

## New KCP Projects Approved in the 2021 KCP Call for Proposals

### Jobs and Economic Transformation

#### [Enhancing Traditional Apprenticeships for Youths and Firms in Sub-Saharan Africa – Experimental Evidence from Nigeria](#)

(TTL: Patrick Premand, awarded amount: \$146,000)

Apprenticeships are one of the main sources of skill training for low-skilled youths as well as micro and small firms in low-income and lower-middle-income economies. Upgrading apprenticeship systems has become an important objective to improve productivity among vulnerable youths and employment prospects in small and informal firms where most jobs are concentrated. The project aims to generate new experimental evidence about the effectiveness of a government-led program to enhance traditional apprenticeships in Nigeria. It will support the implementation of a randomized controlled trial impact evaluation in Nigeria embedded in a large-scale, multi-stakeholder World Bank project (Innovation Development and Effectiveness in the Acquisition of Skills) that aims to enhance the capacity of the Nigerian skills development system. The randomized controlled trial will assess the relative cost and effectiveness of improving the training of master craftsman trainers in firms, their ability to certify apprentices' skills, and the provision of dual, center-based training in foundational, technical, and soft skills for youths/apprentices.

#### [Promoting Economic Inclusion at Scale through Self and Wage Employment Support in Tanzania](#)

(TTL: Dahyeon Jeong, awarded amount: \$125,000)

Finding effective policies to improve productive employment opportunities among poor, low-skilled populations in Africa is core to the challenge of fostering inclusive growth. Programs such as cash-for-work or economic inclusion/micro-entrepreneurship support are some of the most common government-led social protection and jobs interventions, and they sometimes compete with each other in policy dialogues. Yet little is known about the relative effectiveness of these programs as they are often studied in isolation. This project aims to fill the knowledge gap by studying the relative impacts of wage employment support and self-employment support together. The project will use a multi-arm cluster randomized controlled trial to examine the relative and combined impacts of a self-employment support component (livelihood) and a wage employment component (public works) as part of a large-scale expansion of these components in the Tanzania Productive Social Safety Net program. The project will further cross-randomize the mode of payment (digital versus manual) to understand the impact of digital e-payment, with particular attention to gender outcomes.

#### [Evaluating the Impact of a Business Plan Competition in Kenya](#)

(TTL: Bilal Zia, awarded amount: \$150,000)

This project aims to contribute to the policy discussion on economic transformation and job creation among youth – one of the most critical challenges in Kenya and internationally. The high number of new entrants to the workforce in Kenya is fast outpacing the capacity of the economy to absorb them in productive employment. Labor productivity has stagnated, and employment rates are particularly low among young Kenyan women, driven mostly by lower labor force participation. Given these constraints to employment, promoting entrepreneurship is an important policy goal for meaningfully occupying a burgeoning workforce. Through a multi-stage design, the project will study the impacts of a large capital infusion to youth entrepreneurs through a countrywide business plan competition, discern the impacts

of different amounts of capital, and identify which aspects of the business plan competition process are most effective in improving business performance and employment outcomes.

#### [Making Working Capital Available to Marginally Riskier Firms](#)

(TTL: Caio Piza, awarded amount: \$130,000)

Micro, small, and medium-size enterprises (MSMEs) are an essential part of economies, yet they often face challenges when trying to access credit. This project aims to provide insights on the impact of offering credit to financially constrained MSMEs, thus informing the debate on policies to address the MSME finance gap. The project will partner with the Brazilian Small Business Support Service (SEBRAE) to study different ways of extending credit to financially constrained MSMEs. It revolves around SEBRAE's emergency credit line, which was launched in June 2020 by its regional office in São Paulo, to help MSMEs access working capital during the pandemic crisis. The project will study the effect of the credit line on the performance of marginal borrowers – micro and small firms with a credit score just below the eligibility threshold. In addition, the project will compare their repayment behavior with that of MSMEs with credit scores above the threshold, to investigate whether extending credit to marginal borrowers would lower the repayment rates of the lenders' portfolios. It will also use data on firms' management practices collected by SEBRAE to study whether these data can be used to screen viable borrowers.

#### Governance and Institutions

##### [Optimal Design of Consumption Taxes: Evidence from India's Goods and Services Tax](#)

(TTL: Pierre Bachas, awarded amount: \$70,000)

This project aims at informing policy debates on how to raise tax revenues without hurting growth and impacting vulnerable households. It will quantify the trade-offs induced by multiple consumption tax rates, in the context of the largest reform of the goods and services tax (GST) in India. The project will exploit a confidential administrative data set comprising the universe of GST tax returns in the State of Karnataka over a two-year period, starting at the implementation of the GST in 2017. The administrative tax data will be combined with data on statutory tax rates of goods and services over time. These data will also be combined with survey data on household expenditures to study the equity gains due to rate differentiation, and data from the Annual Survey of Industries to proxy for the size of the informal sector in each industry. The project will help estimate the losses in tax revenue generated by differentiated tax rates and the shares due to tax evasion, firms shifting to the informal sector, or mislabeling of products as lower-taxed products. Thus, the project will provide evidence on whether multiple tax rates can be justified on equity or efficiency grounds.

##### [Recording Small Receipts: Digital Technology Adoption at the Margin of Formalization](#)

(TTL: Florence Kondylis, awarded amount: \$176,000)

This project aims to provide evidence on the impact of digital technology adoption on firm growth and how to improve tax administration efficacy and tax compliance. Corporate income taxes are an important source of tax revenue in developing countries. However, corporate income taxes are also vulnerable to evasion – firms often overreport costs to reduce taxes owed. The introduction of digital technologies that record transactions may reduce accounting costs and in turn enable firm growth, while also reducing tax evasion. Recently, the Rwanda Revenue Authority announced a new policy, Electronic Billing Machine (EBM) for All, which mandates the use of digital receipts for itemized costs in corporate income tax filings in Rwanda. The policy has wide-ranging implications: new requirements for large firms will introduce a tax disadvantage to firms that do not adopt an EBM. The project will use

these policy changes, combined with a complementary experiment, to estimate the impacts of EBM for All on large firms (separating reporting and real responses) and small firms (separating negative impacts through the tax disadvantage, and positive impacts through incentivized adoption). Through the Executive Organ forum, it will be possible to feed these research insights directly into administrative policy formation, contributing to better governance.

#### [Understanding How Public Officials Learn through In-Service Training](#)

(TTL: Daniel Rogger, awarded amount: \$74,065)

The incentives and capacity of public servants to acquire and act on new information are crucial elements of state effectiveness in service delivery. The interaction of incentives and hierarchy is particularly important in public administration, where many activities are noncontractible and tenures are long, implying that the qualities of those in service are critical to the performance of government. This project aims at better understanding the determinants of effective in-service training, and thus an element of state capacity. The project will conduct a randomized controlled trial implemented in collaboration with Ethiopia's Federal Civil Service's core training center – the Ethiopian Management Institute – to introduce interventions and investigate the impact of supervisory involvement in training activities and learning by public servants. It will try to answer several questions. For example, how do interactions between managers and their reports during in-service training impact the incentives to learn and build capabilities between them? And what are the mechanisms that determine the nature of these effects?

#### [Public Procurement and Firm Behavior](#)

(TTL: Vincenzo Di Maro, awarded amount: \$196,000)

This project aims at informing policy debates on employment generation and growth in firms in the context of public procurement. The project will study the link between public procurement and firms through two main channels, with a specific focus on small and medium-size enterprises (SMEs). First, the project will study whether preferential treatment programs for improving SME participation impact the growth and survival of such firms. It will use both administrative data and an experimental design to study these programs where possible. Second, the project will analyze whether non-targeted procurement practices, such as policies that make public procurement open, competitive, accessible, and inclusive for all firms, are effective in encouraging participation of SMEs and sustaining their growth and survival. It will exploit the rich administrative data in Croatia, Romania, Colombia, and Brazil to run fixed effects regressions to estimate the variation in payment efficiency and transparency of public procurement on various outcomes of interest. The study will inform future policy making on procurement practices that may encourage firm participation and the trade-offs or potential distortionary effects of implementing them.

#### [Climate Change](#)

##### [Leveraging Building Energy Codes and Standards for Climate Change Mitigation](#)

(TTL: Jayashree Srinivasan, awarded amount: \$197,896)

Buildings account for a third of total final energy consumption globally and are responsible for two-fifths of all global greenhouse gas emissions. This project aims at filling an important knowledge gap in

developing countries on how to leverage legal and institutional frameworks to battle climate change by mandating minimum energy efficiency performance standards in new and existing buildings. The project will collect data on three priority areas, focusing on data gaps and critical quantitative measurements that are not currently collected systematically or on a global scale. It will provide a new data set of quantitative and comparable measures of the adoption of building energy codes and standards, as well as their enforcement mechanisms and levels of compliance, in 191 cities across the world. The data will be collected through desk research on the relevant building codes and energy efficiency regulations and standards, as well as several rounds of communications with expert respondents to validate the information and understand the actual implementation and enforcement on the ground.

### [Does Mass Transit Investment Reduce Greenhouse Gas Emissions? An Empirical Test with New Satellite Data](#)

(TTL: Susmita Dasgupta, awarded amount: \$200,000)

The need for rapid reduction of greenhouse gas (GHG) emissions has prompted an urgent discussion of alternative policy instruments. A critical debate focuses on the potential effectiveness of directed infrastructure investment as a complement to Pigouvian measures such as carbon pricing and emissions permit trading. While few question the potential importance of Pigouvian policies, their modest global uptake to date has raised questions about their political viability. The non-Pigouvian approach to GHG emissions reduction may be a viable alternative to global carbon pricing, but it remains largely untested in practice. This project will use new satellite-based GHG data to test econometrically the effectiveness of one type of directed infrastructure investment – subway systems – in reducing GHG emissions. The project will aim to answer a core strategic question: Has investment in subway systems produced lower-carbon cities? To illustrate the potential for improved measurement, the project will also develop a prototype GHG emissions performance index for all global cities with populations greater than 500,000, by combining the econometric results and the supporting database constructed for the analysis.

### Gender and Development

#### [Validating Model-Based Estimates of Intra-Household Resource Allocation and Gender Differences in Consumption Poverty](#)

(TTL: Talip Kilic, awarded amount: \$200,000)

Lack of knowledge about intra-household inequalities and gender gaps in poverty is a serious weakness of the current global poverty monitoring framework. This project aims to understand the relative accuracy and precision of model-based estimates of intra-household resource allocation and individual consumption poverty vis-à-vis gold standard data collection approaches that yield observed resource shares and consumption poverty estimates. The project will build on a previous KCP grant on “Intra-Household Allocation of and Gender Differences in Consumption Poverty” under KCP Phase III that developed a simplified, yet still theory-consistent, ordinary least squares–based strategy to use existing household survey data and estimate individual-level resource shares. The project plans to validate the approach through a randomized survey experiment in one low-income or lower-middle-income country through three different angles. The findings of the research project could have potentially large implications for social protection and broader development programs that rely on household-level targeting approaches for beneficiary identification.

### [The Collection and Analysis of Gender Differentials in Well-Being Narratives](#)

(TTL: Vijayendra Rao, awarded amount: \$200,000)

This project aims to shed new light on conceptions of well-being, with narrative data from households. The project will use newly developed tools from linguistics and machine learning to expand understanding of the conceptualization of well-being, as well as the gender differences in such conceptualizations, by collecting and analyzing open-ended narrative data. These narrative data will then be related to more conventional survey data, which were previously collected from the same study subjects, on consumption, income, assets, subjective well-being, education, mental health, household demographic information, and biomarkers (cortisol). A triangulation of more traditional data with narrative data will yield a sense of the promise and possible uses of narrative data analysis in supplementing traditional poverty and gender analysis. How the constructs of well-being and poverty are conceived and measured is central to the World Bank's twin goals of poverty reduction and shared prosperity. If the project findings lead to a new assessment of the distribution of individual and household welfare, it could help in targeting/implementation of anti-poverty programs and influence policy making.

### [Childcare Indicators and Research: Measuring Legal Frameworks for Childcare Provision](#)

(TTL: Alena Sakhonchik, awarded amount: \$130,000)

Access to childcare is essential for women's participation in the labor market. The role of legal and regulatory frameworks for the provision of childcare services and the existence of potential legal hurdles to provision and uptake of such services have been insufficiently explored. Embedded in the World Bank's Women, Business and the Law project, the research will fill this knowledge gap by contributing new data and analysis measuring legal and regulatory frameworks for childcare provision. Building on existing Women, Business and the Law methodology, the project will investigate the role of legal and regulatory frameworks in the provision of childcare around three pillars – availability, affordability, and quality – through new data. By providing a reliable and comparable measure of the legal environment for the provision of childcare, the proposed data set, indicators, and analysis will be valuable tools for identifying good practices and comparing countries on how conducive their legal frameworks are for the provision of affordable and quality childcare services.

### [Lack of Employability Skills and Informational Barriers to Female Labor Force Participation in India: Evidence from Two Randomized Controlled Trials](#)

(TTL: S Anukriti, awarded amount: \$200,000)

This project aims to contribute to the policy debate on jobs and human capital development and explore policy options for India to address its worsening female labor force participation. The project will examine whether the lack of employability skills and informational barriers to job search are significant drivers of India's low female labor force participation rate, and whether these barriers can be overcome through the virtual provision of employability skills training, personalized assistance to find internships, informational talks by industry leaders, and access to a Glassdoor-type job information portal. The project will conduct two randomized controlled trials (RCTs) with young women who are enrolled in or have recently graduated from vocational training institutes. The first RCT will evaluate the impact of an

employability skills program that will be delivered on its own or in combination with personalized internship support to female vocational training students. The second RCT will assess the effects of access to a mobile phone app and virtual talks by industry leaders, both of which seek to reduce informational barriers that hamper effective school-to-work transitions for female vocational training graduates.