Project related travel including per diem accommodation and transportation, vehicle rental and fuel, postal fee, and other miscellaneous costs directly associated with Project implementation subject to prior approval by the World Bank.
18. **Supervision and Independent Verification:** The Project will require close supervision

during the start-up phase to ensure that the PMUs' fiduciary requirements are completed in a timely manner, minimizing project fiduciary risk. Throughout Project implementation, supervision will be conducted every six months to ensure compliance with Bank requirements and to develop internally generated Project risks. The Bank Financial Management Specialist (FMS) or a Bank hired consultant will be granted regular access to the project documents at the PMU and different relevant entities. The FMS or the Bank consultant will mainly perform the following:

- a. Verify and validate the projects' FM and procurement arrangements and internal controls agreed upon with the implementing agencies;
- b. Monitor the physical progress of Project activities; and
- c. Visit the PMU periodically and offer technical advice in addition to periodically reporting issues to the Bank task team as they arise, and recommend actions to be taken by the PMU and the task team.

Procurement

19. ***Staffing.*** A PMU will be established to oversee the implementation of this project, and manage the Project's procurement functions. The PMU will be responsible for preparing the TORs for individual and consulting firms, proposals evaluation, contract awards, contracts management, guidance and training during project implementation, as well as shopping small value goods required under the Project.
20. To handle the task, the PMU will hire a part-time Procurement Officer experienced in the World Bank Procurement (or similar experience with other donors) and fluency in English, financed by the grant, who will work under the supervision of MoYS's PMU Director.
21. ***Implementation support plan for procurement.*** The Bank's procurement specialist will carry out at least one mission per year to provide support to the implementation of procurement activities and as need arises. This support will include review of PMU procurement practice & capacity, prior and post reviews of procurement activities listed in the procurement plan. In addition to carrying out an annual ex-post review of procurement that falls below the prior review thresholds, the procurement specialist will lead thematic and focused missions depending on the procurement needs and as agreed to by the government.

Procurement practice

22. The Public Procurement in Iraq was governed by the Coalition Provisional Authority (CPA) order #87 of 2004 and the implementing regulations # 1 for 2008 promulgated by Council of Ministers and prepared by the Ministry of Planning until 2011. The Council of Ministers issued a Resolution dated May 16, 2011 to abolish the procurement framework, without replacing it with another Law resulting in a legal void. To resolve the issue, a draft Law was developed by an inter-ministerial working force and reviewed by the Shura Council as an appropriate legal framework for the country, but there were calls to discard the draft Law and instead to prepare a By-Law or Regulation. Consequently, and in the absence of a new legal framework, the legal void persists. The Ministry of Planning has issued a set of

regulations #2 in 2014 to replace the 2008 regulations, which is currently being used by the Government entities including the implementing Agency.

23. Assessments and reviews conducted on procurement of the implementing agency (MoYS) reflect that the current uncertainty of public procurement law and regulations and their enforcement is the major issue facing the procurement. In addition, as Iraq had been ranking poorly on Transparency International's Corruption Perception Index over the last eight years and the country suffers from conflict, procurement associated risks are high and supervision of project's implementation remains difficult.

Procurement risks:

24. Based on the results of the assessment, the overall Procurement risk is "High", however with mitigation measures in place, its Procurement risk rating will be reduced to "Substantial". The Procurement risk is assessed as such mainly due to:
- (a) Capacity constraints of staff to carry out procurement and management of contracts;
 - (b) Lack of experience in procurement planning and expected delays in implementation;
 - (c) Lax record keeping environment that can result in misplaced documents;
 - (d) High risk and weak control environment;
 - (e) Weak capacity of local consultant firms and lack of interest of international companies to participate due to security restrictions;
 - (f) No experience at the MoYS to work under Bank's financed operation;

Mitigating Measures:

25. The following measures, corresponding to the risks identified above, are expected to be implemented:
- (a) Bank procurement guidelines will be followed;
 - (b) Consultancy funding for procurement support has been included in the project design in order to hire a part time experienced procurement specialist.
 - (c) Frequent training including on-the-job training to the project team in PMU on procurement and project management by Bank's local procurement expert located in Baghdad, both before and during implementation will be provided to assist with implementation of activities;
 - (d) Use of local consultants or local partners of international consultants, plus monitoring arrangements by the Ministry's local staff in the locations in question could help to mitigate the problem of lack of interest due to security conditions.
 - (e) PMU will monitor the activities and will recommend actions to be taken to improve project implementation.
 - (f) Procurement will be carefully packaged to encourage qualified consulting firms to participate in association with local firms for training services;
 - (g) To mitigate delays in implementing the procurement plan, TORs should be prepared in advance and close supervision by the Bank staff is essential.

- (h) **Monitoring and Records Keeping:** The PMTs should establish record keeping and monitoring tools for contracts and activities under implementation and establish adequate record keeping (Archiving).

In summary, with application of the mentioned mitigation measures, it is expected for the procurement risk to be reduced to substantial.

Applicable Guidelines:

26. Procurement under the proposed project will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers (Procurement in investment project financing Goods, Works, Non-Consulting and Consulting Services) of July 2016; and the provisions stipulated in the Grant Agreement.
27. For each contract to be financed by the grant, the different procurement methods, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank project team in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

Procurement of Works, Goods and Non-Consultancy and Consultancy Services:

28. ***Sub-grants to youth individuals and youth groups:*** The project is designed to provide sub-grants through two programs, the youth-led community driven development and the entrepreneurship program. For the first, informal youth groups will be formed following training and learning process. Youth groups will be submitting proposals to Grant Approval Committee, chaired by the MoYS and comprised of national youth NGOs, representatives of the business community, local government representatives, and specialized staff from the selected NGO, which will review and approve the projects taking into account the community's endorsement, the project's compatibility with the overall program's goals, criteria for this activity, and the WB's procurement and safeguards requirements. Youth-led community development activity proposals will be allocated a sub-grant amount and the selected NGO, hired to conduct soft skill and youth-led community development trainings under sub-components 1.1 and 1.2, will procure the requested material and needs for the youth projects. No direct cash will be provided to these informal youth groups. As the contract/agreement between the selected NGO and MoYS (for subcomponent 1.1. and 1.2) is submitted to the World bank for No Objection, the Bank team will ensure that the agreement terms reflect the beneficiary youth eligibility criteria, selectivity process design, internal controls in place, and assurance from the firm's auditor on the payment mechanism. As for the latter, a firm will be hired to provide training to targeted beneficiaries. Following the training and based on a set of eligibility criteria, cleared by the Bank, a Grant Approval Committee (GAC), comprised of representatives of the business community, local government representatives, representatives from the MoYS, and specialized staff from the contracted service provider will then select beneficiaries to receive seed grants that will enable the start-up or expansion of their small businesses. MoYS through the PMU will be responsible for provision of the sub-grants to selected youth entrepreneurs. By implementing the respective financial mitigating measures, grants provision under the

Micro-Entrepreneurship sub-component will be subject to a matching grant requirement as grantees must provide 25% in matching financial or in-kind contributions. Grants will not exceed US\$ 1,000 per beneficiary. Furthermore, grants would be disbursed in two tranches of 50% each. The first tranche will be paid out to the beneficiary following the GAC approved budget and business plan. **Operational progress** of these startup small businesses assessed by the Monitoring and Evaluation function will provide feedback and be used to compare with the financial progress of this sub-component.

29. **Request for Quotations.** Request for Quotations (Shopping) in accordance with new Procurement framework may be an appropriate method for procuring readily available off-the-shelf goods of values less than USD 100,000. The Procurement Plan should determine the cost estimate of each contract, and the aggregate total amount. The borrower PMU should solicit at least three price quotations for the purchase of goods, or services (other than consulting services), to formulate a cost comparison report.

For procurement of Office Supply including ICT tool, Request for Quotations method approaching local market using the relevant forms that are included in the Iraq Master Implementation Manual (MIM) or following the national procedures for receiving and evaluating three quotations.

30. Procurement of Consultant Services.

Selection of Consultants Procedures is as follow:

31. **Quality - and Cost-based Selection (QCBS).** QCBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. The request for proposals document shall specify the minimum score for the technical Proposals. The relative weight to be given to the quality and cost depends on the nature of the assignment. Among the Proposals that are responsive to the requirements of the request for proposals document and are technically qualified, the Proposal with the highest combined (quality and cost) score is considered the Most Advantageous Proposal.
32. **Consultant's Qualification-based Selection.** The PMU shall request expressions of interest (REOI), by attaching the TOR to the REOI. At least three qualified firms shall be requested to provide information about their relevant experience and qualifications. From the firms that have submitted an EoI, the Borrower selects the firm with the best qualifications and relevant experience and invites it to submit its technical and financial Proposals for negotiations. Advertisement of REOs is not mandatory.
33. CQS is appropriate for small assignments or Emergency Situations in which preparing and evaluating competitive Proposals is not justified.
34. **Direct Selection.** Proportional, fit-for-purpose, and VfM considerations may require a direct selection (single-source or sole-source selection), approach, that is: approaching and negotiating with only one firm. This selection method may be appropriate when only one

firm is qualified, a firm has experience of exceptional worth for the assignment, or there is justification to use a preferred firm. Direct selection may be appropriate under the following circumstances:

- (a) an existing contract for Consulting Services, including a contract not originally financed by the Bank but awarded in accordance with procedures acceptable to the Bank, may be extended for additional Consulting Services of a similar nature, if it is properly justified, no advantage may be obtained by competition, and the prices are reasonable;
- (b) for tasks that represent a natural continuation of previous work carried out by a Consultant within the last 12 months, where continuity in the technical approach, experience acquired, and continued professional liability of the same Consultant may make continuation with the initial Consultant preferable to a new competition, if performance has been satisfactory in the previous assignment(s);
- (c) there is a justifiable requirement to reengage a firm that has previously completed a contract with the Borrower to perform a similar type of Consulting Service. The justification shows that the firm performed satisfactorily under the previous contract, no advantage may be obtained by competition, and the prices are reasonable;
- (d) the procurement is of both very low value and low risk, as agreed in the Procurement Plan;
- (e) in exceptional cases, for example, in response to Emergency Situations;
- (f) only one firm is qualified, or one firm has experience of exceptional worth for the assignment;
- (g) the Consulting Services provided in the Borrower’s country by an SOE, university, research center, or institution of the Borrower’s country are of a unique and exceptional nature, in accordance with Paragraph 3.23. c.; or
- (h) direct selection of UN Agencies.

Summarized Procurement Plan:

- 35. The procurement plan for the life of the project will be developed by the government through Systematic Tracking of Exchanges in Procurement (STEP). It defines the market approach options, the selection methods and contractual arrangements, and determines the WB’s reviews.
- 36. Below are the summarized procurement activities to be carried out during the first 12 months of project effectiveness and the prior review threshold.

Procurement of Goods and non-consulting services:

- 37. Procurement Method and Prior Review Threshold: Procurement Decisions subject to Prior Review by the Bank:

#	Procurement Method	Prior Review Threshold (USD)
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1	Goods (irrespective of method)	≥ 1,500,000
2	Works (irrespective of method)	≥ 5,000,000

38. Summary of the Procurement Packages planned during the first 12 months after project effectiveness.

Ref. No.	Description	Estimated Cost US\$	Procurement Method	Review by Bank (Prior/Post)
MOYS.SH.PMU-G.01	Office supply including ICT tools (cameras, computers, printers)	14,200	Shopping (RFQ)	Post

Selection of Consultants:

39. **Procurement Method and Prior Review Threshold:** Selection decisions subject to Prior Review by Bank:

#	Procurement Method	Prior Review Threshold (USD)	Comments
1	Consulting firms (irrespective to the method)	≥ 500,000	All TORs are subject to prior review
2	Individual consultant include direct selection (D.S)	≥ 200,000	All TORs are subject to prior review

40. Shortlisting: assess the expressions of interest to determine the Shortlist. The criteria to be used for short listing may normally include: core business and years in business, relevant experience, technical and managerial capability of the firm. Key personnel are not evaluated at this stage. The final Shortlist is communicated to all firms that expressed interest, as well as any other firm or entity that requests this information. The invitation to Shortlisted firms to submit Proposals includes the names of all Shortlisted firms. Once the Bank has issued its no-objection to the Shortlist, the Borrower does not modify it without the Bank's no-objection.

41. Summary of the Procurement Packages planned during the first 12 months after project effectiveness (including those that are subject to retroactive financing and advanced

procurement)

Ref. No.	Description of Assignment	Estimated Cost US\$	Selection Method	Review by Bank (Prior/Post)
MOYS.QCBS.TR.01	Soft Skills and Psychosocial support training Program-NGOs	428,500	QBS	Post
MOYS.QCBS.TR.02	Youth –Led community development and peacebuilding training Program-Same NGO	155,000	D.S	Post
MOYS.QCBS.TR.03	Micro- Entrepreneurship for training the vulnerable Iraqi youth in the selected communities- Services Provider (SP)	275,000	CQS	Post
MOYS.IC.RAM.01	Rapid needs assessment and mapping	7,500	SIC	Post
MOYS.IC. PC.02	Project coordinator-PMU	84,600	SIC	Post
MOYS.IC. PO.03	Procurement Officer-PMU	36,000	SIC	Post
MOYS.IC. FO.04	Financial Management Officer-PMU	36,000	SIC	Post
MOYS.IC. ICT.05	Information Communication Technology Tool (establishing a management information system for the project)	18,100	SIC	Post
MOYS.IC. M&E.06	Monitoring Data collection-PMU (Develop the detailed monitoring framework and assess the quality and effectiveness of delivery of the services offered).	7,500	SIC	Post
MOYS.IC. ICR.07	Implementation Completion Report	12,500	SIC	Post
MOYS.IC.KM.08	Knowledge Management Specialist	10,000	SIC	Post
MOYS.DS.EA.01	External auditor	9,000	DS	Post

* All TORs are subject to prior review.

* **Soft Skills and Psychosocial Support and Youth-Led Community Development and Peacebuilding training programs will be conducted by an NGO. The contract between the NGO and the MoYS need to include the management of procurement of material and needs under the youth-led community driven development activities with extending no cash to the informal youth groups, based on clear set phases and deliverables in the contract.**

Environmental and Social (including safeguards)

42. The project's design comprehensively addresses social issues. Key issues to address include: (1) ensuring that the project targets vulnerable youth; (2) guaranteeing that eligibility criteria

are well communicated and that potential beneficiaries know their eligibility; (3) ensuring that expectations of project benefits are in line with what the project expects to deliver; (4) putting in place mechanisms to promote the accountability of service providers to project beneficiaries; and (5) assuring that the project does not create or increase tensions between social groups. The project has addressed these issues by selecting geographic areas where a large percentage of youth are vulnerable, and has set criteria for beneficiary selection which prioritizes the most vulnerable youth in these areas. Project communications activities are designed to inform project areas at large about the project, project benefits, and eligibility. The project will also put in place mechanisms for youth to be able to provide feedback on the activities of the NGO supporting the project as well as on the activities managed by the Ministry of Youth. In addition, project activities are specifically designed with a peacebuilding objective, reducing tensions and promoting collaboration between groups which may otherwise be at odds.

43. The project does not include any land acquisition and will not involve any displacement of people from land or have negative impacts on livelihoods. Because of this, the Bank policy on Involuntary Resettlement OP 4.12 will not be triggered.