IMPLEMENTATION COMPLETION AND RESULTS REPORT

(IDA 48540 and TFA1282)

ON A

CREDIT FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND A GRANT FROM THE PAPUA NEW GUINEA STRATEGIC PARTNERSHIPS MULTIDONOR TRUST FUND

IN THE AMOUNT OF US$ 26.6 MILLION EQUIVALENT

TO THE

INDEPENDENT STATE OF PAPUA NEW GUINEA

FOR THE

URBAN YOUTH EMPLOYMENT PROJECT

January 30, 2020

Social Global Practice
East Asia And Pacific Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.
CURRENCY EQUIVALENTS

(Exchange Rate Effective {Jul 31, 2019})

<table>
<thead>
<tr>
<th>Currency Unit</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGK</td>
<td>3.45</td>
</tr>
<tr>
<td>US$</td>
<td>1.37</td>
</tr>
<tr>
<td>SDR</td>
<td>1</td>
</tr>
</tbody>
</table>

FISCAL YEAR
January 1 – December 31

Regional Vice President: Victoria Kwakwa
Country Director: Michel Kerf
Regional Director: Benoit Bosquet
Practice Manager: Susan S. Shen
Task Team Leader(s): Sonya Woo
ICR Main Contributor: Dorothy Lucks
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AF</td>
<td>Additional Financing</td>
</tr>
<tr>
<td>ALMP</td>
<td>Active Labor Market Programs</td>
</tr>
<tr>
<td>AGO</td>
<td>Auditor General’s Office</td>
</tr>
<tr>
<td>BLST</td>
<td>Basic Life Skills Training</td>
</tr>
<tr>
<td>BSP</td>
<td>Bank of South Pacific Ltd</td>
</tr>
<tr>
<td>CAS</td>
<td>Country Assistance Strategy</td>
</tr>
<tr>
<td>CPS</td>
<td>Country Partnership Strategy</td>
</tr>
<tr>
<td>DA</td>
<td>Designated Account</td>
</tr>
<tr>
<td>DSP</td>
<td>Development Strategic Plan 2010-2030</td>
</tr>
<tr>
<td>EFO</td>
<td>Externally Financed Output</td>
</tr>
<tr>
<td>EOP</td>
<td>End of Project</td>
</tr>
<tr>
<td>ESMF</td>
<td>Environment and Social Management Framework</td>
</tr>
<tr>
<td>ESS</td>
<td>Eligibility Screening Survey</td>
</tr>
<tr>
<td>FCV</td>
<td>Fragility, conflict, violence (classification of the World Bank that refers to a critical development challenge that threatens efforts to end extreme poverty, affecting both low- and middle-income countries)</td>
</tr>
<tr>
<td>FIFA</td>
<td>Fédération Internationale de Football Association</td>
</tr>
<tr>
<td>FM</td>
<td>Financial Management</td>
</tr>
<tr>
<td>FUS</td>
<td>Follow Up Survey</td>
</tr>
<tr>
<td>FY</td>
<td>Financial Year</td>
</tr>
<tr>
<td>GBV</td>
<td>Gender-Based Violence</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GoPNG</td>
<td>Government of Papua New Guinea</td>
</tr>
<tr>
<td>HIES</td>
<td>Household Income and Expenditure Survey 2010</td>
</tr>
<tr>
<td>ICR</td>
<td>Implementation Completion and Results Report</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IEA TAFE</td>
<td>IEA Technical and Further Education of Papua New Guinea</td>
</tr>
<tr>
<td>IFRs</td>
<td>Interim Unaudited Financial Reports</td>
</tr>
<tr>
<td>IPP</td>
<td>Indigenous People’s Plan</td>
</tr>
<tr>
<td>ISM</td>
<td>Implementation Support Mission</td>
</tr>
<tr>
<td>ISR</td>
<td>Implementation Status and Results Report</td>
</tr>
<tr>
<td>KPIs</td>
<td>Key Performance Indicators</td>
</tr>
<tr>
<td>LLP</td>
<td>Literacy and Livelihood Pilot</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MTR</td>
<td>Mid-Term Review</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MK</td>
<td>Motu-Koita (traditional landowners of Port Moresby)</td>
</tr>
<tr>
<td>MTDP</td>
<td>Government of Papua New Guinea Medium Term Development Plan</td>
</tr>
<tr>
<td>NCD</td>
<td>National Capital District</td>
</tr>
<tr>
<td>NCDC</td>
<td>National Capital District Commission</td>
</tr>
<tr>
<td>NYDA</td>
<td>National Youth Development Authority</td>
</tr>
<tr>
<td>NYP</td>
<td>National Youth Policy 2007-2017</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>OTJ</td>
<td>On-the-Job Training</td>
</tr>
<tr>
<td>PAD</td>
<td>Project Appraisal Document</td>
</tr>
<tr>
<td>PCR</td>
<td>Project Completion Report</td>
</tr>
<tr>
<td>PDO</td>
<td>Project Development Objective</td>
</tr>
<tr>
<td>PET</td>
<td>Pre-Employment Training</td>
</tr>
<tr>
<td>PGK</td>
<td>Papua New Guinea Kina</td>
</tr>
<tr>
<td>PIP</td>
<td>Public Investment Plan</td>
</tr>
<tr>
<td>PMU</td>
<td>Project Management Unit</td>
</tr>
<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>PPA</td>
<td>Project Preparation Advance</td>
</tr>
<tr>
<td>POM</td>
<td>Port Moresby</td>
</tr>
<tr>
<td>POM Business</td>
<td>Port Moresby Business College</td>
</tr>
<tr>
<td>POM Tech</td>
<td>Port Moresby Technical College</td>
</tr>
<tr>
<td>QPR</td>
<td>Quarterly Progress Report</td>
</tr>
<tr>
<td>RF</td>
<td>Results Framework</td>
</tr>
<tr>
<td>RP</td>
<td>Restructuring Paper</td>
</tr>
<tr>
<td>RSR</td>
<td>Rapid Social Response Trust Fund</td>
</tr>
<tr>
<td>SDES</td>
<td>Skills Development and Employment Scheme</td>
</tr>
<tr>
<td>TOC</td>
<td>Theory of Change</td>
</tr>
<tr>
<td>TTLs</td>
<td>World Bank Task Team Leaders</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical Vocational Education Training</td>
</tr>
<tr>
<td>TYK</td>
<td>“Tingim Yut Kompetisen” (World Bank Grant-Funded PNG Youth Competition)</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>UYEP</td>
<td>Urban Youth Employment Project</td>
</tr>
<tr>
<td>YJC</td>
<td>Youth Jobs Corp</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

DATA SHEET .......................................................................................................................... 1  

I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES ........................................... 6  
   A. CONTEXT AT APPRAISAL ......................................................................................... 6  
   B. SIGNIFICANT CHANGES DURING IMPLEMENTATION ........................................... 10  

II. OUTCOME .......................................................................................................................... 12  
   A. RELEVANCE OF PDOs ........................................................................................... 12  
   B. ACHIEVEMENT OF PDOs (EFFICACY) ................................................................. 13  
   C. EFFICIENCY ............................................................................................................ 18  
   D. JUSTIFICATION OF OVERALL OUTCOME RATING ............................................... 21  
   E. OTHER OUTCOMES AND IMPACTS ...................................................................... 21  

III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME ............ 24  
   A. KEY FACTORS DURING PREPARATION ................................................................ 24  
   B. KEY FACTORS DURING IMPLEMENTATION ........................................................... 25  

IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME .. 25  
   A. QUALITY OF MONITORING AND EVALUATION (M&E) ...................................... 25  
   B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE ................................ 27  
   C. BANK PERFORMANCE ............................................................................................. 29  
   D. RISK TO DEVELOPMENT OUTCOME ...................................................................... 30  

V. LESSONS AND RECOMMENDATIONS ........................................................................ 31  

ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS .............................................. 33  

ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION .......... 47  

ANNEX 3. PROJECT COST BY COMPONENT .................................................................. 50  

ANNEX 4. EFFICIENCY ANALYSIS .................................................................................. 51  

ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS ... 56  

ANNEX 6A. PHOTOGRAPHS .............................................................................................. 59  

ANNEX 6B. MAPS OF PORT MORESBY AND PAPUA NEW GUINEA ............................. 63
# DATA SHEET

## BASIC INFORMATION

### Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>P114042</td>
<td>Urban Youth Employment Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Financing Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Papua New Guinea</td>
<td>Investment Project Financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Original EA Category</th>
<th>Revised EA Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial Assessment (B)</td>
<td>Partial Assessment (B)</td>
</tr>
</tbody>
</table>

## Related Projects

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Project</th>
<th>Approval</th>
<th>Product Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplement</td>
<td>P154412-PNG Urban Youth Employment Project Additional Financing</td>
<td>18-Nov-2015</td>
<td>Recipient Executed Activities</td>
</tr>
</tbody>
</table>

## Organizations

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent State of Papua New Guinea</td>
<td>National Capital District Commission</td>
</tr>
</tbody>
</table>

## Project Development Objective (PDO)

**Original PDO**

The Project's development objectives are to provide urban youth with income from temporary employment opportunities and to increase their employability.

**PDO as stated in the legal agreement**

The Project's development objectives are to provide urban youth with income from temporary employment opportunities and to increase their employability.
## FINANCING

<table>
<thead>
<tr>
<th>World Bank Financing</th>
<th>Original Amount (US$)</th>
<th>Revised Amount (US$)</th>
<th>Actual Disbursed (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P114042 TF-94791</td>
<td>600,000</td>
<td>530,263</td>
<td>530,263</td>
</tr>
<tr>
<td>P114042 IDA-48540</td>
<td>15,800,000</td>
<td>15,800,000</td>
<td>14,973,879</td>
</tr>
<tr>
<td>P114042 TF-A1282</td>
<td>10,800,000</td>
<td>10,800,000</td>
<td>10,800,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,200,000</strong></td>
<td><strong>27,130,263</strong></td>
<td><strong>26,304,142</strong></td>
</tr>
</tbody>
</table>

| Non-World Bank Financing | | |
|--------------------------|--------------------------|
| Borrower/Recipient       | 1,580,000                | 1,580,000             | 3,891,353              |
| KOREA, Govt. of          | 600,000                  | 600,000               | 530,000                |
| **Total**                | **2,180,000**            | **2,180,000**         | **4,421,353**          |

| **Total Project Cost**   | **29,380,000**           | **29,310,263**        | **30,725,494**         |

## KEY DATES

<table>
<thead>
<tr>
<th>Project</th>
<th>Approval</th>
<th>Effectiveness</th>
<th>MTR Review</th>
<th>Original Closing</th>
<th>Actual Closing</th>
</tr>
</thead>
</table>

## RESTRUCTURING AND/OR ADDITIONAL FINANCING

<table>
<thead>
<tr>
<th>Date(s)</th>
<th>Amount Disbursed (US$M)</th>
<th>Key Revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>29-Aug-2013</td>
<td>3.78</td>
<td>Change in Results Framework</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change in Components and Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Change(s)</td>
</tr>
<tr>
<td>18-Nov-2015</td>
<td>14.81</td>
<td>Additional Financing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change in Results Framework</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change in Loan Closing Date(s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change in Implementation Schedule</td>
</tr>
<tr>
<td>25-Sep-2018</td>
<td>26.30</td>
<td>Change in Results Framework</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change in Loan Closing Date(s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Change in Implementation Schedule</td>
</tr>
</tbody>
</table>
### KEY RATINGS

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Bank Performance</th>
<th>M&amp;E Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

### RATINGS OF PROJECT PERFORMANCE IN ISRs

<table>
<thead>
<tr>
<th>No.</th>
<th>Date ISR Archived</th>
<th>DO Rating</th>
<th>IP Rating</th>
<th>Actual Disbursements (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>21-Sep-2011</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>.34</td>
</tr>
<tr>
<td>02</td>
<td>23-Jun-2012</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>2.24</td>
</tr>
<tr>
<td>03</td>
<td>17-Mar-2013</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>2.75</td>
</tr>
<tr>
<td>04</td>
<td>10-Nov-2013</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>4.47</td>
</tr>
<tr>
<td>05</td>
<td>07-Jul-2014</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>8.21</td>
</tr>
<tr>
<td>06</td>
<td>16-Jan-2015</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>11.26</td>
</tr>
<tr>
<td>07</td>
<td>31-Jul-2015</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>13.51</td>
</tr>
<tr>
<td>08</td>
<td>28-Dec-2015</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>15.09</td>
</tr>
<tr>
<td>09</td>
<td>14-Jun-2016</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>17.04</td>
</tr>
<tr>
<td>10</td>
<td>16-Dec-2016</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>19.75</td>
</tr>
<tr>
<td>11</td>
<td>10-Jun-2017</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>21.82</td>
</tr>
<tr>
<td>12</td>
<td>15-Dec-2017</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>24.57</td>
</tr>
<tr>
<td>13</td>
<td>03-Jun-2018</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>26.28</td>
</tr>
<tr>
<td>14</td>
<td>12-Dec-2018</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>26.30</td>
</tr>
<tr>
<td>15</td>
<td>28-Jun-2019</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>26.30</td>
</tr>
</tbody>
</table>
### SECTORS AND THEMES

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Major Sector/Sector</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Protection</td>
<td>Social Protection</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>Social Protection - Social Protection</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Themes</th>
<th>Major Theme/ Theme (Level 2)/ Theme (Level 3)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Development and Protection</td>
<td>Social Protection</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>Social Protection - Social Safety Nets</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Social Protection - Social protection delivery systems</td>
<td>29</td>
</tr>
<tr>
<td>Human Development and Gender</td>
<td>Labor Market Policy and Programs</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Labor Market Institutions</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Active Labor Market Programs</td>
<td>24</td>
</tr>
<tr>
<td>Private Sector Development</td>
<td>Jobs</td>
<td>100</td>
</tr>
</tbody>
</table>

### ADM STAFF

<table>
<thead>
<tr>
<th>Role</th>
<th>At Approval</th>
<th>At ICR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Vice President:</td>
<td>James W. Adams</td>
<td>Victoria Kwakwa</td>
</tr>
<tr>
<td>Country Director:</td>
<td>Ferid Belhaj</td>
<td>Michel Kerf</td>
</tr>
<tr>
<td>Director:</td>
<td>John A. Roome</td>
<td>Benoit Bosquet</td>
</tr>
<tr>
<td>Practice Manager:</td>
<td>Charles M. Feinstein</td>
<td>Susan S. Shen</td>
</tr>
<tr>
<td>Task Team Leader(s):</td>
<td>Ingo Wiederhofer</td>
<td>Sonya Woo</td>
</tr>
<tr>
<td>ICR Contributing Author:</td>
<td></td>
<td>Dorothy Lucks</td>
</tr>
</tbody>
</table>
I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

A. CONTEXT AT APPRAISAL

Context

**PNG has a challenging development context in terms of economic and social stability with youth poverty and disaffection, especially in the urban areas, being critical problems.** At design, PNG’s Gross Domestic Product (GDP) per capita was estimated to be US$677; one of the lowest values in the Pacific region.¹ The United Nations Development Program’s (UNDP) Human Development Index ranked PNG 145th out of 177 countries, well below the average for most countries in the region. The Household Income and Expenditure Survey (HIES, 2010) revealed that 38% of the population lived below the internationally recognized extreme poverty line of US$1.90 per day (2011 US$ PPP) in 2009, about the same proportion as in 1996. However, urban poverty was on the rise, concentrated in and around urban settlements, driven by in-migration and unemployment, e.g., poverty rates in the National Capital District (NCD) increased from 31% in 1996 to 43% of the population in 2009/10. The Government (GoPNG) was, therefore, faced with growing demands on infrastructure and service provision. In NCD, about 40% of the population was living in informal settlements without basic services such as potable water and sanitation. The lack of jobs and unclear demarcation of land and property led to disputes over land ownership between the local indigenous groups and traditional landowners in NCD, the Motu Koita (MK)² and migrants from other part of PNG, fueling tensions.

**Young people under the age of 25 years comprised about 60% of the overall population equating to about 7.3 million inhabitants.**³ On average, it was estimated that youth between the ages of 15 and 29 represented about 35.1% of the total population in urban areas as compared to 28.5% nationally. This was due to the higher mobility of young people and a tendency to move to cities, and particularly the settlement areas, with the hope of finding employment. In NCD alone, at least 50,000 youth in Port Moresby (POM) were unemployed and this number was projected to increase due to demographic trends (growing number of youth) and in-migration.⁴

**In 2008, the World Bank supported GoPNG to carry out a youth sector assessment.**⁵ The assessment indicated that an increasing number of urban youth were being socially and economically marginalized. Three underlying issues were significant challenges for the socioeconomic prospects of these marginalized groups: (i) their lack of equity in and access to the formal primary and secondary education system, with a high number of youth dropping out of high school. It was estimated that 58% had dropped out of secondary school or tertiary education⁶; (ii) their lack of equity in and access to the labor market. According to one study, 60% of urban youth were unemployed and less than 7% of those employed were in formal waged jobs.⁷ And, for the limited jobs available, skill levels required by employers were beyond the capacity of most youth; and (iii) their increasing involvement in urban crime and violence. Rates of crime and violence were rising in the main urban centers (66 and 33 homicides per 100,000 population in Lae and NCD respectively in 2010),

² The city’s current population is a cross section of people from all the provinces of the country, and yet the Motu-Koita remain a distinct and self-identified population. They are uncompromising in their emphasis on their landowner status.
⁴ Evans, D. 2018. Youth Scoping Study.
⁶ Kanaparo et al., PNG Update 2014. Crawford School, ANU.
⁷ Ibid.
which put PNG crime rates amongst the highest in the world. Youth between the ages of 19-29 years were reported to be the most active in crime.

Responding to these concerns, GoPNG emphasized youth development in its key strategies, policies and programs including: (i) GoPNG’s Vision 2050 (2009), which aspired to improve PNG’s human development outcomes and prosperity by improving human capital development, gender, youth and people empowerment as one of seven pillars; (ii) PNG’s National Youth Policy (NYP) 2007-2017, which reaffirmed the increasing importance GoPNG placed on youth development in its national development planning; and (iii) Development Strategic Plan (DSP) 2010-2030, which set ambitious targets to provide all school leavers with employment opportunities, secondary education for all, and halving the rate of youth crime. As a result, several youth programs were funded. Unfortunately, most of them, including those supported by development partners and non-state actors, were perceived to be ineffective as they were either too short or too fragmented to make a long-term difference. Other issues also pointed to the need for a new approach. First, a growing segment of youth at-risk was engaging in crime and civil unrest but public programs were not addressing their specific needs. Second, education and other vocational training programs were failing to meet the needs of out-of-school and out-of-work youth. Third, given the complex nature of youth unemployment, solutions required a more comprehensive and integrated approach. In 2010, GoPNG requested the World Bank to develop a public intervention to address the problems of youth unemployment and poverty as well as marginalization and crime in the city. This would be the Bank’s first investment operation in this sector in almost 19 years.

The Bank was well placed to support GoPNG’s youth priorities due to its previous experience in community outreach and youth programs worldwide, and its Country Assistance Strategy (CAS) 2008-2011, which recognized the importance of empowering youth as a cross-cutting theme to reduce poverty. The CAS pointed to a particular deficiency in labor market insertion programs for the marginalized, so expanding access through a workfare and jobs program was a priority for addressing the economic and social exclusion of marginalized youth. The Bank was able to draw from extensive global knowledge, e.g., the World Development Report 2007: Development and the Next Generation, and from its experience in youth programs worldwide. The Bank’s annual Tingim Yut Kompetisen (TYK), which supported youth entrepreneurship and innovation, also generated substantial goodwill amongst youth groups and was held in high regard within the country. The focus of the project on at-risk youth therefore reflected GoPNG’s priorities in the NYP to address the problems of youth unemployment and exclusion and complemented ongoing education sector reforms aimed to stem the flow of young people leaving the education system.

Theory of Change (Results Chain)

The project’s long-term goals responded to the challenges faced in relation to the large number of unemployed young people in the NCD with limited education, limited opportunities for labor market participation and limited income, who were perceived to have behavioral issues. While the project recognized that this would be a long-term effort, the first step was to identify and engage disadvantaged youth in soft-skills training and subsequently place them into two types of employment training: (i) public work placements, (which also contributed to additional benefits that improved public works); and (ii) on-the-job training. Together, these opportunities resulted in increased job readiness, increased skills and work experience, and increased incomes. Improvements in infrastructure resulting from the labor-intensive works

---

12 Regularly promoted and discussed on Yu Tok Radio.
were an additional benefit. The Theory of Change (TOC) diagram illustrates the project’s causal pathway.

**Figure 1. Urban Youth Employment Project (UYEP) Theory of Change**

### Assumptions
- Disadvantaged youth are in lowest 40% of youth population by income level
- Participation in training increases likelihood of securing employment & achieves an average 10% wage premium on employment
- Employment benefits will be over a labour participation period of 30 years
- Infrastructure investment in materials and labour results in improved access (safety on roads due to improved visibility, better separation between vehicles and pedestrians & reduced damage due to flooding).
- Combination of productive activities and attitudinal change through training leads to reduction in anti-social behaviour (violence & crime)
Project Development Objectives (PDOs)

The PDO was to provide urban youth with income from temporary employment opportunities and to increase their employability. This PDO remained unchanged throughout the project’s lifecycle.

Key Expected Outcomes and Outcome Indicators

The project outcomes were measured by Key Performance Indicators (KPIs) which were set out in the Results Framework (RF). These included: (a) number of labor days completed by beneficiaries with a target of 480,000; (b) percent increase of On-the-Job (OJT) beneficiary incomes relative to control group, with a target of a 20% increase; and (c) percent of OJT beneficiaries with a job (salaried or otherwise) relative to comparable controls, with a 10% increase being the target.

Components

Component 1. Youth Job Corps (YJC) (appraisal estimate\(^{13}\): $6.9 M; actual cost with Additional Financing (AF): $11.08 M): The YJC financed labor-intensive, short-term employment combined with life skills training under three sub-components:

Sub-Component 1 (a): The project identified and selected disadvantaged, unemployed youth from the NCD area through a community awareness and information program which was conducted prior to supporting each round of youth identification, screening and interviews. The information campaigns, identification and assessment process occurred in or very close to poorer communities throughout the NCD area to facilitate access for potential trainees. The communication campaign continued throughout implementation.

Sub-Component 1(b): Basic Life Skills for Employment Training (BLST)\(^{14}\) was provided to trainees (40 hours paid per trainee) prior to work placement opportunities. The training provided them with life skills and understanding of the working environment; including appropriate on the job behavior, personal presentation, health and hygiene, occupation, road safety management and working as a team.

Sub-Component 1(c): Public Works Job Experience provided youth with practical skills expected in work place environments. Improved infrastructure such as paving, road maintenance, landscaping, drainage clearing, vegetation control, refuse collection etc., was undertaken by project participants.


\(^{13}\)Excluding 1.2% price and physical contingency, which was costed separately at the time of approval.

\(^{14}\)The BLST was a class room based trained that ran for 5 days and provided 13 modules covering topics including Basic Literacy, Gender, Social Diversity, Conflict Management, Work place Health and Safety, Financial Literacy and Money Management and Workplace Behavior and Communications.

\(^{15}\)Excluding 1.2% price and physical contingency, which was costed separately at the time of approval.
Sub-Component 2(a): Selected trainees entered a 20-day (160 hour) PET program, equivalent to an entry-level vocational training program. This program provided eligible youth with basic information and skills required to join private sector, public sector and not-for-profit organizations as trainees. The training program covered basic literacy and numeracy, employer expectations, work documentation, on-the-job relations, work safety, tools and equipment use, and creativity and innovation.

Sub-Component 2(b): PET graduate trainees were placed in On-the-Job Training (OJT) with an employer in the NCD for five months of work placement training. Youth were selected based on their performance in the initial BLST and on literacy and numeracy tests. Upon completion of the OJT, participating employers had the option of retaining the respective trainees, either full or part time, or releasing them to seek employment elsewhere.

Component 3. Project Management (appraisal estimate: US$4.4 million; actual cost with AF: US$6.83 million). This component financed the incremental operating costs, goods and staffing for the Project Management Unit (PMU), training of key personnel, technical assistance and other project support costs.

B. SIGNIFICANT CHANGES DURING IMPLEMENTATION

Revised PDOs and Outcome Targets

There were no changes to the PDO during implementation.

There were two Restructuring Papers (RPs) approved which modified the outcome targets, as follows:

- **August 29, 2013:** Targets for two outcome indicators related to the performance of the YJC were modified to align with implementation progress. First, the reduction of the total number of labor days completed by beneficiaries under the YJC from 480,000 to 300,000; and second, the reduction of the percentage of beneficiaries whose estimated economic welfare falls in the bottom 40% of the NCD from 70% to 50% due to the lower percentage of youth self-identifying themselves as being among the bottom 40% of the NCD population; and

- **November 18, 2015:** Project scope adjusted in line with the Mid-Term Review (MTR) recommendations and with the approved AF of US$10.8 million. The changes in scope and scale resulted in increases to outcome targets based on scaled up activities, such as the total number of beneficiaries and labor days generated (see below).

Revised PDO Indicators

In 2015, to provide greater clarity on PDO indicators, three indicators were reworded to better record:

- 660,000 days of workfare completed by youth over the course of the project, disaggregated by the YJC (420,000), OJT (240,000);
- 30% of OJT graduates who have an offer of a paid job, as they leave UYEP; and

---

16 The PET was delivered by well-established vocational training organizations operating in PNG including IEA Technical and Further Education of Papua New Guinea (IEA TAFE), Port Moresby Technical College (POM Tech) and Port Moresby Business College (POM Business).

17 Excluding 1.2% price and physical contingency, which was costed separately at the time of approval.
• Percentage of UYEP beneficiaries with a job (salaried or otherwise), three months after graduation, is 10 percentage points higher than comparable controls.

In addition, two new outcome indicators were introduced to respond to Bank corporate requirements:

• Total Number of direct project beneficiaries (11,500);
• Percentage of grievances addressed by the project team (90%); and
• Percentage of female project beneficiaries (40%).

Other new intermediate indicators added to reflect improved outcome measurements are available in Table 1.

Revised Components

There were no formal revisions to the project components.

Other Changes

• The August 29, 2013 RP included revisions to definitions; specifically, increasing the age of “eligible urban youth” from 16-25 to 16-35 years in line with the cultural context.\(^{18}\)
• The November 18, 2015 RP included other adjustments (see below) to the RF to simplify reporting; and
• The September 25, 2018 RP extended the closing date of the Additional Grant by nine months to July 31, 2019.

Rationale for Changes and Their Implication on the Original Theory of Change

• August 29, 2013 RP: The reduction of the total number of labor days completed by beneficiaries under the YJC was because as of June 2013, the YJC generated less than 20,000 of the 80,000 labor days that was targeted in the first full year of implementation. This was caused by a combination of factors, including higher than expected attrition rates, slow implementation of works activities through contractors and sub-optimal levels of wage efficiency in terms of the average higher ratio of non-labor (approximately 60%) to labor inputs (approximately 40%) by contract. The percentage of young people living in the bottom 40% of households in terms of income was reduced from 70% to 50% in recognition that the project was working in heterogeneous target communities where there are households above and below the targeted income level;
• November 18, 2015 RP: adjusted the project scope in line with the MTR recommendations. The approved AF of US$10.8 million also supported the continuation of activities proven to be effective and strengthened existing interventions (e.g., deepening of gender equity focused work and monitoring and evaluation) to help improve the overall development impact of the project. A new core indicator to track Citizen Engagement was also added.

---

\(^{18}\)The PNG NYP defines youth as young people between the ages of 12 and 25. The minimum age, stipulated under PNG law, for employment in is 16 years. The age requirement was widened from 16-25 to 16-35 years in response to the socio-cultural context that involves a broader definition of youth where individuals are considered youth if they are unmarried, unemployed and economically dependent on their families or others for financial support. The project also recognized the benefits of having older participants to take on leadership roles within the project.
September 25, 2018 RP extended the closing date of the Additional Grant by nine months to July 31, 2019 to allow project completion activities and to support transition of the PMU to the proposed follow-on project.

The main changes to the project design as a result of the 2015 AF had no implications on the original TOC. Implementation arrangements under Component 1 were adjusted to enable the project to also work directly with communities to identify, form and supervise short-term employment activities for youth engaged under the YJC. This was intended to provide an alternative means of generating additional labor and strengthen community participation in the identification and implementation of labor-intensive activities; and targets were modified during the project restructuring to align with implementation progress, including the subsequent scale up of the project through the AF, which also introduced new and additional indicators and related targets. By the time of the AF (2015), 86% of the International Development Associated (IDA) Credit had been disbursed. Together, these actions helped to improve the overall participation in, and performance of the project.

II. OUTCOME

A. RELEVANCE OF PDOs

Assessment of Relevance of PDOs and Rating

Rating: High

GoPNG demonstrated strong demand and commitment to UYEP throughout the design and implementation stages and the project’s objective remains relevant to national concerns regarding urban youth poverty, unemployment and youth-related crime. A total of PGK13 million (US$3.9 million) was provided in counterpart funding for the project compared with the original commitment of US$1.58 million. In addition to supporting GoPNG’s ‘Vision 2050’; DSP 2010-2030; and NYP 2007-2017, the project’s objectives remained relevant to three PNG Medium Term Development Plans (MTDPs) that were approved subsequently by GoPNG but covered the period of UYEP implementation (MTDP2011-2015, MTDP2 2016-2017 and MTDP3 2018-2022). These plans identify youth unemployment as a major problem in PNG.

At approval, the project was consistent with the main objectives of the PNG CAS (2008-2011) and provided a key step for the Bank to re-engage in the social sector after 19 years. The project’s objectives were also relevant to the Bank’s subsequent Country Partnership Strategy (CPS) for 2013-2016, which was extended by a further two years to align with GoPNG’s MDTP III and covered the period up until the closing of the UYEP. The CPS cited three strategic pillars to guide the Bank’s support for PNG, these were: (1) Increased and more gender-equitable access to physical and financial infrastructure; (2) Gender-equitable improvements in lives and livelihoods; and (3) Increasingly prudent management of revenues and benefits. UYEP contributed to Pillar 2. The related CPS outcome expected for Financial Year (FY) 13-FY16 was “Youth in urban areas have more access to improved training and job opportunities” – CPS targets specified “at least

21 Explained in Context section.
300,000 labor-days completed by beneficiaries”; and “At least 50% of OJT beneficiaries enjoy 20% increase in incomes.”

**Throughout implementation, the project generated a high and consistent level of community and participant demand, leading to the preparation of a second phase.** The relevance of UYEP is further evident in that even after several years of implementation, UYEP remained oversubscribed. The project proved to be adaptable and relevant to several different wards within the NCD, covering all 12 Wards—even in areas where security was an issue. This is due to the effective nature of the project engagement with communities and resulting high level of community support.

### B. ACHIEVEMENT OF PDOs (EFFICACY)

**Assessment of Achievement of Each Objective/Outcome**

**Rating: Substantial**

**UYEP, despite being implemented in a challenging conflict-affected country (FCV) context, met and surpassed all but one of its targets.** PNG is an FCV country and the context is challenging for any project, particularly in engaging with unemployed and disaffected youth. Yet the project was successful in attracting and supporting more than the targeted number of young people, mostly from under-privileged backgrounds, including more than the targeted proportion of women and indigenous community members. The project data provides consistent evidence of substantial longer-term positive outcomes for youth participants both in terms of employment readiness, increase in skills, actual engagement in employment and in reduction of crime and public perceptions. Two impact evaluations (2015 and 2017 Follow-Up Surveys [FUS]) were conducted, and the results were also corroborated through several community and employer surveys. The date of the last Quarterly Progress Report (QPR) is June 30, 2019 but performance in relation to outcome targets remains consistent with December 31, 2018 data. Hence, the results in this report are presented as of this date. The project’s achievements, as measured by the PDO, outcome indicators and other supporting evidence are described below.

**Outcome 1: To provide urban youth with income from temporary employment opportunities**

**UYEP provided youth with income through the provision of stipends paid for training and work amounting to PGK20.7 million (almost US$ 6 million) over the duration of the project.** More than 17,800 bank accounts were also established for participant youth through a partnership with the Bank of the South Pacific (BSP) Ltd. 74% of youth (41% female) accepted into the project had never had a bank account prior to participating in the project. The reasons for this were attributed to: (i) lack of knowledge, which was addressed through financial literacy training and additional support provided by the project; (ii) inability to provide acceptable identification documents, which was addressed with the provision of a project reference; and (iii) inability to meet the minimum bank account set up fee (PGK20), which waived by BSP, as a benefit of the project. Anecdotal information from participants suggest that the income was largely used for basic household consumption and family support both within and beyond NCD although there were several examples of where participants mentioned using income to commence or expand small enterprise activities. The labor work provided through YJC was for civil works and routine maintenance activities with the stipend paid commensurate with the

---

22 The only intermediary target not met was the “Percentage of beneficiaries self-reporting as being from the bottom two steps of the six-step economic welfare ladder”. This target was an intermediate target to try and assess the project’s impact on poverty reduction but given the paucity of available data, the indicator was self-reported and proved challenging for participants to understand. The project achieved 31.8% compared with the 33% target but the result recorded is well within range of the intermediate target.
minimum wage over a six-hour working day, for a period of 40 days. OJT placements in local firms were supported through stipends paid to participants, which were commensurate with the minimum wage over an eight-hour working day, for a period of three months.

**UYEP engaged almost 18,500 participants (41% female [exceeding the target of 33%]) with most participants being from poor, disadvantaged and vulnerable urban communities.** As of December 2018, the project screened over 24,000 applicants (77% meeting the basic eligibility criteria, confirming that project communications and outreach remained targeted and effective); and engaged 18,497 youth in BLST (exceeding the 15,500 target). Most youth originated from poor settlement areas with 33% of youth participants reported never having attended high school; and 70% reported (40% female) never having a waged job. The average age of a male participant was 24 years, and female, 25 years.

**The project proved to be inclusive as it was distributed evenly across the 12 Wards in Port Moresby (in 17 neighborhoods) with approximately 2,000 participants from each Ward.** Only three Wards 2, 6, and 12 had lower participation. Ward 2 was the focus of the pilot and has good infrastructure and higher living conditions. Ward 6 is an area with high quality infrastructure. Ward 12 was initially used as a control area to assess performance, so project activities were only introduced into the Ward later in the project (see Diagram 1). Although all the participants had been residents in NCD for at least six months, participants also included ethnic groups from other parts of PNG. The proportion of Indigenous MK participants was 12% compared to a target of 10%; 25% originated from Southern areas, 30% from the Highlands areas, 9% were Momase, 3% from the outer islands and others (usually mixed origin) made up 21% of the participants. During the Implementation Completion and Results Report (ICR) workshop held in November 2019, participants confirmed that this proportion was valid and explained that not only was this significant in terms of it being a positive mix of NCD population, it also meant that benefits were likely to spread beyond NCD with some claiming that they had sent funds back to family in other locations.

**The target for the total number of labor days generated under the UYEP was exceeded, generating approximately 800,000 labor days compared with a target of 660,000.** UYEP initially had an End of Project (EOP) target of 480,000 labor days for the YJC, which was revised down to 300,000 at the first project restructuring to align with implementation progress. By December 2015, at the time of the AF, 390,893 labor days had been completed by beneficiaries. As a part of the AF scale up, a further 120,000 days were added to the target, bringing the overall YJC target to 420,000. By the end of the project, a total of 425,388 labor days had been generated under the YJC (101% of the revised target). For the OJT, the project achieved 144% of the 240,000 target at 346,755 labor days, demonstrating that the system of attracting and preparing the young people for work in both sub-programs were positive.

**UYEP experienced moderate drop-out rates mainly due to economic and family reasons.** Although UYEP achieved its targets in terms of participants and overall labor days, the dropout rate for YJC was 26% and 36.5% for OJT. The rate remained consistent throughout the project. The dropouts were attributed to external factors including other family priorities, such as gardening for food, looking after children and illness. While the project included additional incentives, such as transport, in an attempt to improve retention rates as well as through more regular coaching and follow up with

---

23 The hourly minimum wage in PNG at the time of this report is PGK3.52 (US$1.04).
24 Combined YJC and OJT targets.
25 According to the project’s First Restructuring Paper (August 18, 2013), the original estimated total road length within the NCD was overestimated. The survey firm instead identified a reduction in the total network length of approximately 600–700 km (of which approximately 121 km was found to be suitable for labor intensive maintenance under the project). A reduction in the total number of labor days to be generated under the YJC was therefore reflected in the change in target.
26 High dropout rate for OJT is due to the longer time period (five months compared to 30-40 days).
youth, a high drop-out rate is endemic in youth work readiness programs, due to a lack of “continuum of care” that assists young disadvantaged youth to address complex issues in their lives such as housing issues, young parenthood, family and relationship issues, involvement in criminal factions, as well as low income and often adolescent health issues. An external Australian Government Evaluation of a Literacy and Livelihood Pilot (LLP) confirmed this, finding a 59% drop-out rate for 167 participants over the 14-week period. This outcome was in fact higher than the UYEP dropout rate.

Young people who dropped out still felt they had benefited from UYEP; particularly BLST. During the ICR mission, consultations with young people suggested that UYEP had made a difference to them, even if they had not been able to graduate. Most frequently they referred to the importance of the BLST and how they continued to use lessons such as hygiene, nutrition, job applications and particularly how to work in a team.

Overall, UYEP exceeded its target of 15,500 beneficiaries with 18,497 participants benefitting from the program, achieving 119% of the original target. The program also exceeded its target of female beneficiaries. Originally targeting 6,200 females; it benefited 7,584 female participants achieving 122% of the target. Based on the strong results and uptake, the UYEP proved to operate successfully as a Safety Net Program for poor and disadvantaged youth.

---

28 Montrose, 2017, Department of Foreign Affairs and Trade, Government of Australia.
Outcome 2: To increase youth employability

The focus on employability recognized the challenges of the job market in PNG; yet direct employment targets were met and exceeded. The project specifically aimed to support young people to be better able to compete in the existing job market. This was to occur by improving the skills for workplace entry; building confidence of young people in job seeking behavior; and linking them directly with employers and works contractors. While the project did not directly intervene in the job market and hence did not expect to directly increase employment opportunities, evidence of increased employability can be seen by the extent to which UYEP participants in OJT were offered on-going employment.

29 PNG UYEP Project Completion Report, November 22, 2019.
Employment rates for UYEP OJT graduates were higher than targeted with 41% of graduates reporting that they had a waged job after completing the UYEP compared to the 30% target.\textsuperscript{30} The original target for beneficiaries graduating from OJT was 2,400 graduates. A total of 2,890 participants graduated from OJT by 31 Dec 2018, achieving 120% of the EOP target. The 2017 Follow-Up Survey (FUS) was conducted on a sample of youth between six months and two years after their participation in UYEP. A total of 41% (n=1148\textsuperscript{31}) reported that they had been employed, full-time or part-time, in the six months prior to the survey. This exceeded the target of 30% by 11% (136% of target). In comparison, the control group reported an employment rate of 15%. Therefore, 26% of OJT beneficiaries had a job, relative to that of the control group (see Table 1). Participant youth were also more likely to be employed in the formal sector. Based on the OJT data\textsuperscript{32}, the top employing occupation reported was for clerical and administrative workers (17%). The second largest employment sector was classified as works, general labor and maintenance (14%) followed by retail/customer services (13%), hospitality (12%) and catering (4%). The single highest placed trade was carpentry.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Actual Achievement at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of OJT graduates who have an offer of a paid job, on leaving UYEP</td>
<td>0.00 01-Sep-2011</td>
<td>30 % 18-Nov-2015</td>
<td>41% 31-Dec-2018</td>
</tr>
<tr>
<td>Percentage of OJT beneficiaries with a job (salaried or otherwise)- 3 months after graduation is 10% higher relative to comparable controls.</td>
<td>0.00 01-Sep-2011</td>
<td>10% 18-Nov-2015</td>
<td>26% 31-Dec-2018</td>
</tr>
</tbody>
</table>

UYEP was confirmed as a key factor in employing OJT graduates. Employers interviewed as part of the ICR corroborated the FUS findings and confirmed that each of them had retained OJT trainees after the training was completed. Some were given full-time permanent positions; others were maintained on casual registers and called in to work part-time when work was available. Employers appreciated the opportunity to increase their pool of trained casual workers that have experienced work in their company, as they were ready to work at any time. On the other hand, employers did say that PET tended to lead to some UYEP participants having unrealistically high expectations of securing full-time employment or that some participants were unwilling to engage with menial tasks because the training had prepared them for skilled work. Overall, employers strongly valued the program for the opportunity to engage trainees at low cost, screen for those with positive attitudes and after the training have good caliber staff ready to contribute to their work teams.

Participants demonstrated substantial increases in job seeking behavior. For those who did not receive placements as a direct result of the project, there was evidence of an increase in job seeking behavior. The achievement was 19 percentage points higher than expected 8 percentage points. The FUS results suggest that the OJT proved to be successful in encouraging participants to seek a job in the formal sector, increasing their confidence about finding a job and motivating them to seek further education. Anecdotal feedback from participants was that those who were more active in job search were generally more successful in securing work, even if temporary. There was also anecdotal information relating to participants who had entered self-employment by starting small businesses selling small goods.

\textsuperscript{30} 2017 FUS.  
\textsuperscript{31} Ibid.  
\textsuperscript{32} National Capital District Commission, 2019. PNG Urban Youth Employment Project: Project Completion Report.  
\textsuperscript{33} 2017 FUS.
Work readiness skills were positively perceived by participants and employers. The 2017 FUS reported that 83.2% of participants believed that UYEP had facilitated increased knowledge, skills and confidence to participate in the labor market. This exceeded the original target of 60% and revised target of 75% (2018). The 2017 Employers’ Survey reported that 97% of employers and contractors reported that the BLS and PET were relevant to general workplace needs and that they were satisfied with trainee performance. This percentage exceeded the original target of 60% and revised target of 70% (2018). The ICR consultation with employers confirmed a high level of satisfaction with UYEP. Employers believed that UYEP participants tended to display willingness to work in a team and aim for continuous improvement. This attitude has led to many UYEP participants being promoted within the participating companies; in several examples, participants reached managerial or valued senior officer level.

Justification of Overall Efficacy Rating

Based on the PDO level outcomes, the project achieved its objectives and met or exceeded all but one of its performance targets at the component/intermediary level and was successful in increasing youth participant incomes, providing employment opportunities and increasing participant youth employability. Additional evidence was also provided to corroborate the results of the outcome indicators. While the project experienced a moderate drop-out rate, these were contextual and largely beyond the control of the project and known to be common with second-chance programs. Consequently, UYEP performance for efficacy across the PDO indicators is rated as Substantial.

C. EFFICIENCY

Assessment of Efficiency and Rating

Rating: Substantial

The total financing approved for the project was US$26.6 million equivalent, of which US$15.8 million was financed as an IDA Credit and US$10.8 million as an AF Grant (TF-A1282) from the Government of Australia. At the component level, the differences between the appraisal estimates and actual costs were due to a combination of factors: (i) scale up of activities due to the AF Grant; (ii) higher Project Management costs (which constituted about 36% of project expenditures overall), attributed to the implementing agency, the National Capital District Commission (NCDC), having to take on both the communication and mobilization as well as survey activities after the termination of both contracts with service providers who failed to perform; and (iii) fluctuations in the exchange rate between the PGK, SDR and the USD, which resulted in a lowering of the U.S. dollar amounts and higher cost of goods and services (see Procurement Section page 27). By project closing, 95% of the IDA Credit and 100% of the Grant was disbursed.

A full economic analysis was not feasible during project preparation given the limited available baseline data and in-country capacity for rapid collection and analysis (precluding a cost-benefit analysis). Instead, it was proposed that further analysis be conducted during implementation once new data became available. In 2015, as part of the AF, a more detailed analysis was carried out mostly on the basis of a comparison of the costs and the results

---

34 The share of Project Management costs had the communications and survey costs been excluded would be approximately 23%.
generated from the impact evaluation. It was estimated that under the most conservative scenario, the project’s quantifiable economic benefits equals to at least US$21 million, which is almost two times greater than the cost of the AF. These economic benefits were calculated as the sum of the economic value added from various trainings (BLST, PET), YJC and OJT employment, and an estimated expected income stream (net present value) over 10 years of employment for the proportion of the YJC graduates that are expected to find employment after graduation from the project. Before project closure, a further cost-benefit analysis was conducted using quantifiable costs and benefits of the UYEP under two scenarios (baseline and conservative). The analysis drew upon data from three main sources: (i) project administrative data; (ii) a 2017 impact evaluation drawing on results generated in the UYEP’s first two years of operations; and (iii) an updated 2018 impact evaluation, which provided a comparative review of more recent results collected between 2015 and 2017. The baseline scenario provides the best estimate possible of the benefits of the project, while the conservative scenario presents the absolute minimum benefit that the project is likely to bring about. The differences between the scenarios are included in the discussion of each benefit as described below. The value of benefits is determined over a ten-year time frame. A cost benefit ratio was determined for each of the scenarios to provide an indication of whether and to what extent the benefits are larger than the costs. The summary findings are presented below, and more details can be found in the Efficiency Analysis in Annex 4.

In terms of its administrative/implementation efficiency, UYEP progress was slow to start in the early years of operation but achieved the indicators for efficiency by EOP within the funding limits and scope planned. By EOP, an additional 8,000 beneficiaries had been engaged. All planned project planned activities were completed by December 2018; all but one component level performance target was exceeded; and almost all the allocated IDA credit (95%) and Grant funds (100%) were fully disbursed. On average, the total cost per YJC youth trained is around PGK5,000 (US$1,500) inclusive of project management overheads, while the total cost per SDES youth is around PGK10,000 (US$3,000) inclusive of project management overheads. Based on the data provided in Figure 2, the total cost per beneficiary has been relatively stable over the last three years with on average SDES making up the largest share (50.1%), followed by YJC (37.5%) and program management (12.4%). Program management costs have been falling as a percentage of the overall cost and were about PGK1,000 per participant.

Adopting an integrated approach to planning and coordination to engage and train over 18,500 youth in a difficult FCV context was in and of itself a significant achievement but the project remained proactive and responsive to implementation progress and challenges through the (two) project restructurings and AF. The PMU also compensated for non-performing service providers by stepping in and carrying out the activities directly in the case of the communications and awareness campaign during the startup period.

35 In presenting the economic benefits of the project, the task team chose not to focus on the economic rate of return (ERR). ERR is a rate of return used in capital budgeting to measure and compare the profitability of investments. ERR calculations are commonly used to evaluate the desirability of investments or projects. An investment is considered acceptable if its internal rate of return is greater than an established minimum acceptable rate of return or cost of capital. In the case of UYEP, focusing on the ERR was not appropriate because: (i) the project is not seeking (or maximalizing) private returns; (ii) the cost of capital is small as effectively this is a blended IDA credit and grant project; (iii) the emphasis of the project is on the social benefits (many of which are not necessarily quantifiable). Hence, in presenting economic benefits of the Project the focus is on the fact that UYEP has an expected positive benefit-cost ratio, and, in addition, it also has substantial social benefits.

37 Papua New Guinea Urban Youth Employment Project 2018 Impact Evaluation and Results.
38 https://openknowledge.worldbank.org/bitstream/handle/10986/2561/624700PUB0Cost00Box036148480PUBLIC0.pdf?sequence=1.
In terms of its economic efficiency, a positive cost-benefit ratio was achieved. For every US$1 spent on the UYEP program around US$2.90 was generated in benefits, based upon the benefits and costs presented in Table 2. Under conservative assumptions, the project would have a benefit to cost ratio of 1.41, which is still a worthwhile investment. For every 1,000 youth that participated in UYEP, around US$5.7 million (PGK 18.6 million) is generated in benefits in the baseline scenario (around US$2.8 million (PGK 9.1 million) in the conservative scenario). The main reason that the benefit cost ratio is high in the case of UYEP is due to the positive employment impacts from UYEP.

Table 2. Benefit to Cost Ratio

<table>
<thead>
<tr>
<th>Benefit to Cost ratio</th>
<th>Conservative Scenario</th>
<th>Moderate Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.41</td>
<td>2.90</td>
</tr>
</tbody>
</table>

UYEP’s employment impacts are much stronger than for similar youth employment projects in other countries. Globally, there have been many impact evaluations of Active Labor Market Programs (ALMPs) in a variety of contexts and the vast majority have shown to have a limited effect on employment ranging from no employment gains to increasing, at best, employment by 7% to 11%. Other studies show that providing participants with technical and vocational training rarely generates jobs (unless a cash grant is provided) and almost always the costs outweigh the benefits.

The UYEP also provided other benefits, including the investment in civil works, which resulted in the construction or improvement of the infrastructure as shown in Table 3. There are additional economic benefits from the project, including the likelihood of crime reduction, but this is difficult to quantify.

Table 3. Civil Works and Routine Maintenance Activities Completed

<table>
<thead>
<tr>
<th>Types of works</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads (labor-based maintenance)</td>
<td>1.3 km</td>
</tr>
<tr>
<td>Drainage</td>
<td>1,369 m drains constructed</td>
</tr>
<tr>
<td></td>
<td>79,238 m maintained</td>
</tr>
</tbody>
</table>

---

39 The table below shows cost benefit ratios for each of the scenarios as well as the estimates of the costs and benefits of the program modeled upon a program of 1000 YJC and 250 SDES youth. The calculations are based on existing program data and the assumptions above. Note: Costs for consultants have been moved to the respective components.

40 It is assumed that young people who achieve permanent formal employment will remain economically active for an estimated 30 years.


<table>
<thead>
<tr>
<th>Footpaths constructed</th>
<th>11,024 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved school access/surrounds (number)</td>
<td>13</td>
</tr>
<tr>
<td>Improved church access/surrounds (number)</td>
<td>15</td>
</tr>
<tr>
<td>Safer pedestrian access to market places/public areas constructed (number)</td>
<td>11</td>
</tr>
<tr>
<td>Beautification of parks/ public buildings/cemeteries (number)</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific works included in the above community sub-projects</th>
<th>Extent of work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of parking lots</td>
<td>1,132m²</td>
</tr>
<tr>
<td>Construction of Rubble Masonry Drain and Retaining Walls</td>
<td>1,369m</td>
</tr>
<tr>
<td>Installation of Block Pavers</td>
<td>3,407m²</td>
</tr>
<tr>
<td>Painting of Buildings</td>
<td>2,735m²</td>
</tr>
<tr>
<td>Construction of Cross Drainage Culverts</td>
<td>35m</td>
</tr>
<tr>
<td>Construction of Reinforced Public Drive Ways</td>
<td>252m</td>
</tr>
<tr>
<td>Pavement Repairs - Bitumen Emulsion</td>
<td>30m</td>
</tr>
<tr>
<td>Refuse/Rubbish Collected</td>
<td>1,780,947kg</td>
</tr>
<tr>
<td>Cleaned Lined and Unlined Drains</td>
<td>79,238m³</td>
</tr>
<tr>
<td>Grass Cut</td>
<td>1,381,112m³</td>
</tr>
</tbody>
</table>

**D. JUSTIFICATION OF OVERALL OUTCOME RATING**

**Overall Outcome Rating: Satisfactory**

The Overall Outcome rating of Satisfactory is based on the project’s high relevance, substantial efficacy, and substantial efficiency. The project remained highly relevant to the strategies of both GoPNG and the Bank’s CAS and CPS from approval and throughout implementation until closing. The project demonstrated positive and well evidenced results towards achievement of the PDO. All sub-components were implemented within the scope of the project’s financing envelope and plans. The high benefit to cost ratio of UYEP is remarkable considering international experience that shows similar types of programs do not tend to have benefits larger than costs, especially in the case of other ALMPs.

**E. OTHER OUTCOMES AND IMPACTS**
Gender

The program has been successful at promoting social inclusion and gender. 41% of beneficiaries were female; this exceeded the original target of 33%, overall achieving 120% of the original target. The Bank supported a gender assessment study as part of MTR activities. Overall, the study concluded that the project resulted in positive gains for women. Female participants had a propensity to complete training offered, which suggests that the project has been successful at engaging young women. Some female participants mentioned that the stipend received is spent on childcare so that they can attend the course. This demonstrates the high level of importance that females placed on participating in the training. By involving women in a range of different work tasks, including roles traditionally dominated by men, and through the inclusion of gender-equality training in the BLST, based on the 2017 FUS, the percentage of female participants who believed that women should be at home and not in waged work, fell from 13% before the program to 2% after the program (and fell from 16% to 9% for men.)

Measures were undertaken to mitigate gender disparities. UYEP promoted gender equity in its communications strategy, to reassure families about the nature of the training and the work women were being offered, it sensitized trainees, contractors and PMU personnel through training, and arranged for contractors to provide transport to ensure safe passage in some areas. UYEP also provided all participants with care responsibilities additional days to complete the training and work activities or offered to make-up times. Incorporating an electronic banking component proved to be popular among women, to help protect their income and savings. The Gender and Labour Study also found that, prior to participating in UYEP, few participants had any prior knowledge of gender disparities between men and women. Women stressed that due to UYEP training, they had gained more confidence when dealing with men, including their own husbands. Receiving a stipend and becoming financially more independent and able to contribute to the household budget has raised the status of women at home, and some women report feeling more empowered to “overcome difficult issues”. They also reported a greater sense of awareness of gender issues and of their rights, leading to an increase in their status and sense of security.

Institutional Strengthening

At the start of the project, NCDC did not have the capacity to manage the project, and hence a PMU was established. By the end of the project, UYEP was situated within the (expanded) city buildings and had developed a closer relationship with key divisions including the NCDC’s Gender, Youth and Social Services Division. The project worked closely with these divisions on the planning and roll-out of the project’s mobilization and awareness campaigns through the identification of youth and community leaders, consultation with various youth and women’s groups and on project reporting, thereby helping to strengthen the organizational, planning and reporting capacity of these divisions. The project’s interventions also resulted in some spill-over benefits to other areas that were not intended in the original project design, such as the Gender-Based Violence (GBV) referral services, using NCDC’s own systems to provide referral support for participants to other specialized providers and serving as a platform for NCDC to provide “just-in-time” support for major events sponsored by NCDC, including the Fédération Internationale de Football Association (FIFA) Under-20 Women’s World Cup, where over 1,000 UYEP graduates were engaged to provide a range of support services from ticketing, ushering and administering first aid support.

45 PNG UYEP MTR 2014.
Mobilizing Private Sector Financing

The main aspect of mobilizing private sector financing occurred through the OJT activities. At its peak, the OJT was supported by about 100 employers across NCD consisting of private, public and civil society organizations including POM General Hospital, the Department of Works, hotels including Coral Sea, Stanley and Lamana, CPL Stop N Shop, POM International Hospital, Air Niugini, Paradise Food, Cheshire Home and World Vision. For the participating employers, they provided UYEP participants a “second chance”; invested substantial time and effort in orienting and mentoring participants; and cooperated with the project systems and reporting procedures. Other initiatives with the private sector included the mobilization of US$1 million from Exxon Mobil to help finance the design and supervision of the first FUS, as well as implementation support activities. In addition, the project established a partnership with BSP Ltd to deliver financial literacy training and set up bank accounts for all participants; including waiving set-up and account keeping fees for over 18,000 participants.

Poverty Reduction and Shared Prosperity

The payment of stipends to participants facilitated program participation for 22% of participants. The main reason for the need for a stipend was to cover the costs of childcare and basic needs to allow the participant to spend time with the program rather than seeking livelihood resources elsewhere. The increased capacity through the BLST and the short-term employment did provide temporary income for the respective participants. The longer-term contribution to poverty reduction and prosperity arises through the outcomes in relation to work readiness and actual employment. The target for employment was only 30% for job offers on graduation and 10% for employment three months after completion compared to the control group. Both targets were exceeded (41% and 26%, respectively) demonstrating the higher than expected contribution of the project. Furthermore, there is anecdotal evidence of young people who have used the stipend income, and the knowledge gained from the program, entering or expanding into self-employment initiatives. In addition, employers reported that a proportion of UYEP employees have been retained, promoted; and were made permanent staff members. This illustrates the actual and further potential of the pathway piloted by the project to employment.

Reduced Engagement in Crime and Improved Well-Being

The project contributed to reduced engagement with criminal behaviour among program participants. For instance, while more than two-thirds (36%) of participants upon enrolment reported having friends involved in fights or robbery in the past three months prior to the program, by the time of the 2015 FUS this had decreased to under one-quarter (23%), while for control youth the number increased from 35% to 39% over the same period. The number of participants who reported using threat or force with somebody halved (from 16% to 7%) as a result of participating in UYEP, while for young people in the control group, the number increased over the same period. The findings related to reduction in criminal behaviour, based on suggestions during the ICR consultation, may arise from the BLST creating connections and positive friendships between diverse groups of young people. The conflict resolution training was received well. Community members also noted that young people in work are less likely to be involved in anti-social behaviour. The social connections made are being maintained.

---

48 PNG UYEP 2018 Impact Evaluation and Results.
49 PNG UYEP MTR 2014.
There was a general perception among community members that UYEP reduces crime in their communities. Of the respondents in the community survey, 85% reported a reduction in crime/antisocial behaviour. 77% of respondents also reported that UYEP youth they know are less likely to be involved in crime. The second most widely reported positive impact is positive character and behavioural changes in participating youth (increasing respect, responsibility, attitudes toward women etc.), which was reported by 82% of respondents. All community members surveyed in the 2017 Community Survey perceived that UYEP had positive impacts on youth or the community. Furthermore, 86% reported that a positive impact of UYEP was a reduction in crime/antisocial behavior. Furthermore, 68% reported the positive impact of UYEP of “an increase in employment opportunities.” 55.4% of respondents perceived an increase in knowledge and skills of UYEP youth. In addition, community members have positive general feedback on the project. 76% of respondents, found the project to be well organized. The program achieved 172% of the target. Based on the FUS 2015 data, participants became much less likely to hang out with friends late at night (a reduction from 36.8% to 29.6%) and were more selective in terms of their social circle/friends. The reported incidence of having a best friend involved in crime in the last three months declined from 23.7% to 15.7%. At the same time, there was no robust evidence that the perpetration of most forms of crime – assault, robbery, and trespassing – were affected by the program.

There was evidence that the OJT program increased the sense of well-being of its participants. At the time of the baseline survey and prior to partaking in OJT, around half of the participants reported “feeling happy most of the time over the past four weeks”. By the 2017 FUS, the number of youths who felt “happy most of the time over the past four weeks” had increased by 16 percentage points for participants, while it decreased by 22 percentage points for control youth. This represents a difference of 38 percentage points, which is statistically significant.50

III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

A. KEY FACTORS DURING PREPARATION

The preparation of UYEP was challenging for PNG as it was the first time in 19 years that GoPNG had borrowed for a project in the social sector: NCDC had no prior experience in implementing a Bank Project and new staff in key line ministries (Treasury and Planning) were not familiar with Bank procedures, which resulted in delays during preparation. The high priority given to youth unemployment and the understanding that there were negative economic consequences of a high, socially unengaged young population led to the decision of the Government at that time to proceed with project processing. Yet there was little knowledge nationally on how to prepare or implement such a project. As such, GoPNG relied heavily on the Bank for technical and fiduciary support. To mitigate known risks, the Bank assisted GoPNG in obtaining grant funding in lieu of a Project Preparation Advance (PPA) to ensure that a basic team was in place to support project preparation.

The sector context at appraisal was complex and challenging with various long-term service providers entrenched in the sector but with limited coordination and leadership from the National Youth Commission (now referred to as the National Youth Development Authority [NYDA]) itself. The challenge for the Bank was to convince GoPNG and the various actors to support a new integrated multisectoral approach while at the same time introduce new concepts and ideas such as engaging with the private sector to support the project. The

50 Ibid.
strategy required establishing a rather complex project design with enough detail to be implementable, but with enough flexibility to adjust to progress and findings. Strong attention was paid to establishing a monitoring and evaluation system at the commencement of the project.

**B. KEY FACTORS DURING IMPLEMENTATION**

*The project experienced a range of challenges in early implementation that resulted in initial delays, but these were successfully addressed.* In 2014, the MTR reported that it was initially difficult to find suitably qualified and experienced staff, but this was addressed by securing a mix of local and international staff and building a team-based approach. There were also difficulties in establishing a suitable office to enable young people to contact project staff and provide safe and productive working environments for the team. In addition, suitably qualified contractors were difficult to find, and some contracts had to be rebid or terminated either due to insufficient market-response and/or non-performance. Furthermore, the loss of the contracted training provider due to bankruptcy resulted in the project management taking a more direct role in training provision.\(^{51}\)

*Certain aspects of the project’s institutional arrangements hindered the embedding of UYEP processes into a more sustainable implementation system.* While the GoPNG consistently viewed UYEP as a priority project, there were limited opportunities to embed the systems, for instance, the employment of young people in labor-based works or the conduct of the BLST or OJT. The main reasons for this, was the limited budget allocated for the capacity building of the implementing agency’s own staff (instead, prioritizing direct implementation activities); the need to operate the project at a separate location; and procedural barriers between the project and potential partners.

*Shortage of funds led to uncertainty in implementation.* In particular, the rising cost of civil works contracts resulted in the likelihood that YJC funds would be exhausted before the end of the project period and before the targeted number of young people had been reached. However, these initial challenges were resolved through the AF received from the Government of Australia through an IDA-managed trust fund (TF-A1282). It allowed operations to continue and additional time to refine and adjust implementation to achieve a higher level of performance. This was reflected in the improvement of performance assessment through the Implementation Status and Results Reports (ISRs) from moderately satisfactory to consistently satisfactory.

**IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME**

**A. QUALITY OF MONITORING AND EVALUATION (M&E)**

**M&E Design**

*The project’s rigorous data collection system is the first of its kind in PNG and the Pacific region and sought to fill a knowledge gap using unique data collected in NCD.* The project was proactive in the need to generate baseline information and measuring outputs in relation to its KPIs. The project included two impact evaluations (2015 and 2017) and M&E comprised various survey instruments designed to capture the profile of youth coming into the project (Eligibility Screening Survey [ESS]) and evaluate the impacts of the project on the participating youth and their communities (FUS, ISRs).

---

\(^{51}\) PNG UYEP MTR 2014.
Employer and Community Surveys), which provided different perspectives on the project. The project’s rigorous data collection system involved collecting extensive baseline data from all youth applicants. The same baseline data was also collected from a “control group”. The 2015 control group comprised of similar youths in NCD that did not participate in the project. The 2017 “control group” consisted of participants who did not receive PET or OJT but did complete the YJC and were engaged in the FIFA volunteer work program. Samples of both these participants and controls were then re-interviewed in FUS in 2015 and 2017. It is important to acknowledge that the impact evaluation of the project was not designed as a “one-off” exercise towards the end of the project period. Instead, the project conducted continuous monitoring through surveys of participants, controls, employers and communities that were administered at regular intervals. This information informed adjustments to project activities and ensured that the project met its desired objectives. These surveys have been a challenge to implement in an operationally fragile context (security, transience of youth etc.,) but have yielded credible and important information.

The PDO was simply stated, appropriate and relevant to the national and local contexts and the TOC supported country priorities. During implementation, there were some amendments to the original PDO-level indicators to provide greater clarity and allow measurement of the PDO level outcomes. Because project implementation was demand driven, a rolling baseline on participants was collected through the ESS, used to select participants, and collated in the project Management Information System (MIS). This data could then be compared with a control group who were members of the target audience but who had not participated in the project. The ESS was outsourced to an independent survey firm supervised by the PMU’s M&E Coordinator with additional support from the Bank. 52 The information systems associated with the project were largely well maintained and kept up to date by an Information and Communications Technology (ICT) coordinator and consultant.53 In addition, there were other surveys conducted including: Community Surveys, Employer Surveys, FUS and thematic analyses. The arrangements were summarized in the Results Framework (RF), as were the sources of data, methods and responsibilities. Quarterly Progress Reports (QPRs) were provided throughout the project duration and a Mid-Term Review (MTR) was conducted in 2014. The QPRs and MTR provided the basis for updating indicators and identified adjustments that needed to be made during implementation54 and 55

M&E Implementation

Data was regularly collected in a comprehensive manner. The M&E framework was robust, and data was collected from participants and other stakeholders regularly. The quality of reporting from the PMU during the early part of implementation varied but improved over time, especially in the second half of the project period where the QPRs were provided routinely, fully satisfactorily in terms of the quality and timeliness of reporting with evidence of the PMU actively discussing the results, anomalies and taking action to correct perceived weaknesses such as the tracking of female participants or dropout rates. There were some implementation difficulties with the surveys especially when the Team Leader for the consulting firm56 unexpectedly passed away and his position was not replaced, which eventually led to the termination of the contract in 2017. However, the PMU, with support from the Bank, stepped in and engaged enumerators and other specialized researchers and consultants directly to implement the project. While this initially resulted in some delay, implementation eventually improved. The surveys were not only used to inform project implementation but recognized as being useful and credible with government and other donor agencies who reflected upon and used the data in their own analyses. One key data gap has been in relation to the operational engagement with

52 PNG UYEP MTR 2014.
56 Sistemas Integrales.
employers where the project could have investigated more specifically key success factors related to implementation of the OJT. The main data has been drawn from the employers’ survey on level of success within the workplace.

**M&E Utilization**

The data collected by the project were used to prepare project progress reports for NCDC and the Departments of Treasury, Planning and other stakeholders such as the NYDA through the Project Steering Committee. The project database and surveys generated reports regarding the project’s impact and profiling of participants. The scope of information that was collected exceeded the scope specified in the project design. The database was also found to be helpful in the screening and registration process. In addition, the consistent approach taken to data collection allowed for cross-sectional analysis and time comparisons.\(^{57}\) There were some examples of delays in the input and analysis of data which impacted on its usefulness.\(^{58}\) The data generated has been regularly used by the project in building and improving the project processes. A final impact evaluation report was delivered in 2018, which considered all baseline analysis and surveys to assess the project’s overall impacts.\(^{59}\) The results were published as a report and posted online and relevant data were used to inform GoPNG’s Project Completion Report and this ICR in addition to several other donor and development partner reports on the project Grant as well as youth sector reports.

**Justification of Overall Rating of Quality of M&E**

The overall rating of the quality of M&E is Substantial. The M&E system was adequately designed and satisfactorily implemented, although with an initial slow start-up and support from the Bank. Through the survey firm and eventually assuming direct responsibility for the surveys, the PMU demonstrated the capacity to collect and reflect on data collected as well as learn and adjust to operational experience gained.

**B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE**

Environmental and Social Safeguards were satisfactorily complied with.\(^{60}\) Component 1 of the project triggered the Bank’s environmental and social safeguards policy on Environmental Assessment (OP/BP 4.01) through the funding of labor-based activities in road maintenance. These activities, if not properly planned and executed, may have led to some modest adverse environmental impacts. The project adopted a consultative approach both at design and during implementation to minimize these impacts. Overall, UYEP was assigned an Environmental Assessment category of ‘B’ (partial assessment) due to its relatively low environmental risks. The final Environmental and Social Management Framework (ESMF) was disclosed through the World Bank’s InfoShop and in the country through the project office on April 6, 2010 for public access.

The project also triggered the Bank’s environmental and social safeguards policy on Indigenous Peoples (OP/BP 4.10). The Social Assessment and Indigenous People’s Plan was disclosed through the World Bank’s InfoShop on May 5, 2010. In addition to both reports, an Executive Summary of the Social Assessment was translated into Tok Pisin and Hiri Motu and disclosed in three locations of the NCDC (City Hall, Lakatoi Haus and Tarport) for public access.

---

\(^{57}\) Draft Memoire, ISM #14, August 21-29, 2017.

\(^{58}\) PNG UYEP MTR 2014.

\(^{59}\) Aide Memoire, ISM 16, June 4-15, 2018.

\(^{60}\) PNG UYEP Project Appraisal Document (PAD) 2010.

\(^{61}\) PNG UYEP MTR 2014.
viewing as well as the NCDC’s website. Originally, there was some debate regarding the triggering of this safeguard category given it is normally not applicable in an urban setting. However, through consultation with external experts and consideration of the urban Motu-Koita (MK) population, it was decided that the OP/BP4.10 would be triggered. There was a specific indicator included in the RF regarding the percentage of beneficiaries that are members of the MK population. However, “to avoid creating unnecessary inequities for other poor and marginal social groups” (OP 4.10, FN 12), and to reduce the risk of social conflict, the project’s design did not include a separate IP Plan but rather integrated such considerations into the whole design. Overall, the social safeguards for the project were well-maintained. Relationships and conflicts were well managed, with a zero tolerance for any anti-social behavior. The target for the percentage of grievances addressed by the project team within 20 working days was 90%. This target was exceeded with 100% of grievances addressed within the set time frame. Grievances largely related to stipend payments and perceived unfair treatment.

**Fiduciary compliance experienced initial challenges but was satisfactory overall.** The financial management (FM) risk rating was initially “Substantial” but reduced to “Moderate” in 2012 with implementation of mitigation strategies and based on performance. FM performance rating of the project started at Moderately Satisfactory until mid-2014 and then improved to Satisfactory from mid-2014 right through to the end of the project in 2019, as timeliness and accuracy of financial reporting improved and identified issues were addressed.

**All financial covenants of the grant, financing and project agreements have been complied with.** All currently required audited financial statements up to 31 December 2018 have been submitted and accepted, generally on time or one to two months overdue (apart from the first year’s audit which was nine months overdue). All audit opinions were unqualified. Findings and recommendations in the audit management letter were actioned and addressed and there have been no findings or recommendations in management letters from 2014 to 2018. The final audited financial statements and accompanying management letter for the year ended 31 December 2019 will be required and are not due until 30 June 2020. All currently required Interim Unaudited Financial Reports (IFRs) up to the quarter ended 30 September 2019 have been submitted and accepted with timeliness of submission improving in the second half of the project. The final IFRs for the quarter ending 31 December 2019 will be required and are not due until 15 February 2020. The Designated Account (DA) was active for most of the project life, the advance to the DA has been fully documented and there is no outstanding balance to refund. The rate of disbursements was initially slow for the first two years (5% per year) then increased to 10% per year in year 3 then 20% per year in years 4-7 before slowing in the final two years as the project reached completion with funds exhausted and was 100% disbursed before the end of the project life.

**UYEP is the fastest disbursing project (rate of disbursement) in PNG, both past and present, closed and active projects, over the last 20 years.** Use of country systems (UCS) was mixed. The project was: on plan, in the Public Investment Plan (PIP); on budget, in the annual budget estimates and appropriations; on parliament, with project financing included in revenue appropriations approved by parliament; on audit, with the Auditor General Office (AGO) responsible for the annual audits. However, the project was not: on account, with the project operating a standalone accounting system and not journalising the project actuals into the NCDC or government accounts for actuals; on report, with the project actuals not on the government financial reports and not using the government reports to report on the project.

**Procurement challenges were experienced but were mitigated.** Initial delays with procurement were faced, largely due to the need to recruit and train sufficiently experienced staff. Further, the contract works incurred costs that were higher than design estimates due to the escalating costs of materials and the time elapsed since
the feasibility studies were competed. Yet, the targeted 46 contracts were all completed (41 commercial and five community contracts). The appreciation in the value of the PNG Kina during the project also had an impact on higher than expected cost of goods and services. In addition, given the need to appoint additional staff for effective operations, and the project extensions, project management costs were in line with similar types of donor-supported projects within PNG (approximately 25%).

C. BANK PERFORMANCE

Quality at Entry

*The Bank’s performance at entry was Satisfactory.* The project was responsive to GoPNG and designed with a sound concept based on international experience and best practice, providing a multidisciplinary and innovative approach spanning four GPs (Social, Human Development, Social Protection and Transport). The project design process was deliberative, drawing on Bank experience in other countries and assisting the GoPNG to consider how Bank experience could be appropriately applied within the national context of social unrest, inexperience with Bank processes and capacity challenges within the Implementing Agency. A Quality Enhancement Review and other measures were taken to assure quality at entry and identify and address potential risks. These risks were carefully considered and mitigated, for instance participants to have POM residency certified by the community leader to protect against the risk of rural inflows; establishing arrangements with BSP to secure payments and to support financial inclusion; liaison with business owners to ensure that the proposed curriculum for training is in line with job readiness requirements. The project was also prepared with a high level of interest and commitment from the Government. While counterpart funding was not a requirement, GoPNG agreed to provide 10% counterpart funding upon approval of the project. Given the NCDC’s lack of experience working with the Bank, to facilitate the participation of a government team within the NCDC assigned to prepare the project, the task team was able to secure and process a US$600,000 grant from the Korean Trust Fund, which was used to hire initial consultants and prepare the project design and instruments, including the Social Assessment, Environment and Social Management Framework (ESMF), Procurement and Implementation Plans as well as design the project’s impact evaluation. These instruments and studies were completed within the allocated budget and timeframe.

Quality of Supervision

*The Bank’s performance during implementation was Satisfactory.* The project was implemented in a high-risk context where other investments were experiencing challenges. Missions were regularly carried out several times a year with adequate skills mix within the direct and wider task team and included technical missions to provide additional training to the PMU and help them unblock implementation constraints, including on the mobilization of the ESS, FUS and other surveys as well as on the MIS and YJC. An MTR was held in 2014 to review implementation progress and this resulted in the AF. Supervision reporting not only closely tracked targets to ensure links with impact but also reported on other corroborating evidence and impacts based on survey findings. Furthermore, the project was visited by Bank senior management on several occasions.

---

62 Quality at entry included sound project concept, objectives, and approach; adequate technical, financial, and economic analysis; adequate consideration of environmental and social safeguards, fiduciary assessments, relevance to policy and institutional context, implementation arrangements, and risk assessments.
**Risks identified in the PAD were managed through implementation strategies.** In particular, the risk of not effectively reaching poor urban youth was overcome through self-selection with lower than minimum wage payment and focusing on the geographically poorer suburbs within each neighborhood. To reduce interference in the process of project preparation and selection of beneficiaries the Bank invested in transparent and inclusive planning and tender processes and project activities were broadly announced with a strong grievance mechanism in place. In addition, to ensure that payments to trainees were made in a timely manner the Bank worked with the BSP to provide a secure means of payment.

The Bank’s task team was able to mobilize additional Bank-Executed trust funds through a US$600,000 Rapid Social Response (RSR) Trust Fund and a US$1 million Externally Finance Output (EFO) financed by Exxon Mobil, which helped to finance the design, preparation and finalization of the Impact Evaluation and related instruments, including training of PMU staff and consultants in the implementation of all the surveys and project analyses. In addition, the Bank’s task team led the design and negotiated the partnership arrangement with BSP, which resulted in the largest financial institution in the South Pacific region becoming a key partner in the implementation of the project’s financial literacy training and electronic banking scheme.

Problems were reported and addressed promptly by the World Bank Task Team Leaders (TTLs) and the safeguards and fiduciary specialists some of whom were stationed in-country, and assistance was provided with onsite visits and appropriate, national or international expertise was mobilized when required. Close coordination with the Government implementation teams was effective in moving the project forward. The World Bank team was responsive and proactive in project restructuring to make the necessary changes on time to unblock implementation constraints.

**Justification of Overall Rating of Bank Performance**

Due to the sound performance of the Bank in relation to quality at entry and of supervision, the Bank overall performance rating is assessed as Satisfactory. Close follow-up in supervision assisted NCDC in reaching and exceeding targets toward the end of the project.

**D. RISK TO DEVELOPMENT OUTCOME**

The main risk to development outcome is the lack of sustainability of the comprehensive UYEP-type support within Port Moresby and wider PNG at its current scale. Inadequate budget resources within the GoPNG and insufficient data on the value of such a targeted social program was a main reason for the pilot project. UYEP I has provided proof of concept that a large-scale social investment can be delivered in an FCV context, such as PNG, and achieve results in close partnership with provincial government. A future intervention may pay more attention to the opportunities for mainstreaming, including into other partner and service delivery institutions through a referral service scheme. This is expected to include a greater focus on working in partnership and networks with other service providers. It is hoped that the demonstration of UYEP as a pilot that shows the economic and social benefits of engaging young people in the labor market, will lead to greater commitment to sustainable options. Investment in capacity development is likely to be sustained but vulnerability and tensions remain due to deteriorating economic conditions. The ICR consultations highlighted the continuing value of the training received by participants during their time with UYEP. This capacity is evident whether young people are now employed or whether they remain unemployed. However, analysis of the targeting data highlights how there are still 33% of participants who believe that they are still amongst the poorest in the city.
V. LESSONS AND RECOMMENDATIONS

Lessons from participants and stakeholders

*Underprivileged young people can make substantial contribution to both PNG economy and society if given a “second chance”.* A consistent message received during the consultations with young people, community and employers was that the young people targeted through the project are being offered a second chance to engage in productive society contribution. Many young people mentioned that they had not done well at school or had engaged in anti-social activities after leaving school. UYEP provided an opportunity for them to learn and reflect on their lifestyle and consider opportunities for employment and involvement in their own community improvement. Even those young people who did not complete their activities demonstrated that they are now more positive and active in their communities, with better understanding of their responsibilities to achieve better outcomes for themselves, their families and communities.

*Investment in young people needs BLST and job readiness skills as a foundation before additional skills training to be competitive in the job market. This, and the comprehensive nature of the ALMP, combining three key elements (training, wage subsidies and work placements, which linked youth directly to employers) was considered one of the most significant elements in the project’s TOC that helped the project to succeed where other programs or previous attempts may have failed.* The feedback from employers was that they highly valued the investment in BLST and PET, which helped to prepare young people for work. The young people that were successful in securing on-going employment demonstrated workplace skills that were considered more valuable than specific technical skills. Most employers said that they could teach workplace-specific skills but found it difficult to achieve attitudinal change if the young people do not come to the workplace ready to work as required.

*BLST with mentoring and coaching was life changing for most but still too short to achieve change in attitudes for all.*\(^\text{63}\) In addition to the preparation for the workforce, the UYEP training was influential in changing attitudes and perspectives, for instance in terms of understanding of public responsibilities, understanding diversity and gender equity, improving health and nutrition, etc. An important factor in achieving change was through the skills and coaching of the trainers and community facilitators. These people provided a positive role model and day-to-day support through the project. This support was acknowledged by participants to have led to changes in how they lead their lives and hence is a long-term investment in PNG society. Yet, the data shows that the intervention was too short to achieve a full turn-around for young people with complex needs and contexts.

*Training is not just about learning but also building confidence and connecting to local networks and other institutions e.g. Banks, Technical Vocational Education Training (TVET), etc.* The community and government feedback highlighted concerns that the UYEP support did not go far enough to create life pathways for young people. While the project intervened at a basic level, the feedback was that for long term change, young people need to be supported to work towards higher level skills through such as TVET or through trade apprenticeships. There was concern that without such pathways, young people will revert to previous behaviors and not be able to apply the lessons learned in UYEP.

---

\[^{63}\] While the importance of combining ‘both soft and practical skills’ is highlighted within the project, there is additional global evaluative evidence that establishes that when working with at-risk youth in communities already suffering high rates of violent crime, the most sustained positive impacts are found with a combination of job skills/labor opportunities and robust psychosocial support through cognitive-behavioral therapy.
Recommendations

The high demand for a future intervention requires care and attention to ensure that the key success factors of the UYEP are continued. There is broad recognition that UYEP has been successful, which has generated strong demand amongst young people, community, employers and agencies for continued support. There is also an interest in expanding the project to other locations. Yet, UYEP’s key success factors need to be replicated to be successful in future operations. UYEP has been successful because it has focused on a predominantly urban setting where there are employment options for OJT support. While the YJC activities may be replicable in a less urban setting, OJT requires a density of larger scale businesses. Similarly, a key success factor has been capable staff to deliver on complex project arrangements. Until further work is carried out to systematize the project processes, it would be difficult for agencies without relevant knowledge and skills to manage the operations.

The day to day support from employers was a key factor in UYEP success and more attention to the data, systems and approaches for success as well factors that led to dropouts is required. A critical aspect has been the extent to which employers have engaged with the project and appreciated the support available. This has led to an unprecedented level of satisfaction with the project (97%). This is unusual in development projects, and the employers themselves confirmed how valuable they perceive the project. Yet, there has been limited analysis on how this has been achieved or what is required in future to ensure that this value is continued and amplified. It is important that more attention is given to the aspect as the project expands to other areas.

The pathways towards skills development and self-employment can be more clearly identified and introduced to young people. Consistent feedback on the project is that the project needed to consider a longer-term horizon for the young people that it supports. This includes encouraging young people to understand and consider alternatives for continuing their pathway to full time employment. This may include increasing understanding of how to engage in self-employment and to continue further studies or may be to consider options for securing employment with employers that offer career pathways. In UYEP, there was little tracking of pathways taken by graduates and how successful these were, particularly those engaging in self-employment. This an aspect that can be further researched and considered to offer young people long term career advice and support towards longer-term outcomes.
## ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

### A. RESULTS INDICATORS

#### A.1 PDO Indicators

**Objective/Outcome:** To provide urban youth with income from temporary employment opportunities

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of days of workfare completed by youth over the course of the project.</td>
<td>Number</td>
<td>0.00</td>
<td>480000.00</td>
<td>660000.00</td>
<td>819037.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
<tr>
<td>Days of workfare completed for YJC</td>
<td>Number</td>
<td>0.00</td>
<td>0.00</td>
<td>420000.00</td>
<td>425388.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
<tr>
<td>Days of workfare completed by OJT</td>
<td>Number</td>
<td>0.00</td>
<td>0.00</td>
<td>240000.00</td>
<td>346755.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

**Comments (achievements against targets):**
Achieved 124% of the revised overall target. For the YJC, 101% of the target achieved. For OJT, 144% of the target was achieved. A nine-month extension of the project’s closing date was sought in September 2018, allowing for more time to complete implementation activities. Whilst other activities closed in December 2018, the OJT continued through 2019 (albeit at a reduced level). Therefore, the project met, and often exceeded, UYEP targets, particularly for the OJT.
## Beneficiaries of Safety Nets programs (number)

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries of Safety Nets programs (number)</td>
<td>Number</td>
<td>0.00</td>
<td>10500.00</td>
<td>15500.00</td>
<td>18497.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

### Objective/Outcome: To increase the employability or urban youth

## Percentage of OJT graduates who have an offer of a paid job, as they leave UYEP.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of OJT graduates who have an offer of a paid job, as they leave UYEP.</td>
<td>Percentage</td>
<td>0.00</td>
<td>30.00</td>
<td>30.00</td>
<td>41.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>
New indicator and target introduced at Additional Financing Stage. Achieved 136% of the target. A nine-month extension of the project’s closing date was sought in September 2018, allowing for more time to complete implementation activities. Whilst other activities closed in December 2018, OJT continued through 2019 (albeit at a reduced level). Therefore, the project met, and often exceeded, OJT targets. The 2017 Follow-Up Survey (FUS) was conducted on a sample of youth between six months and two years after their participation in UYEP. 41% (n=*) reported that they had been employed, full-time or part-time, in the six months prior to the survey. Higher employment rates of participants are evidence of increased employability, which is supported by findings from the employer survey and evidence from the community survey of a perceived increase in employability.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>The percentage of OJT with a job (salaried or otherwise), three months after graduation, is 10% higher compared to controls.</td>
<td>Percentage</td>
<td>0.00</td>
<td>10.00</td>
<td>10.00</td>
<td>26.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

Comments (achievements against targets): New indicator and target introduced at Additional Financing Stage. Achieved 237% of the target. The 2015 FUS showed that, among those jobless youth who had participated in UYEP, the number seeking paid employment in the last three months increased by more than ten percentage points (from 21% at the start of the program, to 32% by the FUS). OJT also appears to encourage participants to seek a job in the formal sector, increases their confidence about finding a job in the formal sector and motivates them to seek further education. Results from the 2017 FUS indicate that OJT youth are far more likely to report seeking a job in the formal sector over the last three months (a statistically significant increase of 19 percentage points) compared to youth in the control group (who reported no significant change).
A.2 Intermediate Results Indicators

Component: Youth Job Corps (YJC)

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of YJC entrants</td>
<td>Number</td>
<td>0.00</td>
<td>0.00</td>
<td>11500.00</td>
<td>11506.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
New indicator and target introduced at Additional Financing Stage. Achieved 100.05% of the target.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of beneficiaries self-reporting as being from the bottom two steps</td>
<td>Percentage</td>
<td>0.00</td>
<td>0.00</td>
<td>33.00</td>
<td>31.80</td>
</tr>
<tr>
<td>of the six step economic welfare ladder</td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
New indicator and target introduced at Additional Financing Stage. The 31.8% result is within range of the 33% target.
The target is supposed to read as 50% of participants derived from the bottom 33%. The estimate of economic welfare was initially to be made via a set of proxy indicators derived from Household Income and Expenditure Survey (HIES) data. However, it was not possible to obtain reliable estimates due to a paucity in data. Instead, an alternative measure was used in the follow up surveys with youth, based on a self-reported level of economic welfare based on a six-step ladder. The achievement reflects the lower percentage of youth who now identify themselves as being among the 33% of the poorest in the population compared to when they started with UYEP (data collected through the baseline survey and eligibility screening survey).

Component: Skills Development and Employment Scheme (SDES)

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of beneficiaries that report an increase in knowledge, skills and confidence to participate in the labor market</td>
<td>Percentage</td>
<td>0.00</td>
<td>60.00</td>
<td>75.00</td>
<td>83.20</td>
</tr>
<tr>
<td></td>
<td>01-Sep-2011</td>
<td></td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
Target increased with the Additional Financing. Achieved 110% of the revised target as reported in the 2017 Follow-Up Survey (FUS).
### Indicator Name: Number of Project beneficiaries offered an OJT placement

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Project beneficiaries offered an OJT placement</td>
<td>Number</td>
<td>0.00</td>
<td>0.00</td>
<td>3000.00</td>
<td>4548.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

**Comments (achievements against targets):**
New indicator and target introduced at Additional Financing Stage. Achieved 158% of the target.

### Indicator Name: Number of beneficiaries graduating from On-the-Job Training

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries graduating from On-the-Job Training</td>
<td>Number</td>
<td>0.00</td>
<td>2400.00</td>
<td>2890.00</td>
<td>31-Dec-2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comments (achievements against targets):**
Achieved 120% of the target.
Percentage of Employers and Contractors who report that UYEP participants have satisfactory levels of basic work skills to enter the job market.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>0.00</th>
<th>60.00</th>
<th>70.00</th>
<th>97.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
<td></td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
Target increased at Additional Financing Stage. Achieved 139% of the revised target. As reported in the 2017 Employers’ Survey of OJT employers. Employers reported that 97% of UYEP youth were perceived as being qualified for a full-time job.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>For OJT - Percentage of unemployed UYEP graduates who looked for a job in the last 3 months compared to the control group</td>
<td>Percentage</td>
<td>0.00</td>
<td>0.00</td>
<td>8.00</td>
<td>19.00</td>
</tr>
<tr>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
New indicator and target introduced at Additional Financing Stage.

Component: Project Management
<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of beneficiaries who are Motu-Koitabuan</td>
<td>Percentage</td>
<td>0.00</td>
<td>10.00</td>
<td>12.00</td>
<td>01-Sep-2011</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>06-Dec-2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31-Dec-2018</td>
</tr>
<tr>
<td>Comments (achievements against targets):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Achieved 120% of the target.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Community Leaders who report that youth are less likely to be engaging in criminal or anti-social activity</td>
<td>Percentage</td>
<td>0.00</td>
<td>50.00</td>
<td>86.00</td>
<td>01-Sep-2011</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>06-Dec-2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31-Dec-2018</td>
</tr>
<tr>
<td>Comments (achievements against targets):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Achieved 172% of the target.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All community members surveyed in the 2017 Community Survey perceived that UYEP had positive impacts on youth or the community. 85% reported that a positive impact of UYEP was a reduction in crime/antisocial behaviour, 68% reported the positive impact of UYEP of “an increase in employment opportunities.” 55.4% of respondents perceived an increase in knowledge and skills of UYEP youth. In addition, community members have positive general feedback on the project. 76 perceived of respondents, found the project to be well organized.</td>
</tr>
<tr>
<td>Indicator Name</td>
<td>Unit of Measure</td>
<td>Baseline</td>
<td>Original Target</td>
<td>Formally Revised Target</td>
<td>Actual Achieved at Completion</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
<td>----------</td>
<td>----------------</td>
<td>-------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Percentage of grievances addressed by the project team within 20 working days</td>
<td>Percentage</td>
<td>0.00</td>
<td>0.00</td>
<td>90.00</td>
<td>100.00</td>
</tr>
<tr>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
New indicator and target introduced at Additional Financing Stage. Achieved 111% of the target.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Original Target</th>
<th>Formally Revised Target</th>
<th>Actual Achieved at Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of women graduating from each component of UYEP: BLST, YJC, PET and OJT</td>
<td>Percentage</td>
<td>0.00</td>
<td>0.00</td>
<td>40.00</td>
<td>41.00</td>
</tr>
<tr>
<td>01-Sep-2011</td>
<td>06-Dec-2010</td>
<td>18-Nov-2015</td>
<td>31-Dec-2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments (achievements against targets):
New indicator and target introduced at Additional Financing Stage. Achieved 102% of the target.
### B. KEY OUTPUTS BY COMPONENT

**Objective/Outcome 1: To provide urban youth with income from temporary employment opportunities and to increase their employment**

| Outcome Indicators                                                                 | 1. Total number of days of workfare completed by youth over the course of the project;  
|                                                                                   | 2. Total number of beneficiaries (of Safety Nets programs [and of which are female])  
|                                                                                   | 3. Percentage of OJT graduates who have an offer of a paid job, as they leave UYEP;  
|                                                                                   | 4. The percentage of OJT graduates with a job (salaried or otherwise), three months after graduation, is 10% higher compared to controls.  
| Intermediate Results Indicators                                                  | 1. Number of YJC entrants  
|                                                                                   | 2. Percentage of participants whose estimated economic welfare falls in the bottom 40% of the NCD-(At least 33% of beneficiaries self-reporting as being from the bottom two steps of the six-step economic welfare ladder).  
|                                                                                   | 3. Percentage of beneficiaries that report an increase in knowledge, skills and confidence to participate in the labor market.  
|                                                                                   | 4. Number of beneficiaries offered an OJT placement.  
|                                                                                   | 5. Number of beneficiaries graduating from OJT  
|                                                                                   | 6. Percentage of employers and contractors who report that

---

64 PNG UYEP MTR 2014
UYEP participants have a satisfactory level of basic work skills to enter the job market.

7. Percentage of unemployed OJT graduates who looked for a job in the last 3 months compared to the control group.
8. Percentage of Motu-Koita beneficiaries.
9. Percentage of community leaders who report that participating youth are less likely to be engaging in criminal activity or anti-social activity.
10. Percentage of grievances addressed by the project team within 20 working days.
11. Percentage of female beneficiaries graduating from each component of UYEP: BLST, YJC, PET and OJT.

The initial PDO of providing urban youth with income from temporary employment opportunities and increasing youth employability remained unchanged throughout the project and its series of ISRs).

However, the project underwent a formal restructuring in August 2013 due to a series of delays that had been experienced in establishment of the office and securing the full staffing complement of the PMU and re-calibrating the design with implementation realities.

The changes included revision of the definition of “eligible urban youth”. The PNG NYP defines youth as young people between the ages of 12 and 25. The minimum age, stipulated under PNG law, for employment in is 16 years. The age requirement was widened from 16-25 to 16-35 years in response

---

to the socio-cultural context that involves a broader definition of youth where individuals are considered youth if they are unmarried, unemployed and economically dependent on their families or others for financial support. The project also recognized the benefits of having older participants to take on leadership roles within the project.

The percentage of young people living in the bottom 40% of households in terms of income was reduced from 70% to 50% in recognition that the project was working in heterogeneous target communities where there are households above and below the targeted income level.66

Table A. Revisions and additions of indicator targets

<table>
<thead>
<tr>
<th>Original Wording and Targets</th>
<th>Revised Wording and Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target of 480,000 days completed by UYEP beneficiaries</td>
<td>Target of 660,000 days completed by UYEP beneficiaries</td>
</tr>
<tr>
<td>NEW: Days of workfare completed for YJC (ISR no. 8, 28-Dec-2015)</td>
<td>NEW: Days of workfare completed for OJT (ISR no. 8, 28-Dec-2015)</td>
</tr>
<tr>
<td>NEW: Percentage of OJT graduates who have an offer of a paid job, as they leave UYEP (ISR no. 8, 28-Dec-2015)</td>
<td>NEW: Percentage of OJT graduates who have an offer of a paid job, as they leave UYEP (ISR no. 8, 28-Dec-2015)</td>
</tr>
<tr>
<td>NEW: Number of beneficiaries of Safety Nets programs (ISR no. 8, 28-Dec-2015)</td>
<td>NEW: Number of beneficiaries of Safety Nets programs - Female (ISR no. 8, 28-Dec-2015)</td>
</tr>
<tr>
<td>NEW: Percentage of unemployed UYEP graduates who looked for a job in the last 3 months is 8% points higher compared to the control group (ISR no. 8, 28-Dec-2015)</td>
<td>NEW: Percentage of unemployed UYEP graduates who looked for a job in the last 3 months is 8% points higher compared to the control group</td>
</tr>
<tr>
<td>Percentage of unemployed UYEP graduates who looked for a job in the last 3 months is 8% points higher compared to the control group</td>
<td>For OJT - Percentage of unemployed UYEP graduates who looked for a job in the last 3 months compared to the control group</td>
</tr>
<tr>
<td>NEW: Number of project beneficiaries offered an OJT placement (ISR no. 8, 28-Dec-2015)</td>
<td>NEW: Number of YJC entrants (ISR no. 8, 28-Dec-2015)</td>
</tr>
<tr>
<td>NEW: Number of YJC entrants (ISR no. 8, 28-Dec-2015)</td>
<td>Percentage of Employers and Contractors who report that UYEP participants have satisfactory levels of basic work skills to enter the job market</td>
</tr>
<tr>
<td>Target of 60% of Employers and Contractors who report the BLS and PET are relevant to general workplace needs and are satisfied with trainee performance.</td>
<td>Target of 70% of Employers and Contractors who report that UYEP participants have satisfactory levels of basic work skills to enter the job market</td>
</tr>
</tbody>
</table>

66 PNG UYEP MTR 2014
### Table B. Revisions and additions to indicators

<table>
<thead>
<tr>
<th>Revised Indicators</th>
<th>Baseline</th>
<th>Revised Target</th>
<th>Accomplishment</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVISED INDICATORS</strong></td>
<td></td>
<td></td>
<td>End of Project</td>
<td></td>
</tr>
<tr>
<td>Number of labor days completed by beneficiaries</td>
<td>0.00</td>
<td>660,000</td>
<td>819,037</td>
<td>124%</td>
</tr>
<tr>
<td>Number of direct project beneficiaries</td>
<td>0.00</td>
<td>10,500</td>
<td>18,497</td>
<td>176%</td>
</tr>
<tr>
<td>Percentage of Employers and Contractors who report that UYEP participants have satisfactory levels of basic work skills to enter the job market</td>
<td>0.00</td>
<td>70.00</td>
<td>97.00</td>
<td>138%</td>
</tr>
<tr>
<td>Percentage of beneficiaries that report an increase in knowledge, skills and confidence to participate in the labor market.</td>
<td>0.00</td>
<td>75.00</td>
<td>83.20</td>
<td>110%</td>
</tr>
<tr>
<td><strong>NEW INDICATORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Days of workfare completed for YJC</td>
<td>0.00</td>
<td>420,000</td>
<td>425,388</td>
<td>101%</td>
</tr>
<tr>
<td>Days of workfare completed for OJT</td>
<td>0.00</td>
<td>240,000</td>
<td>346,755</td>
<td>144%</td>
</tr>
<tr>
<td>Revised Indicators</td>
<td>Baseline</td>
<td>Revised Target</td>
<td>Accomplishment</td>
<td>%</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>----------</td>
<td>----------------</td>
<td>----------------</td>
<td>-------</td>
</tr>
<tr>
<td>Percentage of OJT graduates who have an offer of a paid job, as they leave UYEP</td>
<td>0.00</td>
<td>30.00</td>
<td>41.00</td>
<td>136%</td>
</tr>
<tr>
<td>Beneficiaries of Safety Nets programs</td>
<td>0.00</td>
<td>15,500</td>
<td>18,497</td>
<td>119%</td>
</tr>
<tr>
<td>Beneficiaries of Safety Nets programs - Female</td>
<td>0.00</td>
<td>6,200</td>
<td>7,584</td>
<td>122%</td>
</tr>
<tr>
<td>Percentage of unemployed UYEP graduates who looked for a job in the last 3 months is 8% points higher compared to the control group</td>
<td>0.00</td>
<td>8.00</td>
<td>19.00</td>
<td>237%</td>
</tr>
<tr>
<td>Number of Project beneficiaries offered an OJT placement</td>
<td>0.00</td>
<td>3,000</td>
<td>4,580</td>
<td>158%</td>
</tr>
<tr>
<td>Number of YJC entrants</td>
<td>0.00</td>
<td>11,500</td>
<td>11,506</td>
<td>100.05%</td>
</tr>
<tr>
<td>Percentage of beneficiaries self-reporting as being from the bottom two steps of the six-step economic welfare ladder</td>
<td>0.00</td>
<td>50.00</td>
<td>31.80</td>
<td>63.6%</td>
</tr>
<tr>
<td>Percentage of women graduating from each component of UYEP: BLST, YJC, PET and OJT</td>
<td>0.00</td>
<td>40.00</td>
<td>41.00</td>
<td>102%</td>
</tr>
<tr>
<td>Percentage of grievances addressed by the project team within 20 working day</td>
<td>0.00</td>
<td>9.00</td>
<td>100.00</td>
<td>111%</td>
</tr>
</tbody>
</table>
### A. TASK TEAM MEMBERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparation</strong></td>
<td></td>
</tr>
<tr>
<td>Ingo Wiederhofer</td>
<td>Task Team Leader</td>
</tr>
<tr>
<td>Sonya Woo</td>
<td>Senior Social Development Specialist</td>
</tr>
<tr>
<td>Stephen Hartung</td>
<td>Finance Management Specialist</td>
</tr>
<tr>
<td>Evelyn Villataro</td>
<td>Procurement Specialist</td>
</tr>
<tr>
<td>Robert McGough</td>
<td>Consultant</td>
</tr>
<tr>
<td>David Locke Newhouse</td>
<td>Senior Economist</td>
</tr>
<tr>
<td>Thao Le Nguyen</td>
<td>Senior Finance Officer</td>
</tr>
<tr>
<td>Marta Molares-Halberg</td>
<td>Lead Counsel</td>
</tr>
<tr>
<td>Nina Bhatt</td>
<td>Senior Social Development Specialist</td>
</tr>
<tr>
<td>Angela Khaminwa</td>
<td>Senior Social Development Specialist</td>
</tr>
<tr>
<td>James Orehmie Monday</td>
<td>Senior Environmental Engineer</td>
</tr>
<tr>
<td>Cynthia Dharmajaya</td>
<td>Program Assistant</td>
</tr>
<tr>
<td><strong>Supervision/ICR</strong></td>
<td></td>
</tr>
<tr>
<td>Sonya Woo</td>
<td>Task Team Leader</td>
</tr>
<tr>
<td>Ingo Wiederhofer</td>
<td>Lead Social Development Specialist</td>
</tr>
<tr>
<td>Sonya Sultan</td>
<td>Senior Social Development Specialist</td>
</tr>
<tr>
<td>Eric Leonard Blackburn</td>
<td>Procurement Specialist(s)</td>
</tr>
<tr>
<td>David Bruce Whitehead</td>
<td>Senior Financial Management Specialist</td>
</tr>
<tr>
<td>Richard Croad</td>
<td>Team Member</td>
</tr>
<tr>
<td>Faustinus Marius Ravindra Corea</td>
<td>Team Member</td>
</tr>
<tr>
<td>Dodi Doiwa</td>
<td>Social Specialist</td>
</tr>
<tr>
<td>Duangrat Laohapakakul</td>
<td>Team Member</td>
</tr>
<tr>
<td>Rob Dingen</td>
<td>Team Member</td>
</tr>
<tr>
<td>Summerville Kave</td>
<td>Team Member</td>
</tr>
</tbody>
</table>
## B. STAFF TIME AND COST

<table>
<thead>
<tr>
<th>Stage of Project Cycle</th>
<th>Staff Time and Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of staff weeks</td>
</tr>
<tr>
<td><strong>Preparation</strong></td>
<td></td>
</tr>
<tr>
<td>FY09</td>
<td>22.112</td>
</tr>
<tr>
<td>FY10</td>
<td>42.875</td>
</tr>
<tr>
<td>FY11</td>
<td>33.076</td>
</tr>
<tr>
<td>FY12</td>
<td>3.401</td>
</tr>
<tr>
<td>FY17</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101.46</strong></td>
</tr>
<tr>
<td><strong>Supervision/ICR</strong></td>
<td></td>
</tr>
<tr>
<td>FY11</td>
<td>.950</td>
</tr>
<tr>
<td>FY12</td>
<td>35.557</td>
</tr>
<tr>
<td>FY13</td>
<td>34.851</td>
</tr>
<tr>
<td>FY14</td>
<td>42.733</td>
</tr>
<tr>
<td>FY15</td>
<td>32.233</td>
</tr>
<tr>
<td>FY16</td>
<td>16.449</td>
</tr>
<tr>
<td>FY17</td>
<td>12.951</td>
</tr>
<tr>
<td>FY18</td>
<td>20.102</td>
</tr>
<tr>
<td>FY19</td>
<td>18.568</td>
</tr>
<tr>
<td>FY20</td>
<td>5.502</td>
</tr>
<tr>
<td>Total</td>
<td>219.90</td>
</tr>
</tbody>
</table>
### ANNEX 3. PROJECT COST BY COMPONENT

<table>
<thead>
<tr>
<th>Components</th>
<th>Amount at Approval (US$M)</th>
<th>Additional Financing (US$M)</th>
<th>Actual at Project Closing (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Job Corps (YJC)</td>
<td>6.9</td>
<td>4.2</td>
<td>11.08</td>
</tr>
<tr>
<td>Skills Development and Employment Scheme (SDES)</td>
<td>5.4</td>
<td>4.2</td>
<td>9.59</td>
</tr>
<tr>
<td>Project Management</td>
<td>4.4</td>
<td>2.4</td>
<td>6.83</td>
</tr>
<tr>
<td>Contingency</td>
<td>1.2</td>
<td>0</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17.9</strong></td>
<td><strong>10.8</strong></td>
<td><strong>28.70</strong></td>
</tr>
</tbody>
</table>

Note that the difference in the amounts reflected under the column titled “Amount at Approval” (above) and Datasheet (page 2) are due to: (i) the Project Appraisal Document costings total US$17.9 million including contingencies funded by the IDA Credit (US$15.8 million), KTF (US$0.6 million) and GoPNG counterpart funding (US$1.5 million), included here; and (ii) variations in the currency conversion.
Efficiency Analysis at Design

Assessment of Efficiency

Overall, the project management costs are in line with similar donor-supported programmes within PNG. The economic benefits of investment in infrastructure, the stipend for young people and the likelihood of on-going employment for a proportion of young people, as well as savings in crime reduction indicate a positive economic benefit of the project to PNG.\(^{67}\)

YJC efficiency is attributed to the considerable attention that has been paid to fine-tuning and coordinating every aspect of the YJC process. From planning of works, initial screening, registration and the creation of bank accounts for youth, to the payment of stipends and the management of YJC activities, there is now a strong linkage between the various parts of the process as well as between the UYEP team and contractors or key partners such as BSP. The project team has also emphasized close attention to the timing of activities so that there is little gap between registration and commencement of BLS training, for example, which help minimize attrition. The recent successes in implementing the MTR proposal to increase the participation of women to at least 40% also illustrates growing competence in implementing core UYEP services and the ability to manage the recruitment of participants effectively.\(^{68}\)

Benefits

The basis for each of the expected benefits from UYEP are discussed below. We illustrate how sensitive these benefits are to various assumptions by providing two scenarios. The baseline scenario provides the best estimate possible of the benefits of the program, while the conservative scenario presents the absolute minimum benefit that the program is likely to bring about. The differences between the scenarios are included in the discussion of each benefit as described below.

**BLST Training** – There are two main benefits that participants receive from five days of BLST training, which are a daily transport stipend of 7 Kina and increased education. The first benefit is straightforward to quantify as it is the total payment made in stipends to youth. The second benefit is more challenging to measure, and an existing World Bank report is drawn on to provide an estimate of the economic returns to education in PNG\(^{69}\). In this report, the average return to an additional year of education in PNG is estimated to be 7.7%. This rate of return for five-days education is applied to the minimum wage over a period of ten years to arrive at an estimate of the educational gains from BLST training. In the conservative scenario, the extreme assumption is made that there is no quantifiable benefit from the education delivered as part of the BLST Training.

**PET Training** – The same calculations that were made for the BLST Training were conducted for PET training, which

\(^{67}\) Draft Aide Memoire, ISM 8, Oct 6-18, 2014.
\(^{68}\) Draft Aide Memoire, ISM 8, Oct 6-18, 2014.
is carried out over 20 days. On average, there are 25% of the number of participants who complete PET training compared to BLST training and the training duration lasts for four times as long. Therefore, the total value of the benefit for PET training is the same as that of BLST training. In the conservative scenario, the extreme assumption is made that there is no quantifiable benefit from the education delivered as part of the PET Training.

**YJC Employment Stipends** – The main immediate benefit for YJC participants that can be quantified is the training stipend they are paid of 3.5 Kina per hour (7 hours a day) for the 40 days of the program. There are other benefits from the program that are likely to exist such as basic skill development and improved self-confidence. However, they are excluded from this part of the cost benefit calculation as it is assumed these benefits will be reflected in Post YJC employment. Given the stipends are a set amount, the same value of the benefits is used across both scenarios.

**OJT Employment Stipends** - The main immediate benefit for OJT participants that can be quantified is the training stipend they are paid of 3.5 Kina per hour (7 hours a day) for the 110 days of the program. The other benefits from OJT are excluded from this component of the cost benefit calculation as it is assumed, they will be reflected in Post OJT employment. Given the stipends are a set amount, the same value of the benefits is used across both scenarios.

**Post YJC Employment** – The UYEP’s 2017 impact evaluation showed that YJC participants were on average 24.1 percentage points more likely to be employed than the comparison group 12 to 18 months following the completion of the program. It is assumed that these additional employment benefits will last over a period of ten years and the YJC participants will receive the minimum wage in the baseline scenario. In the conservative scenario, it is assumed that only half of this rate of employment will exist in the future. Based on a forthcoming impact evaluation around 60% of those employed are assumed to work full time (240 days a year), while 40% work part time (120 days a year).

**Post SDES Employment** – The updated 2018 impact evaluation has shown that the additional benefit of doing SDES (beyond just YJC) was an employment rate of 25 percentage points between 6 to 12 months following the completion of the program. It is assumed that these additional employment benefits will last over a period of ten years and the SDES participants will receive the minimum wage in the baseline scenario. In the conservative scenario, it is assumed that only half of this rate of employment will exist in the future. Based on the forthcoming impact evaluation around 60% of those employed are assumed to work full time (240 days a year), while 40% work part time (120 days a year).

**Value of Public Works Program** – The value of the public works component of this program was based upon the cost of inputs (materials for road maintenance and footpaths) as was the case in the 2015 economic analysis of this program. This figure was not included in the conservative scenario.

**Costs**

Project costs are broken down by three components, which are YJC, SDES and project management. On average, the total cost per YJC youth trained is around PGK5,000 (US$1,500) inclusive of project management overheads, while the total cost per SDES youth is around PGK10,000 (US$3,000) inclusive of project management overheads. The total cost per beneficiary has been relatively stable over the last three years with on average SDES making up the largest share (50.1%), followed by YJC (37.5%) and program management (12.4%). Program management costs have been falling as a percentage of the overall cost and are around 1000 Kina per participant. The temporary fall in cost for SDES (and increase in YJC) in 2016 is due to a “one-off” management decision to reduce the period of OJT by providing participants work at the FIFA World Cup as opposed to the standard job placement program.

---

70 [https://openknowledge.worldbank.org/handle/10986/26470](https://openknowledge.worldbank.org/handle/10986/26470)
Benefit to Cost Ratio of the Program

For every US$1 spent on the UYEP program around US$2.90 is generated in benefits, based upon the benefits and costs presented above (Table 4a71). Even under very pessimistic assumptions, the project would have a benefit to cost ratio of 1.41, which is still a worthwhile investment. For every 1,000 youth that participate in UYEP, around US$5.7 million (PGK 18.6 million) is generated in benefits in the baseline scenario (around US$2.8 million (PGK 9.1 million) in the conservative scenario). The reason that the benefit to costs ratios is so high in the case of UYEP is that there are large employment impacts from UYEP with almost half of SDES youth and around one quarter of YJC youth being employed well after the completion of the program.

<table>
<thead>
<tr>
<th>Benefit to Cost ratio</th>
<th>Conservative Scenario</th>
<th>Moderate Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit to Cost ratio</td>
<td>1.41</td>
<td>2.90</td>
</tr>
</tbody>
</table>

The high benefit to cost ratio of UYEP is particularly remarkable considering international experience that shows similar types of programs do not tend to have benefits larger then costs, especially in the case of TVET programs. However, the design and context that UYEP is operating in is quite unique. Unlike most ALMPs, UYEP is a comprehensive program that provides long term unemployed youth with training, job searching and matching as well as medium term, fully subsidized work experience. This resulted in substantially higher post program employment rates than what has been observed in other countries. In addition, UYEP is one of only a few opportunities for youth to enter the formal sector in NCD as an economic downturn has reduced the number of jobs available.

The success of UYEP is contingent on public finance as the employment benefits would not be generated if left to the private sector alone. Employers face large screening costs that UYEP helps overcome by providing them with an opportunity to examine participants’ capability who have been matched with that job at no cost. Surveys of UYEP employers highlight the subsidizing of wages and matching participants to roles is incredibly crucial as without this incentive many employers would not have taken the risk to hire the youth in the first instance. In addition, UYEP provides basic orientation training prior to employment. This helps to ensure that participants have skills suited for the workplace, which directly addresses skill shortages in the labor market. Most participants are not in a financial position to be able to borrow money in advance to receive this training, which further highlights that relying on the private sector is not a realistic substitute for public finance.

Table 4b shows cost benefit ratios for each of the scenarios as well as the estimates of the costs and benefits of the program modeled upon a program of 1,000 YJC and 250 SDES youth. The calculations are based on existing program data and the assumptions above.

---

71 Costs for consultants have been moved to the respective components.
Table 4b. Analysis of benefits

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>CONSERVATIVE</th>
<th>BASELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(per year)</td>
<td>beneficiarie(s)</td>
</tr>
<tr>
<td>BLST Training - Value of Education</td>
<td>5</td>
<td>1000</td>
</tr>
<tr>
<td>BLST Training - Stipends</td>
<td>5</td>
<td>1000</td>
</tr>
<tr>
<td>PET Training - Value of Education</td>
<td>20</td>
<td>250</td>
</tr>
<tr>
<td>PET Training - Stipends</td>
<td>20</td>
<td>250</td>
</tr>
<tr>
<td>VJC Employment (stipends)</td>
<td>40</td>
<td>1000</td>
</tr>
<tr>
<td>OJT Employment (stipends)</td>
<td>110</td>
<td>250</td>
</tr>
<tr>
<td>Post VJC Employment - Part time</td>
<td>120</td>
<td>95</td>
</tr>
<tr>
<td>Post OJT Employment - Full time</td>
<td>240</td>
<td>145</td>
</tr>
<tr>
<td>Post OJT Employment - Part time</td>
<td>120</td>
<td>25</td>
</tr>
<tr>
<td>Post OJT Employment - Full time</td>
<td>240</td>
<td>38</td>
</tr>
<tr>
<td>Value of Public Works</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL BENEFIT</td>
<td>8867950</td>
<td>2,779,922</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COSTS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VJC Component</td>
<td>1000</td>
<td>3786000</td>
</tr>
<tr>
<td>SDSS Component</td>
<td>250</td>
<td>1257500</td>
</tr>
<tr>
<td>Project Management</td>
<td>1000</td>
<td>1244000</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>6287500</td>
<td>1,971,003</td>
</tr>
</tbody>
</table>

| BENEFIT COST RATIO             | 1.41         | 2.90        |

UYEP also generates benefits beyond the participants and employers themselves, such as reduced anti-social behavior and improved job-search behavior, confidence levels and mental health\(^{72}\). For example, 60% of OJT youth were involved in crime in the six months prior to the participating in the program, compared to 38% in the 6 months prior to a FUS in 2017\(^{73}\). These positive externalities are not fully captured by private actors as they benefit the community at large, which means public finance is required to ensure that these activities are not underfunded.

The Bank has played an important contribution to ensure the quality of UYEP by providing international expertise on the design of the program and monitoring and evaluation. By drawing upon best practice from programs across the globe, UYEP has been designed to ensure that it is more comprehensive than most ALMPs to overcome multiple challenges in the labor market. In addition, the impact evaluations that have been conducted provide rigorous evidence around the order of magnitude of the effect of different components of UYEP. It would be challenging for these evaluations to be conducted without the involvement of the World Bank.

The main benefit from the program is the higher rate of employment participants experience following the completion of the program. The two largest costs are the stipends paid to program participants and the resources required for the public works. The table below shows the expected benefits and costs from the program over the next four years (details about how these were calculated follow\(^{74}\)).

\(^{72}\) See February 2018 World Bank Aide Memoire.

\(^{73}\) Ibid.

\(^{74}\) For the purposes of the economic analysis, the US$5million project contingency is excluded (i.e. the total cost of the project for the purposes of the economic analysis is US$30million). It is expected the contingency will be drawn on to fund more
opportunities for youth to participate in the program, however the exact number of placements cannot be determined at this time.

75 The costs include taxation at a rate of around 15%. For the purposes of the cost benefit ratio, we use costs net of taxes.
ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS

Summary of stakeholder consultation

A Project Completion Report (PCR) was received from NCDC on November 22, 2019. In addition, as part of the preparation of UYEP Stakeholder comments, several key meetings were held during the ICR mission, including a youth participants’ consultation, a MK consultation, interviews with employers in addition to an Implementation Completion Review Stakeholder Workshop. Each session provided updated information on the project progress and impact assessment, tested results and assumptions, validated data sources and added further depth of understanding to the ICR. The summaries below capture the key points, focusing on additional qualitative findings.

Summary of youth consultation

The youth workshops were used a most-significant-change methodology to provide a reference point per participant against which to assess their experience of UYEP. The exercise demonstrated that UYEP has resulted in substantial changes in the lives of participants, regardless of whether they attended only part (e.g. BLST only or training and practical work experience) or the full process (BLST and PET and work placement). However, the most significant results were experienced by those who had the opportunity to participate in the full process. Key points agreed by the young people during the discussions of results were:

- The program is well organized. It is possible for anyone to be included
- The role of the community mobiliser is very important to engage young people and encourage them to join the program.
- The training includes young people from the same neighborhood who would not normally associate.
- Making friends and working as a team in the training is a life changing experience that is lasting because many remain friends and helped to improve community safety.
- MK youth rated benefits even higher than general youth; with a stronger appreciation for an opportunity when they usually feel marginalized.
- Learning basic life skills is hard at first but then the way the training is delivered changes attitudes; it informs about important things, it challenges participants to change and inspires confidence in abilities.
- The program has a positive effect equally for male and female participants; gender equality and GBV was a

Box 1. Participant voices

Truscott – I went through all parts of the project and learned many things. I am now studying tourism at TAFE.

Joyce – I was not able to complete all steps but I learned confidence, values, why drains are important for our environment. Now I teach children in my community these things.

Emily – I had no belief in myself, I had school certificates but could not get a job. I talked in the community about how UYEP changed me, then other young people came to me and I was able to and get that opportunity for others. That made me feel that I have done something valuable.

George – I am in the Motu Koita community, we had no employment. UYEP was a second chance for us. I learned in the training but also learned so much when I went into the IT department at POMGEN. I learned about wifi and travelled to help set up networks. Now I want to study about IT.
topic that many mentioned as being an important part of the training;

- Other important experiences were that many have used the skills they learned within their lives e.g. nutrition, concreting, vegetation control, conflict management, amongst others. There was a suggestion to increase the length of the BLST to provide more skills and build confidence further. Another common comment was that there are still many young people who have not been through UYEP and they want others to have the experience that they have had.

Summary of community consultations

The feedback from the community group included people with first-hand knowledge of UYEP such as community mobilizers or with family members in the program, and those with less knowledge of the program. There was in general very positive feedback on the program, despite different views and perspectives on local priorities. All believe that there is little support for young people and that the project has been important because it focuses on them. The majority were aware of the works carried out and believe that they have been of benefit to the local areas. There were consistent points raised and clear agreement across the group that there needs to be a greater focus on building skills and pathways to long term employment. Specific points raised were:

- It is believed that there are now more jobs available but young people don’t have the skills to compete.
- Some have noticed some young people becoming employed. However, most felt that the project did not go far enough; noting that many of the young people who participated (particularly in labor-based works) are now back in the community without a job or trade skills.
- The project must do more than just keep young people busy, it needs to change attitudes. This has been observed in some but not all cases.
- The change in behavior does have an impact on the streets. They are safer now. They do believe there has been a reduction in crime in the areas where the program has been working.

Summary of employer consultations

Employers were met with individually to gain their feedback on the project. In particular, the high level of satisfaction from the employee survey (97%) was tested. Overall, the employers confirmed the positive response. Employers provided consistent feedback on the advantages of the UYEP support to their businesses:

- It is easy to recruit new applicants through UYEP. Initially the batches were mixed but over time, the project was able to send participants that had potential skills applicable to their needs. Employers also knew that UYEP participants will have provided basic skills training. This was easier than going to the general market.
- UYEP participants tend to have more confidence than general applicants. The BLST also taught participants to speak up and to work in a team.
- Once entering employee orientation, employers found the level of skills to be equivalent to general applicants.
- Although attitudes of UYEP participants did vary, generally they had positive attitudes to work. Several larger employers mentioned that the PET tended to lead to expectations that were too high and that some participants were unwilling to carry out menial tasks and so drop out.
- UYEP provides a way to cover the risks of finding good staff, the program covers the initial period of orientation and training but does not obligate the company if participants are not a good fit. This means that the overall success rate of finding suitable applicants through the UYEP process is more cost-effective.
(note: in the case of one small business Solar Solutions, the CEO reported that he could not have grown his business as fast without UYEP. Now three of his work-force of 12 permanent staff are from UYEP and each one is playing a critical role in the company growth).

All employers pointed to examples of high quality “star” performers in their staff who have come from UYEP and been promoted to critical permanent roles e.g. a national fleet manager, accounts officer, assistant to Director, marketing and sales team leader, etc.). These staff often have roles that see them responsible to business operations in other areas of PNG not only in Port Moresby, demonstrating a wider scope of impact beyond the expected outcomes of the project.

BSP Interview

The BSP has been a partner in the project from the beginning and in general supports the program. Initially it went well but then in 2015-2016, BSP experienced a series of fraudulent activity linked to the project. There was collusion between internal BSP employees and young people to arrange large deposits into personal accounts and then cash withdrawal which is was thought was passed to other criminals. It took BSP some time to identify the issue and find around 50-60 cases. At the time, BSP considered withdrawing from the program but realized that the young people were being exploited by criminal associated. There have been no further issues and 50 out of 18,500 is still a successful contribution. BSP realizes the value of investing in young people and has a current children’s saver account that it is promoting. It is not clear how many of the accounts are still active but based on the information of the level of employment after UYEP, it is likely that the level of active accounts will be higher on average than the general population where there is a high percentage of dormant accounts.

ICR Review Workshop (including post-workshop review meeting with Ministry of National Planning and Monitoring)

The main stakeholders’ consultation included representatives from the Australian High Commission, NCDC, employers, young people, including MK representatives and project staff. Ministry of National Planning and Monitoring was unable to attend but the presentation was made the following day to gain their feedback. The feedback focused on the main challenges experienced and the lessons learned from the project.

Challenges: The targeting and selection of communities was challenging because the need was so high and finding the balance between city-wide spread and community engagement was difficult. The whole city has not been covered and there is still very high demand. The MK community feels that the program should have had a higher target for MK participation given they are traditional land-owners; 50:50 would have been fairer. The critical issues for the project are the sustainability of the activities and the next steps for building skills for employment.

Lessons learned: Building of community networks was a strength of the project that creates long term benefit. The quality of the trainers in inspiring and creating motivation was important; otherwise the skills would not have been applied with the right attitude. It is not just the training but also the coaching and mentoring by both the project and the employers. The successful young people in the community are now acting as role models for others to follow so there is likely to be a wider impact of the project.
ANNEX 6A. PHOTOGRAPHS

Figure 2. Gordons Erima youth laid 803m² of paving blocks in front of the Sir John Guise Stadium and installed a footpath along the perimeter as a part of the YJC program.

Figure 3. YJC Youth from 8-9 Mile, NCD ward 12 Buried the late Susan Huhume Karike July 2017, the PNG Flag Designer in a constructed Tomb complete with house over it.
Figure 4. Paving Blocks Installed and concrete parking lot for Bomana Primary school, NCD ward 12. A project under the YJC program.

Figure 5. YJC project. Moresby South youth laid 572m2 of Paving Blocks at the Gabutu Manubada Beach Park, fixing the Haus win and constructed masonry retaining walls and Steel pipe barriers.
Figure 6. Hanuabada, NCD Ward 1 YJC youth constructed Footpath Infront of St. Michael Primary School and installed paving blocks in the School open Assembly Area.

Before

After

Figure 7. Parking lot constructed and fence repaired by YJC youth for the Hohola Catholic Jubilee Secondary School.
Figure 8. One of the first BLST Classes doing an activity

Figure 9. OJT youth engaged in hotel services.

Figure 10. Mrs. Linda Babao O'Neill and beauty pageant contestants visiting the FIFA OJT Training

Figure 11. OJT graduates now permanently employed with Port Moresby General Hospital and Laga Industries.
ANNEX 6B. MAPS OF PORT MORESBY AND PAPUA NEW GUINEA

Figure 12. Map of Port Moresby highlighting project Wards
Figure 13. Map of Papua New Guinea