



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

Appraisal Stage | Date Prepared/Updated: 06-Mar-2019 | Report No: PIDISDSA26267



BASIC INFORMATION

A. Basic Project Data

Country Mozambique	Project ID P166100	Project Name Harnessing the Demographic Dividend	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 05-Apr-2019	Estimated Board Date 11-Sep-2019	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Ministerio da Economia e Finanças	Implementing Agency Ministerio da Juventude e Desportos	

Proposed Development Objective(s)

The PDO is to support the Government of Mozambique in increasing empowerment, access to education, and employment opportunities for targeted youth.

Components

- Educating and empowering adolescents
- Promoting opportunities for productive employment
- Strengthening youth policy development and project management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	55.00
Total Financing	55.00
of which IBRD/IDA	55.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	55.00
IDA Grant	55.00

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Environmental Assessment Category

C-Not Required

Have the Safeguards oversight and clearance functions been transferred to the Practice Manager? (Will not be disclosed)

No

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Mozambique experienced strong economic growth in the last two decades, but the pattern of growth has not been inclusive, leaving many low-income Mozambicans behind.** The country enjoyed a remarkable recovery after decades of war. GDP grew by an average of 7.9 percent per year from the end of the civil war in 1992 to 2014.¹ Between 2000 and 2016, GDP per capita doubled, climbing from \$561 to \$1,128 (2011 PPP).² Poverty declined from 52.8 percent in 2002/03 to 46 percent in 2014/15³, accompanied by progress in accessing health and education services. Yet, Mozambique remains among the poorest countries in the world. Moreover, Mozambique's growth and better services have been concentrated among the wealthier segments of society and in urban centers, hindering Mozambique's progress in achieving shared prosperity. Mozambique is now among the most unequal countries in sub-Saharan Africa.⁴

2. **The very young age structure of the Mozambican population can either exacerbate poverty and inequality or enhance prosperity.** Mozambique has one of the highest total fertility rates in Sub-Saharan Africa⁵, leading to one of the fastest rates of population growth in the region. In the last decade alone, Mozambique's population increased by 41 percent from 20 to 29 million people.⁶ Hence, despite decreasing poverty rates, the total number of people living in poverty has grown.⁷ Since fertility is highest among the poor, poverty and inequality across generations can worsen.

3. **Mozambique needs to lower its fertility rate and educate and employ its working age population to**

¹ World Bank, 2016. *Mozambique Systematic Country Diagnostic*.

² World Bank, 2018. *Mozambique Poverty Assessment*.

³ National figures. The WB Poverty Assessment suggests a larger reduction in poverty rates, from 60 to 48 percent between 2003 and 2015.

⁴ Gini coefficient was as high as 0.56 in 2014/2015. World Bank, 2018. *Mozambique Economic Update*.

⁵ 5.3 children per woman against an average of 4.7 children per woman in SSA in the same year (DHS 2015).

⁶ Preliminary data from the 2017 Census, Instituto Nacional de Estatística (INE).

⁷ World Bank, 2018. *Mozambique Poverty Assessment*.



reap a demographic dividend and accelerate poverty reduction. Recent estimates suggest that reducing Mozambique’s fertility rate by one child by 2050 can lead to a 31 percent increase in real GDP per capita and a 3.3 percentage point decrease in poverty.⁸ The country can enjoy a one-time opportunity for rapid economic development, as the largest cohort of working-age population enters the labor market. However, to realize this potential dividend, youth must be better skilled and face fewer constraints to working productively outside the home (especially women). At the same time, Mozambique’s economy needs to be able to generate enough quality jobs to absorb these youths at raising productivity.

4. Mozambique is facing these poverty, inequality and demographic challenges in a context of tight fiscal constraints. In 2016, the economy experienced a sharp downturn, with growth falling to an average of 3.8 percent in 2016 and 2017. The discovery of large undisclosed public debt, falling commodity prices, and adverse climate conditions had significant consequences on the macroeconomic and fiscal environment. Private demand, especially for services, which was the largest driver of growth in recent years, slowed significantly as consumer purchasing power dropped.⁹ As modest pace of growth appears like the most foreseeable scenario in the years to come, the country will have to carefully target its social spending for it to benefit the most vulnerable and have a multiplier effect.

Sectoral and Institutional Context

5. Mozambican youth play a key role in harnessing the country’s demographic dividend. Mozambique has a remarkably young age structure, with youth (aged 10-35) accounting for almost half of the total population.¹⁰ Translating this youth bulge into a demographic dividend¹¹ will require addressing interrelated social and economic constraints (and the underlying market and institutional failures) that lead to high fertility rates, disempowerment among low-income girls, low investments in education and health, and low-productivity employment. In short, Mozambique will need to better “Empower, Educate, and Employ”¹² its youth.

6. Child marriage and teenage pregnancy are persistently high. Mozambique has the 10th highest rate of early marriage in the world, with almost half of the adolescent girls aged 15-19 reporting that they are married (Figure 1). As of 2015, about 46 percent of this population group were already mothers or pregnant, and this percentage has increased in the last twenty years despite the significant progress over the period in education access.¹³ Mozambique’s adolescent fertility rate is the fourth highest in the world.

⁸ World Bank, 2016. *Searching for the demographic dividend in Mozambique: an urgent agenda*.

⁹ World Bank, 2018. *Mozambique Economic Update*.

¹⁰ Mozambique Youth Policy (1996) defines youth as citizens between 15-35 years, but for this Project, we also include younger adolescents. The working age population will grow at a rate of 3.9 percent per year between now and 2050 (compared to the predicted average of 3 percent per year for SSA as a whole). World Bank, 2016. *Searching for the Demographic Dividend in Mozambique: An Urgent Agenda*.

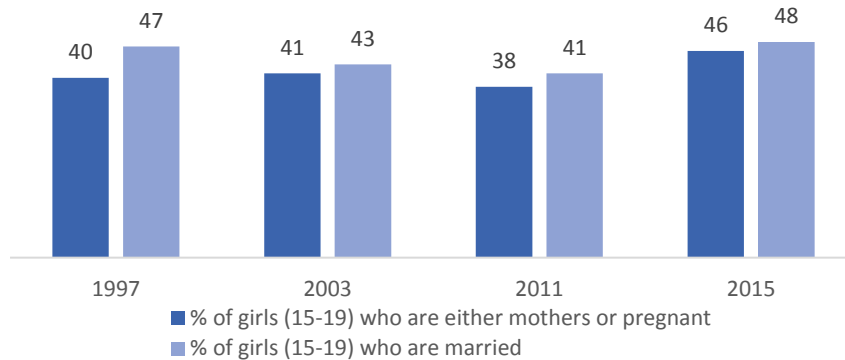
¹¹ The demographic dividend is the accelerated economic growth that may result from a decline in a country’s birth and death rates and the subsequent change in the age structure of the population, when there are growing numbers of people in the workforce (ages 15-64) relative to the number of dependents (14 and younger, and 65 and older) (Bloom, Canning, and Sevilla, 2003).

¹² Following the “3E” framework proposed in *Searching for the demographic dividend in Mozambique: an urgent agenda* (World Bank, 2016).

¹³ Demographic Health Survey (DHS) 2015.



Figure 1. Child marriage and teenage pregnancy are persistently high



Source: Authors' elaboration based on DHS data

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7. **Girls are at high risk of sexual exploitation and abuse, making it one of the most vulnerable population groups.** About one-third of 15-year-old adolescents girls declare that they are survivors of physical violence, and 46 percent say they are survivors of domestic, sexual, or emotional violence from their partners.¹⁴ Additionally, 19 percent of adolescent girls report forced sexual initiation.¹⁵ The practice is more common in the North and Center of the country, where initiation rites associated to puberty perpetuate the idea of traditional female roles in the family and make girls becomes vulnerable to early marriage.¹⁶ Sexual abuse and harassment against women and girls are also a risk in schools. Across Mozambique, seven in every ten girls report knowing of cases of sexual harassment and abuse in their school.

8. **Moreover, there is a limited demand for post-GBV services for fear and stigma, sociocultural barriers, and lack of reach and knowledge of existing services.** Because gender-based violence (GBV) is highly normalized, survivors are silenced by their fear of social consequences, a fear reinforced by the belief that it is girls' and women's reporting of GBV that brings shame, rather than the perpetration of violence itself. Barriers to help-seeking curtail girls' and women's agency and limit their empowerment. Survivors' limited ability to access integrated services due to lack of limited quality of services, and distance to services is also a challenge, hence the preference of youth to rely on communal informal networks than go through official networks.

9. **Lack of information and social norms result in low demand for sexual and reproductive health (SRH) services.** Only 25 percent of Mozambican women aged 15-49 use a modern method of contraception¹⁷. Demand-side factors emerge prominently as the main self-reported reasons for non-use.¹⁸ Only 50 percent of women declare to be interested in family planning methods to delay, limit or avoid childbearing. Recent quantitative research in Mozambique suggests that the demand for family planning could be raised significantly

¹⁴ Ministerio Do Género, Criança E Acção Social, 2016. *Perfil de Género de Moçambique*.

¹⁵ USaid, 2015. *Lessons from the Gender-Based Violence Initiative in Mozambique*.

¹⁶ Osório, 2016. *Mulher e Lei na África Austral*

¹⁷ DHS, 2015. The figure is in line with the dismal performance of SSA (26 percent of women using a modern method of contraception), but lower than frontrunners in the region (Tanzania, 32 percent; Ethiopia and Uganda, 35 percent; Rwanda, 38 percent; Kenya, 53 percent; Malawi, 58 percent; Zimbabwe, 66 percent). Prevalence of modern methods is significantly higher in other developing regions (South and South-East Asia, 40 percent; Latin America and the Caribbean, 56 percent; North Africa, 56 percent).

¹⁸ DHS, 2015.

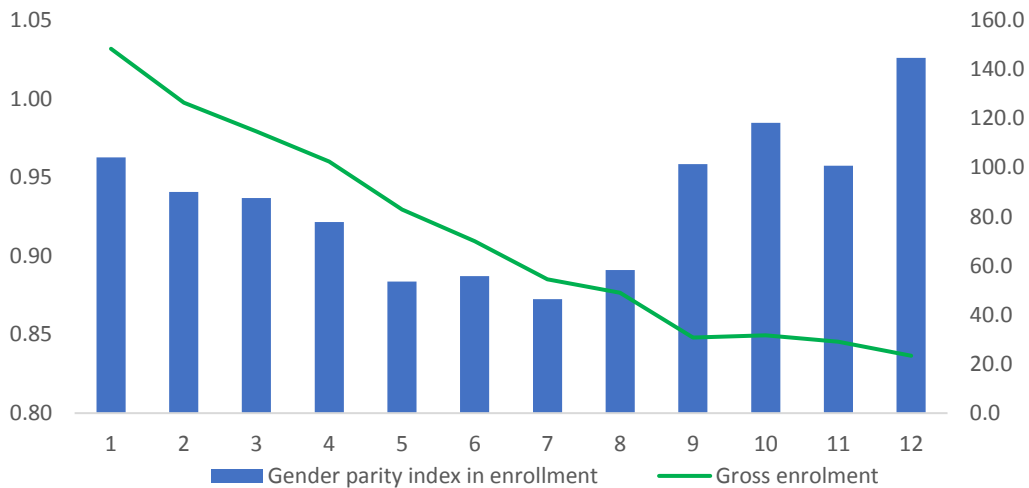


by improving women’s information on the effectiveness of modern methods of contraception and the risk of pregnancy when using no method.¹⁹ Social norms and the perceived probability of partner’s approval of modern methods are also found to play an important role. Existing evidence and consultations conducted in preparation for this Project clearly indicate that girls often do not feel they can control their own fertility, marriage, schooling or employment decisions.

10. **The supply of SRHS is also low.** Among other factors, supply of SRHS services is hindered by challenges affecting the whole health primary care system, including poor infrastructure (only 34 percent of facilities meet basic infrastructure requirements), low health worker density (linked to insufficient per capita health expenditure) and absenteeism (estimated at 23.4 percent). The Government of Mozambique (GoM), with support from the World Bank, is currently investing in an in-depth reform program to increase supply of primary health care and improve the quality of services.

11. **Despite the progress achieved in increasing education access in recent decades, Mozambique still has very low educational enrollment, attendance, and attainment.** Children in Mozambique can expect to complete 7.4 years of preprimary, primary and secondary school by age 18. Issues of enrollment are compounded, and possibly partly caused, by the low quality of educational services. Factoring in what children learn, expected years of school are only 4.4 years.²⁰ Enrollment and attendance are particularly low among girls. The gender gap widens around age fifteen, which suggests that early marriage and increased household responsibilities may be relevant drivers for drop-out rates.²¹ The Gender Parity Index (GPI) in enrollment drops from 0.96 in 1st grade to an average of 0.88 in grades 5th, 6th, 7th (the last years of primary school) and 8th (first year of secondary school).²²

Figure 2. Low levels of enrollment are exacerbated for girls



Source: MINEDH administrative data, 2015.

¹⁹ Miller, de Paula and Valente 2018.²⁰ World Bank Human Capital Project, 2018.

²⁰ World Bank Human Capital Project, 2018.

²¹ World Bank, 2016. *Searching for the demographic dividend in Mozambique: an urgent agenda.*

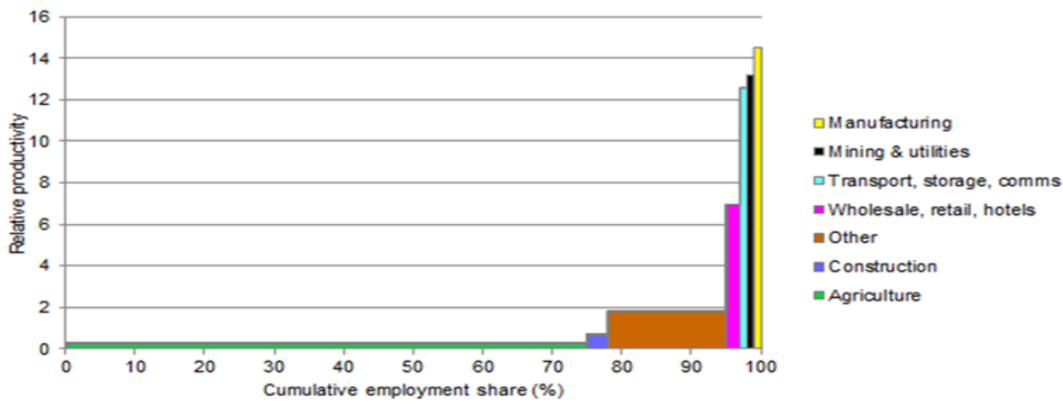
²² MINEDH, 2017. Administrative data.



12. **Country-specific research suggests that there are both demand and supply-side constraints to enrolling and progressing in school.** Among women aged 15 to 25 years old, as many as 40 percent report pregnancy or marriage as the main reason for leaving school early. Financial constraints are also important in keeping children out of school. In a survey in Sofala²³, of all the out-of-school children in the sample, 62 percent were reported to be not attending due to financial reasons, including not being able to afford uniforms, books and other supplies. Limited supply affects especially secondary education: for every 8 schools offering grades 1 to 7 there is only one offering grades 8 to 12,²⁴ making distance a key constraint to access this educational level, especially in rural areas.

13. **Efforts to reduce fertility rates, empower girls, and increase human capital need to be complemented with greater economic opportunities for these investments to pay off.** At current demographic trends, an estimated 500,000 youth will join the labor force every year between 2018 and 2050.²⁵ This raises the question as to whether Mozambique can generate enough jobs at acceptable levels of productivity to employ these many job seekers. Although the economy has been absorbing most of the labor force (only 3 percent of the working-age population is unemployed), job creation has happened mostly in low-productivity sectors (Figure 3). About 71 percent of the working population in Mozambique is in agriculture, only 3 percent of which in wage jobs. Among the remaining workers, 45 percent are self-employed or unpaid in the informal sector.²⁶ While there has been a slow shift from agriculture to services²⁷, productivity in services has been falling, and more than half of the jobs created in this sector between 2008 and 2014 were informal household enterprises jobs.²⁸

Figure 3. Jobs are concentrated in low-productivity sectors



²³ Roby, Lambert and Lambert, 2009. *Barriers to girls' education in Mozambique at household and community levels: an exploratory study*. International Journal of Social Welfare.

²⁴ Van der Berg, da Maia and Burger. *Educational inequality in Mozambique*. WIDER Working Paper 2017/212.

²⁵ World Bank, 2016. *Searching for the demographic dividend in Mozambique: an urgent agenda*.

²⁶ World Bank, 2018. *Mozambique Jobs Diagnostic*.

²⁷ Agriculture was 87 percent of the employment in 1996. Services increased from 9 percent of employment in 1996 to 22 percent in 2014.

²⁸ World Bank, 2018. *Mozambique Jobs Diagnostic*.



Source: Balchin, at al., 2017. Note: Relative productivity for each sector is expressed as a ratio to the total economy's labor productivity.

14. **In addition, there is a gender divide in terms of the quality of jobs.** While female participation in the labor force is relatively high (80 percent of adult women are economically active), women are concentrated in the informal sector.²⁹ Eighty percent of formal wage employment is held by men, with the female to male wage ratio at just 63 percent. Women's lower access to productive jobs is influenced by important factors such as social norms, differences in skills, capital availability, networks, time availability and family duties, constraints on occupational choices, and safety.³⁰ In absence of improved economic opportunities for women, investment in girls' human capital and fertility reduction are unlikely to happen.

15. **Conscious of the crucial role played by youths in society, and of the many challenges faced by them, the Government of Mozambique (GoM) has established a policy framework to support youth development and employment.** In 2013, the GoM approved a Youth Policy whose objective is to ensure that Mozambican youth have access to decent health, education and employment. Similarly, in 2016, a new National Employment Policy was approved, with the objective of promoting more and better jobs for the Mozambicans. The policy was accompanied by an action plan, supported by the ILO. In 2018, the GoM established the Inter-Ministerial Group on the Demographic Dividend (IMGDD), composed of ten ministries and led by the Ministry of Youth and Sports (MoYS), the main counterpart for this Project. In this context, the GoM has been implementing several initiatives to promote the uptake of SRH services, vocational and technical training and support self-employment. In parallel, many development agencies, NGOs and other development actors have been active in this field, supporting small-scale, independent programs targeting youth's empowerment and employment.³¹

16. **A review of existing youth development and employment programs, carried out as part of the preparation for this Project, identified key challenges faced by these initiatives and provided important lessons.**³² The main challenges of existing programs rely in their fragmentation and small-scale impact, as well as their weak monitoring and evaluation systems. As a result, many programs are struggling to ensure sustainability and in getting traction for a scale-up phase. The analysis also identifies existing policy overlaps (programs offering the same services in the same provinces or districts) and gaps (some services and activities, as for instance mobility services or support to the creation of formal jobs, going under-supported).

17. **To overcome these challenges, and acknowledging the one-time opportunity offered by the demographic dividend, the GoM is shifting towards an integrated, system-approach to youth development and employment.** This Project is an important part of these efforts. The Project builds on existing national and international evidence, leverages the private sector where applicable, and complements, integrates or scales-up some of the existing initiatives in the country. The Project aims to foster strong partnerships between the GoM and the private sector in the implementation of several of the planned activities, resting on their respective comparative advantages, as well as linking and complement existing initiatives supported by development partners.

²⁹ Jones and Tarp, 2013. *Jobs and welfare in Mozambique*. WIDER Working Paper No. 2013/045

³⁰ Chakravarty, Smita, and Vaillant, 2017. *Gender and youth employment in Sub-Saharan Africa: a review of constraints and effective interventions*. World Bank Policy Research Working Paper (8245).

³¹ The full review of existing youth development and employment programs is available at in WBDocs at the following link: <http://wbdocs.worldbank.org/wbdocs/dri/objectId/090224b086a6d2a0>

³² World Bank, 2018. *Mapeamento de Programas de Desenvolvimento e Emprego de Jovens em Moçambique*.



18. **Finally, this Project, through its capacity building and institutional development support, will also contribute to better articulation and coordination of youth policies** (within Government, between the Government and the private sector, between Government and development partners and among development partners), an important building block for Mozambique to realize its demographic dividend. The Project's comprehensive framework, national scope, strong built-in monitoring and evaluation system, and links to existing institutions and services, represents an evolution of the strategy for the implementation of youth policy towards a more sustainable and system-based approach.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The PDO is to support the Government of Mozambique in increasing empowerment, access to education, and employment opportunities for targeted youth.

Key Results

19. **The PDO Indicators are as follows:**

Empowerment

- Number of beneficiaries completing life-skills training (Target: 40,000 beneficiaries)

Education

- Reduction in average drop-out rates among girls in grades receiving individual in-kind support (Percentage points) (Target: -8 percentage points)
- Gender Parity Index (GPI) in grades receiving individual in-kind support (Target: GPI equal to 0.91)

Employment

- Number of direct jobs created by winners of the Business Plan Competition(Target: 2,000 jobs)
 - % Females (Target: 50%)
- Percentage change in earnings among beneficiaries of “enablers” (Target: 15% increase)

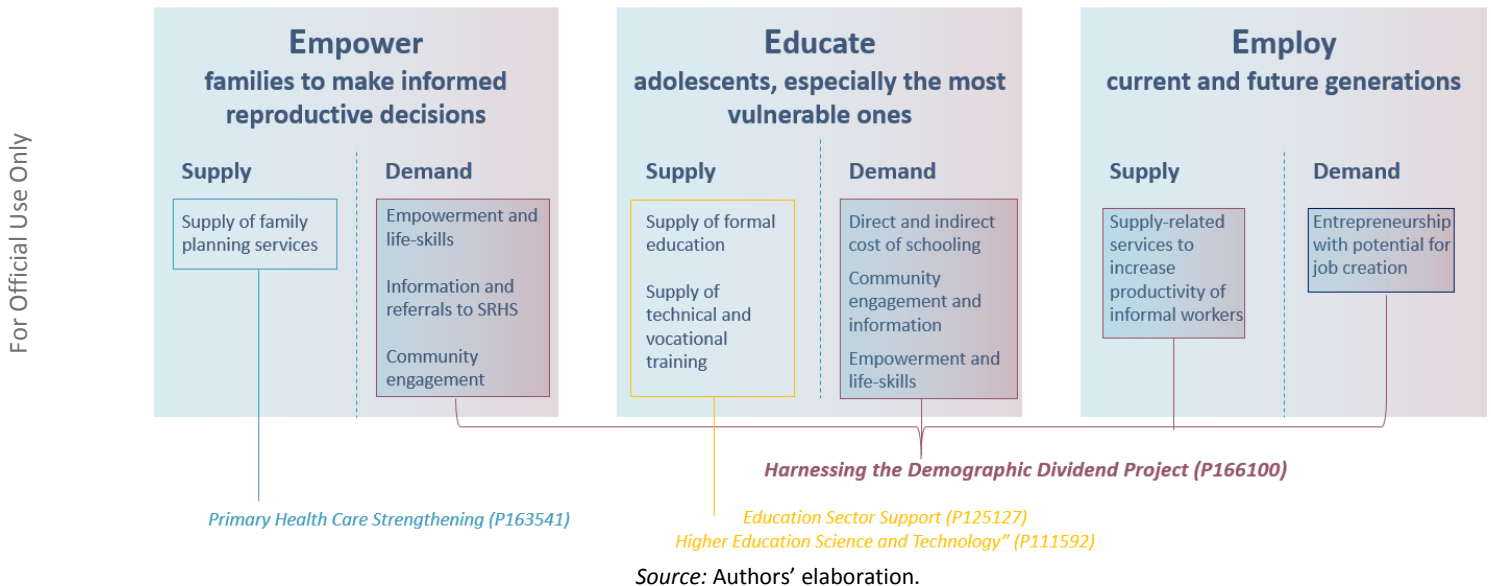
D. Project Description

20. **Project activities are aimed at supporting the GoM in its efforts to realize its demographic dividend.** The discussion above has argued that achieving this goal requires a “3 Es” approach: (i) Empowering youth to make informed reproductive and economic decisions; (ii) Educating adolescents, especially vulnerable ones; and (iii) Employing current and future generations of workers (Figure 4). Project components and activities aim to contribute to selected areas in this framework, by focusing on (i) addressing market and institutional failures that appear the most binding for unlocking vulnerable youth's potential; and (ii) areas that complement ongoing Bank, development partners and GoM activities in this agenda.



21. **The Project consists of three components:** (i) Component 1: Empowering and Educating Adolescents, financing investments in life-skills, information on SRH, GBV and education services, and support for community engagement, as well as activities aimed at keeping girls in school; (ii) Component 2: Promoting Opportunities for Productive Employment, financing activities aimed at supporting the launch of new businesses, the growth of existing ones and improvements in productivity; and (iii) Component 3: Strengthening Institutional Capacity for Youth Policy and Project Management. Each component is described in detail below. The design of project activities was informed by: (a) multiple consultations and discussions with key stakeholders, including youth groups; (b) a stocktaking exercise of ongoing relevant programs in Mozambique; (c) field visits of some of the most relevant programs; and (d) a review of relevant international evidence.

Figure 4. The “3 Es” conceptual framework behind the Harnessing the Demographic Dividend project



22. **Component 1. Empowering and Educating Adolescents (US\$25.5 million).** Mozambique has very high rates of teenage pregnancy and early marriage, educational attainment is low, and many adolescents —especially adolescent girls—have limited voice and agency. Activities to be financed under component 1 respond to these development challenges. This component aims at promoting empowerment (including increasing knowledge and demand for family planning) and improving access to education among adolescent girls (ages 10 to 19), in selected districts across the country. It includes activities to empower out-of-school girls with life-skills and information on SRH, GBV and returns to education; engage communities as agents of change; and keep girls in school.

23. **Activities aim to address some of the most critical market and institutional failures underlying poor outcomes in terms of empowerment and education.** To complement other investment efforts in Mozambique on the supply-side of SRH and education services (Figure 4), activities under this project focus on the *demand* for services, that is, addressing constraints to youth’s (mostly girls’) ability to access *existing* services rather than financing the provision of services. In terms of empowerment, information and social norms are fundamental constraints to girls’ ability to exercise agency in their fertility and economic decisions. In terms of access to education services, on top of social norms, direct and indirect costs of accessing schools are important barriers



for continuing education.³³ These constraints are more severe among girls (especially from vulnerable households), for whom early marriage or household responsibilities are often seen as the only possible alternative.³⁴

24. ***Sub-component 1.1. Addressing social norms and information constraints to empowerment (US\$15 million)***. This sub-component aims to directly support the empowerment of out-of-school adolescent girls by providing them with life-skills, mentoring and referral services, and information on SRH, GBV and education services. Furthermore, activities seek to foster a change in girls' environment by engaging with community leaders and girls' families as agents of change. Within this sub-component, the following activities will be financed:

25. ***Provision of life skills training for out-of-school girls (US\$13.5 million)***. This activity will finance (i) the provision of face-to-face life-skills training courses (expected duration is around 4 months) to out-of-school girls; (ii) the operation of mentoring services in safe spaces for adolescent girls, including the training of paid mentors; (iii) the operation of a parallel "school of partners" (possibly of shorter duration) to engage with girls' partners as agents of change around fertility, sexual behaviors, GBV, family formation and economic empowerment; and (iv) the design and implementation of complementary follow-up and information campaigns, leveraging Information and Communications Technology (ICT) to provide information on SRH, GBV, returns to education; refer adolescents to related services; and get feedback on the quality of such services.

26. This activity is expected to reach approximately 40,000 beneficiaries directly. Topics to be covered in life-skills curricula will likely include a combination of socio-emotional skills; information on SRH, GBV and returns to education; job readiness and financial literacy; basic literacy and numeracy; and cross-cutting topics (as nutrition and civic participation). The choice of the specific content will be informed by recent and local evidence on which information is most critical³⁵. Content may be tailored to different clusters of girls depending on age (ages 10-14 and 15-19); relative potential to go back to school; and marital status.

27. Strong awareness campaigns are envisaged in targeted communities in which these activities will be implemented. The MoYS will carry out an intake process to identify potential beneficiaries. The Project Implementation Manual (PIM) will define the selection criteria and quota of beneficiaries per community. Shall the demand for activities surpass availability of supply, beneficiaries will be selected randomly. Activities will be implemented in consultation with the Ministry of Health, the Ministry of Gender and Social Action, and the Ministry of Education and Human Development (MINEDH).

28. The MoYS will outsource local implementation to specialized organizations and firms already active in this sector. Implementers will be hired on a competitive basis. The Request for Proposals for life-skills courses, to be prepared by the MoYS at central level, will include specific minimum requirements to ensure quality of services, encompassing dimensions such as content areas to be covered, duration, frequency of classes, group composition, number of trainers and facilitators per group, among others. Part of the payment to providers will

³³ The identification of constraints was confirmed by in-country consultations and local and international studies. See Sections III.F and IV. A and Annex 3 for further details.

³⁴ DHS 2015.

³⁵ Additional preparatory work will be carried out once target communities are selected to identify more specifically which types of information, and communicated in what form, can be most important to include in the program. Similarly, the MoYS is to carry out a review of life-skills programs in the region to identify what has worked in the past.



account for attendance, course completion, and capacity building of public officials. Monitoring will be implemented at different administrative levels.

29. *Community mobilization and awareness (US\$ 1.5 million).* Activities will seek a change in social norms in the environment of targeted adolescent girls by engaging with community leaders. Among other positive effects, community engagement has been shown to increase intake and retention of girls into life-skills programs. Specifically, at community level, the Project will finance: i) the mapping of influential leaders (religious, traditional, village chiefs, school leadership) and their views on critical topics; (ii) the provision of training and sensitization activities with the most influential community leaders with the objective of triggering a trickle-down effect on other leaders and catalyzing change on widely-held views and practices that disempower girls (for example, initiation rites, misbeliefs around contraception or the availability of economic opportunities); (iii) the development of action plans for girls' empowerment at the community level, including technical advice and hand-holding services from local organizations in their design and implementation; and (iv) the organization of public events to recognize best performing communities in selected dimensions (innovation, impact, others).

30. This activity is expected to reach 3,000 leaders in 250 communities. Activities will be carried out in coordination with the life-skills training to out-of-school girls. The activities will be carried in a phased approach following evidence-based practices on changing norms and attitudes towards GBV and empowering youth. Efforts will be made to include women as community leaders in this activity.

31. *Sub-component 1.2. Making schooling affordable and more attractive (US\$ 10.5 million).* This sub-component aims to reduce the direct cost of schooling for vulnerable girls through school-level interventions. As keeping girls in schools has consistently been identified by the international literature as the most effective intervention to decrease early marriage and teenage pregnancy³⁶, activities under this sub-component refer to both the Empowerment and Education pillars in the 3E framework. This sub-component will also support interventions to make schooling more attractive to both adolescent girls and boys. Specifically, the following activities will be financed:

32. *Provision of support to keep girls in school (US\$ 8.5 million).* The activity will finance support to reduce the cost of education for girls enrolled in the last cycle of primary school, identified as the grades with lower GPI in enrollment, and girls and boys transitioning to secondary school.³⁷ For girls in primary school, the support will be in kind through the provision of school-related goods. For adolescents transitioning into secondary, the Project will finance the provision of bicycles to incentivize primary school completion and transition into secondary.³⁸ Despite free tuition, direct costs associated with primary education are still high, likely contributing to the low enrollment and progression in these grades. In secondary schools, costs tend to be even higher (associated primarily with tuition fees and higher costs of material), and distance from schools emerge as a key constraint.

33. This activity will first finance the provision of **uniforms** for adolescent girls enrolled in the last cycle of

³⁶ See Annex 3 for further details.

³⁷ Activities will initially be designed based on the current structure of the education system. The GoM has recently passed an education reform that changes the structure of the education system (starting secondary education in 7th grade instead of 8th grade), increases mandatory schooling till 9th grade, and extends free tuition to secondary schools.

³⁸ The team also considered the option of providing tuition subsidies in secondary school, but this option was deselected in pre-appraisal due to the extension of free tuition to secondary school announced under the education reform. This may be reconsidered and financed through this component depending on the implementation of the reform, contingent on sufficient Project resources.



primary school (5th, 6th and 7th grade) (US\$ 6 million)³⁹. Uniforms are the single item associated with the largest out-of-pocket school expenditure, representing approximately 30 percent of direct school costs.⁴⁰ International evidence confirms a positive impact of providing free uniforms on educational progression.⁴¹ The provision of free uniforms will be announced to students and their families before the opening of the enrolment period and distributed at the beginning of the academic year, once a year.⁴² Activities will include a strong sensitization campaign to inform schools, adolescents and their families about the program.

34. This activity will be carried out in coordination with MINEDH. The purchase and distribution of uniforms will be procured centrally, in a competitive manner. Contracts will include specific provisions for awarded firms to establish partnerships with local providers. The MoYS will work at the beginning of the school year on identifying uniform needs for the following year. Local authorities and school councils will play a central role in the monitoring of this activity. Third-party verification will also be used to ensure that uniforms reach the intended beneficiaries in the expected timeframe. This activity is expected to deliver 290,000 uniforms over the life of the project, benefitting an estimated 6,500 unique beneficiaries. During implementation, the range of goods to be provided can be expanded to offer different choices to girls.

35. This activity will also finance the provision of **bikes** to adolescents⁴³ graduating from primary school and transitioning to secondary school, in selected districts (US\$ 2.5 million). Distance from secondary schools has been identified as a key constraint to enrolment and attendance in this educational level. The bike will be presented as a prize for enrolment in secondary school and distributed in celebratory events at community level. The provision of bikes will be accompanied by support services, including teaching how to use a bike (as necessary), sensitization on the purpose of the bikes, and maintenance training. This activity is expected to reach 20,000 beneficiaries and will be rigorously evaluated.

36. *Provision of sports kits and events in schools (US\$2 million).* The activity will finance sports kits and events for targeted primary and secondary schools across all provinces in Mozambique, to incentivize both boys and girls to spend more time in school and to support the development of life skills through participation in sports initiatives⁴⁴. The sports events will be leveraged to carry out Social and Behavior Change Communication (SBCC) on adolescents' empowerment.

³⁹ In the districts where the Project will be active, vulnerable schools will be identified using data from the Education Census, based on the methodology already used by MINEDH to identify vulnerable schools with largest need for economic support. Within these schools, all girls in the selected grades will receive the in-kind support envisaged under this activity.

⁴⁰ In preparation for the Project, a small survey of households was conducted in selected provinces in Mozambique. On average, uniforms represent 30 percent of direct expenses for attending primary school; backpacks 19 percent; shoes 11 percent; sport uniforms 9 percent; and the sum of all other materials (notebooks, pens, books, other) 30 percent.

⁴¹ Duflo, Dupas, & Kremer, 2015. *Education, HIV, and Early Fertility: Experimental Evidence from Kenya*.

⁴² In preparation of the PIM, the GoM will explore the option of making the provision of uniforms conditional on attendance: after the first year, for students eligible for a second year of support, uniforms could be provided conditional on a minimum proportion of days attended in the previous year. Even if no conditionality is feasible/desirable, information on attendance will be collected—at least on a pilot basis at the start- to share this information with the parents (De Walque and Valente 2018) and track possible impacts on absenteeism (Evans et al 2009).

⁴³ The activity will benefit both girls and boys in selected grades in targeted schools, to avoid possible retaliation against girls.

⁴⁴ There exist well-praised initiatives leveraging sports for youth empowerment. In Colombia, Haiti, South Sudan, West Bank/Gaza, Liberia, Kenya, Peru and Lesotho, for instance, several NGOs use soccer training as an opportunity to provide vulnerable youth with life-skills and liaise them with health services. To our knowledge, to date there is no rigorous evaluation of the impact of such initiatives. A result evaluation of this activity will be conducted under this Project.



37. This activity is expected to finance kits for 230 schools and 250 sports events. Schools will be given a choice among a fixed set of kits for different sports. Kits will then be procured centrally in a competitive manner; distribution will also be outsourced competitively. The calendar of tournaments to be financed will be complementary to the National Tournament of Schools (NTS)'s calendar, to give adolescents who are eliminated from the NTS a possibility to be engaged in sports throughout the year.

38. **Component 2: Promoting Opportunities for Productive Employment (US\$24 million).** This component aims to provide better economic opportunities through improved job outcomes for youth (ages 20 to 35⁴⁵). A key strategy to drive better jobs outcomes is to promote the growth of the private sector as a mean of creating demand for employment. A complementary strategy is to increase the productivity in self-employment, in family businesses or other forms of employment. This is needed because wage employment will not be able to absorb all workers. The faster linkages to the modern economy can be expanded, the greater the opportunities for those in the household segment to expand their businesses to people outside the segment.⁴⁶ Supporting formal wage jobs through enterprise development and improving the quality of low-productivity jobs are complementary strategies, not alternatives, and will be pursued through two different interventions under this component.

39. **Sub-component 2.1: Support for job creation (US\$ 14 million).** This sub-component aims to increase the demand for formal wage employment. Only 17 percent of Mozambique employment is constituted of wage jobs. About 21 percent of urban youth are unemployed, while in peri-urban and rural areas, youth tend to be in low productive activities. In response to this lack of employment opportunities, the sub-component 2.1 will finance a Business Plan Competition (BPC) for start-ups and existing enterprises with high potential for growth, with the objective of creating new quality (wage) jobs.⁴⁷

40. The BPC will be designed to offset market failures that constrain firm creation and growth, including: first, limited or lack of functioning equity and debt markets to finance firms appears particularly binding. Risk-averse entrepreneurs will not invest in business ideas with high expected returns in the absence of these markets – this influences job creation. Second, complementary information failures about development opportunities and about the benefits of investing in skills and capital leads to firm-level under-investment. Third, shortfalls in public infrastructure and obsolete technology are a deterrent for economic activity. Finally, a focus on employment-creating investments may also have important externalities that call for a public role. General growth-oriented policies do not necessarily generate the externalities linked to job creation and the distribution of jobs needed to address problems such as youth unemployment and low female participation rates.⁴⁸

41. A recent review of youth employment interventions in Mozambique has identified high growth entrepreneurship⁴⁹ as an area under-explored in existing programs, while evidence from various African countries (Ethiopia, Guinea-Bissau, Nigeria, Zambia) provides confidence for intervening in this space as a means

⁴⁵ While the component could start at a younger adult age, the segment was defined with the MoYS to distinct the age cohort in Component 2 from the one in Component 1, which ends at 19 years old.

⁴⁶ World Bank. 2018. Jobs Diagnostic.

⁴⁷ The success of the ventures promoted under the program will further benefit from the overall improvement of the business environment, financial systems, and value chain development strategies, which are not directly addressed by the Project but are explicit objectives of other World Bank's and government's interventions.

⁴⁸ Robalino and Walker, 2017. *Economic Analysis of Jobs Investment Projects*.

⁴⁹ Unlike the belief that high growth enterprises are young tech start-ups that originate in clusters like Silicon Valley, most high growth enterprises are young, but are not exactly start-ups, many are medium or large firms, found in all types of sectors and operate in a wide range of locations. Furthermore, the high-growth experience is short-lived, but can create a significant number of jobs.



to create jobs – in Nigeria, a rigorous impact evaluation shows that 1,200 firms supported by a BPC created 7,000 more jobs than the control group; similar large impacts on employment were achieved in Nigeria for both start-ups and existing firms.⁵⁰

42. Building on best practice experiences, the BPC will target start-ups and existing firms with high-growth potential and provide tailored support across the enterprise development life cycle (start-up, early stage, growth). This subcomponent will include the following features (Annex 5 compares the BPC with other WB programs in Mozambique that involve grants):

a. Marketing, training, and selection. An intense outreach campaign and local partnerships will be financed to reach potential beneficiaries throughout the country with over 10,000 applicants expected.⁵¹ The pre-selection process will allow to screen the initial business ideas to submit a complete business plan proposal. Mechanisms to ensure the participation of groups who typically face more constraints in competing, including women, or youth from disadvantaged regions are envisaged (specific quotas and defined ceilings) at the different stages of selection. Pre-screened businesses will be given technical assistance to prepare business plans, for start-up or for business expansion. A total of 3,000 to 3,500 youths is currently expected to be trained on preparing business plans. Winners will be selected using eligibility and performance criteria related to their projected jobs impact, financial viability and profitability, entrepreneurship aptitude, and the quality of the business plans. Considering resource constraints, a combination of selection based on scoring of the business plans (like in Nigeria) and impartial judging panels⁵² (like in Guinea-Bissau) will be used for selection.⁵³ A total of 500 winners are currently expected, half of them being businesses led by women, to increase women participation in formal enterprise development.⁵⁴

b. Capital and skills infusion for jobs creation. The lack of capital is overwhelming identified as the main barrier to firms' creation and growth⁵⁵ – with its impact on job creation. Human capital of firm managers is similarly associated with a greater likelihood of experiencing high growth.⁵⁶ Winners of the BPC will receive capital support and technical assistance. The financial assistance will be in the form of a grant. Current discussions based on similar programs in other countries and government/private sector

⁵⁰ McKenzie, 2017. *Identifying and Spurring High-Growth Entrepreneurship: Experimental Evidence from a Business Plan Competition*. American Economic Review 107 (8), pages 2278-2307.

⁵¹ In Nigeria and Guinea-Bissau, the BPC received 24,000 and 5,000 applicants respectively. This is a clear distinction of BPCs to traditional matching grant programs that obtain much lower demand levels given their specific design features. A national awareness raising campaign and national promotion through broadcast media and business networks will aim to ensure a sufficient number of high-quality candidates.

⁵² To ensure transparency, the judging panel will include independent members from the private sector, often with a high inclusion of foreign entrepreneurs or those in the diaspora.

⁵³ Definition of eligibility and performance criteria are geared towards financial viability and profitability of the business plans, their projected jobs impact, and the quality of the business plans. Entrepreneurship aptitude assessments (as in Kenya) will be considered in selection. The selection will also ensure gender balance and inclusiveness metrics of participation of all provinces.

⁵⁴ While in the informal sector women are represented as well as men, currently, only 17 percent of formal firms in Mozambique have majority female ownership, while 28 percent have female participation in ownership (World Bank Enterprise Survey, Mozambique, 2018).

⁵⁵ Access to finance is the second biggest constraint for firms in Mozambique (15 percent of firms interviewed).

⁵⁶ Grover, Medvedev, Olafsen. 2019. *High-Growth Firms: Facts, Fiction, and Policy Options for Emerging Economies*. Washington, DC: World Bank.



feedback have tentatively set the grant amount at US\$24,000. An ongoing market assessment for alternative scenarios of growth will inform the final amount. The grant will help firms close their funding gap, making sure to maximize finance for development through the mobilization of private capital including commercial financing from banks, private equity funds, angel investors, and others. Matchmaking will be incentivized as part of the process, and interactions with initiatives such as the We-Fi and other existing programs in Mozambique⁵⁷ will be encouraged. Grants will be disbursed in tranches, based on certified implementation progress reports. Winners will also receive customized skills development during the first 12-18 months. This will likely include coaching services to improve business practices and socio-emotional and soft skills development, building on the evidence from personal initiative and self-confidence training programs. Digital mechanisms of delivering knowledge will be incentivized.

c. Top-up funding on job placement. The grant awarded under the BPC will be topped up with start-up funds to cover in-firm job placement. Wages of on average two workers per winning firm will be financed for a period of 12 months with declining contribution over time. A pool of CVs of youth from existing skills development programs will be provided to firms to help with selection process. This activity has multiple complementary objectives. For the recipient firm, this intervention (i) earmarks some of the grant amount for job creation, reducing at the margin the risks of not complying with the business plan; (ii) signals the importance of employment growth; and (iii) reduces possible risks associated with hiring first-time employees. For the youth, the intervention will allow to overcome some failures and notably the low level of skills that come from weak public education and that imposes an extra risk for firms⁵⁸ by (i) having work experience (often the first one) in a high-growth enterprise/start-up with potential for hiring⁵⁹; (ii) acquiring new skills (on the job learning); and (iii) being part of a network of youth in the project receiving additional skills development support and networking opportunities. These will facilitate an easier and likely more permanent insertion in the labor market, including in case the youth leave the company after the first year.

d. Monitoring of implementation and success of ventures. In addition to coaching, the program will monitor the implementation of the grants and job placement support. The program will promote independent assessments with a specialized consultant not connected to the program on the execution of the business plans and participation of youth in job placement exercises with random visits and spot phone calls. This independent process will inform the tranches' payments and continuation of the job placement funding. Grievance redress mechanisms and training on managing risks of GBV to workers will also be made available as part of this process.

e. Capacity building in the MoYS. Based on best practices in the region, the BPC will be organized by a specialized firm contracted by the Project. During project implementation, the contracted firm will have the responsibility of building capacity and systems in the MoYS and relevant government entities (Ministry of Industry and Trade) on the administration of such programs. This will be included in the contract with deliverables and payments conditional on the success of this task.

⁵⁷ These include *inter alia* ANJE, FEMME, IdeiaLab, Ideario, Moz Innovation Lab, Standard Bank's Accelerator Hub, Uprise Africa, etc.

⁵⁸ Firms can make up for some of the failures of the education system through training, but they will less likely do so if they have to cost the training and have lower productivity while retaining untrained youth.

⁵⁹ Most active labor market programs are not successful by placing interns in firms that do not want to grow.



43. **Sub-component 2.2: Enablers of more productive jobs (US\$ 10 million).** Sub-component 2.2 seeks to increase the earnings of approximately 15,000 under-employed and self-employed youth in Mozambique by providing a combination of cash transfers and access to critical enabling services such as skills and mobility services. The services will be provided against vouchers.

44. Both supply and demand side constraints affect the services markets in rural and peri-urban areas in Mozambique. In skills, a review of existing programs revealed that most training services for the youth have traditionally been delivered on a supply driven basis by public centers (especially TVETs and the MoYS and other Ministries' support centers), and at localized scale by NGOs, often with donor support. These services typically comprise learning a trade (carpentry, electricals, mechanics, etc) and receiving an in-kind kit to work in that sector, or doing a traditional business training. For these programs, the international evidence is at best mixed but too often have poor or no results.⁶⁰ Other skills programs are less common, although available in specific places. This is the case of basic skills, life skills, and entrepreneurship mindset programs, for which there is international evidence of positive impacts.⁶¹ On the demand side, information on services available and the returns to investing in those services is limited, leading to depressed demand for these services or choices that are not well informed about alternatives.

45. Youth in rural and peri-urban areas are likely to have different needs; even within geographic areas, needs vary. Services are not all available in all places. A flexible solution to respond to the diversity of needs and incentivize the supply of services holds promise. This sub-component, thus, aims to support youth's access to productive inputs and help develop the markets for enabling services through the following features:

- a. **Priority districts:** This sub-component will prioritize the same districts as component 1, typically those that are vulnerable but have access to services such as training – suggesting areas of economic opportunities including small towns in rural districts and poor neighborhoods in urban districts. Efforts will also be made to prioritize underserved groups within districts, especially women.
- b. **Menu of options with vouchers:** Youth in a given district/province will be given a menu of (skills development) services available with the Project. A voucher equivalent to US\$300⁶² will be provided to the youth and can be exchanged in the identified government and private sector service providers that are part of the program. The service provider would redeem the payment against the services provided to the youth. A minimum of 5 and a maximum of 10 services would be available in the menu of options per district targeted. A combination of public and private sector providers will be required in each menu. An effort will be made to have similar services available in contiguous districts.

Vouchers are particularly useful for subsidizing services that tend to be under-consumed from a social welfare perspective or when knowledge of the existence of services is poorly disseminated within the community. This is the case with services like new types of training, under-consumed by

⁶⁰ See for example: Chakravarty, Smita, and Vaillant, 2017; McKenzie and Woodruff, 2017. *Business practices in small firms in developing countries*. Management Science, 63 (9), pages 2967-81.

⁶¹ Adhvaryu, Kala, Nyshadham. 2017. *The Skills to Pay the Bills: Returns to On-the-job Soft Skills Training*.

⁶² The total amount and proportions between services and cash transfers have been defined using the following criteria: (i) average cost of targeted services, in particular technical and vocational training; (ii) average start-up costs for small businesses; and (iii) international experience in the region.



vulnerable youth in Mozambique, although they can have important returns on their productivity. A recent study⁶³ on the differences between the use of cash transfers and vouchers, reports some of the reasons why vouchers might be preferred in some cases to cash. These are the preference of a program for the consumption of a certain type of items⁶⁴; the possible increase of local supply of those items if they are not readily available on local markets; and the more political viability of vouchers.⁶⁵

- c. Developing the market for new services: The menu of options available in a given district will start with the existing government and private sector offerings. To expand from there, the increased demand will create incentives for some service providers to enter new under-served markets. Moreover, the Project will incentivize new services by linking the aggregate demand in districts for services available elsewhere (eg: showing demand in a city in the north for soft-skills training, which may be provided only in Maputo). The Project will push for developing the offerings of the services that have most likelihood of success.

Furthermore, while the sub-component starts with a large focus on skills and bringing new skills to the youth, and to new sub-groups within youth (women to learn about male-dominated trades), the flexible approach of the voucher allows for increasing the types of services available. In particular, mobility services have been identified in consultations as critical for youth to sell products as well as reach work more efficiently and with lower risks of GBV.

- d. Cash transfer: Each beneficiary will receive both a voucher and a monetary transfer of currently expected to be US\$200. Cash transfers have often proved effective in supporting self-employment, especially among the poorest.⁶⁶
- e. Professional and competitive process of managing the scheme: The Project plans to establish two or three professional/independent teams to supervise under the auspices of the MoYS the identification and selection of service providers, establishment of partnerships with these providers in each district/groups of districts, identification of criteria and selection of beneficiaries in each district, monitoring of the scheme's implementation, assessment of quality standards and collection of feedback, and authorization to release payments to service providers against established results. The use of multiple teams can lead to both competition for delivery of best programs and exchange of experiences.⁶⁷

46. **Component 3: Strengthening Youth Policy Development and Project Management (US\$5.5 million)**. This component aims to support the Ministry of Youth and Sports (MoYS), main implementing agency for this project, and the GoM in the design, implementation and evaluation of youth-related policies as well as to finance

⁶³ Aker, 2017. *Comparing Cash and Voucher Transfers in a Humanitarian Context: Evidence from the Democratic Republic of Congo*.

⁶⁴ Cunha 2014; *Testing Paternalism: Cash versus In-Kind Transfers.* *American Economic Journal: Applied Economics*. Currie and Gahvari 2008. *Transfers in Cash and In-Kind: Theory Meets the Data*.

⁶⁵ De Janvry, Fargeix, and Sadoulet, 1991. *The Political Feasibility of Rural Poverty Reduction*. Epple and Romano 1996. *Public Provision of Private Goods*.

⁶⁶ Independent Evaluation Group, 2011. *Evidence and Lessons Learned from Impact Evaluations on Social Safety Nets*. World Bank.

⁶⁷ The use of digital solutions for the delivery of vouchers will be explored in this sub-component. This could help avoid possible distortions including the development of secondary market for the sale of vouchers.



activities required for effective project management and evaluation.

47. **Sub-component 3.1: Project coordination (2.5 million).** The Project will finance the operations and staffing in key positions of a Project Coordination Unit (PCU) within the MoYS that will support the Ministry in the daily management and implementation of the Project. In addition, this sub-component will finance the development, operation and maintenance of a grievance redress mechanism that will allow potential beneficiaries, the wider public, and other stakeholders to raise grievances related to the intake process or the overall administration of the Project, as well as respond to those complaints⁶⁸. This will include avenues to report and refer beneficiaries in cases of GBV. Activities under this sub-component will also support the operationalization of the Inter-Ministerial Group on the Demographic Dividend (IMGDD). The IMGDD, composed of ten ministries and recently established by the Prime Minister as a strategic platform to guide policymaking on the demographic dividend agenda, will serve as a Steering Committee for this Project. Finally, this sub-component will finance communications and marketing; dissemination and sensitization among local authorities; consultations with youth associations and (potential) beneficiaries; and operating costs linked to project management.

48. **Sub-component 3.2: Institutional strengthening (0.8 million).** This sub-component will support the institutional strengthening of the implementing agency at different administration levels (national, provincial, district level), as well as other key implementing partners where necessary (as for instance, school councils, community leaders, others). Key activities to be financed include technical training for staff, equipment (including IT equipment), and support to policy design and implementation through the development of sectoral studies⁶⁹. In addition, this sub-component will finance the purchase of selected equipment for one operational youth center operated by the Ministry.

49. **Sub-component 3.3: Monitoring and evaluation (2.2 million).** This sub-component will support monitoring and evaluation instruments and activities. It will include the set-up on a Management Information System (MIS) to support project monitoring and implementation; two impact evaluations of selected activities financed under the project (most likely the provision of bicycles and the support for business enablers); and other evaluation studies (process evaluations and third-party monitoring).

E. Implementation

Institutional and Implementation Arrangements

50. **The Ministry of Youth and Sports (MoYS) will have overall responsibility for this project.** The Ministry will be responsible for implementing the Project with full fiduciary responsibility. The Ministry will coordinate at the national level with key line ministries, including the Ministry of Education and Human Development, Ministry of Science and Technology, Ministry of Health, Ministry of Gender, Children and Social Action, Ministry of Labor, Employment and Social Security, and the Ministry of Industry and Trade. Representatives from these Ministries have been part of the Project preparation team. At the local level, the Ministry will rely on existing structures,

⁶⁸ The grievance redress mechanism will be linked to the project MIS to ensure proper recording and tracking of complaints received, referred, and resolved.

⁶⁹ Including a mapping of relevant services for youths (GBV, training, SRH, employment programs) and a study on the state of youth in Mozambique.



including the District Services of Education, Youth and Technology. Sensitization, consultations and definition of roles and responsibilities with local authorities will be financed through the Project Preparation Facility (PPF). The capacity of national and local institutions involved in the implementation of the project will be strengthened through Project activities aimed at that purpose. Implementation will also rely on partnerships with local organizations and firms as specified in Annex 1.

51. **Inter-ministerial coordination will be supported by a Project Steering Committee (PSC).** The recently established IMGDD will serve as a steering committee. The committee’s mandate will include providing strategic guidance in the implementation of the project, ensuring coordination and enhancing visibility of the project. The Inter-Ministerial Group responds to the Prime Minister and is chaired by the MoYS, with the Ministry of Education as deputy chair.⁷⁰ The PSC will receive technical assistance under Component 3 and is already receiving technical support from DFID.

52. **Project implementation will be supported by a Project Coordination Unit (PCU).** The MoYS will establish a PCU, which will support the Ministry in the daily management and implementation of the Project. The PCU will be responsible for coordination of responsible staff, procurement, financial management, monitoring, evaluation and reporting. The PCU will include a project manager, technical specialists, a procurement officer, a financial management specialist, a monitoring and evaluation specialist and a safeguards specialist. The contracting of these positions is already under way and is to be financed by the PPF. Other professional with specific technical expertise might be hired on a temporary basis, depending on specific needs. The PCU will set up financial management systems that meet World Bank requirements and will prepare the Project accounts. The PCU will recruit an external auditor to audit project accounts.

53. **The design of the Project includes provisions to manage risks related to implementation.** In particular: (i) Project subcomponents are complementary but can be implemented independent of each other, allowing for a differentiated pace of implementation; (ii) while some activities are national in scope, others will be focused in selected districts (estimated at 30) in a 3-4 provinces; (iii) the Project will be implemented in phases, both geographically (number of districts to be covered over time) and in terms of activities (see implementation plan in Annex 1); (iv) a PPF has been processed to ensure implementation readiness at the time of Project effectiveness, including through the financing of key roles in the PCU; the preparation of Terms of Reference to develop a MIS; support for the development of a PIM; sensitization of the Project with district authorities; mapping of existing services related to Components 1 and 2; (v) the World Bank has secured external funds (through Trust Funds) to strengthen implementation support.

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

project will be national in scope. Specifically, (i) the distribution of sports and cultural kits to schools; (ii) community engagement and information activities; and (iii) the BPC will reach beneficiaries in all provinces. However, given budget and implementation capacity constraints, other project activities will be implemented in selected districts only, with the possibility of a geographical scale up in a potential follow-on phase. The Priority districts, still to be defined, will be

⁷⁰ The other ministries represented are: Ministry of Economy and Finance, Ministry of Health, Ministry of Gender, Children and Social Action, Ministry of Industry and Trade, Ministry of Science and Technology, Ministry of Labor, Employment and Social Security, Ministry of Agriculture and Food Security (MAFS), and Ministry of Culture and Tourism.



the same for Components 1 and 2.2 and are likely to include a combination of rural and peri-urban areas. The criteria being used for selecting priority districts is the following: (i) vulnerability (poverty level, number of young people, etc.); (ii) unavailability of similar programs to avoid duplication of efforts; and (iii) availability of services for which the project aims to increase demand (in particular, schools, SRH services, GBV response services, training programs and mobility solutions). Annex 2 in the PAD includes the list of indicators being used for this selection. Within selected districts, vulnerable schools for Component 1 will be selected based on school-survey indicators from the MINEDH; in Component 2, beneficiaries of enabling services will be selected based on individual criteria around age and education. All these criteria implementation arrangements will be further detailed in the PIM.

G. Environmental and Social Safeguards Specialists on the Team

Bruno Alberto Nhancale, Environmental Specialist
Eden Gabriel Vieira Dava, Social Specialist

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SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	<p>The project is expected to generate primarily positive social impacts. Given the focus on training and advisory services and the minor nature of any potential physical interventions, the project does not trigger OP/BP 4.01.</p> <p>Under Component 1 and 3 the project is expected to stem no environmental risks and impacts. Component 1 will provide material and equipment (uniforms, bikes, sports kits) to adolescents to make school affordable and attractive, training on life skills, and information to increase knowledge of availability of social services. Similarly, Component 3 consists mostly of technical assistance and project coordination. However, under Component 2 the project will finance a Business Plan Competition (BPC) for start-ups and existing enterprises for which the range of activities to be financed is not yet known. Hence, to avoid and minimize any potential risk to the environment, a Negative List and Environmental Screening Questionnaire have been drafted (Annex 4 of the PAD) and will be finalized in the PIM based on the final design of the BPC. These measures will</p>



ensure that grants do not lead to the financing of activities that would trigger safeguards policies (e.g. construction work or changes to land or water use, handling of hazardous equipment, excavation and earth moving works, conversion of critical habitats, use of pesticides, forestry operations, etc.) or raise the Safeguard Category or Risk.

Social risks are mainly related to the context the Project will be implemented, and this is characterized by (i) high incidence of child marriage, premature pregnancy and SEA; (ii) weak enforcement of labor and health and safety protections; (iii) high level of vulnerability of the target group due to poverty, dependency, limited capacity and literacy; and (iv) social norms that tolerate violence, especially against women and girls.

Therefore, the project design will mainstream preemptive measures to be included in the project components, processes and manuals to mitigate potential negative impacts, such as non-discrimination provisions, code of conduct and response framework for GBV/SEA, health and safety training (including road safety for beneficiaries of project bikes), and complaints handling mechanisms, further described below. These preemptive measures shall be complemented by social mobilization activities, especially at community levels to ensure delivery. On GBV prevention and response in particular, the project will include cross-cutting activities included in the project components.

The proposed category is C and the safeguards risk of the project activities is considered low.

Performance Standards for Private Sector Activities OP/BP 4.03	No	Neither does the Bank-supported activity qualify as a Private Sector Activity nor does the entity carrying out the Bank-supported activity qualify as a Private Entity.
Natural Habitats OP/BP 4.04	No	The project locations are not yet known but there are not any foreseeable activities planned that will cause significant conversion or degradation of



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		natural habitats. Moreover, as a preventive measure an indicative Negative List and Environmental Screening Questionnaire that screens out this type of activities have been produced (Annex 4 of the PAD) and will be finalized before commencement of Project and included in the PIM.
Forests OP/BP 4.36	No	The project will not affect or involve forests or forestry.
Pest Management OP 4.09	No	The project will not support activities that involve the use of pesticides and, therefore, do not trigger this policy.
Physical Cultural Resources OP/BP 4.11	No	The project does not involve construction activities that could affect physical cultural resources.
Indigenous Peoples OP/BP 4.10	No	The policy does not apply because there are no communities in Mozambique that meet the definition of indigenous peoples.
Involuntary Resettlement OP/BP 4.12	No	The proposed project will not trigger OP/BP 4.12 because the nature of the activities to be financed by the project will not involve construction and, therefore, no land acquisition will be required or financed by this project.
Safety of Dams OP/BP 4.37	No	The Project will not finance activities that will include construction or rehabilitation of dams and/or support other investments related with services of existing dams.
Projects on International Waterways OP/BP 7.50	No	None of the related investments will involve international waterways so this policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	None of the project investments will be in disputed areas so this policy is not triggered.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

The project is expected to generate no adverse or only minor environmental and social risks and impacts that are easily avoidable through routine measures.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: There are no expected indirect and/or long term impacts since the nature of activities are mostly technical assistance



with very limited physical interventions.

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

No project alternatives in terms of location were considered since the project as a national scope but the design of the project followed a precautionary approach by excluding all potential activities susceptible to cause significant negative impacts that would otherwise imply a higher Safeguard Category or Risk rating than C and low, respectively.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Potential (minor) risks associated with some of the planned activities will be managed through appropriate negative lists, environmental screening questionnaire, mainstreaming of social inclusion and contextual risk response, and inclusion of good practice environmental and social guidelines (including a Grievance Redressal Mechanism) which the Borrower is currently preparing and updating to include in the Project Implementation Manual (PIM). The PIM will also include provisions for : (i) transparency in participation and selection criteria to ensure non-discrimination (including on the basis of gender, race, religion, ethnicity and disability); (ii) participatory stakeholders planning and monitoring to ensure inclusion and appropriate delivery; (iii) code of conduct and awareness training for the prevention of GBV/SEA, health and safety (including road safety for girls benefiting from project bikes) and any form of harassment or bullying for all contractors, service providers, and for all staff and volunteers working with youth; (iv) GBV-SEA referral-response system including training for local community actors.

The Borrower's institutional capacity for safeguard policies is low. The MoYS is new to Bank operations and will need to be strengthened. This will include producing guidelines for environmental, social and health and safety management, as well as training and longer-term institutional strengthening under Component 3. The PCU will hire at a safeguard specialist to be based at central level which will be responsible for monitoring all safeguards compliance activities under the WB policies and the Government of Mozambique environmental legislation. Moreover, the MoYS will indicate Safeguard Focal Points at provincial and district levels authorities (staff already involved in the Project at those levels which would receive basic training on Safeguards to ensure compliance and reporting). Finally, the private firm(s) contracted to implement and supervise the BPC will be required have in their team a safeguards specialist and a safeguard focal point, respectively, to verify compliance with the Negative List and Environmental Screening Questionnaire.

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

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)



The World Bank Policy on Disclosure of Information

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

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

All Safeguard Policies

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

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

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

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

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APPROVAL

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