# Lessons Learned from Supporting Effective Jobs Lending at Scale (SEJLS)1

## I. Introduction

The Supporting Effective Jobs Lending at Scale (SEJLS) program was piloted between 2020 and 2023 under the Jobs Umbrella Multi-Donor Trust Fund (MDTF). The program was designed to leverage large scale World Bank investments by informing key project design elements to maximize their impact on job outcomes. The program was designed with two development objectives: (1) to support comprehensive, integrated, and high-impact jobs strategies across WBG operational areas; (2) to create new knowledge on effective jobs-related interventions and measurement, especially for the most vulnerable groups, as a global public good.

Upon completion, SEJLS has effectively utilized the approved 2.25 million USD in 15 grants to leverage a sizable lending portfolio of 3 billion USD. The portfolio has a comprehensive coverage of sectors, regions, and lending instruments (Annex 1). SEJLS also collaborated closely with operational teams to support the technical design and implementation of a portfolio selected based on (1) having high potential job effects; and (2) demonstrating great strategic importance in the sectoral portfolio. To date, SEJLS has contributed to improving technical standards on project design, jobs impact measurement, and project coordination. Through its activities, the program amassed a large knowledge base that is strategic for future efforts, and that covers three areas:

A. Scalable approaches to maximize jobs impacts for development policies. Under the support of SEJLS, a diverse set of outputs was developed, including data collection, monitoring and evaluation frameworks, indirect jobs measurement, diagnostics, and toolkits. Through these outputs, SEJLS has accumulated project- and sector-specific knowledge that can help future projects develop a job-related theory of change, economic analysis, and results framework at the project level. A set of toolkits was tested and refined under SEJLS (Annexes 2, 3, 4), promising to improve the consistency and technical standards of projects on jobs in the next phase.

**B. Solutions to technical challenges in indirect jobs measurement.** Estimations financed by SEJLS revealed that indirect jobs impacts are often sizable, underscoring the importance of having a clear Theory of Change (ToC) as the first step to identify these effects. The methodologies tested for measuring indirect jobs now serve as a crucial input for the ongoing corporate scorecard exercise <sup>2</sup>—a strategic management tool the World Bank President highlighted as the "yardstick of accountability." The piloting and testing activities supported by SEJLS were instrumental, as without them, a meaningful commitment to measuring the scorecard indicators related to "more and better jobs" would have been impossible. This is particularly true considering the technical challenges of delineating both direct and indirect jobs and their important disaggregation by gender and youth, which will be included in the scorecard exercise.

**C. Effective implementation models.** Overall, the support provided by the Jobs Group has proven effective and is well-received by operational teams that demonstrated a strong interest in improving job outcomes. One essential lesson learned is that careful project selection and effective project management are pivotal to realizing the leveraging effects of SEJLS. During the project selection stage, considerations

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<sup>&</sup>lt;sup>2</sup> The scorecard exercise is at an early stage and may be subject to changes in definitions, scopes, and methodologies.

such as project stage, instrument type, and expected outputs should play a significant role, as they have implications for a successful and timely engagement. During implementation, continuous support proved necessary to ensure consistent implementation and the adoption of required adjustments, so that technical standards are maintained throughout the project cycle.

The paragraphs below present in detail the knowledge base generated by SEJLS, starting with general considerations emerged from the implementation of the program and ending with lessons learned from each of the operations supported.

### II. General lessons learned

Creating more, better, and inclusive jobs relies on policy coherence across production, people, and places. Jobs are not a natural product of successful growth spells. Rather, significant policy deliberations are required to maximize jobs impacts. The Bangladesh Private Investment & Digital Entrepreneurship (PRIDE) project supported by SEJLS can best exemplify such deliberations. With support from SEJLS, a series of jobs-relevant products were developed and tailored to the *places*, including special economic zones and software parks participating in PRIDE. At the *production* dimension, SEJLS helped PRIDE design project components to address business obstacles such as a lack of skilled workers and reliable infrastructure. Investing in *people*, SEJLS financed a training voucher program to facilitate skill formation. The policy coherence across production, people, and places has set PRIDE on a trajectory to generate considerable jobs impacts: 1.85 million jobs will be generated by the end of the project, among which 0.25 million are direct jobs and 1.60 million are indirect jobs. The project is also monitoring the job creation disaggregated by the SEZs and gender. Without the comprehensive policy deliberations, this level of jobs impacts would not have been possible.

Effective job policies are context-specific. The same policy may work well in one context and not in a different context in countries at similar income level. For example, with its unique focus on workforce development, formal technical and vocational education and training (TVET) has the potential to contribute to improving employment and productivity, but too often fails to do so. TVET pays off in context where there is demand for the fields of study and for students who have relatively strong foundational skills and are unlikely to complete a university degree, or for those seeking a shorter school-to-work transition at the potential cost of faster skills depreciation over time. The context-specificities need to be identified at an early stage to influence policies effectively. Projects at the concept stage are more likely to take SEJLS recommendations and improve policy design for maximized jobs impacts. Such projects should be targeted and prioritized when the goal is to influence or improve policies for enhanced job outcomes. When jobs impacts are an afterthought, the room to improve project design is reduced and little space remains for customizing jobs solutions. Conversely, if the channels of transmission that link policy context to the desired jobs effects are identified at the early stage of project design, the intervention can successfully optimize such effects. This is true across sectors, particularly for sectoral teams that are less knowledgeable about the labor market.

**Effective job policies also need to change along the development path.** Successful countries during early stages of development may fail to transform further as they reach middle-income levels if policies do not evolve. Crafting policies for successful job transitions require persistent attention to the changing nature of work along the path of structural transformation. Understanding the nature of the jobs challenges faced

by client countries is a fundamental step which should inform the choice of the specific policy measures to roll out.

Both long- and short-term policies need to be balanced. Most low- and middle-income countries face immediate needs for more and better jobs: massive rural to urban migration flows put strong pressure to create jobs in growing cities, in addition to improving the living conditions of the rural poor. The immediate need for jobs, coupled with the relatively slow pace of structural transformations presents a dilemma for many policy makers: invest in jobs for today versus invest in jobs for tomorrow. Investments in jobs for today are likely to play a more significant role in countries that have a demographic dividend to tap on, or for which long-run returns to structural transformations appear to be low or unlikely; while investments in jobs for tomorrow are likely to play a more prominent role in countries where job markets are strong and returns to investing in the structural transformation appear to be high. During its pilot phase, SEJLS focused mostly - thought not exclusively - on the short-term by supporting individual projects in strengthening their designs related to jobs. This allowed leveraging a large volume of pipeline investments toward better-designed jobs-relevant interventions. Extending the fund's activities to support country-level engagement will allow for informing the design of the entire portfolio of operations in a particular country, as well as prioritizing specific policies that address binding constraints to job outcomes. This will enable to focus on the long-term jobs impacts as well and could be done by partnering with County Management Units (CMUs) as they formulate Country Partnership Frameworks (CPF) guiding the Bank's long-term strategies in each country. Country engagement is an ambitious undertaking, but one that is enabled by the emphasis that the current World Bank management puts on the jobs agenda.

Taking an integrated approach to inclusion is a staple rather than an add-on for jobs policies. Representing half of the global population, women are key to inclusive economic growth and jobs. Jobs policies should address the multiple underlying constraints to equal access to better jobs and carefully measure distributional job impacts. In this regard, SEJLS made tangible contributions by guiding several project teams to measure jobs outcomes focused on women and youth to constantly monitor the progress on jobs inclusion; and by supporting gender-specific operations that have influenced governments and employers to promote better economic opportunities for women. In the first-ever Development Policy Financing program devoted to women, SEJLS supported reforms in Albania's legal framework to improve women's access to assets and labor market opportunities. At the firm level, SEJLS worked with IFC's Women Employment Program to quantify the gains for employers when they adopt gender-friendly policies.

To implement jobs policies, continuous engagement with stakeholders is crucial for success. From design to implementation, project teams constantly face the trade-off between the importance of job outcomes and the feasibility of measuring these outcomes. Technical difficulties in jobs measurement, limited local capacity, fear of poor outcomes, and assumptions that jobs are natural byproducts of project intervention are known threats to measuring jobs impacts. As demonstrated by the PRIDE project supported by SEJLS, continuous engagement with project teams and government counterparts considerably improves the chance of having jobs impacts measured throughout the project cycle. The PRIDE project team also welcomed such engagement as it has helped improve the technical capacity and accountability. In addition, the next phase can also establish institutional mechanisms to facilitate continuous engagement. The mechanisms shall encompass (1) establishing a dedicated team to support

grantee projects; (2) arranging routine check-ins between the JG team and project teams; (3) organizing Jobs Operation Help Desk to support projects facing similar challenges; (4) flagging and following up on unusual project actions such as changing results framework; and (5) standardizing the transition process between former and new project leaders.

# III. Sector- and project-level lessons learned

SEJLS has helped projects build solid analytics on jobs challenges and programs, serving as the foundation for policy design, implementation, and measurement. Organized by five sectors - namely agriculture, private sector development, social protection, environment, and gender, the SEJLS-supported projects have demonstrated early sector-specific patterns that can be replicated and scaled by future projects.

### Agriculture

Lessons learned: Agriculture projects often involve value chain enhancement, through which smallholder farmers gain access to markets and consequently have more and better-paying economic opportunities. These projects provide beneficiaries access to assets, training, improved public services and infrastructure to facilitate the creation of jobs from forward and backward value chains. Support to agriculture interventions could generate considerable indirect jobs. Job inclusion is essential considering the vulnerability of people in rural areas.

Ethiopia. The Second Agricultural Growth Project (AGP II) seeks to increase agricultural productivity and commercialization of smallholder farmers. The project is expected to achieve these goals through improving public services, irrigation, and access to agricultural technologies and marketing. SEJLS financed a study of the effectiveness of AGP II related to job creation for rural communities. The results revealed that the project had created nearly 1 million jobs, in the form of permanent or temporary employment, for rural people including women and the youth. Relying on a Computable General Equilibrium (CGE) model and the latest<sup>3</sup> Ethiopian Social Accounting Matrix (SAM), the study found that the project induced increased agricultural productivity, which could lead to 1.4 million new jobs created in the target areas by the end of the project. Spillover effects were also detected as employment gains could go beyond the target areas. The measurement method can be instrumental for future agricultural projects. Read more<sup>4</sup>.

Bangladesh. The Livestock and Dairy Development Project (LDDP) in Bangladesh is designed to modernize the sector, encourage climate-smart production practices, and improve the productivity and resilience of smallholder farmers. The livestock sector holds great potential for enhancing livelihoods, yet there is a need for reliable estimations of the employment impacts associated with livestock-related activities. To address this need, SEJLS has funded a jobs measurement framework that provides a systematic approach for assessing direct, indirect, and induced employment outcomes related to investment operations in the livestock sector. Utilizing this framework, the project team has conducted a study that assesses the baseline and projected jobs impacts of the LDDP. The findings indicate that the LDDP is anticipated to generate about 70,000 jobs annually over a period of nine years, with 79 percent of these positions being occupied by women. The estimation of job creation will also assist the client, the Department of Livestock Services, in monitoring the quantity and quality of jobs generated by the LDDP. Moreover, this framework

<sup>&</sup>lt;sup>3</sup> 2016.

<sup>&</sup>lt;sup>4</sup> "Read more" directs to the published blogs on SEJLS projects, which provide a more detailed account of lessons learned and project-level outputs (e.g., notes, papers) supported by SEJLS.

will serve as a guide for the World Bank's Monitoring and Evaluation teams in estimating employment creation from ongoing and planned operations in the sector. Read more.

**South Sudan**. The objective of the South Sudan Resilient Agricultural Livelihoods project is to improve agricultural production while strengthening the capacity of farmers and their organizations in an early post-conflict recovery context. The project's theory of change shows that full-time jobs equivalent can be created through improved household food security, more accessible quality seeds and technology, and training of farmers. One complication of the project is the fragile local environment: recurrent floods, severely disrupted markets, and pervasive food insecurity. Bearing these challenges in mind, SEJLS supported a tailored assessment of downstream and upstream jobs along the agriculture value chains. Early analysis reveals that local markets in South Sudan are very different from each other, and value chain support should be responsive to local conditions. In addition, the number of jobs working for aggregators is modest, but it is crucial for scale through the food value chains. The lessons are particularly valuable for projects operating in a post-conflict and fragile context.

**Uzbekistan.** The Livestock Development Project (LSDP) is designed to enhance the income, market access, and productivity of livestock farmers through a partnership with the government and the private sector in Uzbekistan. With the assistance of SEJLS, the project initiated a jobs diagnostic to develop a new methodology for assessing the employment impacts of project activities, including direct and indirect jobs, seasonal employment, and impacts by livestock types, gender, and other marginalized groups. According to the diagnostic, LSDP has contributed to the creation of over 25,000 jobs, with approximately one-third being seasonal and another third being indirect employment through value chains. The purchase of cattle for dairy production generated the highest number of jobs due to its labor-intensive nature, while meat production from small grazing animals yielded the most direct jobs per 1 million USD investment. Read more.

### Private Sector Development

**Lessons learned:** In contrast to supply-side interventions, demand-side interventions exemplified by these private sector development projects are designed to directly benefit firms and business environments, and indirectly individuals and households — which remain the ultimate motivation of such interventions. Projects in economic zones (Bangladesh and Egypt) can lead to considerable direct jobs. Projects targeting specific sectors (Tajikistan and Madagascar) often need to identify sector-specific binding constraints on jobs and develop interventions addressing these barriers.

Tajikistan. Focusing on tourism and agribusiness - two important labor-absorbing sectors in rural Tajikistan - the Rural Economy Development Project (REDP) aims to improve the sources of livelihood for local populations in Khatlon and Gorno-Badakhshan Autonomous Oblast (GBAO) regions. The program was launched in February 2022, following the grant manual developed under the support of SEJLS. Specifically on tourism, SEJLS helped identify major barriers in the sector, such as insufficient skills and poor sanitation conditions among homestays and guesthouses. To address these barriers, the project is upgrading the tourism facilities and skills of tour guides. These activities will help attract more tourists, increase labor income, and create more economic opportunities. On the agribusiness sector, poor infrastructure remained a bottleneck, and the project aims to create direct (e.g., more merchants) and indirect jobs (e.g., transportation service providers) by upgrading cross-border trade facilities. In addition to supporting intervention design for the two sectors, SEJLS also built M&E capacity at the Ministry of Finance to create a framework tracking jobs created. The indicator "Number of jobs created through the

project interventions in GBAO and Khatlon, of which 50% for women and youth" is incorporated in the project's results framework. 7,000 jobs are expected to be created by the end of the project, of which 50% are women and youth. Read more.

Madagascar. Madagascar Integrated Growth Poles and Corridor Series of Projects-2 targets agribusiness and tourism sectors through interventions that enable infrastructure and provide an immediate response to the crisis. SEJLS aimed at improving their jobs impact and their measurement of job creation and job quality results. In particular, the grant supported the technical assistance provided by the Jobs Group to (a) analyze past and present methods to measure job creation under Integrated Growth Poles Projects (PIC); (b) provide recommendations to improve the measurement of job creation and job quality in PIC projects; and (c) provide capacity building with the project implementation unit and other relevant ministries and public agencies to successfully implement recommendations, together with the PIC project team. The findings have been framed in a report currently under finalization. Its main recommendations suggest that a dedicated value chain study informing the current and future projects will help unlock and maximize the potential for growth poles to deliver more, better, and inclusive jobs. Moreover, given the specific local context, it is recommended that an M&E framework for job creation measures should also capture informal and small-scale jobs. Currently, the project has an indicator monitoring the number of formal jobs created in target regions, disaggregated by sectors. Nearly 10 thousand formal jobs are expected to be created by the end of the project.

Bangladesh. The objective of the Bangladesh Private Investment & Digital Entrepreneurship (PRIDE) project is to promote the early stages of innovation in Bangladesh's economic zones and technology parks. Under the support of SEJLS, a jobs survey was designed and implemented to describe the potential workforce near the project areas. A Training Needs Assessment was also completed, which identified gaps in occupations and skills that must be covered to meet the labor demand among those investing firms. Further, a study was conducted to conceptualize a labor market information system (LMIS) for the economic zones. Informed by these studies, the project implemented a catalytic fund for skills formation through a voucher program, where firms can buy training with subsidized vouchers. SEJLS also supported the development of an M&E framework for monitoring the economic impacts of the economic zones based on the PRIDE project's results framework in which the results indicator "number of direct (FTE) new jobs facilitated by the project" is incorporated and implemented. SEJLS helped focus on the jobs impacts of the project and on the design of specific strategies to attain desired impacts. With the support of the grant, an economic assessment report has been produced with expected jobs and earnings impacts (direct, indirect, and induced) from investment in the special economic zones (SEZs) licensed by the Bangladesh Economic Zones Authority. The results indicate that the actual investments undertaken have the potential to generate a total of 1.85 million jobs (1.36 million males and 0.49 million females), among which 0.25 million are direct jobs and 1.60 million are indirect jobs. Moreover, simulations show that the pipeline investments could create a total of 11.18 million jobs, of which 23.6 percent will be direct and 76.4 percent indirect. Read more.

**Egypt.** Upper Egypt Local Development Program-for-Results aims to improve the business environment for private sector development and strengthen infrastructure and public service delivery in selected governorates in Upper Egypt. Several job challenges were identified from the SJELS-supported analytical work to inform the Egyptian government on how to advance job creation. These challenges included infrastructure (e.g., access to electricity, incidences of power outages and incidences due to transportation), factors of production (e.g., educated labor, access to land), institution (e.g., licensing

procedures, corruption), and macroeconomic policies (e.g., access to finance and tax rates). Economic analysis reveals that intervention in the industrial zones can lead to 10,000 new direct jobs with sizable indirect jobs created by expanded market access, enhanced value chains, and investment promotion activities. The indicator, "percentage of firms that demonstrate increased jobs, investment, exports, revenues, or productivity", is integrated and monitored in the results framework.

Malawi. Launched in 2020, the Financial Inclusion and Entrepreneurship Scaling (FInES) project aims to increase access to finance and promote entrepreneurship of MSMEs. With support from SEJLS, the project has created a Theory of Change with three main job creation channels mapped. First, providing credit lines to financial intermediaries can help address the credit constraints of MSMEs. More jobs will be created as a result of expanded business. Second, an improved entrepreneurship ecosystem by the project can foster job creation by business owners. Third, improved business regulatory framework, financial infrastructure, and consumer protection can attract investment and stimulate local demand, which is expected to be conducive to jobs. Moreover, SEJLS aided the project in developing a comprehensive measurement framework for jobs impacts, including estimation on ex-ante/post jobs as well as direct/indirect jobs.

### Social Protection

**Lessons learned:** The social protection projects supported by SEJLS are characterized by a focus on either addressing skill gaps or labor market failure on job matching. While activities across these projects tend to be focused on supporting individual beneficiaries directly, it is important for such interventions to prioritize outcomes (e.g., number of jobs created for females) over outputs (e.g., beneficiaries trained) in the results framework to ensure that they achieve the desired development objectives.

Türkiye. SEJLS financed the project - Agricultural Employment Support for Refugees and Turkish Citizens through Enhanced Market Linkages – aimed at improving formal employment in the agriculture sector. The theory of change and economic analysis were developed with the support of SEJLS, which charted or quantified the channels through which employability can be increased and more jobs can be created. Under the support of SEJLS, the project developed a matching algorithm for the agricultural labor market, which used proxy preferences of workers and matched them with prospective jobs based on key inputs such as the worker screening tool to collect information on work history, skills, and job preferences. SEJLS also enhanced the project's understanding of the labor supply- and demand-side constraints to refugees' formal employment in the agriculture sector, through the supported analysis. The results from the grantfunded analytical work will also inform the Emergency Social Safety Net (ESSN) exit strategy of the Turkish government for Syrian refugees, which aims to facilitate the transition from the emergency cash transfer system for refugees into labor market activities. The analytical work has been critical in informing different aspects of the project's implementation, including (a) modifying the outreach strategy to farmers and workers based on the lessons learned from the grant-funded activities and (b) guiding the discussions with the project implementing agencies on the subsidy levels farmers will be willing to accept to formally hire workers. Further, by providing crucial insights into the functioning of rural labor markets, the grant-funded activities will contribute to the larger policy dialogue on transitioning refugees toward formal employment. Read more.

**Ghana.** The development objective of the Ghana Jobs and Skills Project (GJSP) is to support skills development and job creation in Ghana. SEJLS contributed to the component of the GJSP that finances competitive grants to private micro and small enterprises to support training of their workforce. In

particular, the Jobs MDTF grant financed research and development (R&D) relevant and dynamic learning on how to strengthen the implementation of the Fund's monitoring system. The project team collaborated with the project implementing agency, the Commission for Technical and Vocational Education and Training (CTVET), to successfully complete the design and upgrading of the M&E system. SEJLS also supported the development of the M&E sections for the Operational Manual, which serves as a guide for current and future Fund administrators on M&E and data collection. Read more.

#### Environment

**Lessons learned:** The two supported projects demonstrate the importance for interventions enacted to address market failures linked to environmental externalities to incorporate labor market considerations. Considering spillover jobs impacts outside the environmental sector in project design and results framework can compensate for negative job outcomes linked to income loss in non-green sectors and promote higher quality employment opportunities for beneficiaries.

Cambodia. SEJLS contributed to the Cambodia Sustainable Landscape and Ecotourism Project's development objective, which is to improve protected areas management and to promote ecotourism opportunities and non-timber forest product value chains in the target regions. SEJLS supported the development of a Jobs Theory of change and job-related indicators in the Monitoring and Evaluation Framework. SEJLS also contributed to an assessment of the ecotourism sector, which highlighted four main factors constraining growth and employment, namely limited protection of ecotourism assets, low quality and less diversified ecotourism offerings, insufficient planning and management by the government to support ecotourism, and inadequate regulatory environment, including a lack of prioritization in the National Ecotourism Policy. This analysis resulted in a set of policy priorities to promote employment in the ecotourism sector, which the Government of Cambodia has adopted. Some of the key priorities include operationalization of the National Ecotourism Policy, enabling regulatory framework for private sector investments, capacity building of Ministry of Environment staff and professional training in ecotourism services at the community level. Read more.

**Bangladesh.** Approved in December 2022, the Bangladesh Environmental Sustainability and Transformation Project (BEST) aims to strengthen the government's environmental management and to pilot new financing mechanisms to promote green investments in brick production and other industries. According to SEJLS-financed jobs vulnerability studies and environmental and health surveys, brick workers are vulnerable given these jobs are low-paying, seasonal, and have high occupational health risks. By replacing the old technology with new technology, the BEST project is curbing pollution while introducing more sustainable and better jobs — healthier, safer, more productive, and better-paying. The jobs monitoring and evaluation system financed by SEJLS shows that the BEST project expects to help create 7,000 jobs when the brick plants are projected to yield about four times the productivity per worker compared to the old kilns. This shift could potentially triple average incomes for brick workers over a year post-technology transformation. Read more.

#### Gender

**Lessons learned:** The jobs and the gender agenda overlap heavily, and the increased momentum gained by both topics is an opportunity to tackle these development challenges jointly.

**IFC's Women's Employment Program.** The SEJLS initiative financed a grant to the IFC Women's Employment Program (WEP) with the objective of supporting the generation of qualitative and

quantitative evidence around the impacts of promoting gender-sensitive policies at the workplace among private sector firms in emerging markets. SEJLS first supported a case study on an IFC client company in Vietnam, which modeled the future returns on investment of new and enhanced gender-smart solutions. It found that the highest impact is brought about by pay equity, onsite child and elderly care, and flexible working arrangements. These policies positively affect absenteeism (–1 percent), turnover (–2/3 percent), and daily productivity (+7 percent), which represent monetary gains and savings for the company. A second activity supported by SEJLS has focused on developing a business quantification tool to estimate the benefits of clients' adoption of gender-smart solutions on business performance. The third output from SEJLS was Women's Employment Program Sector Note, which encapsulated WFP's efforts in fostering gender-inclusive workplaces across manufacturing, agribusiness, service sector and health and education sector.

Albania. SEJLS also collaborated with the first-ever Development Policy Financing (DPF) operation entirely devoted to increasing women's access to economic opportunities. The DPF has supported reforms to Albania's legal framework and administrative rules to tackle structural gender gaps around three key areas: (i) women's access to assets; (ii) labor market opportunities; and (iii) gender-informed policy making. Moreover, some reforms used a behavioral lens to promote changes in how regulations are implemented and complied with by government officials and private individuals. The innovative nature of the Albania program has generated interest within and outside the World Bank to distill the main features and lessons from the program that can be applied elsewhere. To this end, SEJLS supported the generation of best practices for addressing inclusion and equity with policy lending, as well as a guidance note to support the replication of this type of intervention in the context of other countries. The evidence base built by SEJLS suggests that (1) rigorous and detailed analysis of gender gaps builds a solid foundation for policy reforms; (2) a tight theory of change with convincing economic arguments is needed to get CMU and MoF support; (3) streamlining the results chain by selecting clear, measurable indicators aligned with program objectives is key; (4) championing lasting engagement with programmatic DPOs is crucial; (5) DPFs allowing for leveraging partnerships with MoF that other development partners have less frequent access. Read more

### IV. Best Practices

The paragraphs above discussed the general and sector-specific lessons emerged from the implementation of SEJLS across 15 large scale World Bank operations. These represent a strategic knowledge based on which future efforts to advance the jobs agenda in developing countries can build. To achieve sustainable results, it is particularly important that the jobs challenges are addressed both in the short and in the long run, by integrating sectoral and economy-wide considerations. Further, interventions should comply with minimum design quality standards that adequately capture the complexity of the jobs impacts that are being targeted. Finally, a strong impact measurement framework should be employed in order to adequately quantify the direct and indirect benefits generated.

### 1. An integrated engagement model to tackle the jobs agenda

As discussed above, SEJLS focused on supporting standalone projects in maximizing their jobs impacts. This implied improving the design of large sectoral operations which generated significant benefits over the short term. SEJLS however did not support policy prioritization at country level, which defines the portfolio of policy that the World Bank deploys in a given country. An important step to scale up SEJLS would be to extend the support provided to this dimension as well. This could be achieved by building on

the lessons learned from the pilot phase as well as on an enabling institutional environment that has raised the profile and urgency of the jobs agenda. Under an integrated model, the activities of the program will be divided into two components. At the country engagement level, the program will inform WBG country engagement strategies through a rigorous identification of country jobs challenges, analysis of related root causes, and identification of policy priorities to address the jobs challenges. At the project level, much like the pilot stage, the program will inform the design and implementation of jobs-relevant operations to maximize the benefits associated with their jobs impacts.

Figure 1: Integrating project and country level support

## 2. Project design standards

In its engagement across 15 project teams, SEJLS outlined and enforced a set of quality standards for the key design elements across all operations that impact the jobs agenda. While they do not preclude the need to assess and adapt to local contexts, they do represent quality standards that should guide future interventions aiming to improve job outcomes.

**Theory of change (ToC).** Jobs ToC ought to encompass the anticipated job outcomes linked to the Project Development Objective (PDO) for the designated project beneficiaries. These outcomes should be based on thorough descriptions of significant job challenges within the sectoral and institutional context. Moreover, the ToC needs to identify indicators for tracking progress, consider both direct and indirect jobs impacts, and explain the essential assumptions that form the basis of the project's design. Additionally, it should delve into the supporting evidence for each assumption, elucidating the rationale behind them.

**Economic analysis (EA).** The economic analysis for jobs should extend from the jobs Theory of Change (ToC) and articulate how the investment intends to address market failures, such as those related to capital markets, coordination, natural monopolies, and externalities related to education and training. Good jobs economic analysis should also analyze the source, size, and distribution of economic gains.

**Result framework (RF).** Key job outcomes and their corresponding indicators can vary based on the project design and M&E capacity. When considering job outcomes, three distinct categories can be useful: job creation, job quality, and job access, as listed below. The Jobs M&E Toolkit offers a "menu" of potential job indicators under these categories (Annex 2). The optimal timing to apply it is during the design phase

when M&E systems are being established. In this way, data collection can align with implementation progress, and reporting starts right from the project's onset.

- **Job creation**: these outcomes are related to creating more jobs for project beneficiaries. The type of jobs (e.g., permanent or temporary jobs; formal or informal jobs) should be clarified.
- **Job quality:** these outcomes are related to the capacity of program beneficiaries to achieve better labor market results, through channels such as enhanced productivity, improved working conditions, or higher earnings.
- **Job access:** outcomes associated with linking individuals to employment from inactivity, facilitating transitions between jobs, and enhancing labor market function. Job access also has an inclusion angle. Indicators designed to monitor jobs can be disaggregated and focus on women, youth, low-income households, migrants, refugees, and those residing in rural or fragile settings.

#### 3. Jobs impact measurement

Project teams that are not familiar with the complexity of the jobs agenda often need guidance to conceptualize the main jobs effects that are relevant to their operations. Inspired by SEJLS, the **Jobs Filter** (JF) is a quick tool that guides helps operational teams to identify gaps and opportunities for stronger impacts on jobs in project design. It focuses on defining jobs impacts and related transmission channels, identifying relevant indirect jobs effects, and estimating expected jobs impact ex ante, in the context of the results framework as well as ex post. The JF has so far guided the design of three lending operations in Mozambique, and is a useful resource for project teams that are at early stages of design for operations that aim to impact jobs outcomes as part of their development objective.

#### **Table 1: Jobs Filter**

- ✓ Does the project possess significant jobs impacts within 5 years of project completion and if so, how will these impacts be achieved?

  (Identification of binding constraints, planned activities, and expected outcomes)
- ✓ What will be the expected jobs impacts of the Project and how will these be achieved? (Expected direct and indirect jobs impact of projects and how these will be achieved)
- ✓ How will the Project estimate, monitor and/or evaluate the expected jobs impact?
   (Ex-ante analysis of Jobs, results indicators on Jobs, ex-post impact evaluation on jobs)

One area where SEJLS has provided dedicated technical support to project teams concerns indirect measurement. This contributed advanced the frontier of knowledge on the jobs impacts of programs, the technical aspects of estimation, and on the cost-rigor tradeoff of various methodologies and approaches, as well as institutional barriers and facilitators. Lessons learned from this exercise can guide project teams that plan to account for indirect jobs impacts in the context of operational design, implementation, and M&E. A user-friendly **toolkit on indirect jobs measurement** was developed and ready to be applied by more projects that share similar interests in jobs measurements. It constitutes a standardized and transparent decision-making framework for choosing approaches and quantitative methods for evaluating job impacts, either ex ante or ex post (Annex 4).

Annex 1: SEJLS Portfolio

| Sector         | Country     | Size (\$mil.) | Region | Instrument |
|----------------|-------------|---------------|--------|------------|
| Agriculture    | Bangladesh  | 500           | SAR    | IPF        |
|                | Ethiopia    | 250           | AFR    | IPF        |
|                | South Sudan | 50            | AFR    | IPF        |
|                | Uzbekistan  | 160           | ECA    | IPF        |
| Environment    | Bangladesh  | 250           | SAR    | IPF        |
|                | Cambodia    | 50            | EAP    | IPF        |
| Private Sector | Bangladesh  | 510           | SAR    | IPF        |
| Development    | Madagascar  | 75            | AFR    | IPF        |
|                | Malawi      | 60            | AFR    | IPF        |
|                | Egypt       | 500           | MNA    | PforR      |
|                | Tajikistan  | 30            | ECA    | IPF        |
| Social         |             |               |        |            |
| Protection     | Ghana       | 200           | AFR    | IPF        |
|                | Turkey      | 52            | ECA    | IPF        |
| Gender         | Albania     | 10            | ECA    | DPO        |
|                | EMs         | 150           | EMs    | N/A (IFC)  |

## Annex 2: Jobs M&E Toolkit

The Toolkit contains a set of definitions and guidance on indicators for key results on jobs, data collection forms, and manuals, which are tailored by beneficiary type: individuals and firms. The Jobs M&E Toolkit is best applied ex-ante in the design of projects and their M&E systems so data collection can support implementation progress and reporting from the outset. Regular monitoring and data availability will underpin project completion to assess achievements in job results ex-post. The Toolkit provides a 'menu' of job indicators for project teams to select from according to the design of a specific intervention and expected results related to jobs.

| Job Outcomes             |                                       | Job Indicators   | Individuals | Firms |
|--------------------------|---------------------------------------|--|-------------|-------|
| WBG Corporate Scorecard  |                                       | Number of project beneficiaries reached by jobs-focused WBG interventions  | x           | x     |
| Job Creation             | Job creation                          | Number of (self- and/or wage) employed project beneficiaries (*) 1-*disaggregate by self- and wage-employed project beneficiaries                    | x           |       |
|                          |                                       | Number of full-time equivalent (FTE) jobs in beneficiary firms   |             | x     |
|                          | New enterprises                       | Number of newly established firms with more than one paid employee   |             | x     |
|                          | Entrepreneurs/Self-<br>employed       | Number of self-employed project beneficiaries  | x           |       |
| Job Quality              | Worker productivity                   | Average output per worker among beneficiary firms  |             | x     |
|                          |                                       | Number of project beneficiaries covered by social security insurance   | x           |       |
|                          | Working conditions and benefits       | Share of project beneficiaries reporting satisfaction with their job   | x           |       |
|                          |                                       | Average number of hours worked per project beneficiary per week  | x           |       |
|                          | Earnings/ Livelihoods                 | Average annual earnings of project beneficiaries   | x           |       |
| Job Access               | Labor force participation             | Labor force participation rate among project beneficiaries   | x           |       |
|                          | Working of labor market               | Number of project beneficiaries using (public or private) employment services  | x           |       |
|                          |                                       | Average length of time for beneficiary firms to fill a vacancy   |             | x     |
|                          | Access and Opportunity for<br>Jobs    | Disaggregation by gender and/or age for indicators marked with Disaggregation by gender of firm owner for indicators market with                     | x           | x     |
| Intermediate<br>Outcomes | Access to/ working of product markets | Number of project beneficiaries who are<br>member of a cooperative or producer group<br>Number of beneficiaries with new commercial<br>relationships | x           | x     |
|                          |                                       | Average time to get to market where output can be sold or traded   | x           | x     |
|                          | Firm performance/<br>Investment       | Additional (annual) sales revenue for beneficiary firms (US\$)   |             | x     |
|                          |                                       | Investment generated (US\$)  |             | x     |
|                          |                                       | Share of newly established beneficiary firms still operational after X months  |             | x     |
|                          | Human Capital                         | Share of project beneficiaries completing training   | x           |       |

## Annex 3: Published Jobs Lending Blogs and Outputs

In addition to this note, more detailed lessons learned from each SEJLS supported grant can be found from Jobs and Development website: <u>Jobs Lending Blog Series – Jobs and Development Partnership</u>. Each blog tells the country context, project rationale, and contribution of SEJLS in a highly digestible way. Outputs developed under support from SEJLS, such as reports, toolkits, and M&E framework, can also be found via links in each blog. This public and accessible knowledge base can help inform future jobs projects.

Introductory blog: Mobilizing development lending to create more and better jobs

- #1 Supporting women's economic empowerment in Albania
- #2 Leveraging Technology for More Productive Women-Led Businesses
- #3 Ethiopia Second Agricultural Growth Project: Improving Farmers Production Outcomes of Drought-Affected Areas
- #4 Can agriculture promote the labor market integration of refugees in Türkiye?
- #5 Promoting and measuring more inclusive livestock jobs in Uzbekistan
- #6 The power of talent: investing in skills to drive transformation in Bangladesh
- #7 Child's Play, Women's Progress: Reforming Childcare in The Gambia
- #8 Tale of Two Sectors: Supporting Rural Economy Development Project generating inclusive jobs in Tajikistan
- #9 Measuring Jobs Impacts in Micro and Small Businesses in Ghana
- #10 Transforming Bangladesh's Livestock Sector for More, Better and Inclusive Jobs
- #11 Greening Bangladesh's brick sector: A win-win for workers and the planet
- #12 Greening with jobs: Protecting Cambodia's forests through sustainable work

# Annex 4: Indirect Jobs Estimation Toolkit<sup>5</sup>

The objective of the Indirect Jobs Estimation Toolkit is enabling standardized analytical capacity to conduct estimations of indirect jobs, including by drawing in a large number of examples, through step-by-step guidance. On completion of using the toolkit, users will walk away knowing or having developed.

- Whether it is worth conducting an indirect jobs calculation for the intervention
- A jobs ToC for the intervention
- Methodology to use and where to find resources on how to apply it
- Data to use for the estimation
- Standardized format to report indirect jobs estimations

The Toolkit is implemented through Excel – accessible to a broad range of audience. The analytical root of the Toolkit traces back Osborne and Romero (2023) and Limestone (2023), where indirect jobs estimations were conducted, some of them benefited from SEJLS grants. Currently, the Toolkit is under finalization and the steps of the tools are the following:

- **Step 1:** Assessment on costs and benefits estimating indirect jobs for an intervention: guidance on determining feasibility and value added of estimation of indirect jobs estimation.
- Step 2. Describing the context: guidance on key elements of project context and how information is used.
- **Step 3.** Identify the project's jobs theory of change: guidance to develop a ToC to identify the main jobs impact channels.
- **Step 4.** Reviewing data availability for estimation helps analyst identify potential sources of data to use in the estimation. Associated resources/pages: links to page on data resources that includes sources of microdata, country-level data, and I/O tables.
- **Step 5.** Selecting indirect jobs estimation methodology: guidance to bring together information from project context, ToC, and available data to select the best-suited methodology. <u>Associated resources/pages: links to page with listing of resources (e.g., tutorials) for various methodologies.</u>
- **Step 6.** Conducting estimation and presenting results: practical tips on how to estimate various methodologies. <u>Associated resources/pages:</u> a standard report template.

Table A4: The taxonomy on indirect jobs measurement approaches

|                          | GE (General Equilibrium)   | PE (Partial equilibrium)   | Hybrid  |  |
|--------------------------|--|--|---|--|
| PM (parameterized model) | Structural model with<br>endogenous prices     Observational survey-based<br>methods | Partial equilibrium model,<br>using input output<br>relationships    | Partial equilibrium PM for<br>some linkages in ToC, RF<br>estimated GE effects (with<br>possible extrapolation) for |  |
| RF (reduced form)        | Impact Evaluation     Estimation (and possible extrapolation)                        | Estimation (and possible extrapolation to future or another context) | others.   |  |

Source: Osborne and Romero (2023).

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<sup>&</sup>lt;sup>5</sup> More information on direct jobs measurement can be found at: <a href="https://www.jobsanddevelopment.org/indirect-jobs-measurement/">https://www.jobsanddevelopment.org/indirect-jobs-measurement/</a>.