



A Quarterly Newsletter Showcasing Achievement of MDTF Activities, Financial Status and Results. **Edition:12/2019**



## Beneficiary Countries

Algeria, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, West Bank & Gaza, and Yemen.

Middle East & North Africa Multi-donor Trust Fund

### Catalyzing Transformative Initiatives in the Middle East & North Africa Region

#### Financial Summary:

2nd Cycle 2018-2021



The World Bank Group has been working relentlessly to support a gradual return to peace and stability in the region. With funding from the UK, Norway and Finland, the MDTF has supported region-wide and country-specific transformative initiatives that aimed to 1) re-establish a more inclusive and responsive social contract, 2) build regional cooperation, 3) support recovery and reconstruction efforts, and 4) support refugees and host communities.

#### RESULTS

##### OUTPUTS

- 53 Analytical Reports (40 in Sept)
- 38 Technical Assistance Products (36 in Sept)
- 66 Knowledge Sharing Events (63 in Sept)

##### OUTCOMES

- Activities influencing policy to the extent of 68%
- \$6.6 billion in portfolio leveraged (\$5.1bn in Sept)
- 6,207 people whose capacity is increased (6,002 in Sept)

The MENA MDTF has evolved since its inception in 2012. The MDTF has financed catalytic strategic analytics and technical assistance across our region, accelerating economic and social transformation, which underlie the roots of instability in the region. The MDTF continues to be relevant and critical. Several conflicts continue to simmer, undermining the region's economies, destabilizing communities, and risking the lives and livelihoods of millions of people. These conflicts have had spillovers causing hundreds of thousands of refugees to cross borders exacerbating economic and social burdens on host communities.

WITH FUNDING FROM:

United Kingdom



Norway



Finland



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## STORIES FROM THE FIELD



## FINANCE 4 JOBS IN WEST BANK & GAZA

Grant amount: \$150,000

Timeline: January 2019– February 2020

The Finance 4 Jobs activity is the first of a Series of Projects under the Finance 4 Jobs Program to be funded by the MDTF in West Bank & Gaza (WB&G).

**Objective: To test the effectiveness of selected financial interventions in incentivizing private sector investment and job creation.**

Private sector-led job creation is at the core of the WB&G's development priorities, and lack of quality jobs is one of the key reasons for citizens' (including individuals and private investors) grievances with authorities. The activity supports the Finance for Jobs (F4J) Series of Projects (SOP), which directly contributes towards the second pillar of the World Bank Group's WB&G Assistance Strategy – to establish a Private Sector Enhancement Facility (PSEF) to realize private sector investments specifically towards the Investment Co-Financing Facility (ICF). Should the peace process and reconciliation efforts progress, this activity has the potential to unleash a substantially increased pipeline of projects in the areas of desalination, industrial parks and energy development.

The MDTF-funded activity is specifically working to (i) provide sector-specific expertise to review and strengthen the pipeline of job-focused private sector investments; (ii) help build a portfolio of investments in start-ups and early stage enterprises through the Entrepreneurship Ecosystem Matching-Grant (EE-MG) instrument; and (iii) support knowledge sharing events for a results-based financing structure (Development Impact Bond- DIB) to improve skills development and employment outcomes for over 2,000 youth and women.

The F4J SOP is managed by a private sector Project Implementation Agency (PIA), contracted by the Ministry of Finance and Planning (MOFP). The PIA is staffed with qualified personnel that have private sector experience, but lack key sector-specific technical expertise that should be provided by external experts. In addition to building the capacity of the PIA, this is also a risk mitigation measure to ensure that quality private sector proposals are selected for support. The proposed activity therefore fills in a technical expertise gap needed for the PIA team to identify commercially-sound investments that offer the highest social benefits through job creation. The activity would provide the sector-specific knowledge needed to conduct the due diligence exercises of screening planned investments to determine the soundness of the proposal and the proposal's job-creation effects. This would be delivered through mobilizing World Bank technical expertise and/or hiring external consultants with such sector-specific technical expertise.

In addition, the 1<sup>st</sup> Phase of the SOP is supporting the implementation of the ICF, a risk-sharing facility that provides co-financing to commercially viable private sector investments that would not proceed otherwise due to the high-risk environment in WB&G. The ICF aims to leverage private investment with the objective of creating sustainable new jobs, especially for women, youth, unemployed and other vulnerable categories, and provide the marginal financing needed so that a fundamentally sound commercial private investment that falls short of financial viability due to the Fragile, Conflict-affected and Violence risks and/or other market/institutional failures can proceed. The allocation of ICF funding would be provided under F4J II and is conditional on eligibility and performance criteria that are screened and reviewed under F4J I. To date, an initial six private sector investments are deemed eligible for financing, including:

- Public Schools Rooftop PVs: provides free energy to public schools. 230 jobs expected
- Seedless grapes production: meeting demand for seedless grapes (local and export). 96 jobs expected.
- Waste processing and cement clinker grinder project: recycling of plastics and tires. 160 jobs expected.
- Chicken slaughterhouse project: making meat more affordable in Gaza. 160 jobs expected.
- Broadband ISP Infrastructure project: bringing internet to rural Gaza. 60 jobs expected.

## Activity Updates this Quarter

### MENA Youth Platform

In August 2019, the company Edgeryder delivered a first design proposal for the Swarm Impact Fund, a new program to set the stage for experimenting social innovation strategies and subsequently contribute to spreading social entrepreneurship and other context-based solutions as a legitimate livelihood. The model was co-designed with the MENA youth themselves, in a participatory and transparent manner. Edgeryder is now currently running for the MENA Youth Platform a small scale prototype of the ecosystem-creation layer of this Swarm Impact Fund under the title the Open Collective Intelligence Lab. It is being rolled out as an Online P2P Project Development and Incubation Program for potential social innovators and social entrepreneurs in the MENA Region.

Over the months of September until December 2019, Edgeryder's team coordinated several community coordination calls to prepare for the organization of a decentralized Social Innovation, Entrepreneurship (SI/SE) Festival, which took place in November 2019. The community calls aimed at learning from the platform's youth community, and assessing the skills and type of knowledge needed for them to acquire during the Festival in order to support their entrepreneurial efforts. Moreover, the calls were an opportunity for Edgeryder's team to assess which entrepreneurial projects are ready to be matched with advanced mentorship programs. Online workshops and online "lab" events followed these calls to fill the skills gaps of the participants on topics ranging from creating business models, assessing local social-ecological problems and defining value propositions.

The SI/SE festival comprised of the organization of four simultaneous hackathons (Nov. 22-23) on the theme of social innovation to mitigate climate change and environmental degradation in the MENA region, covering the following locations: Hack 4 Environment in Cairo, Egypt; Hack 4 Environment in Casablanca, Morocco; Hack 4 Environment in Medenine, Tunisia; and Hack 4 Environment in Tunis, Tunisia. Edgeryder's team also technically advised the organization of a Municipal Innovation Challenge event that gathered more than 30 participants: Municipal Innovation for the Community in El Mourouj, Tunisia (Nov. 30). Finally, Edgeryder's team technically advised the organization of a 12-hour hackathon to create a machine learning model to help a Kenyan NGO run by Tunisian youth, to rescue turtles. This hackathon took place at the Higher School of Communications (Sup'Com): Hack 4 Earth in Tunis, Tunisia (Nov. 30).

#### **Positive impacts:**

The events reached over hundreds of actual and aspiring entrepreneurs in the MENA region and beyond. All youth were actively engaged in collectively solving challenges related to environmental preservation in Arab countries. Prior to their launch, an open call was announced online for aspiring event organizers. After carefully reviewing 14 submitted event proposals shared on the online platform, Edgeryder's team selected and announced 6 events of the MENA Social Innovation festival track. The events were successfully rolled out in partnerships with a number of coworking spaces, student bodies, local organizations, a municipality, as well as a NGO registered in Kenya and run by Tunis based youth. The communication campaign took place on social media platforms and through the networks of local partner organizations. Edgeryder's community management on the MENA online youth platform has resulted in a continuous and concrete engagement of MENA youth on the topics of SI/SE, and has yielded new ideas for social innovations or social businesses. Participation: In addition to online events whose audience range in the hundreds of participants, the MENA Youth Platform organized 6 physical events in the MENA Region that gathered up to 76 women and 122 men. The majority of the participants were youth aged between 18 and 35 years old, in different locations, both urban and rural. The youth consisted mostly of young people at high school or university.

## Tunisia Support to Decentralization Efforts

Five years after the Urban Development and Local Government Program-for Results start-up, **a study has been launched to shed light on some of the results of the second subprogram (SP2) of UDLGP, focused on the upgrading of under-equipped neighborhoods** (with a final target of 640 000 inhabitants having benefitted from the works conducted).

The methodology for the study has been finalized and a series of Focus Group pre-tests were organized in early December 2019. A thorough analysis of the database developed by the CPSC (Program implementing agency) to monitor progress of SP2 projects ) and the definition of a sample of projects to be further analyzed through qualitative methods are to be completed by end of January, 2020 (inception report). Focus groups (about 15 FGs) and individual interviews (about 20 interviews) will be conducted between February and end of April 2020. The final report will be finalized by the end of the current FY.

This study will include, among others:

1. An analysis of the factors explaining the delays recorded at the different stages of project preparation and implementation.
2. Recommendations for improving the conception and implementation of urban upgrading projects to improve the livelihoods of the urban poor in Tunisia.
3. Examine the potential impact of the participatory community meetings organized prior to SP2 project implementation in order to collect feedback from the population on the preliminary studies (components, areas of intervention, etc.). Drawing on the results collected, it will draw recommendations on how to improve this innovative process to better answer the needs and demands of residents.

## Understanding Child and Adolescent Skills Development in Tunisia

The objective of the activity is to help assess cognitive and socioemotional skills in young children and adolescents in Tunisia to better design and target skill enhancement policies and programs.

A regional workshop was held on October 14-15, 2019 that was co-organized by the World Bank and UNICEF with the objective of discussing lessons learned from the field trial, common challenges, and feedback on initial results. A total of 91 participants attended the workshop held in Amman, including key representatives from the Tunisian government. A second workshop is planned for January 26-30, 2020 to finalize the instrument and discuss next steps.

# 2nd Cycle Portfolio

December 31, 2019

ACTIVE ACTIVITIES		Disbursed \$	/	Allocated \$
MENA Regional Youth Platform	MENA	381,945	/	445,000
Support to Deepening Decentralization and Improving Inclusion	Tunisia	256,105	/	300,000
Understanding Child and Adolescent Skills Development	Tunisia	364,102	/	394,000
Preparation of Emergency Electricity Supply Improvement	Libya	129,210	/	250,000
Iraq Natural Gas Market Framework TA	Iraq	71,480	/	350,000
Iraq Emergency Housing Reconstruction and DNA Iraq	Iraq	325,533	/	350,000
Modernizing Targeting and Delivery Systems for Social Protection	Tunisia	28,506	/	350,000
Third Party Monitoring Agent Services in Iraq (TPMA)	Iraq	201,317	/	260,000
Maximizing Finance for Development – Know How Accelerator Facility	Regional	34,667	/	150,000
Accelerating Private Investments and Job Creation (Finance4Jobs)	WB & Gaza	46,760	/	150,000
Supporting the Assistance Strategy on Private Sector and Youth (Pipeline)	WB & Gaza	0	/	50,000
Tech Outsourcing Opportunities (Pipeline)	WB & Gaza	0	/	50,000
Water Efficient Agriculture in Jordan (Recipient-Exec) (Pipeline)	Jordan	0	/	500,000
CLOSED ACTIVITIES		Disbursed \$	/	Allocated \$
Jordan on-the-Job Program	Jordan	242,263	/	242,263
Transforming the Road Sector in Tunisia	Tunisia	909,000	/	909,000
Catalyzing the Private Sector Role in Recovery and Reconstruction in Yemen	Yemen	296,015	/	296,015
TA for an Incremental Home Improvement Program	Djibouti	150,000	/	150,000
Empower Her Maghreb	Tunisia	192,976	/	192,976
Innovative Practices for Improving the Social Cohesion of Lebanese and Syrian refugees Living in Host Communities	Lebanon	245,423	/	245,423
Women and Jobs for an Inclusive Labor Market in KRG	Iraq/KRG	328,704	/	328,704
Addressing Health Needs of Syrian Refugees	MENA	271,753	/	271,753

Water Scarce Cities Initiative	MENA	119,793	/	119,793
World Development Report 2018 Regional Events	MENA	100,000	/	100,000
MENA Human Capital: Education and Future Work	MENA	99,943	/	99,943
Household Expenditure & Income Survey 2017/2018	Jordan	100,000	/	100,000
Supporting the Implementation of Key Economic Reforms in Tunisia: Thinking and Working Adaptively	Tunisia	359,602	/	359,602
Economic Analysis of Refugee Returns in Syria	MENA	290,560	/	290,560
Iraq Education Development Support Operation	Iraq	176,150	/	176,150
TA on Peacebuilding, Security and Development	Iraq	39,408	/	39,408
<b>TOTAL</b>		<b>5,760,672</b>	<b>/</b>	<b>7,681,070</b>

# 2nd Cycle Results: Outputs

December 31, 2019

Activity name	OP1: Analytical Reports		OP2: TA Products		OP3: Events	
	Actual	Projection	Actual	Projection	Actual	Projection
Jordan on-the-Job Program	1	1	1	1	0	0
Transforming the Road Sector in Tunisia	2	2	2	2	4	6
Catalyzing the Private Sector Role in Recovery and Reconstruction in Yemen	3	3	1	0	4	3
MENA Regional Youth Platform	7	7	8	8	12	11
Support to Deepening Decentralization and Improving Inclusion	2	2	2	3	1	1
TA for an Incremental Home Improvement Program	1	1	0	0	2	2
Understanding Child and Adolescent Skills Development	1	1	1	1	2	2
Women Economic Empowerment - EmpowerHer	0	0	0	0	3	3
Developing Innovative Practices for Improving Social Cohesion between Lebanese and Syrian Refugees Living in Host Communities	3	3	1	3	0	1
Women and Jobs for an Inclusive Labor Market in KRG	5	2	4	2	4	2
Addressing Health Needs of Syrian Refugees	16	5	0	0	7	7
Water Scarce Cities Initiative	0	0	0	0	1	1
World Development Report 2018 Regional Events	1	1	0	0	1	1
Household Expenditure & Income Survey 2017/2018	0	0	1	1	4	4
Supporting the Implementation of Key Economic Reforms in Tunisia: Thinking and Working Adaptively	7	9	10	7	3	2
Economic Analysis of Refugee Returns in Syria	1	1	0	0	10	10

Preparation of Emergency Electricity Supply Improvement in Libya	0	0	0	3	0	3
Iraq Natural Gas Market Framework TA	0	0	0	2	0	1
Iraq Emergency Housing Reconstruction and DNA	0	1	2	1	1	1
Iraq Education Development Support Operation	0	1	0	0	2	1
Iraq TA on Peacebuilding, Security and Development	0	0	1	1	0	0
Modernizing Targeting and Delivery Systems for Social Protection in Tunisia	0	2	0	2	0	2
MENA Human Capital: Education for Future Work	0	0	0	0	4	4
Third Party Monitoring Agent Services in Iraq (TPMA)	0	1	0	0	0	0
Maximizing Finance for Development Know How Accelerator Facility (MENA)	3	7	4	4	1	3
Accelerating Private Investment and Job Creation (West Bank & Gaza)	0	0	0	3	0	0
<b>Total</b>	<b>53</b>	<b>50</b>	<b>38</b>	<b>47</b>	<b>66</b>	<b>73</b>



# 2nd Cycle Results: Outcomes

December 31, 2019

Activity name	OC1: Policies Influenced (1=low; 2=somewhat; 3=High)		OC2: Portfolio Leveraged (US\$m)		OC3: People whose capacity is increased	
	Actual	Projection	Actual	Projection	Actual	Projection
Jordan on-the-Job Program	2	2	500	0	1,223	1,223
Transforming the Road Sector in Tunisia	2	1	0	0	250	200
Catalyzing the Private Sector Role in Recovery and Reconstruction in Yemen	2	1	0	0	20	0
MENA Regional Youth Platform	3	1	550	550	618	520
Support to Deepening Decentralization and Improving Inclusion	2	2	430	430	20	25
TA for an Incremental Home Improvement Program	0	0	20	15	25	25
Understanding Child and Adolescent Skills Development	3	3	100	100	35	55
Women Economic Empowerment - EmpowerHer	2	2	0	0	200	200
Developing Innovative Practices for Improving Social Cohesion between Lebanese and Syrian Refugees Living in Host Communities	3	3	0	5	0	1,350
Women and Jobs for an Inclusive Labor Market in KRG	0	0	1,950	502	1,500	2,000
Addressing Health Needs of Syrian Refugees	3	3	200	50	595	625
Water Scarce Cities Initiative	0	0	1,100	200	60	40
World Development Report 2018 Regional Events	2	1	0	0	150	150
Household Expenditure & Income Survey 2017/2018	2	2	0	2	127	127
Supporting the Implementation of Key Economic Reforms in Tunisia: Thinking and Working Adaptively	3	1	100	100	107	124
Economic Analysis of Refugee Returns in Syria	2	2	0	0	600	600

Preparation of Emergency Electricity Supply Improvement in Libya	0	3	0	200	0	15
Iraq Natural Gas Market Framework TA	2	2	0	1,100	0	10
Iraq Emergency Housing Reconstruction and DNA	2	1	0	0	50	100
Iraq Education Development Support Operation	3	3	36	250	115	45
Iraq TA on Peacebuilding, Security and Development	0	3	0	0	0	0
Modernizing Targeting and Delivery Systems for Social Protection in Tunisia	0	3	100	100	6	100
MENA Human Capital: Education for Future Work	3	3	0	0	500	500
Third Party Monitoring Agent Services in Iraq (TPMA)	0	0	0	0	6	30
Maximizing Finance for Development Know How Accelerator Facility (MENA)	0	3	0	1,650	0	50
Accelerating Private Investment and Job Creation (West Bank & Gaza)	0	0	0	10	0	544
<b>Total</b>			<b>6,746</b>	<b>6,569</b>	<b>6,207</b>	<b>8,504</b>