Report Number : ICRR0020403

1. Project Data

Project ID	Project Name
P111546	KE-Youth Empowerment Project (FY10)
Country	**Practice Area(Lead)**
Kenya	Social Protection & Labor

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-46970,TF-12914,TF-12919,TF-97025,TF-97301	28-Feb-2015	146,500,000.00
Bank Approval Date	**Closing Date (Actual)**	
04-May-2010	28-Feb-2016	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	60,000,000.00	2,477,000.00
Revised Commitment	17,467,465.60	983,075.19
Actual	16,894,533.77	983,075.19

Sector(s)
Social Protection(84%):Workforce Development/Skills(13%):Public Administration - Social Protection(3%)

Theme(s)
Social Safety Nets/Social Assistance & Social Care Services(44%):Other social protection and risk management(50%):Education for the knowledge economy(6%)

Prepared by	Reviewed by	ICR Review Coordinator	Group
Rasmus Heltberg	Judyth L. Twigg	Joy Behrens	IEGHC (Unit 2)

Project ID	Project Name
P121504	KE Support Social Prot Prog (P121504)
Country	**Practice Area(Lead)**
Kenya	Social Protection & Labor

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)

1,500,000.00

Bank Approval Date	Closing Date (Actual)
20-May-2010	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	0.00	0.00
Revised Commitment	0.00	0.00
Actual	0.00	0.00

Sector(s)
Social Protection(100%)

Theme(s)
Social Safety Nets/Social Assistance & Social Care Services(100%)

2. Project Objectives and Components

a. Objectives

According to the financing agreement (p. 5) and the Project Appraisal Document (p 7), the Project Development Objective of the original project was "to support the Government of Kenya (GoK) efforts to increase access to youth-targeted temporary employment programs and to improve youth employability."

At a November 2012 restructuring, the Project Development Objective was revised to "support the Government of Kenya's efforts to improve youth employability."

This first part of the original objectives -- to increase access to youth-targeted temporary employment programs -- was dropped at restructuring, the corresponding component 1 and allocation of funds were cancelled, and all funds disbursed against component 1 (and hence this part of the objective) were repaid. For this reason, the first objective will not be assessed in this review, and efficacy will be assessed entirely against the revised objective.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

01-Nov-2012

c. Components

Component 1: Labor-intensive works and social services (IDA contribution appraised at US$43 million, actual cost US$0 - component was dropped at the time of the first restructuring and disbursed amounts completely refunded by the borrower).

This component aimed to support the GoK in reducing the vulnerability of unemployed young women and men by expanding and enhancing the effectiveness of the GoK's public works program. The component was to finance labor-intensive projects that provided income opportunities to participating youth; this would also enhance local communities' access to social and economic infrastructure. The target group of the component was to have been unemployed youth aged 18-35.

Component 2: Private Sector Internships and Training (IDA contribution appraised at US$15.5 million; actual cost US$14.1 million)

The main objective of this component was to improve youth employability, by providing youth with work experience and skills through the creation of internships and relevant training in the formal and informal sectors. The component was to be a pilot that addressed the lack of skills and work experience for unemployed young women and men, providing eligible youth (aged 15-29 with at least eight years of schooling, who had been out of school for at least a year and were not currently working) with an opportunity to acquire relevant work experience and skills through a private sector internship and training program. The component was also to include monitoring and evaluation of the pilot with a view to integration of lessons into existing and future youth employment programs.

Component 3: Capacity Building and Policy Development (IDA contribution apparised at US$1.5 million, actual cost US$0.8 million)

The main objective of this component was to enhance the capacity of the Ministry of Youth Affairs and Sports (MoYAS) to implement the national youth policy and increase the institutional capacity for youth policy planning. This was be done through training program for district youth officers and other MoYAS staff, social audits of the other components of the project, and support to the National Youth Council.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project costs: As mentioned, the Bank and the borrower decided to drop component 1. The amounts disbursed under this component were completely refunded by the borrower and do therefore not count toward total project costs.

Different sources give slightly different figures for total project costs. There is a discrepancy in the ICR between the amounts stated in the data sheet and in annex 1 due to exchange rate fluctuations from SDR to USD and whether or not two trust funds associated with the project are included. As of September 1, 2016, the World Bank "Client Connections" site showed SDR 10.1 million (US$14.1 million) disbursed under component 2 and SDR 573,786.55 (US$0.8 million) under component 3. In addition to currency conversion fluctuations, some associated trust funds account for the discrepancy between sources. US$ 9.3 million disbursed under component 1 was repaid by the Government to the Bank when that component was cancelled.

Financing: Planned financing was US$ 145 million, comprised of US$ 60 million in the form of an International Development Association (IDA) credit and US$E 85 million from the Borrower. IDA actually provided US$ 17.03 million, with US$ 42.97 million cancelled. Total trust fund support for the project amounted to US$1.085 million, according to the ICR (para 24).

Borrower contribution: The borrower gave support in-kind, but did not provide any of its planned direct contribution of US$ 85 million.

Dates: The first restructuring, on November 1, 2012, cancelled component 1 and modified the scope of components 2 and 3, with the disbursed amounts under component 1 fully repaid by the Government. At this first restructuring, the objectives and results framework were revised. A second restructuring was carried out on September 12, 2014 to extend the project closing date by 12 months (from February 28, 2015 to February 28, 2016) to accommodate implementation delays in the form of procurement issues.

3. Relevance of Objectives & Design

a. Relevance of Objectives

Project objectives were substantially relevant to both the government's and the World Bank's strategies. The project directly targeted unemployed youth, a key vulnerable group. The project objectives were consistent with the government priority of investing in people and with the World Bank's Country Assistance Strategy (2010-2013) pillars of reducing vulnerability and investing in people. The project continues to be relevant to the current World Bank Country Partnership Strategy 2014-18, which emphasizes that "the burgeoning youth population brings opportunities and challenges for WBG support in education, jobs, and skills." The restructuring did not affect the substantial relevance of the project.

Rating	Revised Rating
Substantial	Not Rated/Not Applicable

b. Relevance of Design

The design of both the original and the revised project supported well the project objectives with a clear, simple and logical set of components and matching intermediate outcomes:

- Component 1 was well intentioned and aligned with a major government program but proved too complex to implement and was dropped.
- Component 2 was a pilot that was designed to test new approaches to use vocational training and job placement to enhance employability of disadvantaged youth. The team deserves credit for making sure this pilot was accompanied by a strong impact evaluation.
- Component 3 was designed to build necessary implementation capacity.

The logic chain linking interventions to intended outcomes was clear and convincing, with one notable exception: It was a shortcoming that capacity-building activities were not envisioned for line ministries beyond MoYAS sufficient to support the decentralized nature of the first component; systems and coordination were required for the ministries of water and irrigation; regional development authorities; roads; forestry and wildlife; environmental and mineral resources; and local government. Relevance of design is therefore rated Modest.

Rating	Revised Rating
Modest	Not Rated/Not Applicable

4. Achievement of Objectives (Efficacy)

Objective 1

Objective
The first part of the original Project Development Objective was to support the Government of Kenya (GoK) efforts to increase access to youth-targeted temporary employment programs.

Rationale
Not rated. As described in the ICR (para 16), during the first year of implementation some fiduciary issues emerged (weak controls, co-mingling of funds) compounded by lack of experience of the coordinating unit and complex implementation arrangements. After careful discussion, the Bank and the Borrower decided to drop this objective and cancel the corresponding component (and the associated funds). All funds disbursed against component 1 were repaid. The targets for the two associated outcome indicators were hence not achieved.

Rating
Not Rated/Not Applicable

Revised Objective
This part of the original objective was dropped at restructuring.

Revised Rationale
This part of the original objective was dropped at restructuring.

Revised Rating
Not Rated/Not Applicable

Objective 2

Objective
The second part of the original Project Development Objective and the only part of the restructured Project Development Objective was to support the Government of Kenya efforts to improve youth employability.

Rationale
Outputs:

The first cycle of internships and training was implemented in Nairobi, with later cycles eventually expanded to cover Nairobi, Mombasa, and Kisumu. A planned expansion to rural areas was dropped because of difficulty identifying employers willing to offer internships. The training and internships were eventually delivered in six cycles (six different intake rounds) to 13,305 youth, exceeding the target of 10,000. The program provided three months of classroom-based technical training coupled with three-month internships in private firms to vulnerable youths at risk of having only low-productivity jobs and of depreciating their skills at an early stage of their lifecycle. 289,781 internship weeks were provided, exceeding the target of 200,000, and 148,273 training weeks were provided by third-party providers, exceeding the target of 100,000. The internship completion rate was 86%, not reaching the target of 95%. 19,532 youth completed life skills training, exceeding the target of 15,000. Intake was demand-driven and the business, sector-specific, and life skills taught to the interns were in demand by employers. Twice as many monitoring reports were produced as planned (16, against a target of 8), district youth officers received training, and communication and outreach activities proceeded as planned. Business development services (such as start-up capital, counseling, networking services, micro-credit) were not provided.

Outcomes:

- 78% of youth (83% for men and 74% for women) who completed internships were immediately employed (with their internship employer, a different employer, or self-employed). This is above the target of 35% (arguably, this target was set on the low side).
- Tracer studies found an average overall employment rate of 76% six months after internship completion (82% for men and 70% for women), well above the target of 50%.
- An impact evaluation found that 80% of men and 50% of women were in paid employment some 14 months after completing the program, compared with 69% in control groups.
- Beneficiary assessments indicated that the majority (86% in cycle 4) of youth participating in internships and job training expressed satisfacation with the program, as did the majority (84%) of employers.

Rating
Substantial

Revised Objective
This objective remained unrevised after the restructuring.

Revised Rationale
This objective remained unrevised after the restructuring.

Revised Rating
Substantial

5. Efficiency

Based on the fairly comprehensive cost-benefit discussion in the ICR, efficiency is rated Substantial for four reasons:

- The impact evaluation of cycle 2 participants showed that benefits in the form of earned labor income offset program costs some 15 months after completion of the program.
- The tracer studies for participants in cycle 5 and 6 done six months after completion showed that, for employed graduates of the program, the discounted value of the benefits (labor income) earned in the six months since completion already exceeded the program costs.
- The cost-benefit ratios improved as the project progressed and adjustments were made to subsequent program cycles based on experiences as identified in the M&E system.
- The implementing agency, Kenya Private Sector Alliance (KEPSA), managed to deliver the planned outputs in 6 program cycles rather than the 8 originally planned, thereby saving on administrative costs.

Although there was clearly substantial value-for-money for the funds spent on the second and third components, there were transaction costs associated with the spending and then return of funds for component 1. Efficiency is therefore rated Substantial rather than High.

Efficiency Rating
Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐Not Applicable
ICR Estimate		0	0 ☐Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The project outcome rating is based on the design and implementation of the restructured project. The part of the original objective and associated component that were dropped do not factor into the assessment, as all funds disbursed against these activities were returned at the time of the first restructuring and therefore would receive a weighting of zero in a weighted outcome rating.
The project's objectives were substantially relevant, in line with country conditions, Bank strategy, and government strategy. Relevance of design was modest, with shortcomings related to inadequate planning for capacity development that resulted in cancellation of a component and repayment of funds. The objective to improve youth employability was substantially achieved (with some overachievement of targets), clearly documented in the ICR and backed up by a strong monitoring system with tracer studies and an impact evaluation that contains a counterfactual, allowing comparison between program participants and a control group. Efficiency is rated substantial, as evidenced in the ICR's cost-benefit analysis. Taken together, these ratings are indicative of minor shortcomings in the project's preparation and implementation, and therefore an Outcome rating of Satisfactory.

a. Outcome Rating
Satisfactory

7. Rationale for Risk to Development Outcome Rating

As argued by the ICR, the employability of the trained youth is likely to have permanently improved, and many of these youth are employed in service sectors that may offer relatively stable employment prospects even in the face of potential future economic downturns. Further, a follow-on project will sustain and scale up youth training and internships building closely on experiences with this project. The government has continued to show full commitment to tackling youth employment issues. However, as the ICR (p. 24) points out, political, institutional, and fiduciary risks remain, and more attention needs to be given to evaluating the impact of existing youth employment initiatives and adopting an evidence-based approach to policy in this area. Risks to the development outcomes of this project are therefore rated modest.

a. Risk to Development Outcome Rating
Modest

8. Assessment of Bank Performance

a. Quality-at-Entry

The project offered timely and relevant support to the government's youth and social protection priorities. Its design built on relevant global and Kenyan experiences, bringing Bank expertise on public works and vocational training to bear not only on the project's design but also on wider government programs and policies. The PAD identified key country and project risks and proposed relevant mitigation measures. Issues related to targeting were discussed in the PAD and relevant procedures were adopted. Design was done in an inclusive fashion. In hindsight, however, it is possible that the Bank could have foreseen some of the issues that eventually led to the cancellation of the first component, in particular the excessive complexity of that component relative to the capacity of the implementing agency. Furthermore, some of the output and outcome targets may have been unambitious.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

The ICR rates Bank Supervision Satisfactory, and this review concurs. Arguably, the Bank deserves credit for performing above the norm in this project:

- There was sufficient continuity in the project team and smooth handover whenever the team leader changed.
- There was excellent identification of fiduciary, technical and managerial issues and bottlenecks and swift and appropriate follow up to identified issues. In particular, the early identification of fiduciary and other issues affecting component 1 and the decision to cancel the component and

restructure the project demonstrated proactivity and courage to take drastic and potentially unpopular decisions.

- Adjustments were made to each intake round based on experiences with the previous rounds. Tracer studies and beneficiary assessments were actively used to assess the quality of implementation and make these adjustments.
- Procurement and financial management issues were also handled satisfactorily. The fiduciary issues affecting component 1 were identified and handled in a prompt manner.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The government demonstrated strong support to and ownership of the youth employment issues and seems to have participated fully in the design of the project. As noted earlier, there were challenges with implementation of component 1, and the government could have performed better prior to the restructuring. Later on, a ministerial reorganization created some uncertainty and delay in project implementation. Arguably, government could have done more to ensure ownership of component 2, which was housed outside government, in a private sector employers' umbrella organization. Government performance is therefore rated moderately satisfactory.

Government Performance Rating
Moderately Satisfactory

b. Implementing Agency Performance

The project was implemented successfully by KEPSA, a private sector employers' umbrella organization. KEPSA had never implemented a project of this scope yet managed to build the necessary administrative capacity and execute a demanding range of activities in a timely manner. KEPSA helped ensure good communication with employers and internship providers and made sure their needs and concerns were reflected in the project execution. KEPSA made course corrections informed by M&E evidence.

Implementing Agency Performance Rating
Highly Satisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The project had a very well designed and comprehensive M&E system. The results indicators reflected well the project objectives, and the M&E system was designed to ensure timely collection of all the necessary indicator data. There was a clear and logical plan for what had to be collected and by whom, and how information would be compiled and aggregated. In addition, the system as designed provided for:

- impact evaluations of component 1 and 2 (the first of which was dropped at restructuring);
- beneficiary assessments;
- social and technical audits;

- tracer studies; and
- feedback from employers.

b. M&E Implementation

M&E activities were successfully implemented (reflecting well on the implementation performance of KEPSA). The system appears to have been implemented largely as planned, apart from the activities that were dropped at restructuring. When some technical shortcomings of consultants' work on the impact evaluation came to light, the World Bank provided intensive technical assistance to the study and even complemented the consultant's work with a staff-led analysis of the collected data (reflecting well on the World Bank's performance). The resulting study is published as a Policy Research Working Paper. The impact evaluation was designed to support causal inference and cost-benefit analysis. The study offers insights for similar programs in other countries and in Kenya. Certain limitations arising from attrition are clearly noted. A gender assessment was also carried out and influenced operational decisions.

c. M&E Utilization

Arguably one of the stronger and more unusual features of this project was the manner in which M&E findings were used to inform continuous fine tuning. Training content, targeting mechanisms, and communication and outreach were adjusted in light of data. The government's decision to continue and scale up the youth employability activities in a follow-on project reflects in part the fact that the results were well documented thanks to the design and execution of the M&E system. Design of the follow-up operation was informed by lessons learned and documented by the M&E system.

M&E quality is rated High due to the comprehensive design, successful execution, and effective use of M&E.

M&E Quality Rating
High

11. Other Issues

a. Safeguards

This project was originally assessed as Safeguards Category B, triggering OP 4.01 (Environmental Assessment) and OP 4.10 (Indigenous Peoples) because of the small-scale public works with modest social and environmental impacts envisaged under component 1. Frameworks for addressing environmental assessment and indigenous peoples issues were put in place for component 1. Supervision was done to ensure compliance (prior to restructuring).
After the restructuring the project was recategorized as category C, with OP 4.01 and OP 4.10 no longer triggered. No safeguards issues surfaced.

b. Fiduciary Compliance

The financial management (FM) arrangements were effective. The World Bank's supervision of FM issues was able to detect, two ISRs prior to the first restructuring, fiduciary control weaknesses such as co-mingling of funds pertaining to government- and project-financed activities. The issues were detected and flagged up, and the Bank initiated detailed review of ongoing and completed sub-projects. FM was rated satisfactory after the restructuring. In other words, the system worked as intended by detecting and responding promptly to issues.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

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12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Satisfactory	Moderately Satisfactory	Several issues arose related to project design. These issues -- in particular the excessive complexity of the first component relative to the capacity of the implementing agency -- eventually led to cancellation of the first component.
Borrower Performance	Satisfactory	Moderately Satisfactory	There were challenges related to government performance in early implementation of component 1, a later ministerial reorganization that led to uncertainties and delays in implementation, and insufficient attention to ownership of component 2 (housed outside the project).
Quality of ICR		High	---

Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

The ICR (pp. 27-28) contains several bulleted "lessons," most of which describe aspects of what went well in this project and should be repeated in similar projects in Kenya and elsewhere (the "Borrowers' ICR" also contains valuable and somewhat differently worded "lessons"). These "lessons" can be regarded as good practices; they are hardly new and should not surprise anyone familiar with employment and vocational training, yet they deserve to be recapped and summarized here briefly:

- Public-private partnership is important for employment and training programs. In this case, it proved useful to engage the private sector for project management and as training and internship providers. It also proved useful to solicit feedback on skills needs from potential employers.
- Paying close attention to details of implementation is essential. Issues around targeting, transparency in selection of trainees, tackling of gender barriers, amounts paid in stipends, and the delivery of life skills were all identified and addressed during project implementation.
- Implementation capacity is essential, and running projects of this type is labor intensive. Adequate and sufficient skills for running the M&E system are needed.
- Linking interns or former interns to business development services may help increase impact by supporting trained youth to become entrepreneurs. (These services were not offered by this project, and it is unclear if there are actual experiences from this project of the benefits of adding such support, or if this "lesson" is a bit speculative.)

IEG adds the following lesson:

- Offering internships in rural areas is infeasible in some settings. A planned expansion of this project to rural areas was dropped because of difficulty identifying employers willing to offer internships.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

This ICR is of high quality. It is well evidenced with information from the M&E system backing up key arguments, bringing in data from the project's formal results framework as well as tracer studies and an impact evaluation. The analysis is thoughtful and easy to follow for the reader, with the theory of change strongly and explicitly articulated. The lessons/good practices draw effectively project experience and should prove useful to future operations. The ICR is candid in reflecting on strengths and shortcomings, as well as how those shortcomings were handled. It adheres to guidelines and, in its 28 pages (plus appendices), clearly describes the results and implementation experiences of this project in a concise, clear, and efficient manner.

a. Quality of ICR Rating
High