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## Social dialogue for formalization and employability in the Southern Neighborhood Region (SOLIFEM)

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<b>Evaluation nature</b>	: Internal
<b>Project country</b>	: Algeria, Egypt, Lebanon, and Occupied Palestinian Territories (OPT), and other countries of the Southern Neighborhood region.
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This "internal evaluation" followed a formalized evaluation process managed by an officer of the Regional Programming Unit of the Regional Office for Africa of the ILO. The purpose of internal evaluations largely serves organizational learning.

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## List of Acronyms

ACTRAV	ILO Bureau for Workers' Activities
ACT/EMP	ILO Bureau for Employers' Activities
ALI	Association of Lebanese Industrialists
ATUC	Arab Trade Union Confederation
CGEA	Confédération Générale des Entreprises Algériennes
CGTL	General Confederation of Lebanese Workers
CNESE	Conseil National Economique, Social et Environnemental
CREAD	Centre de Recherche en Économie Appliquée pour le Développement
CO	Country Office
COFIL	Comité de Pilotage
COVID19	Coronavirus Disease Pandemic
CP	Country Programme
CTA	Chief Technical Adviser
DG NEAR	General Directorate Neighbourhood and Enlargement Negotiations
DWCP	Decent Work Country Programme
DWT	Decent Work Team
EDLC	Egyptian Democratic Labour Congress
ETUF	Egyptian Trade Union Federation
EQ	Evaluative Question
FEI	Federation of Egyptian Industries
FENASOL	Federation of Worker and Employee Trade Unions in Lebanon
FPCCIA	Federation Palestinian Chambers of Commerce, Industry and Agriculture
ILO	International Labour Organization
INWORK	Inclusive Labour Markets, Labour Relations and Working Conditions Branch
IOE	International Organisation of Employers
IR	Inception Report
ITUC	International Trade Union Confederation
JSC	Joint Steering Committee
LLL	Lifelong Learning
MENA	Middle East and North Africa
M&E	Monitoring and Evaluation
MoL	Ministry of Labour
NGO	Non-Governmental Organization
NPC	National Project Coordinator
OPT	Occupied Palestinian Territories
PFM	Public Finance Management

PFGTU	Palestine General Federation of Trade Unions
PRODOC	Project Document
REO	Regional Evaluation Office
ROAF	Regional Office for Africa
ROAS	Regional Office for Arab States
SIDA	Swedish International Development Agency
SDG	Sustainable Development Goal
SOLID	Promotion of Social Dialogue in the Southern Mediterranean Neighborhood
SOLIFEM	Social Dialogue for formalization and employability in the Southern Neighborhood Region
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
UGTA	Union Générale des Travailleurs Algériens
UN	United Nations
UNDCF	United Nations Development Cooperation Framework
UNSDCF	United Nations Sustainable Development Cooperation Framework

## **Executive Summary**

### **Summary of the project purpose, logic and structure**

SOLIFEM aims to enhance formal employment, through social dialogue, particularly for young people and women, and increase the operation of enterprises in the formal economy within the Southern Neighbourhood region. The project's intervention logic includes two key outcomes. This first outcome focuses on enabling national policy frameworks to facilitate the transition of workers and economic units from the informal to the formal economy, developed through dialogue among tripartite constituents.

Outcome 2 focuses on strengthening skills development systems, enabling young people and women in the informal economy to access formal employment.

### **Purpose, scope and clients of the evaluation**

The mid-term evaluation of the SOLIFEM project aims to assess its impact and progress across four focus countries/territories. It examines the project's relevance, effectiveness, efficiency, and potential for sustainability. It also considers how well the project is meeting its outcomes, analyzes the impact of contextual factors on its implementation, and evaluates its approach to incorporating gender equality, inclusivity, social dialogue, international labour standards, and environmental sustainability. The evaluation offers recommendations for enhancing project delivery and outcomes, and identify lessons learned and good practices to guide the remaining implementation period.

The primary clients of the evaluation are the tripartite constituents, the Governments, the Employers and Workers' Organizations, in Algeria, Egypt, Lebanon and OPT. In addition to the above, the ILO CO Algiers, SOLIFEM CTA and team members, the ILO DWT Office in Cairo, the ILO Regional Office for Africa (ROAF), the ILO Regional Office for Arab States (ROAS) and the relevant technical units in ILO Headquarters, and the donor, represented by the European Commission in Brussels and its delegations in the four focus countries/territories.

### **Evaluation criteria**

The evaluation covered the following evaluation criteria (in line with the DAC criteria, UNEG guidelines and ILO evaluation policy guidelines):

- Relevance and strategic fit.
- Coherence
- Effectiveness of project implementation and management arrangements.
- Efficiency of resource use and project set-up.
- Sustainability

- Impact orientation

### **Methodology of evaluation**

The methodological approach for data collection has been primarily qualitative in nature. Quantitative data has been drawn from project documents and reports and incorporated into the analysis. The evaluation has comprised the following Data Collection Methods: Desk review, Prior to beginning the interviews, the independent evaluator has reviewed numerous project-related documents covering a wide range of project background, design, and implementation.

Semi-Structured Interviews in the field mission: The evaluator conducted online interviews in Egypt, Lebanon and the OPT and a one-week field mission to Algiers from November 13th to November 17th. A total of 61 people has participated.

### **Findings of the evaluation**

#### **Relevance and coherence**

SOLIFEM is highly relevant and aligned with various regional and international policy frameworks and priorities. It aligns with EU policy frameworks and ILO priorities on social dialogue, formalization, and employability. The project also aligns with the priorities expressed in the Union for the Mediterranean (UfM) ministerial conferences on employment and labor, emphasizing the importance of effective social dialogue. It is in line with ILO Recommendation No 204 on the transition from informal to formal economy and contributes to the ILO's global policy outcomes, especially in strengthening social dialogue and formalization strategies.

Stakeholders in focus countries demonstrate commitment to formalization, with employers' organizations prioritizing it for various benefits. Governments, especially in Algeria, are actively involved in supporting formalization efforts. Worker organizations, while varying in commitment levels, are increasingly interested in formalization to expand union membership and address the needs of informal workers, particularly in the aftermath of the COVID-19 pandemic, which brought new workforce challenges and opportunities.

The social dialogue approach to tackling informality has proven to be highly pertinent. This is because the issue of "formalization" is less confrontational, offering benefits to all involved parties and the potential for mutually advantageous outcomes within the dialogue. The move towards formality offers advantages to all stakeholders and is well-suited for discussions at lower levels, including sector-specific dialogues, without becoming overly politicized. As a result, it can serve as a basis for nurturing dialogue at higher levels of decision-making.

While the project's design commendably aligns with the ILO's strategy to facilitate the transition from informality to formality as per ILO Recommendation 204, its logframe

and Results framework may appear overly ambitious given the project's duration. The evaluation suggests that both project outcomes, particularly Outcome 2, may exceed the feasible scope for the scale of intervention represented by SOLIFEM. Outcome 1 appears to be a better fit, tailored to the size and scope of the project's initiative, and aligns more closely with stakeholders' interests and capacities.

### **Effectiveness**

SOLIFEM is contributing to the enhancement of national policy frameworks aimed at facilitating the transition of informal economy workers and economic units to the formal economy through tripartite dialogue in its four focus countries. This contribution is realized through two primary strategies: firstly, it assists in the development of sector-specific tripartite diagnostics to identify the factors, characteristics, causes, circumstances, and needs of informal economy workers and units. Secondly, it strengthens social dialogue institutions and mechanisms, particularly involving social partners, to better address the challenges of informality and promote the transition to the formal economy. While SOLIFEM has achieved results at the Output level, it has not yet reached the Outcome level, partly due to implementation delays.

Social dialogue institutions, particularly social partners, have seen an improvement in their capacity to address informality within the four focus countries due to SOLIFEM's efforts in Output 1.2. The project has conducted capacity-building activities for various social partner organizations. In Algeria, a higher number of participants come from the government, reflecting the extensive involvement of various ministries in the project's activities. In Egypt, capacity building has been extended to both social partners, including employers' organizations and unions. In Lebanon and the OPT, a similar approach has been taken, involving all three constituents.

### **Efficiency**

SOLIFEM's Outcome 2, which focuses on skills development, is experiencing significant delays. While there has been initial progress observed in Algeria, preliminary activities are also underway in other participating countries. Collaborative efforts involving tripartite stakeholders have been launched in Algeria, Egypt, and Lebanon under Output 2.1, aiming to assess skills training methods and identify employability gaps within specific sectors.

SOLIFEM organized a first regional meeting in Algiers in November 2022 with stakeholders found highly relevant to their interests, needs, and objectives, with valuable insights provided by experienced speakers, facilitators, and panelists on the challenges of formalization. The majority of interviewed stakeholders expressed their willingness to participate in practical workshops and opportunities for peer-to-peer learning within smaller, interactive groups.

## **Impact Orientation and Sustainability**

SOLIFEM has made notable contributions in the participating countries, particularly in the realm of changing perceptions and practices concerning informality and the transition to formality, mainly through awareness-raising activities. The project has improved awareness about informality by developing diagnostic tools to illuminate the informality landscape in various countries. National stakeholders in the focus countries have recognized a shift in mindset and a better comprehension of the causes, characteristics, and factors linked to informality. This altered mindset is prompting organizations to be more prepared for the challenges associated with moving towards formality, though the extent of these changes may vary. However, SOLIFEM's expected impact on women is at risk unless specific measures are taken before the end of project's implementation.

### **Lessons learned.**

**Lesson Learned 1** on Adopting a Sector Approach for Diagnostics in Transitioning to Formality.

SOLIFEM's utilization of a sector approach for diagnostics in transitioning to formality marks a departure from conventional ILO interventions. This unique approach offers several benefits, including enhanced collaboration with sector-specific organizations and improved coordination with national ILO constituents. The Sector Approach implies the following advantages: a) **Strengthening Coordination:** SOLIFEM's sector-focused diagnostics foster more vital collaboration with organizations deeply entrenched in specific sectors. This engagement serves to reinforce coordination efforts with national ILO constituents, thereby enhancing the effectiveness of transitioning to formality initiatives; b) **Identifying Common Sectors:** Several countries commonly grapple with informality in sectors like agriculture and agri-food. By targeting these shared sectors, SOLIFEM maximizes its impact by addressing pervasive issues across different contexts, making interventions more relevant and adaptable; c) **Gender Perspective:** An essential aspect of adopting a sector approach is the consideration of gender dynamics. Recognizing that certain sectors may disproportionately affect women, SOLIFEM endeavors to incorporate gender-sensitive strategies. This approach ensures that the transition to formality has a positive impact on women, promoting gender equality and empowerment.

**Lesson Learned 2** on the in-depth capacity building for trade unions on informality, social dialogue, social protection and the role of the trade unions.

In the context of Egypt, SOLIFEM undertook a significant capacity-building initiative aimed at empowering trade unions to effectively tackle issues related to informality, social dialogue, and social protection, while also emphasizing the pivotal role trade



unions play in this process. This valuable experience offers several key lessons that can be applied in similar contexts worldwide.

- **Comprehensive Capacity Building is Essential**

SOLIFEM's approach of providing an all-encompassing capacity-building program was instrumental in driving success. Addressing multiple facets simultaneously - awareness, membership growth, and collaboration with the National Social Insurance System - allowed for a holistic approach to the challenges posed by informality. This lesson underscores the importance of taking a comprehensive view when strengthening trade unions, as it ensures a well-rounded strategy.

- **Raising Awareness is the First Step**

Initiating the program with a focus on raising awareness about informality, social dialogue, and social protection was a strategic move. By educating trade unions and their members about these issues, SOLIFEM enabled them to grasp the significance of the problem and the role they could play in solving it. This underscores the importance of knowledge dissemination as a foundation for any capacity-building initiative.

- **Expanding Membership Base Strengthens Influence**

One of the remarkable outcomes of the program was trade unions' renewed commitment to expanding their membership base. The recognition that a broader membership would enhance their influence and bargaining power exemplifies the synergy between capacity building and practical outcomes. This lesson reinforces the idea that membership growth is not just a numerical goal but a strategic imperative for trade unions seeking to address informality effectively.

- **Proactive Engagement with Informal Workers is Necessary**

Post-program, trade unions in Egypt proactively contacted workers in the informal economy. This proactive engagement is a testament to the success of the capacity-building initiative. It emphasizes that trade unions must actively seek out and represent the interests of informal workers rather than waiting for them to join. This lesson highlights the importance of being proactive and responsive to the needs of all workers.

### **Emerging Good Practice 1** on the exchange of experiences among peers

The OPT delegation participated in a 2-day exchange visit to Algeria, where many meetings were conducted with officials from the Ministry of Labour, Ministry of training and vocational training, and Ministry of knowledge Economy, start-ups and micro-enterprises and visits to local training centers. Many important topics were discussed, including employment, social security, and governance of the labour sector. The knowledge exchange also included the vocational training sector and entrepreneurship accelerators. A very successful visiting program to Algerian institutions was organized,

where the Palestinian authorities tapped into the role of the government in supporting young graduates. This included their training, the creation of job opportunities, and ensuring their enrollment in formal work. The visits also included other aspects, such as social security and the National Unemployment Insurance Fund. The exchange between employer organizations was highly appreciated by both parties, despite being somewhat constrained due to the distinct profiles and purposes of the two organizations (with FPCCIA being the Federation Palestinian Chambers of Commerce, Industry and Agriculture). Overall, the visit was regarded as an exceptionally productive experience, and the interviewees expressed their desire for more visits and meetings in the future, allowing them to engage with different contexts and thereby expedite progress towards formalization.

**Emerging Good Practice 2** on “Formalize your Business” approach: business registration, bookkeeping, compliance with social security, and adherence to labor law regulations.

The project in Lebanon is implementing a Help Desk to support the Association of Lebanese Industries (ALI) to enhance the formalization of economic units in the country. The project cooperates with the ILO Headquarters (ENTERPRISES) to adapt some existing ILO materials to the Lebanese context. The project has hired a Lebanese lawyer for that endeavor. He has also gained experience from other countries, like Gambia. Egypt is also adapting the tool.

Emerging Good Practice 3: Dissemination of studies’ results at the local level shows effectiveness. Members of employers’ organizations at local structure level may be better placed to reach informal economic units.

The project in Algeria conducted a study on subcontracting and formalization for private companies in the BTPH (Building, Public Works, and Hydraulics). This study was carried out in collaboration with the General Confederation of Algerian Enterprises (CGEA), which contributed to its enrichment by organizing four workshops to present the study’s results at the local level (one workshop in each of the four regions: East, West, North, and South). This approach of presenting the results at the local level facilitated the dissemination of information in these four regions and the involvement of local representatives of the CGEA in the planning and organization of the workshops, as well as in raising awareness about the risks of informal work and the benefits of formalization.

## Recommendations

N°	Recommendation	Addressee	Timing	Level of Resources
<b>R1</b>	Maintain a strong focus on social dialogue as a key strategy in addressing informality. The non-confrontational and mutually beneficial nature of this approach aligns well with the project's goals.	The donor, ILO, Project staff	Immediately-applicable Potential SOLIFEM Phase 2 Long term for future programming.	Low
<b>R2</b>	Continue to enhance the capacity of social dialogue institutions and mechanisms, particularly social partners, to effectively address informality. This may include providing training, resources, and support to strengthen their ability to engage in meaningful dialogue. Prioritize capacity building activities organized jointly for both unions and employers organizations	Project staff	Short-term Potential SOLIFEM Phase 2	Medium
<b>R3</b>	Disseminate among EU staff and interested stakeholders the online course on Social Dialogue prepared by DG INPTA and DG NEAR which contains a chapter on SD to address Informality : <a href="https://webgate.ec.europa.eu/intpa-academy/search/index.php?q=social+dialogue">https://webgate.ec.europa.eu/intpa-academy/search/index.php?q=social+dialogue</a>	EU Staff in the Southern Neighborhood Region SOLIFEM Project Staff	Immediately-applicable	Low
<b>R4</b>	Reevaluate Outcome Targets: Consider revisiting the outcome targets for both Outcome 1 and Outcome 2 to ensure they are realistic and achievable within the project's duration. Engage with stakeholders to determine feasible goals that align with the project's resources and capacity. Prioritize Outcome 1: Given the alignment of Outcome 1 with the project's size, scope, and stakeholder interests, prioritize this outcome. Allocate resources and efforts accordingly to maximize the impact of the project in this area.	SOLIFEM Project staff, HQ and tripartite stakeholders	Immediately-applicable	Low

<b>R5</b>	Adjust Outcome 2: While Outcome 2 is important, it may require adjustments to make it more attainable within the project's limitations. Consider focusing on specific aspects of skills development that can be effectively addressed within the project's timeframe and resources.	Project HQ and tripartite stakeholders	staff, and	Immediately-applicable	Low
<b>R6</b>	Diversify meeting formats in the regional events including practical workshops with thematic focus, roundtable discussions, and interactive sessions. These formats can provide opportunities for participants to engage actively and share their experiences. Facilitate opportunities for peer-to-peer learning by organizing exchange visits where stakeholders can share their real-life experiences and best practices.	Project ILO	staff,	ShortTerm Potential SOLIFEM Phase 2	High
<b>R7</b>	Enhance Women's Participation: Develop targeted strategies to increase women's participation in project activities, including a specific approach under Outcome 2.	Project National tripartite stakeholders	staff,	Short-term	Medium
<b>R8</b>	Design a framework of action for the ILO in the MENA region with the priorities on informality gender, and social dialogue	ILO Africa, DWTs	North ROAS,	Medium Term	Medium
<b>R9</b>	Invest in capacity building for project staff to enhance their ability to effectively manage and implement the project, especially in areas that may face challenges.	Project staff		Immediately-applicable	Medium
<b>R10</b>	Provide a non-cost extension to ensure the successful completion of the outstanding outputs in each respective country.	EU		Short Term	Low
<b>R11</b>	In future programming ensure that national chapters of the regional programme can adapt their logframes to their contexts	EU and the ILO		Long Term future programming Potential SOLIFEM Phase 2	Low

<b>R12</b>	For the future, ensure that gender considerations are integrated into social dialogue efforts. Select sectors where women are the primary workforce.	ILO & National Stakeholders	Long Term future programming Potential SOLIFEM Phase 2	Low
<b>R13</b>	Improve the reporting and monitoring mechanism by preparing quaterly reports focused on Outputs and Outcomes achievements.	SOLIFEM CTA and national coordinators	Immediately- applicable (for the remaining part of the current phase)	Medium
<b>R14</b>	Enhance the sustainability of the project's achievements by firmly establishing the project within permanent social dialogue structures.	National Stakeholders	Immediately- applicable (for the remaining part of the current phase)	Medium

## 1. Background and Project's Description

1. In the Southern Neighbourhood of the European Union (EU), many countries continue to grapple with the lasting repercussions of significant past crises, notably the global recession of 2008 and the Arab Spring in 2011. Furthermore, these countries are now contending with the profound impact of the COVID-19 crisis, which has cast a shadow over the potential and aspirations of their populations. According to data from the International Labour Organization (ILO), a substantial portion of the workforce in the Southern Neighbourhood countries, ranging from 40 to 67 percent, operates within the informal economy. A lack of job security, social protection, and other essential labor rights marks this informal sector.

2. The informal economy, characterized by a wide range of situations across the region and within countries, has been further exacerbated in most countries due to various factors such as structural adjustments, high unemployment rates, inequality, and social exclusion. The adverse impacts of the COVID-19 pandemic on young workers, women, and the most vulnerable groups in the informal economy claim for a strong tripartite cooperation between constituents and inclusive social dialogue, as recognized in ILO analysis and assessment of the impact of the COVID-19 crisis on the world of work.<sup>1</sup> ILO analysis has also highlighted the devastating impact of the crisis on the incomes of workers in the informal economy.<sup>2</sup>

3. Furthermore, the prevailing trends in Southern Neighbourhood countries consistently demonstrate that informal employment is intrinsically linked to worse working conditions, lower wages, and diminished productivity when compared to formal employment. Consequently, the informal economy poses substantial impediments to the realization of full and productive employment as well as the provision of decent work opportunities for all. In the absence of the safeguards afforded by labor rights regulations, workers engaged in the informal economy are denied critical protections such as minimum wage guarantees, maternity benefits, and access to social safety nets like healthcare services, paid sick leave, or unemployment insurance. Moreover, they lack avenues for seeking redress in cases of employer misconduct. The prevalence of informality further constrains the dynamism, efficiency, and competitiveness of the private sector, thus impeding overall growth and development.

4. Within this challenging framework, private sector enterprises of all sizes encounter constraints in accessing vital financial resources, including small-scale loans or long-term foreign direct investment. The cumulative impact of an unfavourable regulatory environment and limited investment opportunities contributes to dampened levels of economic growth. Notably, informal workers, whether wage earners or those

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<sup>1</sup> See ILO (2020), ILO Monitor: COVID-19 and the World of Work. (1st - 5th eds.) Available at:

<https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/lang--en/index.htm>

<sup>2</sup> ILO (2020), ILO Monitor: COVID-19 and the World of Work (3rd ed.), Updated estimates and analysis, 29 April 2020

engaged in non-wage work, face a staggering double risk of poverty when compared to their counterparts in formal employment.<sup>3</sup>

5. Workers and economic entities operating within the informal economy confront distinct obstacles when it comes to representation and participation in social dialogue. Often, they lack the authorization or capacity to organize and effectively voice their concerns and interests. Even when such organizations are established, they frequently encounter challenges in gaining recognition and inclusion within bipartite and tripartite social dialogue mechanisms. In this scenario, the significance of fostering an inclusive social dialogue process that welcomes a wider spectrum of participants becomes increasingly evident. This approach acknowledges the voices that have historically been marginalized or overlooked, including those of youth, women, the unemployed, and workers within the informal economy.

6. Under this context, the [Social Dialogue for Formalization and Employability in the Southern Neighborhood Region \(SOLIFEM\)](#) project is a 42-month project (March 2021 to August 2024) co-funded by the European Union (EU) and the ILO. The budget is 4,000,000 Euros from the EU and 400,000 Euros from the ILO. The EU established its privileged partnership with the Eastern and Southern shores of the Mediterranean back in 1995 with the launch of the **Euro-Mediterranean Partnership** at the Barcelona Conference, establishing the goal of an area of peace, stability, economic prosperity, upholding democratic values and human rights. EU cooperation with the Southern Neighbourhood takes place in the framework of the [European Neighbourhood Policy \(ENP\)](#).

7. SOLIFEM is Component 2 of the SOLiD II Initiative, “Promotion of social dialogue in the Southern Mediterranean Neighbourhood”. The SOLiD Project is the result of a long-term support of the EU to social dialogue in the region reinforcing economic and social councils and gradually opening up the dialogue to civil society organisations. The SOLiD Pilot project, implemented in three countries (Jordan, Morocco and Tunisia) integrated civil society as a full partner in the project along with, and at the same level, as employers’ and workers’ organisations and contributed to produce the Charter for the promotion of social dialogue in the Southern Mediterranean countries. The overall objective of the SOLiD II programme is to build resilient societies through enhanced and reinforced social dialogue and partnerships, to promote decent work and to foster social inclusion and access to social justice for all in the Southern Mediterranean region.

8. SOLIFEM supports the transition to the formal economy through coordinated action to strengthen the capacity of the ILO tripartite constituents in the Southern Neighborhood region, with a particular focus on Algeria, Egypt, Lebanon, and OPT. The countries of the EU Southern Neighborhood Region belong to two different regions as per the ILO geographical coverage and statistical analysis: North Africa (Algeria, Egypt, Libya, Morocco, and Tunisia), and the Arab States (Jordan, Lebanon, Syria and OPT).<sup>4</sup>

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<sup>3</sup> ILO (2018), Women and Men in the Informal Economy: a statistical picture (third edition).

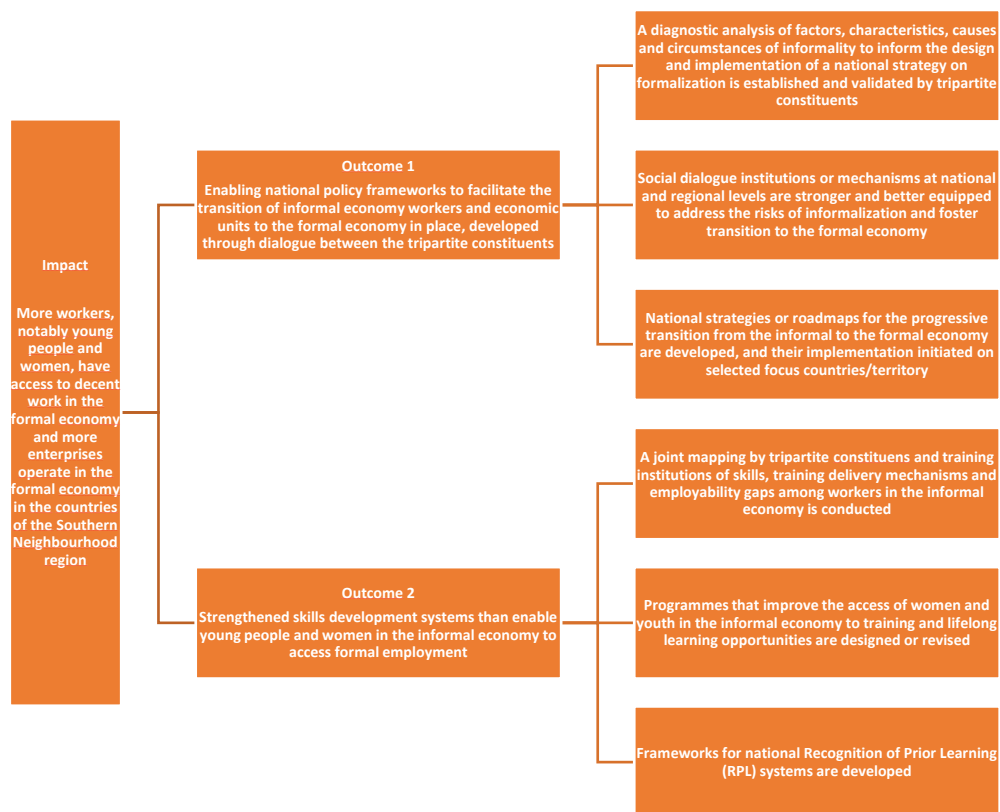
<sup>4</sup> ILO, 2023 Women and men in the informal economy: A statistical update

9. The project strategy is built on the solid foundation of tripartism and social dialogue, in line with the ILO's overall mandate and with [ILO Recommendation No 204](#) adopted in 2015 on the transition from the informal to the formal economy. This is the first international labour standard to focus on the informal economy in its entirety and emphasizes the transition from the informal to the formal economy as a means to achieve decent work for all. The instrument sets out guidance for countries to design coherent and integrated strategies to facilitate the transition from the informal to the formal economy through tailored approaches that respond to the diversity of national circumstances. This Recommendation emphasizes the critical role of social dialogue in designing, implementing, and evaluating policies and programmes for the transition to formality. SOLIFEM's objective is that more workers and enterprises in the MENA region will work and operate in the formal economy. This will contribute to decent work for all, poverty reduction, and more equitable and cohesive societies.

10. The project's interventions take place at two levels: at the national level, primarily in the four focus countries/territories, and at the regional/inter-regional level, bringing together participants from across the countries of the Southern Neighborhood region. Some activities at the sub-national level have also taken place in Algeria.

11. The logical framework, or theory of change, underpinning the SOLIFEM project was originally devised as a comprehensive logframe intended to encompass all four participating countries/territories. The logframe includes the following Impact, Outcomes and Outputs:





12. The SOLIFEM target groups are the representative national employers and workers' organisations, Ministries of Labour and other concerned ministries, tripartite social dialogue institutions and representative membership-based organisations in the informal economy in the target countries, as well as vocational training institutions. The ultimate beneficiaries are workers and economic units in the informal economy, with a focus on youth and women.<sup>5</sup>

13. The project is implemented by project staff present in the 4 focus countries/territory involved (Algeria, Egypt, Lebanon and the Occupied Palestinian Territory). The team is headed by an internationally recruited Chief Technical Advisor (CTA) based in the ILO office in Algiers. Each of the 4 countries has a national project coordinator (NPC) and three of them have a finance and administration assistant (FAA).

14. The SOLIFEM inception phase took a ten month period (from March to December 2021) and served to produce the majority of required documents as per the agreement with the donor. The SOLIFEM team in collaboration with ILO Offices in the Arab States and North Africa, carried out a process of consultation with governments and social partners in the four focus countries/territory of Algeria, Egypt, Lebanon, and the Occupied Palestinian Territories (OPT) on the project goals and activities. This was intended to

<sup>5</sup> Action Document Promotion of Social Dialogue in the Southern Neighborhood Region, SOLID 2.

ensure buy-in and ownership of the process and adaptation of the programme to individual country contexts.<sup>6</sup>

## **2. Purpose, Scope and Beneficiaries of the Evaluation**

### **Purpose of the evaluation**

15. The mid-term evaluation of “Social Dialogue for Formalization and Employability in the Southern Neighbourhood Region (SOLIFEM)” is intended to provide project stakeholders with the opportunity to assess the relevance, effectiveness, efficiency, progress and sustainability of the project, particularly in the four focus countries/territories. The specific objectives of the evaluation are to:

- Assess the relevance of the project strategy and outcomes to the United Nations Sustainable Development Cooperation Framework (UNDPF/UNDPFs), the Sustainable Development Goals (SDGs), the Decent Work Country Programmes (DWCPs) and, regional and national policies.
- Assess the quality and extent to which the project is on track or not towards achieving its outcomes
- Identify contextual factors (opportunities and challenges) that have a positive or negative bearing on the project implementation, including technical, managerial, organizational, socio-economic and policy issues, in addition to other external factors unforeseen during the project design.
- Identify approaches and methodologies adopted by the project to mainstream gender equality, inclusivity, social dialogue, international labour standards, and environmental sustainability.
- Provide specific recommendations to the project stakeholders that aim to improve the project delivery and outcomes.
- Identify lessons learned and good practices to share with the key stakeholders and inform the project’s remaining implementation period

### **Scope of the evaluation**

16. The Mid-term evaluation covers project implementation across all its outcomes and outputs, from June 2021 to August 2023, although references to achievements beyond that date have been included in this report.

### **Clients of the evaluation**

17. The primary clients of the evaluation are the tripartite constituents, the Governments, the Employers and Workers' Organizations, in Algeria, Egypt, Lebanon and OPT. In addition to the above, the ILO CO Algiers, SOLIFEM CTA and team members, the

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<sup>6</sup> SOLIFEM Inception Report From March 1 to December 18, 2021

ILO DWT Office in Cairo, the ILO Regional Office for Africa (ROAF), the ILO Regional Office for Arab States (ROAS) and the relevant technical units in ILO Headquarters, and the donor, represented by the European Commission in Brussels and its delegations in the four focus countries/territories.

### Evaluation criteria and questions

18. The evaluation covers the following evaluation criteria (in line with the DAC criteria, UNEG guidelines and ILO evaluation policy guidelines): Relevance and validity of design, Coherence; Effectiveness; Efficiency; Sustainability and Impact orientation. The final evaluation questions, as submitted in the Inception Report, are as follows:

<p><b>RELEVANCE AND VALIDITY OF DESIGN</b></p> <p>1.1 To what extent are the project objectives aligned to beneficiaries needs, policy frameworks at national and regional level? To what extent tripartite stakeholders are committed to the fight against informality in the region and the four focus countries in particular?</p> <p>1.2. To what extent does the project fit with and complement the Decent Work Country Programme (DWCP), Country Programme Outcomes (CPOs), UN Country Programme and other ILO projects in the countries?</p> <p>1.3. To what extent was the project design realistic to the context of North Africa and the Arab states and consistent as a regional project?</p> <p>1.4. To what extent is the project integrating in its design and implementation the ILO crosscutting themes?</p> <p>1.5. To what extent did the project design adequately consider the gender dimension and non-discrimination of the planned interventions?</p>
<p><b>COHERENCE</b></p> <p>2. To what extent has the project been coherent with other policies and interventions (ILO, UN agencies, governments, donors, etc.) within the employment and PFM reforms strategy in the targeted countries?</p>
<p><b>EFFECTIVENESS</b></p> <p>3.1. To what extent has SOLIFEM contributed to enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents? Which factors supported or hindered the project results?</p> <p>3.2. To what extent has SOLIFEM contributed to strengthened skills development systems that enable young people and women in the informal economy to access formal employment?</p>

<p>3.3. To what extent does SOLIFEM optimize its regional component adding value as compared to other type of interventions?</p> <p>3.4. To what extent does SOLIFEM have a gender strategy to address women strategic needs through the project implementation and outcomes planned?</p>
<b>EFFICIENCY</b>
<p>4.1. To what extent has the SOLIFEM project delivered or is likely to deliver outputs in an economic and timely way? If not, what were the challenges encountered?</p> <p>4.2. To what extent did the project establish a monitoring and evaluation system and risk register during the implementation that contributes to management, learning and accountability in an effective way?</p> <p>4.3. To what extent has the project leveraged partnerships with other ILO projects or other actors to build synergies and achieve results?</p>
<b>SUSTAINABILITY</b>
<p>5.1. What is the likelihood that the structures, capacities, services and benefits delivered will be sustainable after the project completion? Has the project planned and is it implementing an exit strategy?</p>
<b>IMPACT ORIENTATION</b>
<p>6.1. To what extent is SOLIFEM working towards achieving the proposed impacts? Is the project strategy and management working towards impact?</p>

### 3. Evaluation methodology

19. The evaluator has implemented the mid-term internal evaluation with the support of the project team. The ILO internal evaluations have a purpose on programme improvement and/or organizational learning.<sup>7</sup> The SOLIFEM CTA acts as the evaluation manager with oversight provided by the ILO Regional Office. The evaluation manager acts as a liaison between the evaluator, the project team, and other stakeholders. The SOLIFEM staff in the four focus countries have arrange the agenda and its logistics. Interviews with most stakeholders have taken place in English, while the interviews in Algeria took place in French.

20. The suggested questions and information needs identified in the orientation meeting with the CTA, and in the meetings with the national coordinators for the four focus countries and the donor, were incorporated in an Evaluation Matrix (Attached in

<sup>7</sup> [https://www.ilo.org/wcmsp5/groups/public/---ed\\_mas/---eval/documents/publication/wcms\\_746710.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_746710.pdf)

Annex I) with suggested indicators to respond to them together with the sources that will be used for each Evaluation Question (EQ). The six EQs serve as the basis for drafting the report. The indicators have been taken from the Logical Framework and suggested by the evaluator as per her analysis of project documents, the interviews she held, her knowledge and expertise.

21. Following the ILO Guidance Note No. 4 on Integrating Gender Equality in Monitoring and Evaluation Projects, the evaluation took into account the (i) involvement of both men and women in constituents'/beneficiaries' consultations and analysis; (ii) the inclusion of data disaggregated by sex and gender analysis in the background and justification sections of project documents; (iii) the formulation of gender-sensitive strategies and objectives and gender-specific indicators; and (iv) outputs and activities consistent with these. The proposed evaluation matrix mainstreams gender throughout the evaluation questions, with its corresponding indicators, leading to a higher quality of gender analysis.

#### **Data Collection Methods and Analysis**

22. The methodological approach for data collection has been primarily qualitative in nature. Quantitative data has been drawn from project documents and reports and incorporated into the analysis. The evaluation has comprised the following Data Collection Methods:

23. *Desk review:* Prior to beginning the interviews, the independent evaluator has reviewed numerous project-related documents covering a wide range of project background, design, and implementation (See list of documents consulted in Annex II).

24. *Semi-Structured Interviews in the field mission:* The evaluator conducted a one-week field mission to Algiers from November 13th to November 17th. During this time, she conducted face-to-face semi-structured interviews with a range of stakeholders, including ILO Officials, SOLIFEM staff, ILO constituents, and other relevant parties, following the agenda outlined in Annex II.

25. In the case of the other three focus countries/territory (Egypt, Lebanon, and OPT), the evaluator utilized the Zoom platform to conduct online interviews, which were scheduled from October 9th to October 20th. The list of stakeholders to be interviewed was determined through online meetings with the CTA and the national coordinators, and this list is provided in Annex III. All in all a total of 61 people participated in the evaluation, among which 38 men and 21 women.

26. Throughout the interview process, the evaluator used a predefined interview template. While the template contained detailed questions, the evaluator remained flexible, adjusting and expanding the questions as necessary to accommodate the semi-structured nature of the interviews. In instances where online meetings were scheduled, the evaluator sent the interview guide in advance via email to ensure productive discussions could take place.

27. *Triangulation*: Data collection methods have been triangulated. Considering the variety of views and interests of stakeholders, clients and users of the evaluation, the stakeholders' perspectives have been triangulated for many of the evaluation questions in order to bolster the credibility and validity of the results.

28. Adhering to the participatory ethos inherent in this evaluation, and in alignment with the Terms of Reference (ToRs), an online Workshop was planned to disseminate the Preliminary Findings and address information gaps. The workshop took place on November 27<sup>th</sup> and actively involved key stakeholders of the SOLIFEM project, with the inclusion of national stakeholders representing all four focus countries/territories, ILO staff at HQ and the regional offices involved, and representants of the EU DG NEAR HQ and the field.

29. The evaluation faced a few challenges primarily attributable to the conflict in Gaza. This conflict hindered the ability to conduct in person field visits in Lebanon, and disrupted data collection efforts in the OPT. On another note, the evaluation faced challenges in the desk analysis as the project's reporting mechanism prioritizes an approach on activities rather than outputs and outcomes, as will be described under EQ4 Efficiency.

## 4. Key Evaluation Findings by Evaluation Criteria

### a. Relevance and Validity of Design

**To what extent are the project objectives aligned to beneficiaries needs, policy frameworks at national and regional level? To what extent tripartite stakeholders are committed to the fight against informality in the region and the four focus countries in particular? To what extent does the project fit with and complement the Decent Work Country Programme (DWCP), Country Programme Outcomes (CPOs), UN Country Programme and other ILO projects in the countries?**

30. SOLIFEM aligns well with the EU policy frameworks and the ILO priorities on social dialogue, formalization, and employability. The project is in line with the priorities expressed in the [Union for the Mediterranean \(UfM\) ministerial conference on employment and labour \(27 September 2016\)](#), which underlined the crucial importance of well-functioning and effective social dialogue, both tripartite and bipartite, to address growth and employment-related challenges more effectively and contribute to competitiveness, social progress, and democracy. The Declaration of the Ministerial Conference (3 April 2019) reiterated *“the crucial role, at all pertinent levels, of an effective and ongoing social dialogue, (...) to help address the challenges of growth,*

*democracy and social justice in the region*". Ministers called on national authorities to adopt strategies to, among others, promote a well-functioning social dialogue at all pertinent levels, including the involvement of social partners in the design, implementation, and monitoring of economic and social policies.

31. The project also aligns with the most recent decision of the Ministers in charge of Employment and Labour of the Union for the Mediterranean (UfM), which gathered at their fifth Ministerial meeting in Morocco in Marrakech on 18 May 2022. A Ministerial policy conference on employment preceded the meeting, focusing on employment and employability of the most vulnerable, especially among youth and women. The Ministerial Declaration calls for action on the transition to formal employment for informal workers, especially women, employed in the shadow economy, home-based work, and in micro-small and medium-sized enterprises, as well as work in the agricultural sector and own account and part-time work by providing incentives for enterprises to ensure the transition from informal to formal economy. The Declaration acknowledges the importance of *Communities of Practice*, which enable peer-to-peer exchanges, promote best practices, and are a crucial form of knowledge sharing within the region. The Declaration also promotes a timely and meaningful social dialogue, both tripartite and bipartite, freedom of association, and collective bargaining - including the involvement of social partners in the design, implementation, and monitoring of economic and social policies.

32. SOLIFEM aligns with [ILO Recommendation No 204](#) adopted in June 2015 on the transition from the informal to the formal economy. This is the first international labour standard to focus on the informal economy in its entirety and emphasizes the transition from the informal to the formal economy as a means to achieve decent work for all. The instrument sets out guidance for countries to design coherent and integrated strategies to facilitate the transition from the informal to the formal economy through tailored approaches that respond to the diversity of national circumstances. This Recommendation emphasizes the critical role of social dialogue in designing, implementing, and evaluating policies and programmes for the transition to formality.

33. At the global level, promoting the transition from the informal to the formal economy is among the priority areas in the context of the future of work, as laid out in the ILO Centenary Declaration. At the regional level, government, employer and worker delegates to the ILO African Regional Meeting in 2019 committed themselves, in the Abidjan Declaration to "making decent work a reality for Africa's youth, developing skills, technological pathways and productivity for a brighter future in Africa, transforming Africa's informal and rural economy for decent work, and respecting international labour standards, promoting social dialogue and ensuring gender equality".

34. SOLIFEM contributes to the following global policy outcomes in the ILO Programme & Budget (P&B) 2022-2023:

- Outcome 1: Strong tripartite constituents and influential and inclusive social dialogue, and especially to output 1.4, on strengthening social dialogue and labour relations laws, processes and institutions;

- Outcome 2: International labour standards and authoritative and effective supervision, in particular output 2.2 on increased capacity of member States to apply international labour standards;

- Outcome 3: Economic, social and environmental transitions for full, productive and freely chosen employment and decent work for all, and especially to work to support member states to develop integrated strategies towards formalization in line with Recommendation No. 204;

- Outcome 4: Sustainable enterprises as generators of employment and promoters of innovation and decent work, in particular output 4.3 on increased capacity of member States to implement measures to facilitate the transition of enterprises to formality;

- Outcome 5: Skills and lifelong learning to facilitate access to and transitions in the labour market including output 5.3 on enhancing constituents' capacity to design and deliver innovative, flexible and inclusive learning options; and

- Outcome 7: Adequate and effective protection at work for all, in particular output 7.4 which includes support for the transition to formality of informal workers in formal enterprises or in households.<sup>8</sup>

35. At the national level, SOLIFEM aligns well with the Country Programme Objectives (CPOs) in the four focus countries as follows: In **Algeria** with DZA 105: *The capacity of constituents strengthened to develop and implement strategies and measures about the employment of youth and to facilitate formalization*: DZA 102: *The capacity of constituents and training providers is strengthened concerning anticipation of skills and improved access to the labor market.*

36. In **Egypt** the project aligns with EGY 101: *Increased capacity of constituents to develop labour market services and support transitions to decent work, particularly for youth and women*, EGY 103 *Increased capacity of national stakeholders to improve access to lifelong learning and inclusive skills development and support labour market transitions particularly for vulnerable groups*; EGY106: *Employment for young men and women through entrepreneurship, Value Chain Development, green enterprises, social enterprises and cooperatives, and business development programmes promoted*, EGY 801: *Strengthened institutional capacity of employers' organizations*, EGY 802: *Strengthened institutional capacity of workers' organizations*, and EGY 828: *Capacity of*

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<sup>8</sup> SOLIFEM MTE Terms of Reference



*the Egyptian government, workers and employers' organizations strengthened to combat Child Labour.*

37. In **Lebanon** SOLIFEM aligns with CPO LBN103: *Improved employability of Syrian Refugees and Lebanese citizens to access Decent Work*, LBN 104: *Enhanced capacity of the government and social partners to develop a national labor policy, and mainstream SDGs relating to employment and DW into national development and crisis response frameworks*, LBN 801: *Strengthened institutional capacity of employers' organizations*, and LBN 802: *Strengthened institutional capacity of workers' organizations*; In **Occupied Palestinian Territories** SOLIFEM aligns well with the OPT DWCP<sup>9</sup>, with CPO PSE 126: *Enhanced national employment policy in the OPT*.

38. The project is also well aligned with the Agenda for Sustainable Development 2030, which included the transition to formality in the targets for Sustainable Development Goal 8 (Decent Work and Economic Growth). SOLIFEM is also relevant for other SDGs, notably SDG1 (No Poverty), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), and SDG 16 (Peaceful and Inclusive societies).<sup>10</sup>

39. The social dialogue approach to addressing informality has demonstrated a high relevance. This stems from the fact that the "formalization" issue is a topic that benefits all stakeholders, and can create a mutually advantageous outcome for participants in the dialogue. The shift towards formality holds advantages for all parties concerned and lends itself well to discussions at lower levels, such as sector-specific dialogues, without becoming overly politicized. Consequently, it can be a foundation for fostering dialogue at higher decision-making echelons.

40. A formal economy provides clear guidelines and expectations for everyone involved. Workers understand their roles and responsibilities, which can reduce confusion and conflicts. Employers can rely on consistent processes to manage their workforce. Governments can enforce labor laws and regulations more effectively when clear, formal standards are in place. Formality often goes hand in hand with legal contracts and agreements. These documents can protect the rights and interests of both workers and employers. Workers are assured of their wages, benefits, and working

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<sup>9</sup> ILO, The Palestinian Decent Work Programme, 2018-2022. Priorities: Priority 1: *Enhance employment and livelihood opportunities for Palestinian women and men*; Priority 2: *Strengthen labour governance and the realization of fundamental principles and rights at work through freedom of association, strengthened collective bargaining and improved social dialogue mechanisms*; Priority 3: *Support the implementation and development of the Palestinian social security system and the extension of social protection to all*.

<sup>10</sup> As stated in Action Document for Promotion of Social Dialogue in the Southern Mediterranean Neighbourhood – SOLiD II

conditions, while employers can specify their expectations and requirements. They can set and maintain higher quality standards when formal processes are in place, resulting in better products or services benefiting the company and its customers. When employment is formalized, governments can collect taxes more effectively, as formal businesses are more likely to report their income and comply with tax regulations.

41. Tripartite stakeholders in the four focus countries are committed to transitioning from the informal to the formal economy, albeit with varying degrees of commitment. In the four focus countries, the employers' organizations show high commitment. In cases like Lebanon, this had increased over time, as the employers' organizations were more reluctant to address the topic of formalization till the last economic crisis when employer's organizations started to witness the consequences of unfair competition due to informality (in the agri-food industry, for example). Interviews reveal that employers' organizations prioritize formalization and social dialogue (SOLIFEM Outcome 1), but they place less emphasis on skills development (SOLIFEM Outcome 2). They are drawn to formalization as it offers various advantages, including government incentives, grants, better financial services, more accessible access to credit, a (more) level playing field where rights and standards etc are respected, and an improved business reputation.

42. The government's involvement is very high in Algeria, where SOLIFEM counts the participation of 11 ministries in its different project structures. This is explained by the Government's National Action Plan<sup>11</sup>, which includes a transition to formality among its priorities. As stated in the mentioned Plan, *"Faced with the phenomenon of proliferation of the informal sector and its negative consequences on the national economy, the government is committed to putting in place the necessary mechanisms and tools capable of capturing all the resources of the informal sector and bringing them back to legal circuits of the economy"*, through a list of actions included in the Plan. Governments in Lebanon and OPT have also endorsed the project and are involved in tripartite project steering committees to guide implementation.

43. Worker organizations exhibit varying levels of commitment. In certain instances, they have discerned the manifold benefits formalization can offer. This extends beyond merely recognizing workers' rights to encompass the expansion and bolstering of union membership. Workers organizations in Egypt have been very active, both in terms of joining capacity building programs on informality, social dialogue, communication and outreach skills, but also in terms of actual outreach and organizing of informal workers in the field, including in the agricultural sector. In places like Lebanon and the Occupied Palestinian Territories (OPT), unions are keenly interested in laying the groundwork for

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<sup>11</sup> PLAN D'ACTION DU GOUVERNEMENT POUR LA MISE EN ŒUVRE DU PROGRAMME DU PRESIDENT DE LA REPUBLIQUE, 2021

adopting novel strategies, structures, tools, and more, all aimed at organizing informal workers. They need to gain a deeper understanding of these workers' priorities and needs and incorporate these concerns into the overarching objectives of the union. This urgency has become more pronounced after the COVID-19 pandemic, which ushered in new employment opportunities and prompted trade unions to devise strategies for attracting these emerging workforce segments.

**To what extent was the project design realistic to the context of North Africa and the Arab states and consistent as a regional project? To what extent is the project integrating in its design and implementation the ILO crosscutting themes? To what extent did the project design adequately consider the gender dimension and non-discrimination of the planned interventions?**

44. SOLIFEM was conceived as a regional project to address social dialogue and informality in various countries with diverse economies and social and political situations. It was designed to facilitate adapting the project's objectives and resources to the different informality-specificities in the four focus countries. The two countries/territories in the Middle East are smaller economies/territories with precise specificities. For example, there is a high number of refugees in the case of Lebanon, approximately 25% of the workforce, and the OPT presents essential challenges due to the occupation, among other factors.

45. According to the project's information, in Egypt and OPT, for which ILO data are available, approximately 63.4 percent and 53.3 percent of the workforce engage in informal employment. Furthermore, while informal employment predominates in the informal sector in both regions (estimated at 61.8 percent in Egypt and 29.8 percent in the OPT), a noteworthy proportion of informally employed individuals in the OPT (22.4 percent) work within the formal sector. In contrast, in Egypt, this figure is less than one percent.

46. Algeria and Lebanon also have large informal economies. In Lebanon, the Labor Force and Household Living Conditions Survey for 2018-2019 revealed that 54.9 percent of the employed population hold informal positions as their primary employment, with over 36 percent operating beyond the informal sector's bounds. This primarily encompasses employees of formal sector businesses, both private and public, or those serving in public administration without social security coverage.

47. Regarding the project's design, both its logframe and Results framework appear overly ambitious, given the project's duration. The evaluation acknowledges the commendable effort to align with the ILO strategy to facilitate the transition from informality to formality in ILO member countries, as outlined in ILO Recommendation

204. However, the project's implementation reveals that both project outcomes, especially Outcome 2, may exceed the feasible scope for the scale of intervention represented by SOLIFEM. Outcome 1 is a better fit, tailored to the size and scope of the SOLIFEM initiative, and aligned with stakeholders' interests and capacities. Only Algeria demonstrates a genuine sense of ownership concerning the logframe among the four focus countries, although Outcome 2 (Skills Component) seems to be a second priority for most stakeholders.

48. Findings from the Middle East suggest that the primary obstacle to transitioning towards formality in the region is not solely a matter of skill development on the supply side; rather, it is primarily rooted in a lack of demand. The prevalence of informality in this area can be attributed to insufficient entrepreneurial opportunities and a dearth of economic diversification initiatives that would generate high-quality job opportunities.

49. In Lebanon, this informality has been exacerbated by prolonged economic mismanagement, marked by a lack of attention to diversifying the economy. While skills development is undoubtedly important in conjunction with economic diversification, it is crucial to recognize that stimulating demand serves as the foundational step. Without a focus on generating demand, an emphasis on skills development is unlikely to yield significant results.

50. Concerning SOLIFEM's geographical coverage, it's noteworthy that the donor's primary regional emphasis is on the Southern Neighborhood. In contrast, the International Labour Organization (ILO) does not share a comparable regional strategy. The ILO's involvement in SOLIFEM includes one regional office, one Country Office, and two Decent Work Teams (DWTs): the Regional Office for the Arab States (ROAS) in Beirut, DWTs in Cairo and Beirut, and the Country office for Algeria. The varying regional strategies employed by the EU as the donor and the ILO as the implementer pose a challenge to achieving a unified regional approach within SOLIFEM. Nonetheless, SOLIFEM has placed significant emphasis on prioritizing actions at the national level in the four designated focus countries/territories.

51. The project's design and implementation do not sufficiently consider gender and non-discrimination issues. While it does address the gender dimension at the impact level, it doesn't sufficiently consider these issues at Outcome level 1 (Policy Frameworks) as it does not prioritize a gender approach for the diagnostics; explicit consideration is placed under Outcome level 2 (Skills component).

## **b. Coherence**

**To what extent has the project been coherent with other policies and interventions (ILO, UN agencies, governments, donors, etc.) within the employment and PFM reforms strategy in the targeted countries?**

52. As detailed below, SOLIFEM has been coherent with other policies and interventions (ILO, UN agencies, governments, donors, etc.). At the same time, coherence within the employment and PFM reform strategies in the targeted countries differ across countries. In Algeria, the project is embedded in a significant reform towards economic formalization (as previously detailed). In Egypt, the project primarily works with the bipartite stakeholders without a clear commitment and engagement by higher economic and governmental instances. In the OPT, the internal reforms are challenged by the harsh economic conditions, the occupation, and, most recently, the war in Gaza. In Lebanon, the current circumstances do not facilitate a straightforward fundamental economic reform addressing employment and informality. SOLIFEM has strategically adapted to these constraints.

53. SOLIFEM is a multifaceted project that engages various departments at the ILO HQ, including PARDEV, Social Dialogue, SKILLS, INWORK, DEINVEST, and various ILO regional offices and DWTs. Significant initiatives have been taken to ensure effective coordination among these diverse departments and ILO offices within the project. Additionally, coordination efforts have extended to encompass the different EU focal points participating in the four focus countries/territories. Furthermore, the CTA has held discussions with numerous ILO Technical Cooperation projects in Cairo, Beirut, and Amman to explore opportunities for synergy.

54. As a result of those efforts, SOLIFEM shows a reasonable degree of internal coordination with other ILO interventions at the country level. In Algeria, SOLIFEM shows synergies with the ILO STED-AMT Project, funded by Korea, and focused on the methodology "Skills for Trade and Economic Diversification." It also shows synergies with the ProAGRO YOUTH project "Support to integrated agribusiness hubs in Côte d'Ivoire, Madagascar, Malawi and Algeria," which is dealing with entrepreneurship in the agriculture sector.

55. In Lebanon, the project was synchronized well with other initiatives and interventions. Specifically with a project on women, management, and business, with whom it shared some staff. Thanks to the social dialogue approach taken by SOLIFEM, the project is crucial to supporting other ILO interventions in the country. It has also been

in sync with other EU-funded projects. For example, SOLIFEM has contributed to some interventions for another joint UN project on private sector development, which took place in the north of Lebanon.

56. SOLIFEM has ended up being a cross-cutting and supportive intervention to all other projects, either in the skills area or social protection. This is also explained by the fact that most ILO interventions in Lebanon tackle sectors mainly in the informal economy. SOLIFEM is also included in the work plan for the cooperation framework in Lebanon, and the ILO was able to include for the first time in the cooperation framework the term “*social dialogue*,” meaning that everything, all discussions, policy level type of discussions should involve all constituents and should be done in a social dialogue approach. This is important not only for the ILO's work but for the UN cooperation framework.

57. In Egypt, the project aligns well with other ILO efforts, notably with the Enterprise Development Programme, funded by ILO Cairo Regular Budget Technical Cooperation (RBTC), which focuses on supporting individuals and businesses in entrepreneurship rather than exclusively concentrating on the formalization process. Within the ILO portfolio in Egypt, several projects significantly emphasize gender. This includes the Decent Work project for women in Egypt, Tunisia, and Morocco, which commenced in 2011, and a collaborative program with UN Women, funded by SIDA. Given that women's labor force participation in Egypt is notably low, resulting in a substantial presence of women in the informal economy, SOLIFEM holds the potential to contribute to specific activities geared toward enhancing opportunities for women.

58. It is important to highlight that other donors are actively involved in the skills aspect in Egypt, which aligns with SOLIFEM Outcome 2. These donors typically bring significant resources to support these initiatives. In Lebanon, for example, the work on skills is a massive undertaking, with many players working on skills development, including GIZ, Dutch and Norwegian cooperation, and UNICEF (In 2018, the ILO, together with UNICEF, supported the National Framework for Technical and Vocational Education and Training, a national strategy for TVET). For some stakeholders, this situation poses particular challenges in identifying the distinctive contributions that SOLIFEM can offer within this context. For others, the project has a window of opportunity to identify its real added value in this framework.

59. In Palestine, SOLIFEM is coherent with the ILO DWP priorities anchored in the UNSDCF and responding to the priorities of the Palestinian National Employment Strategy for 2021–25. Through its development cooperation program and ongoing resource mobilization efforts, the ILO continues supporting labor market governance and social dialogue, gender equality, employment promotion, enterprise development, and

social protection.<sup>12</sup> MOL works to create job opportunities and a decent work environment in addition to other objectives. This was reflected in the National Employment Strategy for 2021-2025. This Strategy was launched during the Social Dialogue 3+ conference in 4 March 2021, which ILO attended.

60. Moreover, a meeting was held for donors in Jordan in February 2023 to fund the projects of the strategy. There was a consensus on supporting the projects by USD 46 million pledged by governments and ILO. Thus, there is a direct and indirect effort by all to regulate the Palestinian labor market and by extension the creation of a decent work environment, which helps the transition to formal work.

61. Regarding coherence with SOLID, both projects have tried to share their activities and keep information about the project's developments. A Joint Steering Committee (JSC) between the two projects, SOLID II and SOLIFEM, was held on the 23rd of June 2022, with the participation of DG NEAR, DG EMPL, and the contracting parties. The first part of the JSC focused on the progress made so far in the context of the project SOLID II and then outlined the next steps of the intervention. The second part of the JSC focused on the progress made since the official start of the project SOLIFEM (1 March 2021) and on the next steps foreseen throughout its implementation.<sup>13</sup>

62. A second Joint Steering Committee between the two projects was held on 21<sup>st</sup> September 2022. They agreed on the principle of activation and sharing (SOLID II / SOLIFEM cc DG NEAR) of a three-month agenda of events covered by both projects. They decided to strengthen the coordination with EU Delegations by systematically inviting representatives from EU Delegations to meetings organized in the countries. Finally, regarding the visibility of actions, they agreed to structure both projects' websites to enhance their visibility.<sup>14</sup> In October 2023, both project teams held a coordination meeting to discuss potential future collaboration areas (*under a potential second phase for SOLIFEM and a 3rd phase for SOLID*), including social partner capacity building and support to social and economic councils in the region.<sup>15</sup> Other potential collaboration areas would be the local outreach to organizations representing women and youth.

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<sup>12</sup> Enhanced programme of development cooperation for the occupied Arab territories. ILO Governing Body, 349th Session, Geneva, 30 October–9 November 2023

<sup>13</sup> Minutes of the JOINT STEERING COMMITTEE SOLID II AND SOLIFEM (23<sup>rd</sup> of June 2021)

<sup>14</sup> Minutes of the JOINT STEERING COMMITTEE SOLID II AND SOLIFEM (21<sup>st</sup> of September 2022)

<sup>15</sup> SOLIFEM Flash Report October 2023

### c. Effectiveness

**To what extent has SOLIFEM contributed to enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents? Which factors supported or hindered the project results?**

63. SOLIFEM contributes to enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy through dialogue between the tripartite constituents in the four focus countries. The project is doing so through two strategies. On one side, it supports the development of tripartite diagnostics by sectors to identify the factors, characteristics, causes, circumstances, and needs of workers and economic units in the informal economy. On the other hand, it supports social dialogue institutions or mechanisms, mainly social partners, to be stronger and better equipped to address the risks of informatization and foster transition to the formal economy. Due to the project’s implementation delays, SOLIFEM shows results at the Output level but not yet at the Outcome level. The Outcome indicators are “*Number of roadmaps, strategies or similar plans on the transition to the formal economy that have been developed and adopted through tripartite social dialogue, and “Number of gender responsive monitoring systems in place to measure progress towards formalization of workers and economic units”*”. The full description of project’s completion by Outputs under Outcome 1 is detailed below.

<b><u>Impact: More workers, notably young people and women, have access to decent work in the formal economy and more enterprises operate in the formal economy in the countries of the Southern Neighbourhood Region</u></b>			
<b><u>Outcome 1: Enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents</u></b>			
	<b>Level of implementation by output</b>		
	<b>Implemented</b>	<b>Partially Implemented</b>	<b>Not implemented (and planned)</b>



Output 1.1 A diagnostic analysis of factors, characteristics, causes and circumstances and needs of workers and economic units in the informal economy	LP	AE	
Activity 1.1.1 Conduct and analysis of the drivers of informality and the characteristics, circumstances and needs of workers and economic units in the informal economy	LP	AE	
Activity 1.1.2 Validate the diagnostic study and derive initial policy recommendations through a tripartite workshop	P	L	AE
Activity 1.1.3 Disseminate the diagnostic studies and discuss policy recommendations at a regional event		LP	AE
Output 1. 2 Social dialogue institutions or mechanisms at national and regional level are stronger and better equipped to address the risks of informalization and foster transition to the formal economy		AELP	
Activity 1.2.1 Capacity building of the social partner organizations, social and solidarity economy (SSE) organizations and of tripartite social	EP	AL	

dialogue institutions on social dialogue for the transition to formality			
Activity 1.2.2 Share lessons learned through periodic meetings of the TWGFs across the focus countries/territory		A	ELP
Activity 1.2.3 Support social partners' organizations to extend their membership and services to workers and employers in the informal economy and to better represent them in social dialogue		AELP	
Activity 1.2.4 Share lessons learned on the design and implementation of national strategy on formalization through tripartite social dialogue through a regional event		A	ELP
Output 1.3 National strategies or roadmaps for the progressive transition from the informal to the formal economy are developed, and their implementation initiated in select focus countries/territories		LP	AE
Activity 1.3.1 Facilitate policy dialogue for the tripartite		P	AEL

elaboration and validation of national strategies or road maps for the progressive formalization of workers and economic units, including preventing informalization, taking into account the impact of the COVID-19 crisis			
Activity 1.3.2 Support for the implementation, monitoring and evaluation of national strategies/road maps		LP	AE
Activity 1.3.3 Develop and implement awareness campaigns to promote the benefits of formalization, and skills development for women and youth		L	AEP

A: Algeria; E: Egypt; L: Lebanon; P: Occupied Palestinian Territories.

**All four focus countries have conducted or are engaged in a diagnostic analysis of factors, characteristics, causes, circumstances, and needs of workers and economic units in the informal economy.**

64. In Algeria, the project has supported a comprehensive analysis of the drivers to formalization through the diagnosis conducted by the Center Research Economy Applied for Development CREAD<sup>16</sup> on four sectors: agriculture, hand-craft, commerce, and construction. According to the Study's terms of reference, it includes the following elements: Diagnosis of the informal economy in Algeria; Targeted diagnosis: Quantitative survey of formal and informal employment and informal enterprises in two provinces with an in-depth analysis of the situation in the agriculture, crafts, trade, and public works sectors; An inclusive, participative approach through enhanced social dialogue and a consolidated diagnostic report. CREAD is an academic institution which has

<sup>16</sup> <https://www.cread.dz/en/home-2/>

previously conducted studies on informality for the Ministry of Commerce, it has recently created a specific department for informality and has a network of experts on the topic in the North of Africa and the MENA region.

65. The Algerian government is highly committed to this formalization process (as Formalization is included in the Government's National Action Plan), with 11 ministries actively participating in SOLIFEM. There are good results in the formalization strategy, as the government has recently approved the regulation for self-employed status and the national auto-entrepreneur agency (ANAE).<sup>17</sup> The employers (CGEA) also show a high commitment to the formalization process, as confirmed by their active participation in SOLIFEM.

66. A series of parallel capacity-building workshops for tripartite Project Advisory Committee (PAC) members and technical working groups on formalization, informality, and Recognition of Prior Learning contributed to an improved technical understanding of the ILO instruments and tools. Formalization and skills working groups developed work plans for the two pathways of the project through a collaborative process validated by the PAC.

67. In Egypt, the work on the informal economy diagnostic has recently begun with a kick-off orientation and planning meeting with Decode Economic & Financial Consulting with the SOLIFEM team, the INWORK Informal Economy Specialist, and the Cairo Office Employment Policy Specialist. The inception report of the study was delivered, reviewed once and is being finalized. MSMEDA has agreed to cooperate with the ILO and SOLIFEM on the informal economy diagnostic, which represents a significant breakthrough toward aligning the SOLIFEM project's efforts with the Egyptian government's efforts to develop a national strategy to promote formalization.<sup>18</sup>

68. In Lebanon, the project shows buy in and support from the Ministry of Labour and social partners and has supported the development of a Diagnosis in agriculture, agribusiness, and construction, which is expected to be validated by the national stakeholders by the end of the year. The study provides specific Recommendations for the transition to formality in those sectors, focusing on removing legal barriers, facilitating the formalization of enterprises, incentivizing formalization, improving skills training, and strengthening institutional capabilities and cooperation.<sup>19</sup>

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<sup>17</sup> Executive Decree no. 23-196 of May 25, 2023 setting out the organization and operation of the new national auto-entrepreneur agency (ANAE), and Executive Decree no. 23-197 of May 25, 2023 setting out the list of activities eligible for auto-entrepreneur status and the procedures for registration in the national auto-entrepreneur register.

<sup>18</sup> SOLIFEM Flash report, October 2023

<sup>19</sup> Diagnostic Analysis on Informality in Agriculture, Agri-food and Construction, Working Paper September 2023

69. In the Occupied Palestinian Territories, the National Tripartite Labour Policies Committee (NTPLC) (composed by the Ministry of Labor and Ministry of Social Affairs, along with the PGFTU and the FPCCIA), proposed to focus the informal economy diagnostic on garment and textile and nurseries and kindergarten sectors, given these two sectors were already identified as priority sectors for economic recovery following COVID19, and they contained significant levels of informal employment, in particular among women. The study addresses several areas of concern: the vulnerability of the sectors due to the context and risks, the policies and regulations gaps for business development, the challenges of access to finance, to market, to resources, to workers (employment gaps and skills development); It also addresses the skills mismatch and gaps (LLL and certification of workers and employers), as well as the limited awareness of employees, employers and the public of the importance of formalization. The study concludes with specific recommendations on how to address all those challenges.<sup>20</sup>

**Social dialogue institutions or mechanisms at the national level and social partners are stronger and better equipped to address the risks of informality and foster transition to the formal economy.**

70. Social dialogue institutions or mechanisms, particularly social partners, have been enhanced in their capacity to address informality in the four focus countries thanks to the project's efforts under Output 1.2. SOLIFEM has conducted capacity building activities for social partner organizations. The Table below displays the approximate distribution of trainees by type of organization in the four focus countries. In Algeria, a higher number of participants belong to the government, which can be explained by the significant involvement of various ministries in the project's activities. In Egypt, capacity building has extended to both social partners, including employers' organizations and unions. In Lebanon and the OPT, there is a similar outreach to the three constituents in the following sequence: government, unions, and employers.

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<sup>20</sup> Final Report for Informal Economy Diagnostic Study in oPt: Garment and Textile & Nurseries and Kindergarten Sectors; Conducted for ILO- Jerusalem



71. Social Dialogue institutions or mechanisms are better equipped across countries thanks to their involvement in the project’s implementation and the support received by the three constituents under Outcome 1. In Algeria, the Project Advisory Committee (PAC) has experienced a sound dialogue process in the SOLIFEM framework, and stakeholders from the different ministries acknowledge the added value of such an experience; The presence of the CNESE in the PAC also ensures a social dialogue approach, as well as the Technical Working Groups on skills and formalization; In Lebanon, the PAC provides a committed social dialogue approach by the tripartite stakeholders, which is enriching other ILO Interventions, as previously detailed under EQ2 Coherence. In OPT the National Tripartite Labour Policies Committee (NTLPC) provides a social dialogue focus to SOLIFEM.

72. The project supports social partner organizations in extending their membership and services to workers and employers in the informal economy and representing them better in social dialogue. This process implies organizing workers into workers’ organizations and self-employed into business organizations. As an example, The General Confederation of Algerian Enterprises (CGEA) calls on young people to join employers' organizations to benefit from protection, facilitation, and state assistance in order to succeed in their projects.

73. In Algeria, progress has been achieved in bolstering the capacity of employers' organizations to comprehend the challenges associated with informality and take proactive measures to support formalization. Furthermore, the ILO collaborates closely with the General Confederation of Algerian Enterprises (CGEA) to conduct an in-depth analysis of subcontracting regulations within public procurement in the construction

sector. Simultaneously, they actively participate in local-level social dialogues aimed at identifying mutually beneficial solutions.

74. The study served as a foundation for enhancing the CGEA's grasp of the impediments to formalizing businesses and economic activities within the sector while also bolstering the CGEA's representation in matters related to informality. The initial regional workshop to validate the study's findings took place in Sidi Bel Abbes in February 2023. Some activities have also been implemented with the General Union of Algerian Workers (UGTA), although its involvement has not been as active as initially expected. In July 2022, the ILO organized a capacity-building workshop for young trade union representatives from diverse sectors and regions. The workshop focused on the pivotal role of trade unions in addressing informality.

75. In Lebanon, SOLIFEM supports the Association for Lebanese Industrialists with a Help Desk to guide informal economic units in the agri-food sector through business registration.<sup>21</sup> The project adapts the ILO "Formalize Your Business" (FYB) tool to the Lebanese context. The Help Desk is very important because the Lebanese public administration is not currently responding to the needs of the economic units due to the challenges described above. The official ministries and public authorities' websites are not very helpful, as they are not updated, and there are no specific tools for the informal entrepreneurs that may address them to get information about formalization. SOLIFEM's approach is very pragmatic, preparing a handbook for entrepreneurs and trainers to guide them through the process. The project staff has attended several exhibitions where informal entrepreneurs from the agri-food sectors were gathering to promote the Handbook. Once the Handbook is ready, the ILO will get a master trainer and will recruit some local trainers (see more details below under the "Emerging Good Practices section.")

76. Regarding outreach efforts targeting workers, SOLIFEM engaged in planning discussions with the General Confederation of Lebanese Workers (CGTL) and the National Federation of Workers and Employee Trade Unions in Lebanon (FENASOL) to develop an outreach plan specifically tailored to workers in the agri-food sector. This plan will leverage existing trade union structures within selected sub-sectors and regions of the agri-food industry. The CGTL has received the project's support and is ready to create a specific unit to deal with the challenges of informality and what it implies for the union strategies.

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<sup>21</sup> Link to video and SOLIFEM Facebook page.

<https://fb.watch/oj2QkYwQ5N/?mibextid=cr9u03>

77. In Egypt, SOLIFEM conducted a capacity-building workshop with FEI from March 19 to 21, 2023, focusing on employers' roles in transitioning to the formal economy. Two more workshops on "Trade Unions' Role in Formalization" were held later for different trade union groups: one with ETUF affiliates in agriculture and ground transportation, and the other with independent unions from sectors like agriculture and fishing. These workshops covered topics such as ILO conventions, social dialogue principles, and challenges in Egypt. The project has also developed a comprehensive program to empower trade unions and promote worker formalization. This program, created following the above-mentioned workshops, includes a template action plan for trade unions to raise awareness, grow membership, and expand social protection for formalization.

78. The project held separate meetings with targeted trade unions, including ETUF-affiliated unions and independent unions representing small farmers, agricultural workers, fishers, and workers in ready-made garments and food industries. These meetings focused on reviewing trade union action plans and identifying support needs, targets, and indicators. Other capacity-building activities, such as workshops on extending social protection to informal workers and fostering social dialogue for formalization, took place in 2023 in Cairo, and Alexandria,. The unions considered the training very relevant and effective as they helped overcome the challenges of convincing the informal workers to move to the formal sector. Additionally, SOLIFEM, in collaboration with FEI, is adapting the ILO Formalize Your Business tool (FYB) for Egypt.

79. Lastly, SOLIFEM actively encouraged stakeholder engagement in an online Informality course offered by the ITCILO in Turin. A total of 39 participants from Egypt, along with 3 from Algeria, 3 from the OPT (Occupied Palestinian Territories), and 6 from Lebanon, completed this course.

### **Output 1.3 National strategies or road maps developed for the progressive transition from the informal to the formal economy.**

80. Initial activities are taking place in Lebanon and the OPT, building from the findings on the sectorial diagnosis, on National strategies or roadmaps for the progressive transition from the informal to the formal economy.

**To what extent has SOLIFEM contributed to strengthened skills development systems that enable young people and women in the informal economy to access formal employment?**



81. SOLIFEM's Outcome 2, which focuses on skills development, is experiencing notable delays in its implementation, primarily because this component relies on the completion of diagnostics, as outlined in Outcome 1. However, there has been some initial progress observed in Algeria, and preliminary activities are also in progress in other participating countries. Under Output 2.1, collaborative initiatives involving tripartite stakeholders have been initiated in Algeria, Egypt, and Lebanon to evaluate methods for delivering skills training and to identify gaps in employability within specific sectors. The following is a summary of the current implementation status of the project within Outcome 2.

<b><u>Outcome 2: Strengthened skills development systems that enable young people and women in the informal economy to access formal employment</u></b>			
	<b>Implemented</b>	<b>Partially Implemented</b>	<b>Not implemented</b>
Output 2.1 A joint mapping by tripartite constituents and training institutions of skills, training delivery mechanisms and employability gaps among workers in the informal economy conducted		AEL	P
Activity 2.1.1 Map skills, training delivery mechanisms and employability gaps among workers in the informal economy, at national or sector level		AEL	P
Activity 2.1.2 Validate the mapping through a stakeholder workshop and finalize and disseminate the mapping report		L	AEP
Output 2.2 Programmes that improve access of women and youth in the informal economy to training		A	ELP

and lifelong learning opportunities are designed or revised			
Activity 2.2.1 Conduct capacity building workshops on national skills development systems for tripartite constituents		A	ELP
Activity 2.2.2 Design and implement programmes to equip women and youth with skills for formal employment in selected sectors		P	AEL
Activity 2.2.3 Build capacity to support the upgrading of informal apprenticeship systems			ALP
Output 2.3 Frameworks for national Recognition of Prior Learning (RPL) systems are developed		A	ELP
Activity 2.3.1 Conduct a regional study to collect evidence that recognition of qualifications leads to formalization of employment		AL	EP
Activity 2.3.2 Conduct capacity building workshop for tripartite constituents on the benefits, challenges, features and processes required to develop and RPL system		A	ELP
Activity 2.3.3 Support the development of a framework for		A	ELP

Recognition of Prior Learning for informal economy workers			
Activity 2.3.4 Validate the draft framework through a stakeholder workshop and the TWGS		A	ELP
Activity 2.3.5 Implement an RPL pilot for selected occupations		A	ELP

A: Algeria; E: Egypt; L: Lebanon; P: Occupied Palestinian Territories.

82. The Mapping Study of skills, training delivery mechanisms, and employability gaps for workers in Algeria's informal economy has been initiated through the engagement of two consultants tasked with conducting the study. The initial deliverable outlining the methodology for this study has already been developed by the consultants and approved by ILO experts. According to information from HQ, the Lebanon agriculture study, and the Egyptian needs assessment of WOs -which aims to focus on skills-, are also under implementation.

83. Output 2.2. *(Programmes that improve the access of women and youth in the informal economy to training and lifelong learning opportunities are designed or revised)* shows some achievements in Algeria thanks to the work conducted in the Technical Group on Skills framework, which approved its work plan in September 2022. In Lebanon, the project is moving toward developing a framework for upgrading informal skills based on the research undertaken in the agriculture sector and its sub-sectors. The mapping, which has three phases, is in its last phase, where the consultant has identified the sub-sectors within the Agri-food sector and is delving deeper into informal sector skills for both formal and informal occupations.

84. Field data collection has also begun in Algeria to assess the value and recognition of qualifications as a driver of transitions to formality in the MENA region. This operation is being carried out in collaboration between the consulting firm in charge of the study (Pareadigms) and a national Algerian institution (CENEAP).

85. Under Output 2.3, the project in Algeria is enhancing its National Recognition of Prior Learning Systems through collaboration with the Tripartite Technical Group on Skills. This effort involves the selection of critical sectors for testing improved skills certification as a means to facilitate the transition to formal employment. Simultaneously, Lebanon has conducted a comprehensive study on skill requirements and programs within two specific sub-sectors of the agri-food industry. In Egypt, a

capacity building needs assessment for workers organizations on skills development and lifelong learning is being undertaken and will be finalized in December 2023.

**To what extent does SOLIFEM optimize its regional component adding value as compared to other type of interventions?**

86. SOLIFEM optimizes its regional component mainly through a number of avenues: a strong communication strategy that enhances the project's visibility at the regional level in the Arabic-speaking countries of the Southern Neighborhood and through the organization of regional meetings on an annual basis. Among the most relevant achievements, it is worth mentioning that the informal economy and its commitment to formalization was placed on the heads of state discussions agenda in the Arab League Summit held in Algeria in October 2022.

87. SOLIFEM outreach to the three constituent groups at a regional level, including outreach to trade unions in the Arab world through a side meeting on informality designed and facilitated by the ILO at the ATUC Congress in Oran in 2022, SOLIFEM engagement with governments beyond the four focus countries at the Union for the Mediterranean meeting in Brussels in September 2022, where the Algerian Ministry of Labour and the ILO both encouraged governments in attendance to take an active interest in the project. The IOE is also a key ally of SOLIFEM in the region, committing to share good practices from the four focus countries with its affiliates in the broader region.

88. The first regional meeting occurred in Algiers on November 28-29, 2022. It was organized by SOLIFEM, in partnership with the Algerian Ministry of Labour, Employment, and Social Security. The objectives of the meeting were to foster the exchange of experiences on initial strategies and relevant priorities, including supporting access to formal jobs for youth and women in the region; to identify the key priorities for future regional knowledge-sharing events to be implemented by the ILO, in terms of common challenges and opportunities in the region; to promote visibility of the project's achievements during the inception phase to a wider audience, as well as the identified challenges and opportunities on what works and what doesn't work in terms of formalization of jobs and enterprises, to share with the European Commission and constituents in the broader region; and to exchange experiences on the role of social partners in formalization and employability and identify their needs and priorities.

89. This first regional meeting was highly participatory, comprehensive, and satisfactory for most stakeholders. The delegations from the participating countries reaffirmed their strong commitment to the SOLIFEM project and its core priorities. These

priorities include supporting the transition to the formal economy, enhancing employability through constructive social dialogue, and bolstering skills development systems. They unanimously recognized that the informal economy poses a common challenge, necessitating the adoption of cohesive, context-specific policies and measures in line with ILO Recommendation No. 204. These policies should be implemented gradually.

90. Establishing inclusive social dialogue at all levels was deemed crucial to addressing the informal economy, along with customizing labor policies for small businesses and adapting to emerging risks. To transition informal businesses to the formal sector, they emphasized creating an enabling environment with incentives, skills development, labor law enforcement, and social protections for all workers. Recognizing the impact of crises, they stressed the importance of preserving livelihoods for formal economy workers. They also highlighted the need to strengthen inspection services, build trust among stakeholders, and uphold agreements. Participants called for support of workers' rights and social dialogue during the formal economy transition, focusing on youth and women's needs.<sup>22</sup> This first Regional Meeting had extensive media coverage in the Algerian press and other Arabic-language media.<sup>23</sup>

91. The project is planning two other regional events: SOLIFEM 2<sup>nd</sup> Regional Meeting Hybrid–December 18, 2023 – with ILO tripartite constituents from Lebanon, Egypt, OPT, Algeria, and other Arab countries from the region, and ILO experts, the ITUC, and the IOE; a Regional Capacity Building Activity on Social Dialogue– ITCILO – April 2024; and the SOLIFEM Third Regional meeting – May or June 2024 in Lebanon. The project has also participated in several regional events (Brussels, Marseille, Oran, in coordination with SOLID in some cases).

92. Stakeholders participating in the regional event valued the content they found pertinent to their interests, needs, and objectives. Relevant topics and discussions contributed significantly to the quality of the regional meeting and the experienced speakers, facilitators, and panelists who provided valuable insights and information about the challenges of formalization. Smooth logistics, efficient scheduling, and clear communication before and during the event contributed to a positive perception of its quality.

93. The majority of stakeholders interviewed emphasized their inclination towards a more hands-on approach when it comes to regional meetings. They expressed a strong

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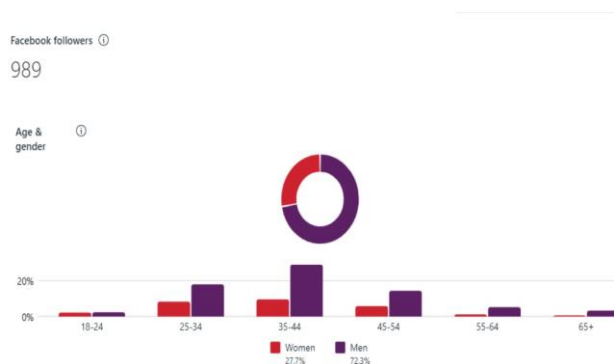
<sup>22</sup> First SOLIFEM Regional Meeting Final Report, Algiers November 2022

<sup>23</sup> Organisation Internationale du Travail \Veille Stratégique 2022-11-26 a 2022-12-10 Propriété intellectuelle protégée

desire for engaging in practical workshops that facilitate the exchange of tangible information within smaller, more interactive groups. Additionally, they expressed keen interest in drawing insights from the real-life experiences of their peers. Presently, opportunities for peer-to-peer learning and the exchange of experiences within the SOLIFEM framework are limited. However, it's worth noting that there have been noteworthy instances of successful exchange visits, which are detailed in the "Emerging Good Practices" section of this report.

94. The project endorsed a comprehensive Communication and Visibility Strategy with the primary objectives of increasing awareness about the intricacies of the informal economy, introducing the project to a broader audience encompassing both the general public and stakeholders, nurturing active engagement and project ownership among tripartite constituents, cultivating an environment conducive to constructive social dialogue, effectively communicating project activities, disseminating publications and research findings, and emphasizing the collaborative partnership between the ILO and the EU in driving the project's successful implementation and monitoring of progress.<sup>24</sup> One of the first achievements of the project was the development of the [SOLIFEM webpage](#).

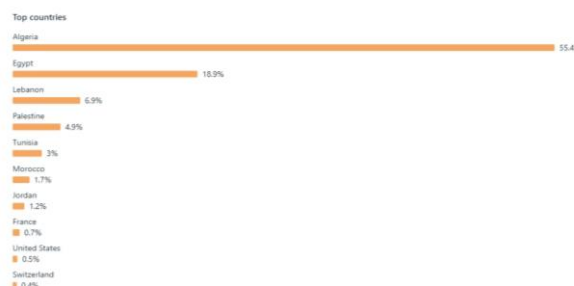
95. SOLIFEM contributes to regional awareness and experience sharing through its active role in social media. It has established a vibrant online presence, primarily on platforms like LinkedIn and Facebook, which benefits the young population targeted by the project as the majority of users are under 45 years old. On Facebook, the project has engaged with approximately



1,000 followers. The gender distribution among these followers, as illustrated in the accompanying graphic, indicates a predominantly male presence, accounting for 72.3% of the audience. Women make up 27.7% of the project's social media engagement.

<sup>24</sup> SOLIFEM Communication and Visibility Plan, Algiers, September 2022

96. The distribution of followers across countries mirrors the number of participants engaged in the project's activities. It offers insights into the varying levels of engagement and events hosted by SOLIFEM in each nation. Predominantly, most followers originate from Algeria, comprising 55.4% of the total, with Egypt following at 18.9%, Lebanon at 6.9%, and the Occupied Palestinian Territories (OPT) at 4.9%. It's worth noting that this data also reveals subtle distinctions influenced by the degree of Facebook usage in different regions. Furthermore, it is noteworthy that there is a significant presence of followers from neighboring countries such as Tunisia, Morocco, and Jordan.



**To what extent does SOLIFEM have a gender strategy to address women strategic needs through the project implementation and outcomes planned?**

97. SOLIFEM currently needs to develop a gender strategy to effectively address the specific needs of women throughout the project's implementation and planned outcomes. The prioritization of a gender approach was not sufficiently emphasized during SOLIFEM's initial design phase, and there was limited involvement of ILO gender specialists in the project's planning and execution. This has led to a less robust gender approach within an intervention intended to target youth and women primarily. Fortunately, when feasible, most of the logframe indicators are disaggregated by gender.

98. One of the two Outcome indicators for Outcome 1, which measures the "Number of gender-responsive monitoring systems in place to measure progress towards formalization of workers and economic units," has not shown any progress since the project's inception. This may be probably explained by the fact that this is linked to the strategy that is yet to be adopted. The target is to have one such system in place for each country. The evaluation has not uncovered evidence of SOLIFEM's progress in this aspect. Indicators regarding women's participation in activities have a target of 50%, while the current figures are at 25%, underscoring the imperative to enhance women's involvement in the project's activities.

99. In certain specific cases, such as in the OPT (Occupied Palestinian Territories), the thoughtful selection of sectors during the diagnostic process has enhanced the gender-focused approach. Notably, in the OPT, the kindergarten and textile sectors employ a substantial number of female workers. In Algeria, however, the chosen sectors are predominantly male-dominated, especially in commerce and

construction. The other two selected sectors, agriculture and handcrafts, do have a significant female workforce, but men still hold a predominant presence. In agriculture, women actively participate in sub-sectors like date cultivation, olive harvesting, and red pepper production. Women also play a crucial role in milk processing for cheese making. Similarly, among the sectors analyzed in Lebanon, the agro-industry stands out with the highest percentage of female workers, comprising 39% of the workforce.

#### **d. Efficiency**

**To what extent has the SOLIFEM project delivered or is likely to deliver outputs in an economic and timely way? If not, what were the challenges encountered?**

100. According to the project's data, SOLIFEM has experienced some delays in delivering its outputs. These delays can be attributed to various factors, which will be elaborated upon below. Additionally, the project encountered implementation challenges, partly due to the log frame's design, which places significant emphasis on the diagnostic phase, thereby deferring the delivery of other outputs until the initial diagnosis is validated. Furthermore, the project needed help sourcing expertise in different countries.

101. The implementation of the SOLIFEM project has encountered several challenges along the way. Initially, there was a delay in getting the project off the ground due to the need for extensive consultations with the ILO tripartite constituents; additionally, the COVID-19 pandemic and associated travel restrictions further complicated matters. Furthermore, national partners were reluctant to establish clear targets for the project's log-frame. These factors combined resulted in a one-year delay in the project's timeline, with its official commencement in March 2021. The arrival of the Chief Technical Advisor (CTA) in Algeria was also delayed, taking place in October 2021, a few months later than anticipated due to visa complexities.

102. Political and contextual challenges within its sub-regions and countries have further influenced the project's implementation. In Algeria, a new administration came into power following the Hirak movement in late 2019 through early 2020, bringing about significant changes such as a new constitution, president, and parliament. However, the government's commitment to promoting the formalization of the informal economy aligned well with SOLIFEM's goals, contributing positively to the project's momentum in the country.

103. In the Occupied Palestinian Territories, the Palestinian Authority faces severe limitations in terms of territorial control, institutional capacity, and access to resources necessary for national economic development. Stalled peace negotiations, international isolation, and a sense of despair among the population have prioritized



individual economic well-being over the uncertain prospect of Palestinian statehood in the near term. The outbreak of the war in Gaza in October 2023 only serves further to complicate the context for the project's implementation in OPT and Lebanon.

104. Lebanon posed challenges characterized by an economic crisis and ongoing political instability. The financial crisis, which began in 2020, compounded with the Syrian refugee crisis and the absence of an elected government, created a complex environment for project implementation.

105. In Egypt, the project started with activities in collaboration with social partners and more recently, the Egyptian government engaged through the participation of the Micro Small and Medium Enterprises Development Agency (MSMEDA), reporting to the Prime Minister to work on a national strategy for formalization.

106. As of September 2023, the data indicates that the delivery rate for Outputs under Outcome 1 was less than 50%, and for Outputs under Outcome 2, it was less than 25%. Consequently, it may be necessary for the project to seek a non-cost extension to fulfil the outstanding outputs in each respective country successfully.

**To what extent did the project establish a monitoring and evaluation system and risk register during the implementation that contributes to management, learning and accountability in an effective way?**

107. SOLIFEM has a Monitoring and Evaluation (M&E) Framework involving the generic logframe and Programme and Budget (P&B) indicators in the project document. SOLIFEM CTA, who is responsible for M&E, worked with the national coordinators and key technical specialists to revise and clarify some indicators. Regarding the country-level program objectives (CPOs), the technical specialists in Beirut, Cairo, and Geneva are responsible for setting those CPO indicators in collaboration with the Programming Unit and Projects.

108. SOLIFEM has a global logframe for the four focus countries/territories. National coordinators have found challenges in monitoring the indicators as data is not easily accessible for some of them, particularly for the impact and outcome indicators. The project has established an online tool to track the logframe indicators updates.

109. The project's reporting system comprises an annual report meticulously developed in a highly participatory manner involving project staff and HQ specialists. This annual report encompasses an executive summary, budget and planning details, a summary of outputs and outcomes, a thorough narrative report, and annexes for additional information. Additionally, in response to donor requirements, the project

generates monthly Flash reports to maintain up-to-date information on project implementation. While these two reporting mechanisms may be adequate for keeping the donor informed, the current system needs to be improved and strengthened to deliver a continuous monitoring source that can effectively promote learning and accountability.

**To what extent has the project leveraged partnerships with other ILO projects or other actors to build synergies and achieve results?**

110. As described above under “5.2. *Coherence*,” SOLIFEM has demonstrated a commendable synergy with various ILO projects and UN initiatives across the targeted countries. It aligns with the broader reform efforts towards economic formalization in Algeria, engaging all three ILO constituents. Egypt witnesses SOLIFEM working predominantly with bipartite stakeholders while the OPT grapples with internal reforms amidst challenging economic conditions, occupation, and conflict. The project adapts strategically to complex circumstances in Lebanon, supporting other ILO interventions and EU-funded projects. SOLIFEM's cross-cutting nature makes it a valuable addition to various projects, particularly in social dialogue.

111. The project's efforts extend to fostering internal coordination within the ILO, promoting synergy among different departments, regional offices, and EU focal points in the four focus countries. SOLIFEM reasonably coordinates with other ILO interventions at the country level, fostering synergies with projects focused on skills, entrepreneurship, gender, and social dialogue.

112. In terms of ILO units and departments' involvement and support, SOLIFEM benefits from active engagement across all offices and departments. Nevertheless, the project has occasionally encountered difficulties in obtaining the required technical support for its various components in different countries, and the level of support received from HQ varied between the countries. This challenge can be attributed to the project's broad spectrum of technical subjects, ranging from social dialogue to formalization to skills development. Covering all these diverse topics with internal resources poses a considerable challenge for SOLIFEM, necessitating reliance on other ILO departments and specialists. Consequently, this reliance can sometimes complicate the project's day-to-day implementation.

## e. Sustainability

**What is the likelihood that the structures, capacities, services and benefits delivered will be sustainable after the project completion? Has the project planned and is it implementing an exit strategy?**

113. As we assess the sustainability and achievements of the SOLIFEM project, it becomes evident that certain processes and structures established during the initial two years of the project have contributed significantly to its continued implementation. The key factor supporting this sustainability is the project's integration into existing social dialogue structures, particularly notable in Lebanon and the OPT.

114. In Algeria, the sustainability of project achievements hinges on the government's commitment to transitioning to formality, as outlined in its National Plan. The SOLIFEM structures currently appear sustainable, such as the working group on skills and formalization and the PAC. Nevertheless, it is advisable to initiate planning for an exit strategy to ensure the long-term sustainability of the social dialogue mechanism around the transition to formality.

115. At the outcome level, specific achievements owe their sustainability to the dedication of national constituents. All stakeholders expressed the need for continued ILO/EU support due to the ambitious nature of the formalization efforts. Some tangible changes in the legal framework in Algeria, like the approval of the auto-entrepreneur status, ensure the sustainability of some of the project's accomplishments.

116. Several of SOLIFEM's outputs are sustainable and transferable to ILO constituents; the Diagnostics and the Help Desks (Formalize Your Business) are sustainable and transferable to ILO constituents. These tools can continue to be beneficial even after the project's conclusion, serving as valuable resources for promoting formalization.

117. One remarkable aspect shared across all four focus countries/territories is the mindset shift concerning informality and the advantages of formalization. This transformation in perspective is arguably the most sustainable achievement of SOLIFEM. It signifies a fundamental change in how stakeholders view and approach the issue of informality, creating a lasting impact beyond the project's lifespan.

118. In summary, while assessing the project's overall sustainability may be premature, SOLIFEM has established processes and structures that support continued implementation. The commitment of national constituents, changes in legislation, and the shift in mindsets regarding informality collectively contribute to the sustainability of the project's achievements. Nonetheless, planning for an exit strategy and considering ongoing support is prudent to ensure the enduring impact of SOLIFEM's efforts in promoting formalization.

## f. Impact Orientation

**To what extent is SOLIFEM working towards achieving the proposed impacts? Is the project strategy and management working towards impact?**

119. SOLIFEM has had a significant impact on several fronts in the participating countries. Firstly, it has contributed to changing perceptions and practices related to informality and the transition to formality, primarily through awareness-raising efforts. The project has increased knowledge about informality through the development of diagnostic tools, shedding light on the informality situation in different countries. National stakeholders in the focus countries have acknowledged a shift in mindset and an improved understanding of the causes, characteristics, and factors contributing to informality. This change in mindset is motivating organizations to better prepare for the challenges associated with transitioning to formality.

120. There have been improvements in employment formalization efforts by national tripartite stakeholders, in particular the government in Algeria and the employers organizations in Algeria and Lebanon, making systems more inclusive, albeit to a lesser extent gender-responsive. To achieve the expected impact on women, the project needs to prioritize actions specifically targeting women in the remaining period.

121. SOLIFEM's impact is expected to extend to the policy level, with clear results already observed in Algeria, where measures have been taken to strengthen the formal economic activities of individuals transitioning from the informal economy. The government is working on potential legal measures or digital platforms to facilitate information exchange among stakeholders, especially in the context of artificial intelligence.

122. In Egypt, SOLIFEM is expected to have a positive impact on capacity building and awareness among employers and workers regarding informality. It has led to a change in mindset, with stakeholders now more conscious of the issue and willing

to address it. This shift in mindset is expected to be sustained in the future, as it is considered essential for fairness in working conditions and overall Decent Work. According to the Ministry of Labor (MOL) in Palestine, SOLIFEM has already started making a positive impact. Measures have been taken to ensure decent work, including progress in social security, labor code amendments, and educational campaigns. Training and vocational programs have been strengthened to support new graduates in their formal entry into the labor market.

### **Cross-cutting themes**

123. By addressing the informal workers as one of its target groups, SOLIFEM contributes to non-discrimination as those workers (informal workers, including street vendors, domestic workers, and day laborers, for example), are frequently subjected to discrimination based on factors such as gender, race, ethnicity, socioeconomic status, and more. The project could still do more to contribute to gender equality and non-discrimination by having a more targeted approach to those profiles in its interventions.

124. The project has very well taken into account tripartism, social dialogue, and international labour standards in its design and implementation. However, it has not given due prominence to addressing issues related to a just transition to environmental sustainability in its planning and execution.

## **5. Conclusions**

<b>EQ1</b>	<b>RELEVANCE AND VALIDITY OF DESIGN</b>
<b>C1.1</b>	SOLIFEM is highly relevant and aligned with various regional and international policy frameworks and priorities. It aligns with EU policy frameworks and ILO priorities on social dialogue, formalization, and employability. The project also aligns with the priorities expressed in the Union for the Mediterranean (UfM) ministerial conferences on employment and labor, emphasizing the importance of effective social dialogue. It is in line with ILO Recommendation No 204 on the transition from informal to formal economy and contributes to the ILO's global policy outcomes, especially in strengthening social dialogue and formalization strategies.
<b>C1.2</b>	Stakeholders in focus countries demonstrate commitment to formalization, with employers' organizations prioritizing it for various benefits. Governments, especially in Algeria, are actively involved in supporting formalization efforts. Worker organizations, while varying in commitment levels, are increasingly interested in formalization to expand union membership and address the needs of informal workers, particularly in the

	aftermath of the COVID-19 pandemic, which brought new workforce challenges and opportunities.
<b>C1.3</b>	The social dialogue approach to tackling informality has proven to be highly pertinent. This is because the issue of "formalization" is non-confrontational, offering benefits to all involved parties and the potential for mutually advantageous outcomes within the dialogue. The move towards formality offers advantages to all stakeholders and is well-suited for discussions at lower levels, including sector-specific dialogues, without becoming overly politicized. As a result, it can serve as a basis for nurturing dialogue at higher levels of decision-making.
<b>C1.4</b>	While the project's design commendably aligns with the ILO's strategy to facilitate the transition from informality to formality as per ILO Recommendation 204, its logframe and Results framework may appear overly ambitious given the project's duration. The evaluation suggests that both project outcomes, particularly Outcome 2, may exceed the feasible scope for the scale of intervention represented by SOLIFEM. Outcome 1 appears to be a better fit, tailored to the size and scope of the project's initiative, and aligns more closely with stakeholders' interests and capacities.
<b>EQ2</b>	<b>COHERENCE</b>
<b>C2.1</b>	SOLIFEM demonstrates a high degree of coherence with the ILO and with various policies and interventions from organizations such as UN agencies, governments, and donors. While the level of coherence within employment and Public Financial Management (PFM) reform strategies varies across the targeted countries, SOLIFEM has strategically adapted to the unique circumstances in each location. Overall, SOLIFEM's coherence extends to various stakeholders and initiatives, making it a cross-cutting and supportive intervention in the pursuit of decent work and formalization.
<b>C2.2</b>	SOLIFEM and SOLID have shown a degree of commitment to coherence and collaboration, conducting Joint Steering Committee meetings to exchange information and align some activities between the two projects. They have also coordinated with EU Delegations and made some efforts to improve the visibility of their actions through structured websites. Looking ahead, the project teams are considering potential areas of collaboration for future phases, including social partner capacity building, support to social and economic councils, and local outreach to organizations representing women and youth, suggesting a potential for continued cooperation and synergy between the projects.
<b>EQ3</b>	<b>EFFECTIVENESS</b>
<b>C3.1</b>	SOLIFEM is actively contributing to the enhancement of national policy frameworks aimed at facilitating the transition of informal economy workers and economic units to the formal economy through tripartite dialogue in its four focus countries. This contribution is realized through two primary strategies: firstly, it assists in the development of sector-specific tripartite

	<p>diagnostics to identify the factors, characteristics, causes, circumstances, and needs of informal economy workers and units. Secondly, it strengthens social dialogue institutions and mechanisms, particularly involving social partners, to better address the challenges of informality and promote the transition to the formal economy. While SOLIFEM has achieved results at the Output level, it has not yet reached the Outcome level, partly due to implementation delays.</p>
<b>C3.2</b>	<p>Social dialogue institutions, particularly social partners, have seen an improvement in their capacity to address informality within the four focus countries due to SOLIFEM's efforts in Output 1.2. The project has conducted capacity-building activities for various social partner organizations. In Algeria, a higher number of participants come from the government, reflecting the extensive involvement of various ministries in the project's activities. In Egypt, capacity building has been extended to both social partners, including employers' organizations and unions. In Lebanon and the OPT, a similar approach has been taken, involving all three constituents.</p>
<b>C3.3</b>	<p>SOLIFEM's Outcome 2, which focuses on skills development, is experiencing significant delays mainly due to its dependency on the completion of diagnostics outlined in Outcome 1 (as interpreted by the stakeholders on the field). While there has been initial progress observed in Algeria, preliminary activities are also underway in other participating countries. Collaborative efforts involving tripartite stakeholders have been launched in Algeria, Egypt, and Lebanon under Output 2.1, aiming to assess skills training methods and identify employability gaps within specific sectors.</p>
<b>C3.4</b>	<p>SOLIFEM organized a first regional meeting in Algiers in November 2022 with stakeholders found highly relevant to their interests, needs, and objectives, with valuable insights provided by experienced speakers, facilitators, and panelists on the challenges of formalization. Nevertheless, the majority of interviewed stakeholders expressed a preference for a more hands-on approach, desiring practical workshops and opportunities for peer-to-peer learning within smaller, interactive groups.</p>
<b>C3.5</b>	<p>SOLIFEM currently lacks a dedicated gender strategy, which has resulted in some challenges in effectively addressing women's specific needs. There was limited emphasis on gender during the project's initial design, and the involvement of ILO gender specialists in the planning and execution phases has been somewhat limited. Consequently, there is room for improvement in the intervention's ability to effectively target women, despite some gender disaggregation in the logframe indicators.</p>
<b>EQ4</b>	<b>EFFICIENCY</b>
<b>C4.1</b>	<p>As of September 2023, the data suggests that the delivery rate for Outputs within Outcome 1 was below 50%, and for Outputs within Outcome 2, it was below 25%. Therefore, it may become necessary for the project to explore the</p>

	possibility of a non-cost extension to ensure the successful completion of the outstanding outputs in each respective country.
<b>C4.2</b>	SOLIFEM has made commendable efforts to enhance internal coordination within the ILO and foster synergy among different departments, regional offices, and EU focal points in the four focus countries. However, the project has occasionally faced challenges in securing the necessary technical support for its diverse components in different countries due to its broad spectrum of technical subjects, spanning social dialogue, formalization, and skills development.
<b>C4.3</b>	SOLIFEM employs a global logframe for its four focus countries/territories, but adapting it to each national context has proven challenging. National coordinators encounter difficulties in monitoring specific indicators, particularly those tied to impact and outcomes, primarily due to limited data accessibility.
<b>C4.4</b>	The project's reporting system comprises an annual report and monthly Flash reports. While these reporting mechanisms meet donor communication requirements, they may not fully function as a continuous monitoring source for enhancing learning and accountability within the project.
<b>EQ5</b>	<b>SUSTAINABILITY</b>
<b>C5.1</b>	SOLIFEM has put in place processes and structures to facilitate ongoing implementation. The dedication of national stakeholders, legislative changes, and a shift in attitudes toward informality all play a role in sustaining the project's accomplishments. Nevertheless, it is wise to plan for an exit strategy and contemplate continued support to ensure the lasting impact of SOLIFEM's initiatives in promoting formalization.
<b>EQ6</b>	<b>IMPACT ORIENTATION</b>
<b>C6.1</b>	SOLIFEM has made notable contributions in the participating countries, particularly in the realm of changing perceptions and practices concerning informality and the transition to formality, mainly through awareness-raising activities. The project has improved awareness about informality by developing diagnostic tools to illuminate the informality landscape in various countries. National stakeholders in the focus countries have recognized a shift in mindset and a better comprehension of the causes, characteristics, and factors linked to informality. This altered mindset is prompting organizations to be more prepared for the challenges associated with moving towards formality, though the extent of these changes may vary. However, SOLIFEM's expected impact on women is at risk unless specific measures are taken before the end of project's implementation.



## 6. Recommendations

N°	Recommendation	Addressee	Timing	Level of Resources
<b>R1</b>	Maintain a strong focus on social dialogue as a key strategy in addressing informality. The non-confrontational and mutually beneficial nature of this approach aligns well with the project's goals.	The donor, ILO, Project staff	Immediately-applicable Potential SOLIFEM Phase 2 Long term for future programming.	Low
<b>R2</b>	Continue to enhance the capacity of social dialogue institutions and mechanisms, particularly social partners, to effectively address informality. This may include providing training, resources, and support to strengthen their ability to engage in meaningful dialogue. Prioritize capacity building activities organized jointly for both unions and employers' organizations	Project staff	Short-term Potential SOLIFEM Phase 2	Medium
<b>R3</b>	Disseminate among EU staff and interested stakeholders the online course on Social Dialogue prepared by DG INPTA and DG NEAR which contains a chapter on SD to address Informality : <a href="https://webgate.ec.europa.eu/intpa-academy/search/index.php?q=social+dialogue">https://webgate.ec.europa.eu/intpa-academy/search/index.php?q=social+dialogue</a>	EU Staff in the Southern Neighborhood Region SOLIFEM Project Staff	Immediately-applicable	Low
<b>R4</b>	Reevaluate Outcome Targets: Consider revisiting the outcome targets for both Outcome 1 and Outcome 2 to ensure they are realistic and achievable within the project's duration. Engage with stakeholders to determine feasible goals that align with the project's resources and capacity. Prioritize Outcome 1: Given the alignment of Outcome 1 with the project's size, scope, and stakeholder interests, prioritize this outcome. Allocate	SOLIFEM Project staff, HQ and tripartite stakeholders	Immediately-applicable	Low

	resources and efforts accordingly to maximize the impact of the project in this area.				
<b>R5</b>	Adjust Outcome 2: While Outcome 2 is important, it may require adjustments to make it more attainable within the project's limitations. Consider focusing on specific aspects of skills development that can be effectively addressed within the project's timeframe and resources.	Project HQ tripartite stakeholders	staff, and	Immediately-applicable	Low
<b>R6</b>	Diversify meeting formats in the regional events including practical workshops with thematic focus, roundtable discussions, and interactive sessions. These formats can provide opportunities for participants to engage actively and share their experiences. Facilitate opportunities for peer-to-peer learning by organizing exchange visits where stakeholders can share their real-life experiences and best practices.	Project ILO	staff,	ShortTerm Potential SOLIFEM Phase 2	High
<b>R7</b>	Enhance Women's Participation: Develop targeted strategies to increase women's participation in project activities, including a specific approach under Outcome 2.	Project National tripartite stakeholders	staff,	Short-term	Medium
<b>R8</b>	Design a framework of action for the ILO in the MENA region with the priorities on informality gender, and social dialogue	ILO Africa, DWTs	North ROAS,	Medium Term	Medium
<b>R9</b>	Invest in capacity building for project staff to enhance their ability to effectively manage and implement the project, especially in areas that may face challenges.	Project staff		Immediately-applicable	Medium
<b>R10</b>	Provide a non-cost extension to ensure the successful completion of the outstanding outputs in each respective country.	EU		Short Term	Low

<b>R11</b>	In future programming ensure that national chapters of the regional programme can adapt their logframes to their contexts	EU and the ILO	Long Term future programming Potential SOLIFEM Phase 2	Low
<b>R12</b>	For the future, ensure that gender considerations are integrated into social dialogue efforts. Select sectors where women are the primary workforce.	ILO & National Stakeholders	Long Term future programming Potential SOLIFEM Phase 2	Low
<b>R13</b>	Improve the reporting and monitoring mechanism by preparing quarterly reports focused on Outputs and Outcomes achievements.	SOLIFEM CTA and national coordinators	Immediately-applicable (for the remaining part of the current phase)	Medium
<b>R14</b>	Enhance the sustainability of the project's achievements by firmly establishing the project within permanent social dialogue structures.	National Stakeholders	Immediately-	Medium

## 7. Lessons Learned and Emerging Good Practices

**Lesson Learned 1 on Adopting a Sector Approach for Diagnostics in Transitioning to Formality.** SOLIFEM's utilization of a sector approach for diagnostics in transitioning to formality marks a departure from conventional ILO interventions. This unique approach offers several benefits, including enhanced collaboration with sector-specific organizations and improved coordination with national ILO constituents. The Sector Approach implies the following advantages: a) Strengthening Coordination: SOLIFEM's sector-focused diagnostics foster more vital collaboration with organizations deeply entrenched in specific sectors. This engagement serves to reinforce coordination efforts with national ILO constituents, thereby enhancing the effectiveness of transitioning to formality initiatives; b) Identifying Common Sectors: Several countries commonly grapple with informality in sectors like agriculture and agri-food. By targeting these shared sectors, SOLIFEM maximizes its impact by addressing pervasive issues across different contexts, making interventions more relevant and adaptable; c) Gender

Perspective: An essential aspect of adopting a sector approach is the consideration of gender dynamics. Recognizing that certain sectors may disproportionately affect women, SOLIFEM endeavors to incorporate gender-sensitive strategies. This approach ensures that the transition to formality has a positive impact on women, promoting gender equality and empowerment.

**Lesson Learned 2 on the in-depth capacity building for trade unions on informality, social dialogue, social protection and the role of the trade unions.** In the context of Egypt, SOLIFEM undertook a significant capacity-building initiative aimed at empowering trade unions to effectively tackle issues related to informality, social dialogue, and social protection, while also emphasizing the pivotal role trade unions play in this process. This valuable experience offers several key lessons that can be applied in similar contexts worldwide.

- **Comprehensive Capacity Building is Essential**

SOLIFEM's approach of providing an all-encompassing capacity-building program was instrumental in driving success. Addressing multiple facets simultaneously - awareness, membership growth, and collaboration with the National Social Insurance System - allowed for a holistic approach to the challenges posed by informality. This lesson underscores the importance of taking a comprehensive view when strengthening trade unions, as it ensures a well-rounded strategy.

- **Raising Awareness is the First Step**

Initiating the program with a focus on raising awareness about informality, social dialogue, and social protection was a strategic move. By educating trade unions and their members about these issues, SOLIFEM enabled them to grasp the significance of the problem and the role they could play in solving it. This underscores the importance of knowledge dissemination as a foundation for any capacity-building initiative.

- **Expanding Membership Base Strengthens Influence**

One of the remarkable outcomes of the program was trade unions' renewed commitment to expanding their membership base. The recognition that a broader membership would enhance their influence and bargaining power exemplifies the synergy between capacity building and practical outcomes. This lesson reinforces the idea that membership growth is not just a numerical goal but a strategic imperative for trade unions seeking to address informality effectively.

- **Proactive Engagement with Informal Workers is Necessary**

Post-program, trade unions in Egypt proactively contacted workers in the informal economy. This proactive engagement is a testament to the success of the capacity-building initiative. It emphasizes that trade unions must actively seek out and represent the interests of informal workers rather than waiting for them to join. This lesson highlights the importance of being proactive and responsive to the needs of all workers.

**Emerging Good Practice 1 on the exchange of experiences among peers.** The OPT delegation participated in a 2-day exchange visit to Algeria, where many meetings were conducted with officials from the Ministry of Labour, Ministry of training and vocational training, and Ministry of knowledge Economy, start-ups and micro-enterprises and visits to local training centers. Many important topics were discussed, including employment, social security, and governance of the labour sector. The knowledge exchange also included the vocational training sector and entrepreneurship accelerators. A very successful visiting program to Algerian institutions was organized, where the Palestinian authorities tapped into the role of the government in supporting young graduates. This included their training, the creation of job opportunities, and ensuring their enrollment in formal work. The visits also included other aspects, such as social security and the National Unemployment Insurance Fund. The exchange between employer organizations was highly appreciated by both parties, despite being somewhat constrained due to the distinct profiles and purposes of the two organizations (with FPCCIA being the Federation Palestinian Chambers of Commerce, Industry and Agriculture). Overall, the visit was regarded as an exceptionally productive experience, and the interviewees expressed their desire for more visits and meetings in the future, allowing them to engage with different contexts and thereby expedite progress towards formalization.

**Emerging Good Practice 2: “Formalize your Business” approach: business registration, bookkeeping, compliance with social security, and adherence to labor law regulations.** The project in Lebanon is implementing a Help Desk to support the Association of Lebanese Industries (ALI) to enhance the formalization of economic units in the country. The project cooperates with the ILO Headquarters (ENTERPRISES) to adapt some existing ILO materials to the Lebanese context. The project has hired a Lebanese lawyer for that endeavor. He has also gained experience from other countries, like Gambia. Egypt is also adapting the tool.

**Emerging Good Practice 3: Dissemination of studies’ results at the local level shows effectiveness. Members of employers’ organizations at local structure level may be better placed to reach informal economic units.**

The project in Algeria conducted a study on subcontracting and formalization for private companies in the BTPH (Building, Public Works, and Hydraulics). This study was carried out in collaboration with the General Confederation of Algerian Enterprises (CGEA), which contributed to its enrichment by organizing four workshops to present the study's results at the local level (one workshop in each of the four regions: East, West, North, and South). This approach of presenting the results at the local level facilitated the dissemination of information in these four regions and the involvement of local representatives of the CGEA in the planning and organization of the workshops, as well as in raising awareness about the risks of informal work and the benefits of formalization.

## ANNEX I Evaluation Matrix

Evaluative questions and criteria	Indicators	Data sources and Data collection methods
<b>EQ 1 RELEVANCE</b>		
<p>1.1 To what extent are the project objectives aligned to beneficiaries needs, policy frameworks at national and regional level? To what extent tripartite stakeholders are committed to the fight against informality in the region and the four focus countries in particular?</p>	<p>1.1.1. The theory of change is based on a sound problem analysis</p> <p>1.1.2. The Projects' results framework is solid: chain from inputs, activities, outputs, medium- and long-term outcomes are clear and logical and the time frames are realistic</p> <p>1.1.3. The project's design was sensitive to institutional arrangements and roles of the different stakeholders and beneficiaries involved</p> <p>1.1.4. Stakeholders in the four focus countries are committed to a transition from the informal to the formal economy</p>	<p>Logical Framework</p> <p>Project Documents</p> <p>Interviews with SOLIFEM and ILO staff, the donor, and constituents on the field</p> <p>Interviews with unions, employers, government</p>

<p>1.6. To what extent does the project fit with and complement the Decent Work Country Programme (DWCP), Country Programme Outcomes (CPOs), UN Country Programme and other ILO projects in the countries?</p> <p>1.7. To what extent was the project design realistic to the context of North Africa and the Arab states and consistent as a regional project?</p> <p>1.8. To what extent is the project integrating in its design and implementation the ILO crosscutting themes?</p> <p>1.5 To what extent did the project design adequately consider the gender</p>	<p>1.2.1. The project fits well with the DWCP and CPOs in the countries</p> <p>1.2.2. The project complements well with UN country programmes and other ILO projects</p>	
	<p>1.3.1. The project’s design was sufficiently culturally and politically responsive to the context of North Africa and the Arab states</p> <p>1.3.2. The project’s design adds value as a regional project</p>	
	<p>1.4.1. The project’s design and implementation integrate international labor standards</p> <p>1.4.2. The project’s design and implementation integrate social dialogue and tripartism</p> <p>1.4.3. The project design and implementation integrate Just transition</p>	
	<p>1.5.1. The project’s design and implementation sufficiently takes into account gender and non-discrimination</p> <p>1.5.2. The output and outcome project indicators are gender sensitive</p>	

dimension and non-discrimination of the planned interventions?	1.5.3. The project included in its strategy products/services/activities primarily aimed at women	
<b>EQ 2 COHERENCE</b>		
2. To what extent has the project been coherent with other policies and interventions (ILO, UN agencies, governments, donors, etc.) within the employment and PFM reforms strategy in the targeted countries?	2.1. Degree of coordination with other ILO and non-ILO interventions 2.2. Degree of coordination with SOLID and other EU interventions 2.3. Degree of coordination with other donor’s interventions	Project Documents  Interviews with SOLIFEM and ILO staff, the donor, and other development partners
<b>3. EFFECTIVENESS</b>		
3.1. To what extent has SOLIFEM contributed to enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents? Which factors supported or hindered the project results?	3.1.1. Government and social partners have actively participated in SOLIFEM  3.1.2. Government and social partners have increased their awareness on the causes, circumstances and effects of informality  3.1.3. Bipartite social partners have increased their representativeness to cover informal workers	Project Documents  Progress Reports  Interviews with ILO staff, and stakeholders



<p>3.2. To what extent has SOLIFEM contributed to strengthened skills development systems that enable young people and women in the informal economy to access formal employment?</p>	<p>3.1.4. Social dialogue institutions or mechanisms and the social partners are stronger and better equipped to address the risks of informalization and foster transition to the formal economy</p> <p>3.1.5. Number of diagnostic studies on the informal economy validated by tripartite partners</p> <p>3.1.6. Communication and visibility efforts contribute to raise awareness on the importance of social dialogue and its role in the transition to formal economy</p>	<p>Interviews with unions, employers, government and other organizations</p> <p>Project Budget</p> <p>Work Plans</p>
	<p>3.2.1. Tripartite constituents perceive an increased responsiveness of skills development systems to the needs of workers and economic units in the informal economy.</p> <p>3.2.2. The project has selected sectors that enables young people and women to access formal employment</p> <p>3.2.3. Communication and visibility efforts contribute to raise awareness on the importance of social dialogue in skills development and employability</p>	

<p>3.5. To what extent does SOLIFEM optimize its regional component adding value as compared to other type of interventions?</p> <p>3.6. To what extent does SOLIFEM have a gender strategy to address women strategic needs through the project implementation and outcomes planned?</p>	<p>3.3.1. A regional/project mechanism for analysis and knowledge-sharing, building on SOLIFEM interventions, is put in place.</p> <p>3.3.2. The project includes peer to peer learning and exchange activities</p> <p>3.3.3. Degree to which SOLIFEM provides lessons learned and facilitates knowledge sharing among ILO tripartite stakeholders</p> <hr/> <p>3.4.1. Sex-disaggregation of SOLIFEM+ indicators</p> <p>3.4.2. Project’s actions are gender responsive/targeted</p> <p>3.4.3. Tripartite stakeholders have relevant experience and capacity (technical, institutional, and financial) for effective and efficient implementation of a gender approach</p>	
<p><b>4. EFFICIENCY OF RESOURCE USE</b></p>		
<p>4.1. To what extent has the SOLIFEM project delivered or is likely to deliver outputs in an economic and timely way? If</p>	<p>4.1.1. Resources (funds, human, time, expertise) have been strategically allocated to achieve outcomes.</p>	<p>Results Framework Project Documents</p>

<p>not, what were the challenges encountered?</p> <p>4.2. To what extent did the project establish a monitoring and evaluation system and risk register during the implementation that contributes to management, learning and accountability in an effective way?</p> <p>4.3. To what extent has the project leveraged partnerships with other ILO projects or other actors to build synergies and achieve results?</p>	<p>4.1.2. Activities and resources needed to be reviewed during the project lifetime in order to achieve the objectives.</p> <p>4.1.3. The project budget allocates resources to implement crosscutting themes</p> <p>4.1.4 Backstopping support provided by ILO HQ and by DWT teams in Cairo and Beirut have been effective</p>	<p>Project reports and monthly flagships</p> <p>Interviews with SOLIFEM and ILO staff, the EU</p> <p>Interviews with unions, employers, governments</p> <p>Project Budget</p> <p>Work Plans</p>
	<p>4.2.1. Learning and accountability are key concerns for the project staff</p> <p>4.2.2. M&amp;E and risk assessment is embedded in project's implementation</p> <p>4.2.3. Logframes are well suited for country and regional level implementation</p> <p>4.2.4. The Project has considered products, evaluations and lessons learnt from previous ILO and EU initiatives.</p>	
	<p>4.3.1. Synergies have been created with other ILO projects and resources have been leveraged</p>	

	4.3.2. Synergies have been created with donors, the EU, and EU Member States	
<b>5. SUSTAINABILITY</b>		
5.1. What is the likelihood that the structures, capacities, services and benefits delivered will be sustainable after the project completion? Has the project planned and is it implementing an exit strategy?	5.1.1. Specific achievements can be reported at the outcome level that are sustainable due to the commitment of the national constituents	Project Documents  Project reports and monthly flagships  Interviews with SOLIFEM and ILO staff, the EU
	5.1.2. Changes introduced in law, policy or practice ensure the sustainability for the projects' achievements	
	5.1.3. Specific project's outputs are most sustainable and transferable to ILO constituents	
	5.1.4 Processes and structures implemented/developed during the first two years support the implementation in the remaining period	Interviews with unions, employers, governments
	5.1.5. Capacities delivered during the first two years support the implementation in the remaining period	
	5.1.6. National institutions can assure programme's achievements sustainability as foreseen in project's Theory of Change	

6. IMPACT ORIENTATION		
<p>6.1. To what extent is SOLIFEM working towards achieving the proposed impacts? Is the project strategy and management working towards impact? What priorities do constituents and stakeholders have for a possible Phase 2 of SOLIFEM?</p>	<p>6.1 Changes in perceptions and practices regarding informality and transition to formality are taken place</p> <p>6.2. Changes in perceptions and practices regarding skills development systems that enable young people and women to have access to decent work are taken place</p> <p>6.3. Improvements in employment formalization by the national tripartite stakeholders are taken place to make systems more inclusive and gender responsive</p> <p>6.4. Changes at the policy level are taken place</p> <p>6.5. Strengthened social dialogue will remain around informality challenges</p>	<p>Project Documents</p> <p>Project reports and monthly flagships</p> <p>Interviews with SOLIFEM and ILO staff</p> <p>Interviews with unions, employers, governments</p>

## ANNEX II List of Documents Consulted

DEVELOPMENT COOPERATION PROJECT DOCUMENT Social dialogue for formalization and employability in the Southern Neighborhood Region (SOLIFEM)
Annex A – Logical framework of SOLIFEM
Annex D - ILO past and current development cooperation projects of relevance to the project Some details to be verified
Annex VI - Communication and Visibility Plan
SOLIFEM Inception Report March 1 to December 18, 2021
SOLIFEM Progress Report March 1, 2021, to February 28, 2022
SOLIFEM Progress Report, March 1, 2022, to February 28, 2023
Monthly Flagship Reports (24)
CTA Mission Report Egypt/Cairo & Lebanon/Beirut, June 12 to 26, 2022
CTA Mission Report Egypt/Cairo & Lebanon/Beirut, March 18 to 31, 2023
CTA Mission Report to OPT September 2023
CTA Mission Report to Brussels October 2022
CTA Mission Report to OPT and Jordan February 2023
CTA Mission Report to Geneva May 2023
Action Document for Promotion of Social Dialogue in the Southern Mediterranean Neighborhood – SOLiD II
The first (SOLIFEM) regional meeting of the ILO Project, Algiers, Republic of Algeria, 28 – 29 November 2022
Budget
ILO, 2023 Women and men in the informal economy: A statistical update
Country Programme Outcomes (CPOs), Argelia, DZA105 et le DZA102.
COFIL Minutes Algeria

OPT Revised Work Plan & Budget September 2023
OPT National Coordinator Mission Report to the Regional Meeting in Algiers on 28 & 29 November 2022, and the exchange visit between OPT and Algeria on 30 November and 1 December
SOLID, 2021, The Economic and Social Situation in Algeria, For a Sustainable and Permanent Development Alternative
Terms of Reference for the Diagnostics in the different countries
Organisation Internationale du Travail \Veille Stratégique 2022-11-26 a 2022-12-10 Propriété intellectuelle protégée
Executive Decree no. 23-196 of May 25, 2023 setting out the organization and operation of the new national auto-entrepreneur agency (ANAE), and Executive Decree no. 23-197 of May 25, 2023 setting out the list of activities eligible for auto-entrepreneur status and the procedures for registration in the national auto-entrepreneur register.
Diagnostic Analysis on Informality in Agriculture, Agri-food and Construction, Working Paper September 2023
Final Report for Informal Economy Diagnostic Study in oPt: Garment and Textile & Nurseries and Kindergarten Sectors; Conducted for ILO- Jerusalem
Enhanced programme of development cooperation for the occupied Arab territories. ILO Governing Body, 349th Session, Geneva, 30 October–9 November 2023
Minutes of the JOINT STEERING COMMITTEE SOLID II AND SOLIFEM (23 <sup>rd</sup> of June 2021)
Minutes of the JOINT STEERING COMMITTEE SOLID II AND SOLIFEM (21st of September 2022)
ILO, The Palestinian Decent Work Programme, 2018-2022
PLAN D'ACTION DU GOUVERNEMENT POUR LA MISE EN ŒUVRE DU PROGRAMME DU PRESIDENT DE LA REPUBLIQUE, 2021

## ANNEX III List of People Interviewed

Name	Organization	Position
Mr. Youcef Guellab	ILO, Department of Governance and Tripartism	Head, Social Dialogue and Tripartism UNIT
Mr. Daniel Cork	ILO, SOLIFEM	Chief Technical Advisor (CTA)
Ms. Samia Archella	ILO, SOLIFEM	National Coordinator in Egypt
Mr. Mohamed Ouchene	ILO, SOLIFEM	National Coordinator in Algeria
Ms. Melissa Bader	ILO, SOLIFEM	National Coordinator in Lebanon
Mr. Montaser Hamdan	ILO, SOLIFEM	National Coordinator in the OPT
Ms. Audrey Le Guevel	ILO Office for the European Union and the Benelux countries	Programmes and Operations Officer
Ms. Florence Bonnet	ILO, INWORK, Geneva	Senior Specialist
Ms. Christine Hofmann	ILO, SKILLS, Geneva	Skills Senior Specialist
Ms. Caroline O'Reilly	ILO, INWORK	Social Dialogue Specialist
Mr. Jean Marie Moreau	DG NEAR B2 - Regional Programmes Neighbourhood South	Policy and programming Officer

STAKEHOLDERS IN OPT			
Mr. Azmi Abdelrahman	Ministry of Labour		
Mr. Shafer Saad	PFGTU	President	
Mr. Nazeeh Mardawi	FPCCIA		
STAKEHOLDERS IN EGYPT & DWT Cairo			



Mr. Eric Olstein	ILO Country Office & DWT	Director	
Ms. Iman Hakim	SOLIFEM in Egypt	Admin and Finance Assistant	
Mr. Ramadan Galal	Federation of Egyptian Industries (FEI)	Deputy Manager of Labour Affairs Unit	
Dr. El Sayed Torky	Federation of Egyptian Industries (FEI)	FEI Advisor and Head of Labour Affairs Unit	
Mr. Mohamed Gobran	Egyptian Trade Union Federation (ETUF)	ETUF President	
Ms. Wessam Adel Hassan	Egyptian Trade Union Federation (ETUF)	Head of the TU Committee and Director of the Sanctions Department	
Mr. Ahmed Ezz Eldien Mohamed ElKeilany	Egyptian Trade Union Federation (ETUF)	The General Union for Workers in Agriculture, Irrigation, Hunting and Land Reclamation	
Mr. Saad Shaaban	Egyptian Democratic Labour Congress (EDLC)	EDLC President	
Ms. Insaf Abdel Fattah	Egyptian Democratic Labour Congress (EDLC)	Union Member	
Mr. Abdel Fattah Abdel Aziz,	Small farmers Union in Beheira	Head	
Ms. Hana Abdel Hakam Mohamed Ahmed	Committee of Small Farmers in Samalut, Minya	Head of Agriculture Workers Committee	
Ms. Wafaa Abdelkader	ILO DWT Cairo	ACTRAV Specialist	
Mr. Farid Hegazy,	ILO DWT Cairo	ACTEMP Specialist	
<b>STAKEHOLDERS IN LEBANON &amp; DWT</b>			
Mr. Mustapha Said	ILO Beirut DWT	ACTRAV Specialist	

Mr. Tareq Haq	ILO Beirut DWT	Employment Specialist	
Mr. Kishore Singh	ILO Beirut DWT	SKILLS Specialist	
Mr. Jose Manuel Medina Checa	ILO Beirut DWT	ACT EMP Specialist	
Ms. Joumana Karame	ILO Beirut DWT	Program Unit responsible for Lebanon	
Mr. Peter Rademaker	ILO Regional Office of Arab States	Deputy Director of the	
Ms. Rita Bejjani	Ministry of Labor (MoL) in Lebanon	Member of the Reference Group	
Mr. Ahmad Jaber	Association of Lebanese Industrialists (ALI)	Member of the Reference Group	
Mr. Hany Azar	Association of Lebanese Industrialists (ALI)	Help Desk ALI	
Mr. Abdelatif Teryaki	General Confederation of Lebanese Workers (CGTL)	Member of the Reference Group	
Mr. Ghassan Hijazi	Federation of Worker and Employee Trade Unions in Lebanon (FENASOL)	International Secretary and Member of the Reference Group	
<b>STAKEHOLDERS IN ALGERIA</b>			
Ms. Sabrina Madani	SOLIFEM in Algiers office	Admin and Finance Assistant	
Mr. Charaf Eddine Boudiaf –	Ministère du Travail, de l'Emploi et de la Sécurité Sociale	Directeur Général de l'Emploi – Président du COPIL SOLIFEM	
Mr. Mansouri Rabah	Ministère du Travail, de l'Emploi et de la Sécurité Sociale	Sous Directeur	
Ms. Nacib Hamama	Ministère de la Formation et	Sous directrice – Membre du COPIL SOLIFEM	

	l'Enseignement professionnels	Partenaire pour le volet Compétence	
Ms. Razika Medjoub	CREAD (Centre de Recherche en Économie Appliquée pour le Développement)	Chercheuse au niveau de CREAD – Membre du COPIL	
Mr. Megateli El Mahfoud	CGEA (Confédération Générale des Entreprises Algériennes)	Secrétaire Général Membre du COPIL	
Mr. Haddad Hakim	CGEA (Confédération Générale des Entreprises Algériennes)	Conseiller Membre du COPIL	
Mr. Louati Tayeb	UGTA (Union Générale des Travailleurs Algériens)	Conseiller à l'UGTA Membre du COPIL	
Mr. Berrama Seddik	UGTA (Union Générale des Travailleurs Algériens)	Secrétaire National Chargé des Affaires Extérieures et de l'immigration	
Mr. Kali ALI Azzedine	Ministère du Tourisme et de l'Artisanat	Director of development of crafts and handicrafts	
Ms. Kasbadji Zakia	Ministère du Tourisme et de l'Artisanat	Sous directrice Membre du COPIL	
Mr. Safir Kamel	Ministère du Commerce et de la Promotion des Exportations	Sous-directeur –Membre du COPIL – (Group Interview)	
Mr. Mammeri Salah	Ministère du Commerce et de la Promotion des Exportations	Inspecteur Central (Group Interview)	
Ms. Boudouane Wassila	Ministère du Commerce et de la Promotion des Exportations	Chef de Bureau (Group Interview)	

Ms. Kirat Fadila	Ministère du Commerce et de la Promotion des Exportations	Etudes et prospectives (Group Interview)	
Mr. Ould Youcef Hamid	Ministère de l'Agriculture	Sous-directeur de la formation Membre du COPIL -	
<b>OTHER STAKEHOLDERS</b>			
Mrs Hind Ben Ammar,	SOLiD II (group interview)	Directeur SOLID 2 and Executive Secretary, Arab Trade Union Confederation	
Mrs Jehan Boutiba	SOLiD II (group interview)	Deputy Director SOLID 2	
Mrs Hind Ben Ammar	SOLiD II (group interview)	Directeur SOLID 2 and Executive Secretary, Arab Trade Union Confederation	
Mr. Hend Mgaieth	SOLiD II (group interview)	Programme Officer	
Ms. Hedi Chouira	SOLiD II (group interview)	Programme Officer	
Mr. Slim Kharbachi	SOLiD II (group interview)	M&E Officer	
Mr. Zied Debbabi	SOLiD II (group interview)	Communication and Visibility Officer	

## ANNEX IV Agenda in Algeria

### Agenda de la Mission d'Évaluation à mi-parcours du projet

#### SOLIFEM en Algérie

#### Rendez-vous pour Ms. Ana García-Femenía

Lundi 13 novembre	Mardi 14 novembre	Mercredi 15 novembre	Jeudi 16 novembre
<p>Heure : 11h30 (confirmé)</p> <p>M. Daniel Cork, CTA projet SOLIFEM</p>	<p>Heure : 09h30 (confirmé)</p> <p>Mme Sabrina Madani - SOLIFEM Admin/Fin Staff in Algiers</p> <p>Heure : 10h30 (confirmé)</p> <p>M. Mohamed Ouchene, National Coordinator</p>	<p>Heure : 10 h (confirmé)</p> <p>Ministère du Travail, de l'Emploi et de la Sécurité Sociale</p> <p><b>M Charaf Eddine Boudiaf</b> – Directeur Général de l'Emploi – Président du COPIL SOLIFEM</p>	<p>Heure : 09 h (confirmé)</p> <p>Ministère du Commerce et de la Promotion des Exportations</p> <p><b>M Safir Kamel</b> – Sous-directeur – Membre du COPIL SOLIFEM</p>
<p>Heure : 15 h (confirmé)</p> <p>CGEA, Confédération</p>		<p>Heure : 12h (confirmé)</p> <p>Ministère de la Formation et</p>	<p>Heure : 11h30 (confirmé)</p> <p>Ministère du Tourisme et de l'Artisanat</p>

<p>Générale des Entreprises Algériennes</p> <p><b>M Megateli El Mahfoud</b> - Secrétaire Général de la CGEA et membre du COPIL SOLIFEM</p>		<p>l'Enseignement professionnels</p> <p><b>Mme Nacib Hamama</b></p> <p>Sous directrice – Membre du COPIL SOLIFEM</p>	<p><b>Mme Kasbadji Zakia</b></p> <p>Sous directrice – Membre du COPIL SOLIFEM</p>
	LUNCH BREAK		
	<p>Heure : 14 h (confirmé)</p> <p>UGTA, Union Générale des Travailleurs Algériens</p> <p><b>M. Louati Tayeb</b> (Conseiller à l'UGTA et membre du COPIL SOLIFEM)</p>	<p>Heure : 14h30 (confirmé)</p> <p>Ministère de l'Agriculture et de Développement Rural</p> <p><b>M Ould Youcef Hamid</b> – Sous-directeur de la formation – Membre du COPIL SOLIFEM</p>	<p>Heure : 14h30</p> <p>CREAD, Centre de Recherche en Économie Appliquée pour le Développement</p> <p><b>Mme Razika Medjoub</b> – Chercheuse au niveau de CREAD – Membre du COPIL</p>

## ILO Lesson Learned Template

Project Title: SOLIFEM

Project TC/SYMBOL: INT/20/02/EUR

Name of Evaluator: Ana Femenía

Date: 2/12/2023

The following lesson learned has been identified during the course of the evaluation.  
Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text: Sector approach in the diagnosis on informality
<b>Brief description of lesson learned (link to specific action or task)</b>	SOLIFEM's utilization of a sector approach for diagnostics in transitioning to formality marks a departure from conventional ILO interventions. This unique approach offers several benefits, including enhanced collaboration with sector-specific organizations and improved coordination with national ILO constituents.
<b>Context and any related preconditions</b>	The Sector Approach implies the following advantages: a) Strengthening Coordination: SOLIFEM's sector-focused diagnostics foster more vital collaboration with organizations deeply entrenched in specific sectors. This engagement serves to reinforce coordination efforts with national ILO constituents, thereby enhancing the effectiveness of transitioning to formality initiatives; b) Identifying Common Sectors: Several countries commonly grapple with informality in sectors like agriculture and agri-food. By targeting these shared sectors, SOLIFEM maximizes its impact by addressing pervasive issues across different contexts, making interventions more relevant and adaptable; c) Gender Perspective: An essential aspect of adopting a sector approach is the consideration of gender dynamics. Recognizing that certain sectors may disproportionately affect women, SOLIFEM endeavors to incorporate gender-sensitive strategies. This approach ensures that the transition to formality has a positive impact on women, promoting gender equality and empowerment.
<b>Targeted users / Beneficiaries</b>	ILO constituents and final beneficiaries
<b>Challenges /negative lessons - Causal factors</b>	

<p><b>Success / Positive Issues - Causal factors</b></p>	<p>SOLIFEM's experience with the sector approach for diagnostics offers valuable insights into addressing informality. By strengthening coordination, identifying common sectors, and adopting a gender perspective, this approach emerges as a promising strategy for improving the effectiveness of transitioning to formality initiatives. Moving forward, it is essential for organizations to consider and adapt this approach, acknowledging its potential to bring about positive change in the realm of informality.</p>
<p><b>ILO Administrative Issues (staff, resources, design, implementation)</b></p>	<p>The diagnostics take considerable amount of resources, depending on the scope of the analysis and the methodology.</p>



## ILO Lesson Learned Template

**Project Title:** SOLIFEM

**Project TC/SYMBOL:** INT/20/02/EUR

**Name of Evaluator:** Ana Femenía

**Date:** 21st November 2023

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
	<b>Capacity Building Programme for Unions</b>
<b>Brief description of lesson learned (link to specific action or task)</b>	<p>In Egypt, SOLIFEM launched an in-depth capacity building programme for trade unions on informality, social dialogue, social protection and role of trade unions in facilitating the transition to the formal economy, through raising awareness, increase of Trade union memberships and increase of affiliation to the national social insurance system. It was decided and maintained during the different phases of the programme that the capacity building will target the same group of workers. This ensured that the workers receiving the different trainings, including a training for workers educators, were able to build sound knowledge and profound expertise in the subject. The said programme is linked to Output 1.2 Social dialogue institutions or mechanisms at national and regional level are stronger and better equipped to address the risks of informalization and foster transition to the formal economy. After the completion of the programme, including the development of an action plan by each participating union, the trade unions have started the outreach to workers in the informal economy and they are now in the process of increasing their memberships and supporting the workers access the social insurance system.</p>
<b>Context and any related preconditions</b>	SOLIFEM's capacity-building program in Egypt serves as a compelling case study for trade unions worldwide. These lessons learned are not only applicable in Egypt but can serve as a model for trade unions globally striving to make a meaningful impact in similar contexts.
<b>Targeted users / Beneficiaries</b>	Trade Unions organizations
<b>Challenges /negative lessons - Causal factors</b>	It is highly recommended to apply the same approach in other countries, however, it requires time and budget.

<b>Success / Positive Issues - Causal factors</b>	<p>Because this programme was developed and implemented for the same group of workers, 17 workers from the different trade unions collaborating with the project graduated from the workers educators training and were able to educate and raise awareness of the workers they represent on informality and the importance of affiliation to social insurance and they also managed to increase their memberships.</p>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<p>ILO Programmes engaged in transition to formality</p>

**ILO Emerging Good Practice Template**

Project Title: SOLIFEM

Project TC/SYMBOL: INT/20/02/EUR

Name of Evaluator: Ana Femenía

Date: 20<sup>th</sup> November 2023

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<p><b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b></p>	<p>The project in Lebanon is implementing a Help Desk to support the Association of Lebanese Industries (ALI) to enhance the formalization of economic units in the country.</p> <p>The project cooperates with the ILO Headquarters (ENTERPRISES) to adapt some existing ILO materials to the Lebanese context. The project has hired a Lebanese lawyer for that endeavor. He has also gained experience from other countries, like Gambia.</p> <p>The good practice corresponds to activity 1.2.3: <i>Support the social partner organizations to extend their membership and services to workers and employers in the informal economy and to better represent them in social dialogue.</i> This is under Output 1.2 “<i>Social dialogue institutions or mechanisms at national and regional level are stronger and better equipped to address the risks of informalization and foster transition to the formal economy.</i> This is under Outcome 1: <i>Enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents.</i></p>
<p><b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b></p>	<p>This experience can be applied and reproduced in various countries since the formalization process follows a similar framework, including tasks such as business registration, bookkeeping, compliance with social security, and adherence to labor law regulations. While the practical execution of these steps may vary from one country to another, it can be customized in the materials specifically designed for each country. Nonetheless, the overarching structure of the entire process remains consistent.</p>
<p><b>Establish a clear cause-effect relationship</b></p>	<p>This initiative aims to educate entrepreneurs about the intricacies of the business formalization process and simplify it for them. It aims to empower them with essential information and practical guidance, enabling them to navigate the formalization process more easily and confidently. Additionally, it seeks to facilitate their interactions with public authorities and government ministries. By supporting economic units to formalize, the employer’s organizations (ALI in this case) establish a linkage with potential units that can later form part of their constituency.</p>

<p><b>Indicate measurable impact and targeted beneficiaries</b></p>	<p>Through the ALI help desk, SOLIFEM managed to reach to more than 240 economic unities, 40 entrepreneurs working in the informal economy of wich 34 women and 6 men. The other 200 formal and non formal were reached during the HORECA event which took place in April of 2023. During the event the ALI help desk officer provided awareness information on the formalization, and explained more about the ALI help desk role in the process.</p>
<p><b>Potential for replication and by whom</b></p>	<p>Other countries under the SOLIFEM project and beyond.</p>
<p><b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b></p>	<p>Output 2.1. Increased institutional capacity of employer and business membership organizations to be strong, independent and representative  Output 4.4. Increased capacity of constituents to facilitate the transition of enterprises to the formal economy</p>
<p><b>Other documents or relevant comments</b></p>	

## ILO Emerging Good Practice Template

Project Title: SOLIFEM

Project TC/SYMBOL: INT/20/02/EUR

Name of Evaluator: Ana Femenía

Date: 21<sup>th</sup> November 2023

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	<p>The project in Algeria conducted a study on subcontracting and formalization for private companies in the BTPH (Building, Public Works, and Hydraulics) sector in Algeria. This study was carried out in collaboration with the General Confederation of Algerian Enterprises (CGEA), which contributed to its enrichment by organizing four workshops to present the study's results at the local level (one workshop in each of the four regions: East, West, North, and South).</p> <p>This approach of presenting the results at the local level facilitated the dissemination of information in these four regions and the involvement of local representatives of the CGEA in the planning and organization of the workshops, as well as in raising awareness about the risks of informal work and the benefits of formalization.</p> <p>The CGEA also sought the participation of government representatives and workers at the local level during these presentation workshops, thus promoting social dialogue and exchanges among various stakeholders on the issues of informality at the local level.</p> <p>The good practice corresponds to activity 1.2.3: Support the social partner organizations to extend their membership and services to workers and employers in the informal economy and to better represent them in social dialogue. This is under Output 1.2 "Social dialogue institutions or mechanisms at national and regional level are stronger and better equipped to address the risks of informalization and foster transition to the formal economy. This is under Outcome 1: Enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents.</p>
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	<p>This practice can be replicated in other countries, as members of employers' organizations at local structure level may be better placed to reach informal economic units.</p>

<p><b>Establish a clear cause-effect relationship</b></p>	<p>This kind of action can help to build the capacity of employers' organization members at local level. This will enable employers' organizations to have a better ability to reach informal economic units, raise awareness among them, guide them on the importance of formalization, and potentially encourage them to subsequently join these employers' organizations.</p>
<p><b>Indicate measurable impact and targeted beneficiaries</b></p>	<p>83 informal economic units contacted by CGEA members at the local level</p>
<p><b>Potential for replication and by whom</b></p>	<p>Other countries under the SOLIFEM project and beyond.</p>
<p><b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b></p>	<p><b>Country Programme Outcomes (CPO):</b></p> <ul style="list-style-type: none"> <li>- COP DZA105 : Enhanced capacities of constituents to develop and implement strategies and measures for youth employment and facilitate formalization</li> </ul> <p><b>P&amp;B Outcome</b></p> <ul style="list-style-type: none"> <li>- Outcome 1: Strong tripartite constituents and influential and inclusive social dialogue</li> <li>- Outcome 3: Economic, social and environmental transitions for full, productive and freely chosen employment and decent work for all</li> </ul>
<p><b>Other documents or relevant comments</b></p>	<p><b>Press articles:</b></p> <p><a href="https://lestrepublicain.com/2023/06/15/transition-de-linformel-vers-le-formel-des-specialistes-du-travail-reunis-a-guelma/">https://lestrepublicain.com/2023/06/15/transition-de-linformel-vers-le-formel-des-specialistes-du-travail-reunis-a-guelma/</a></p> <p><a href="https://lejourdalgerie.com/dialogue-pour-limiter-limpact-de-linformel-sur-leconomie-nationale-rencontre-regionale-du-solifem-avec-la-presidente-de-la-cgea-saida-neghza/">https://lejourdalgerie.com/dialogue-pour-limiter-limpact-de-linformel-sur-leconomie-nationale-rencontre-regionale-du-solifem-avec-la-presidente-de-la-cgea-saida-neghza/</a></p> <p><a href="https://www.annasronline.com/index.php/2014-08-09-10-33-20/2014-08-23-11-15-15/221880-2023-06-23-22-56-31">https://www.annasronline.com/index.php/2014-08-09-10-33-20/2014-08-23-11-15-15/221880-2023-06-23-22-56-31</a></p>

## ILO Emerging Good Practice Template

Project Title: SOLIFEM

Project TC/SYMBOL: INT/20/02/EUR

Name of Evaluator: Ana Femenía

Date: 20<sup>th</sup> November 2023

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
<p><b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b></p>	<p>Following participation in the first regional meeting for the SOLIFEM project in Algiers in November 2022, the OPT delegation participated in a 2-day exchange visit to Algeria, where many meetings were conducted with officials from the Ministry of Labour, Ministry of training and vocational training, Ministry of knowledge Economy, start-ups and micro-enterprises and visits to local training centres. Many important topics were discussed, including employment, social security, and governance of the labour sector. The knowledge exchange also included the vocational training sector and entrepreneurship accelerators.</p> <p>Both delegations asserted the continuation of the collaboration between OPT and Algeria. The Algerian officials assured their full commitment to support the Palestinians in every possible way</p> <p>The good practice corresponds to activity <i>13.05.02 - Capacity-building of the social partner organizations, social and solidarity economy (SSE) organizations and of tripartite social dialogue institutions on social dialogue for the transition to formality</i> This is under Output 1 <i>“Social dialogue institutions or mechanisms at national and regional level are stronger and better equipped to address the risks of informalization and foster transition to the formal economy.</i> This is under Outcome 1: <i>Enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents.</i></p>
<p><b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b></p>	<p>This experience can be applied and reproduced in various countries since the exchange of information is very beneficial for the formalization process. Certain areas and topics of focus could be selected for both countries/delegations that will have the most added value for both, and sharing knowledge and lessons learnt between the delegations.</p>
<p><b>Establish a clear cause-effect relationship</b></p>	<p>This initiative aimed to strengthen bilateral relations between OPT and Algeria, benefiting the overall objective of the ILO in knowledge and experience sharing, with specific focus on the following topics:</p> <ul style="list-style-type: none"> <li>- Social security system and relevance to formalization</li> <li>- Youth and the future</li> <li>- Skills development</li> <li>- Strengthening social dialogue</li> </ul>
<p><b>Indicate measurable impact and targeted beneficiaries</b></p>	<p>Targeted beneficiaries were ILO partner institutions including the Ministry of Labour, TVET commission from the government, PGFTU and FPCCIA from workers and employers organizations.</p>

<p><b>Potential for replication and by whom</b></p>	<p>Other countries under the SOLIFEM project and beyond.</p>
<p><b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b></p>	<p>This initiative links to Outcome 1: “ Strong tripartite constituents and influential and inclusive social dialogue” of the ILO’s Programme and Budget for 2022-2023 biennium.</p> <p>As well as outcome 3 of the OPT DWCP “Palestinian governance institutions, processes, and mechanisms at all levels are more democratic, rights-based, inclusive, and accountable”..</p>
<p><b>Other documents or relevant comments</b></p>	



**Social dialogue for formalization and employability in the Southern Neighborhood Region (SOLIFEM) Internal Mid-term Evaluation**

<b>Title of the project to be evaluated</b>	<b>Social dialogue for formalization and employability in the Southern Neighborhood Region (SOLIFEM)</b>
<b>TC Code</b>	<b>INT/20/02/EUR</b>
<b>Administrative Unit responsible for administrating the project</b>	<b>ILO Algiers Office</b>
<b>Technical Unit(s) responsible for backstopping the project</b>	<b>Decent Work Teams in Beirut and Cairo  HQ: Social Dialogue and Tripartism, Skills and Lifelong Learning, DEV/INVEST, INWORK</b>
<b>Type of evaluation</b>	<b>Mid-Term internal Evaluation</b>
<b>Evaluation Manager</b>	<b>Daniel Cork</b>
<b>Geographical coverage</b>	<b>Algeria, Egypt, Lebanon, and Occupied Palestinian Territories (OPT), and other countries of the Southern Neighbourhood region</b>
<b>Funder</b>	<b>European Union</b>
<b>Budget</b>	<b>4,000,000 Euros from European Commission + 400,000 Euro ILO Contribution</b>

➤ Acronyms

**Social Dialogue for Formalization and Employability in the Southern Neighbourhood Region (SOLIFEM)**

**Regional Office for Arab States (ROAS)**

**Regional Office for Africa (ROAF)**

**ILO Bureau for Workers' Activities (ACTRAV)**

**ILO Bureau for Employers' Activities (ACT/EMP)**

**International Organization of Employers (IOE)**

**International Trade Union Confederation (ITUC)**

**Arab Trade Union Confederation (ATUC)**

**Inclusive Labour Markets, Labour Relations and Working Conditions Branch (INWORK)**

SOLID 2

TVET

## I. Background

Many countries of the Southern Neighbourhood of the European Union (EU) continue to suffer from the enduring effects of important past crises — the global recession of 2008 and the Arab Spring in 2011 — coupled with the impact of the COVID-19 crisis, that are affecting the potential and aspirations of their populations. According to the International Labour Organization (ILO), between 40 and 67 per cent of workers in the Southern Neighbourhood countries are in the informal economy, where they often lack job security, social protection and other fundamental rights. Although in certain countries, such as Lebanon, the rate of informal employment is significantly lower among the wealthier segments of the population, in many countries informality remains significant even among this group.

While the informal economy is characterized by a great diversity of situations both across the region and within countries, it has been exacerbated in most countries by, among other factors, structural adjustment, high unemployment, inequality and social exclusion. In addition, COVID-19 is expected to push a further 8.3 million people in the Arab region into poverty, according to 2020 estimates.<sup>25</sup> Working young people will face challenges in re-entering the job market<sup>26</sup> since they already suffer from structural obstacles in accessing formal and decent jobs. Overall, the adverse impacts of the pandemic on young workers, women and the most vulnerable groups in the informal economy must be addressed through strong tripartite cooperation between constituents and inclusive social dialogue, as recognized in ILO analysis and assessment of the impact of the COVID-19 crisis on the world of work.<sup>27</sup> ILO analysis has also highlighted the devastating impact of the crisis on the incomes of workers in the informal economy.<sup>28</sup>

In 2015, the International Labour Conference (ILC) adopted the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). This is the first international labour standard to focus on the informal economy in its entirety and emphasizes the transition from the informal to the formal economy as a means to achieve decent work for all. The instrument sets out guidance for countries to design coherent and integrated strategies to facilitate the transition from the informal to the formal economy through tailored approaches that respond to the diversity of national circumstances.

Achieving the goals of Recommendation No. 204 requires time and focused effort, and an increased voice and representation of informal economy actors. For the countries of the Southern Neighbourhood, there is a need to promote effective and inclusive mechanisms for social dialogue. Informal economy actors should be encouraged (including through supportive

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<sup>25</sup> United Nations Economic and Social Commission for Western Asia (ESCWA), *Mitigating the Impact of Covid-19: Poverty and Food Insecurity in the Arab region*, E/ESCWA/CL3.SEP/2020/Policy Brief.2, April 2020.

<sup>26</sup> ILO (2020), *ILO Monitor: COVID-19 and the World of Work* (4th ed.) Updated estimates and analysis, 27 May 2020.

<sup>27</sup> See ILO (2020), *ILO Monitor: COVID-19 and the World of Work*. (1st - 5th eds.) Available at: <https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/lang--en/index.htm>

<sup>28</sup> ILO (2020), *ILO Monitor: COVID-19 and the World of Work* (3rd ed.), Updated estimates and analysis, 29 April 2020

laws and policies) to exercise their right to freedom of association and to join either type of organization in line with their specific conditions.

Moreover, the observed patterns in Southern Neighbourhood countries indicate that informal employment is consistently associated with overall worse working conditions, lower pay, and lower productivity than formal employment. Thus, the informal economy presents significant challenges to the creation of full and productive employment and decent work for all. Without the protection of labour rights regulations, workers in the informal economy have no access to labour protection like minimum wages or maternity protection or to social protection like guaranteed access to health care services, paid sick leave or unemployment insurance. They have no means of redress for employer violations. Informality also limits the dynamism, productivity and competitiveness of the private sector, stifling growth and development. Within this environment, all private sector enterprises have limited access to financing, including small loans or long-term foreign direct investment. The combined effect of a poor regulatory environment and limited investment reduces levels of growth. Informal workers, both wage and non-wage workers, are twice as likely as formal workers to be poor.<sup>29</sup>

Workers and economic units in the informal economy also experience specific barriers to representation and engaging in social dialogue, sometimes being not authorized or unable to organize and articulate their needs and interests, or where such organizations are formed, they are often not recognized or included in bipartite and tripartite social dialogue processes. In this context, the importance of an inclusive social dialogue open to a broader set of actors, including those whose voices have traditionally not been heard, such as youth, women, the unemployed and informal economy workers, becomes even more apparent.

In Egypt and OPT, for which ILO data are available, informal employment is estimated to account for 63.4 per cent and 53.3 per cent of total employment respectively. Moreover, while in both places the largest share of informal employment is found in the informal sector (estimated at 61.8 per cent in Egypt and 29.8 per cent in the OPT), a significant share of workers informally employed in OPT (22.4 per cent) are in the formal sector, compared to less than one per cent in Egypt. Algeria and Lebanon also have large informal economies,<sup>30</sup> often combined with impoverishment and poverty, which may be expected to grow due to the devastating impact of COVID-19.<sup>31</sup> In Lebanon, the Labour Force and Household Living Conditions Survey 2018-2019<sup>32</sup> shows that 54.9 per cent of the employed population hold informal jobs as their main job and more than 36 per cent of people with informal jobs were working outside the informal sector. This mostly includes employees of private or public formal sector enterprises, or those working in public administration without social security coverage.

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<sup>29</sup> ILO (2018), *Women and Men in the Informal Economy: a statistical picture* (third edition).

<sup>30</sup> See Charmes, J., and M. Remaoun (2016), *L'économie informelle en Algérie. Estimations, tendances, politiques*. BIT, Alger; also: "Decent Work Country Programme of Lebanon 2017–2020

<sup>31</sup> See ILO (2020) Policy Brief on the impact of the COVID-19 on the informal economy in Africa and the related policy responses

<sup>32</sup> "Labour Force and Household Living Conditions Survey 2018-2019 Lebanon", first published in 2020 by: Lebanese Republic Central Administration of Statistics (CAS); International, Labour Organization (ILO); European Union (EU).

## II. The SOLIFEM project

The " Social Dialogue for Formalization and Employability in the Southern Neighbourhood Region" (SOLIFEM) project is a 42-month project (March 2021 to August 2024) co-funded by the European Union and the ILO. It supports the transition to the formal economy through coordinated action to strengthen the capacity of the ILO tripartite constituents in the region, with particular focus on Algeria, Egypt, Lebanon and OPT, on two fronts – first, for the development of integrated strategies on formalization and second, for the development of skills training and recognition systems, with a particular focus on women and youth.

The project strategy is built on the solid foundation of tripartism and social dialogue, in line with the ILO's overall mandate and with Recommendation No. 204 on the transition from the informal to the formal economy. This Recommendation emphasizes the critical role of social dialogue in the design, implementation and evaluation of policies and programmes for the transition to formality. ILO experience confirms that social dialogue is an effective tool for promoting formalization and building consensus on the necessary policy and legal reforms, as has been shown in many countries including Costa Rica, Greece, Senegal and Uruguay.

The project's interventions take place at two levels: at the national level, primarily in the four focus countries/territory and at the regional/inter-regional level, bringing together participants from across the countries of the Southern Neighbourhood region.

At the national level, the project aims to generate national strategies for formalization, based notably on an improved understanding of the informal economy, strengthened capacity and enhanced policy dialogue and coordination among the tripartite constituents and other key stakeholders on promoting formalization and boosting skills and employability for youth and women as key dimensions of inclusive and sustainable development. At the regional level, it aims to strengthen mechanisms for regional policy dialogue, allowing the participating countries to share the knowledge and experience they have gained, learn from each other, and jointly devise recommendations and plans to carry their work forward at both national and regional levels. The project's outcomes will thus inform and support joint action and future initiatives built on social dialogue and through south-south and triangular cooperation<sup>33</sup> across the Southern Neighbourhood in order to build sustainable solutions to common issues and challenges.

The project draws on key lessons learned from previous interventions in the area of skills development, such as the need to start with a solid information base on how skills are acquired in the informal economy and the identification of skills in demand; to involve informal economy actors in the design of skills-based interventions; to provide flexible skills development solutions (e.g. timing, admission criteria, duration and positioning within national qualification systems);

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<sup>33</sup> South-South Cooperation (SSC) is a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how, and through regional and inter-regional collective actions, including partnerships involving governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions.

and to conduct advocacy with high-level decision-makers on the role of formal TVET institutions in addressing the skills needs of informal economy actors.<sup>34</sup>

The following planned outputs contribute to achievement of the Project's Outcome 1: **Enabling national policy frameworks to facilitate the transition of informal economy workers and economic units to the formal economy in place, developed through dialogue between the tripartite constituents**

- A diagnostic analysis of factors, characteristics, causes and circumstances of informality to inform the design and implementation of a national strategy on formalization is established and validated by tripartite constituents.
- Social dialogue institutions or mechanisms at national and regional levels are stronger and better equipped to address the risks of informalization and foster transition to the formal economy.
- National strategies or roadmaps for the progressive transition from the informal to the formal economy are developed, and their implementation initiated in selected focus countries/territory

The following planned outputs contribute to achievement of the Project's Outcome 2: **Strengthened skills development systems that enable young people and women in the informal economy to access formal employment**

- A joint mapping by tripartite constituents and training institutions of skills, training delivery mechanisms and employability gaps among workers in the informal economy is conducted.
- Programmes that improve the access of women and youth in the informal economy to training and lifelong learning opportunities are designed or revised.
- Frameworks for national Recognition of Prior Learning (RPL) systems are developed.

### III. Project management arrangements

The project is implemented by project staff present in the 4 focus countries/territory involved (Algeria, Egypt, Lebanon and the Occupied Palestinian Territory). The team is headed by an internationally recruited Chief Technical Advisor (CTA) based in the ILO office in Algiers. Each of the 4 countries has a national project coordinator (NPC) and a finance and administration assistant (FAA).

The project is supported by technical specialists from the DW technical support teams (DWT) in Cairo and Beirut, as well as from INWORK, DIALOGUE, DEVINVEST and SKILLS in ILO HQ, and works in close collaboration with the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP) in the field and at HQ.

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<sup>34</sup> See Palmer, R. 2020. Lifelong Learning in the Informal Economy: A Literature Review, Geneva, ILO; ILO. 2020. Lifelong Learning in the Informal Economy, Research brief, Geneva, ILO.

The project document foresaw the establishment of a tripartite project advisory committee (PAC) in each focus country/territory; in practice, certain adjustments were made considering the national context. In the Occupied Palestinian Territories (OPT), the tripartite body is a sub-committee of the National Labour Policies Committee, the official tripartite social dialogue institution. In Lebanon, there is a smaller tripartite Reference Group established to guide the project strategy and implementation, with involvement only of the Ministry of Labour, given the limited government capacity in the context of the ongoing economic crisis. In Algeria, there is a large PAC that includes many government ministries and national institutions, in addition to the social partners. In Algeria the project is also supported by two technical working groups on formalization and on skills, a structure initially foreseen for all focus countries. In Egypt, the project has yet to establish a governance structure.

#### IV. Project alignment with the ILO P&B, DWCPs, national policy frameworks and the SDGs

At the global level, promoting the transition from the informal to the formal economy is among the priority areas in the context of the future of work, as laid out in the ILO Centenary Declaration. At the regional level, government, employer and worker delegates to the ILO African Regional Meeting in 2019 committed themselves, in the Abidjan Declaration to "making decent work a reality for Africa's youth, developing skills, technological pathways and productivity for a brighter future in Africa, transforming Africa's informal and rural economy for decent work, and respecting international labour standards, promoting social dialogue and ensuring gender equality"<sup>35</sup>.

SOLIFEM contributes to the following global policy outcomes in the ILO Programme & Budget (P&B) 2022-2023:

- Outcome 1: Strong tripartite constituents and influential and inclusive social dialogue, and especially to output 1.4, on strengthening social dialogue and labour relations laws, processes and institutions;
- Outcome 2: International labour standards and authoritative and effective supervision, in particular output 2.2 on increased capacity of member States to apply international labour standards;
- Outcome 3: Economic, social and environmental transitions for full, productive and freely chosen employment and decent work for all, and especially to work to support member states to develop integrated strategies towards formalization in line with Recommendation No. 204;
- Outcome 4: Sustainable enterprises as generators of employment and promoters of innovation and decent work, in particular output 4.3 on increased capacity of member States to implement measures to facilitate the transition of enterprises to formality;
- Outcome 5: Skills and lifelong learning to facilitate access to and transitions in the labour market including output 5.3 on enhancing constituents' capacity to design and deliver innovative, flexible and inclusive learning options; and

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<sup>35</sup> Abidjan Declaration. Advancing Social Justice: Shaping the Future of Work in Africa, 14th African Regional Meeting, Abidjan, Côte d'Ivoire, 3–6 December 2019, AFRM.14/D.4(Rev.).

- Outcome 7: Adequate and effective protection at work for all, in particular output 7.4 which includes support for the transition to formality of informal workers in formal enterprises or in households.

At national level, in Algeria, the project is linked to two CPOs, namely (i) CPO DZA102: Increased capacity of principals and training providers to anticipate skill needs and improve access to the labour market, and (ii) CPO DZA105: Strengthened Constituency Capacities to Develop and Implement Strategies and Measures for Youth Employment and Facilitate Formalization

In Egypt, the project is linked to CPO EGY 101 Increased capacity of constituents to develop labour market services and support transitions to decent work, particularly for youth and women, 801 Strengthened institutional capacity of employers' organizations, 802 Strengthened institutional capacity of workers' organizations and 103 Increased capacity of national stakeholders to improve access to lifelong learning and inclusive skills development and support labour market transitions.

*In Lebanon, the project is linked to LBN103: Improved employability of Syrian Refugees and Lebanese citizens to access Decent Work, LBN 104: Enhanced capacity of the government and social partners to develop a national labour policy, and mainstream SDGs relating to employment and DW into national development and crisis response frameworks, LBN 801: Strengthened institutional capacity of employers' organizations, LBN 802: Strengthened institutional capacity of workers'*

*In the Occupied Palestinian Territories, the project is linked to CPO 126 on Enhanced employment policy in the OPT.*

In the focus countries/territory, the project is aligned with the following national development plans/policy frameworks:

- In Algeria, the 2020 Government plan of action for the implementation of the programme of the President of the Republic.
- In Egypt, the Country Strategy Paper 2017-20 and the Sustainable Development Strategy: Egypt's Vision 2030.
- In Lebanon, the United Nations Strategic Framework (UNSF) 2017-2020 focusing on promoting social dialogue and fundamental principles and rights at work as well as productive employment opportunities for Lebanese women and youth.
- In the OPT, the National Policy Agenda 2017-2022 and the Labour Sector sectoral strategy, and the Palestinian Decent Work Programme 2018–2022 (concerning the need for strengthening social dialogue and freedom of association, skills and entrepreneurship, youth and women's empowerment and labour market participation).

With regard to the Sustainable Development Goals (SDGs), the project contributes to SDG 8 to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all', specifically its target 8.3 to 'promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises,



including through access to financial services' and 8.5 to 'achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value'. The project contributes as well to SDG 1: No Poverty; SDG 4: Quality Education; SDG 10: Reducing Inequality, and SDG 16: Promoting Peaceful and Inclusive Societies. The right to freedom of association and collective bargaining is captured by SDG indicator 8.8.2, while the effectiveness and transparency of institutions, and responsive, inclusive, participatory and representative decision making by targets 16.6 and 16.7 respectively.

At the level of the EU, the project is aligned with the 2017 European Consensus on Development and the 2015 revised European Neighbourhood Policy (ENP) that call for a focus on achieving sustainable development and increasing the resilience and stabilization of the Southern Mediterranean Neighbourhood. The Declaration of the Union for the Mediterranean (UfM) ministerial conference on Employment and Labour adopted in 2019 underlined the crucial role of effective social dialogue to address the challenges of growth, democracy and social justice.

Finally, the project was originally intended to make an important contribution to implementation of the One UN effort to tackle the socioeconomic impact of COVID-19 in the Southern Neighbourhood countries, although this is of less relevance at this point in the project implementation, given other economic and political developments in the region that are more profound. In particular, the project's planned interventions are fully in line with the third pillar of the UN framework which addresses the economic response and recovery by protecting jobs, small and medium-sized enterprises, and informal economy workers. The framework's fifth pillar on social cohesion and community resilience emphasizes the importance of inclusive social dialogue in developing and implementing all crisis response and recovery measures.

### **Major results achieved as reported by the project by April 30, 2023:**

- Establishment and active involvement of tripartite governance structures in SOLIFEM project in 3 out of 4 focus countries/territory.
- Buy-in and commitment of ILO Constituents to SOLIFEM project
- Completion and validation of informal economy diagnostic by ILO tripartite constituents in Lebanon.
- Improved sharing of information and strategic alignment of government ministries and national institutions in Algeria on issues of informality.
- Significant increase in registration of businesses in Algeria, Lebanon, and the Occupied Palestinian Territories, based on initiatives by national partners, in the overall framework of the SOLIFEM project.
- Important progress by workers' organizations in Lebanon in terms of outreach to workers and in Algeria by employer organizations in terms of outreach to informal economic units
- Significant visibility of SOLIFEM partners in the media on questions of informality
- Informality placed on agenda of Arab League Summit in October 2022
- Strengthened capacity of workers and employers' organizations on informality, formalization and their respective roles

## V. Evaluation background

The ILO considers evaluation as an integral part of the implementation of development cooperation activities. The evaluation in the ILO is for the purpose of accountability, learning, implementation improvement and building knowledge. It will be conducted in the context of criteria and approaches for international development assistance as established by the OECD/DAC Evaluation Quality Standard; and the UNEG Code of Conduct for Evaluation in the UN System.

The project follows the ILO policy on the evaluation of technical cooperation projects. A project between USD 1 and 5 million budget is subject to an internal mid-term evaluation with emphasis on learning, and an independent final evaluation at the end of the project, which will be conducted by an independent evaluation consultant and managed by ILO/EVAL.

## VI. Evaluation purpose, scope and clients<sup>36</sup>

### Purpose:

The mid-term evaluation of “Social Dialogue for Formalization and Employability in the Southern Neighbourhood Region (SOLIFEM)” is intended to provide project stakeholders with the opportunity to assess the relevance, effectiveness, efficiency, progress and sustainability of the project, particularly in the four focus countries/territories. The specific objectives of the evaluation are to:

1. Assess the relevance of the project strategy and outcomes to the UNDPFs/UNSDCFs, SDGs, DWCPs, regional and national policies.
2. Assess the quality and extent to which the project is on track or not towards achieving its outcomes
3. Identify contextual factors (opportunities and challenges) that have a positive or negative bearing on the project implementation, including technical, managerial, organizational, socio-economic and policy issues, in addition to other external factors unforeseen during the project design.
4. Identify approaches and methodologies adopted by the project to mainstream gender equality, inclusivity, social dialogue, international labour standards, and environmental sustainability.
5. Provide specific recommendations to the project stakeholders that aim to improve the project delivery and outcomes.
6. Identify lessons learned and good practices to share with the key stakeholders and inform the project’s remaining implementation period

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<sup>36</sup> For info: The Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) has developed a [set of criteria for evaluating development assistance](#) that represents a global standard. The criteria are: *relevance* – is the intervention doing the right things?; *coherence* – how well does the intervention fit (with other ongoing interventions)?; *effectiveness* – is the intervention achieving its objectives?; *efficiency* – how well are resources being used?; *impact* – what difference does the intervention ultimately make in the longer term?; and *sustainability* – will the benefits last?

### Scope:

This internal mid-term evaluation will focus on the first two years of the project implementation (June 2021 – August 2023). It is expected to review and assess all the results and key outputs that have been produced in this period.

### Clients:

The primary clients of the evaluation are the tripartite constituents, the Governments, the Employers and Workers' Organizations, in Algeria, Lebanon and OPT. While in Egypt, the project stakeholders are the Employer and Worker' Organizations. In addition to the above, the ILO CO-Algiers, SOLIFEM CTA and team members, the ILO DWT Office in Cairo, the ILO Regional Office for Africa (ROAF), the ILO Regional Office for Arab States (ROAS) and the relevant technical units in ILO Headquarters, and the donor, represented by the European Commission in Brussels and its delegations in the four focus countries/territories.

## **VII. Evaluation criteria and questions**

The evaluation will cover the following evaluation criteria (in line with the DAC criteria, UNEG guidelines and ILO evaluation policy guidelines):

- Relevance and strategic fit;
- Coherence
- Effectiveness of project implementation and management arrangements;
- Efficiency of resource use and project set-up;
- Sustainability
- Impact orientation

In line with the results-based approach applied by the ILO, the evaluation will focus on identifying and analyzing results through addressing key questions related to the evaluation criteria and the achievement of the outcomes/ objectives of the project using mainly, but not only, indicators in the logical framework of the project. The list of questions presented below should be reviewed and adjusted during the preparation of the Inception report. Any adjustment should be approved as part of the approval of the inception report.

### Key Evaluation Questions

The evaluator shall examine the following key issues:

<b>Ref</b>	<b>Evaluation criteria</b>	<b>Definition</b>
<b>1</b>	Relevance	<ul style="list-style-type: none"><li>• To what extent are the project objectives aligned to</li></ul>

		<p>beneficiaries needs, policy frameworks at national and sub—national level?</p> <ul style="list-style-type: none"> <li>• To what extent does the project fit with and complement the Decent Work Country Programme (DWCP), Country Programme Outcomes (CPOs), UN Country Programme and other ILO projects in the countries?</li> <li>• Was the project design realistic to the context of North Africa and the Arab states?</li> <li>• Is the project integrating in its design and implementation the ILO crosscutting themes? (i.e. ILS, social dialogue and tripartism, gender and non-discrimination, and Just Transition)</li> </ul>
<b>2</b>	Coherence	<ul style="list-style-type: none"> <li>• To what extent has the project been coherent with other policies and interventions (ILO, UN agencies, governments, donors, etc.) within the employment and PFM reforms strategy in the targeted countries?</li> </ul>
<b>3</b>	Effectiveness	<ul style="list-style-type: none"> <li>• To what extent and quality level has the project achieved or is expected to achieve planned outputs and objectives?</li> <li>• Which factors supported or hindered the project results?</li> <li>• To what extent were the government and social partners engaged during the design and delivery phases?</li> <li>• What outputs have not been produced? And why?</li> <li>• How effective is the backstopping support provided by ILO HQ and by DWT teams in Cairo and Beirut?</li> <li>• Does the project have a gender strategy to address women strategic needs through the project implementation and outcomes planned?</li> </ul>
<b>4</b>	Efficiency	<ul style="list-style-type: none"> <li>• To what extent has the project delivered or is likely to deliver outputs in an economic and timely way?</li> <li>• If not, what were the challenges encountered?</li> <li>• Did the project budget allocate resources to implement cross-cutting themes?</li> <li>• Did the project establish a monitoring and evaluation system and risk register during the implementation that contributes to management, learning and accountability in an effective way?</li> <li>• To what extent has the project leveraged partnerships with other ILO projects or other actors to build synergies and achieve results?</li> </ul>
<b>5</b>	Sustainability	<ul style="list-style-type: none"> <li>• What is the likelihood that the structures, capacities, services and benefits delivered will be sustainable after the project completion?</li> <li>• To what extent will the processes, structures and capacities delivered during the first two years support the implementation in the remaining period?</li> </ul>

		<ul style="list-style-type: none"> <li>• Has the project planned and is it implementing an exit strategy?</li> </ul>
<b>6</b>	Impact orientation	<ul style="list-style-type: none"> <li>• Is the project working towards achieving the proposed impacts?</li> <li>• Is the project strategy and management working towards impact?</li> <li>• Is the project working at policy and practice levels (change in practices, perceptions, technical capacity, governance or enabling environment) significant contributions to gender and inclusion related concerns?</li> <li>• What priorities do constituents and stakeholders have for a possible Phase 2 of SOLIFEM?</li> </ul>

**VIII. Approach and Methodology** The approach to the mid-term evaluation will be interactive, consultative, and transparent. The evaluator will use a combination of secondary and primary data collection methods including documents review, interviews with selected partners and beneficiaries, observations, and workshop discussion. It is proposed to conduct the key interviews and meetings with stakeholders face to face in Algeria and Lebanon and online for Egypt and OPT. The stakeholders' workshop could be also held online to provide an opportunity for exchanges of good practices and lessons learnt among the four focus countries/territories. The project has carried out more activities in Algeria and Lebanon, and in Algeria there are many different government ministries and national institutions involved in the project.

Desk review and inception report

A desk review will analyze the project and other documentation including the Theory of change, the log-frame, implementation plan, annual report, project deliverables and other relevant documents. The desk review will suggest a number of initial findings that in turn may point to additional or fine-tuned evaluation questions. The desk review will include orientation interviews with the project team and the donor.

This will be reflected in the Inception report that will translate the TORs into an operational work plan. The Inception report will be reviewed and approved by the evaluation manager prior to interviews and stakeholder workshop.

#### Interviews with ILO, EU, and project stakeholders

The evaluator will undertake individual interviews with the ILO staff of DWTs, COs Directors, technical units and the project team who are involved with the project management and implementation. At the inception phase a first meeting will be held with the ILO CTA, National Project Coordinators and Finance and Admin Assistants. A second will be held with the donor to understand their expectations on this evaluation. After that, upon the approval of the inception report, the evaluator will conduct more in-depth interviews with the named stakeholders and will meet relevant stakeholders including the focal points of respective institutions, members of various project advisory structures and technical working groups, and the donor.

An indicative list of persons to be interviewed will be developed by the evaluator in consultation with the project management. This will include but not limited to:

- ILO Project Staff in Algiers, Beirut, Cairo and Ramallah
- ILO Decent Work Team for North Africa: ACTRAV, ACTEMP, Enterprise Development, Skills development
- ILO Decent Work Team for Arab States: ACTRAV, ACTEMP, Enterprise Development, Skills development
- ILO HQ, including INWORK; Social Dialogue and Tripartism, SKILLS, and DEV-INVEST colleagues
- EU Programme Manager in Brussels and in the four focus countries/territories
- Government Partners in at least three out of four focus countries/territories
- Social Partners in the four focus countries/territories
- Other implementing partners in the four focus countries/territories

### Stakeholder Workshop

A Stakeholders workshop will be organized online at the end of the interviews to validate findings and complete data gaps with key stakeholders from the four focus countries/territories, ILO staff and representatives of the donor.

The project team will be responsible for organizing the workshop, including interpretation. The identification of the participants of the workshop and logistics will be the responsibility of the project team in consultation with the evaluator.

### Draft Report

After the data collection process (interviews, documents review, stakeholders' workshop, etc.) the evaluator will develop a draft evaluation report, in English, in line with EVAL Checklist 5.

The total length of the report should be a maximum of 30-40 pages for the main report, excluding annexes; background and details on specific projects evaluated can be provided in the annexes. The report should be sent as one complete document. Photos, if appropriate to be included, should be inserted using lower resolution to keep overall file size low.

The evaluation manager, will circulate the draft report to key stakeholders, including the project staff and the donor for their review and forward the consolidated comments to the evaluator.

### Final report

The evaluator will finalize and submit the final report to the evaluation manager in line with EVAL Checklist 5. The report should address all comments and/or provide explanations why comments were not taken into account. The quality of the report will be assessed against ILO/EVAL's Checklist 6.

The evaluator will review the final version and submit to the project manager for final review. The evaluation report will be distributed by the Evaluation Manager to the key stakeholders to enhance learning and uploaded in the ILO-EVAL e-discovery website for public use to provide easy access to all development partners, to reach target audiences and to maximize the benefits of the evaluation

## **IX. Deliverables**

1. Inception report (with detailed work plan and data collection instruments) following ILO EVAL Checklist 3, the report should include:
  - Description of the evaluation methodology and instruments to be used
  - Guiding questions for the interviews;
  - Agenda for the stakeholders' workshop;
  - The proposed report outline.
  
2. A draft and a final versions of evaluation report in English (maximum 40 pages plus annexes) as per the following proposed structure:

- Cover page with key project and evaluation data
- Executive Summary
- Acronyms
- Description of the project
- Purpose, scope and clients of the evaluation
- Methodology and limitations
- Clearly identified findings for each evaluation criterion and by project objective
- Conclusions
- Recommendations (i.e., for the different key stakeholders)
- Lessons learned and good practices

Annexes:

- TOR
  - Evaluation matrix
  - List of people interviewed
  - Documents reviewed
  - Data Table on Project targets as per Project logical framework targets
  - Evaluation schedule
  - ILO EVAL templates for each Lesson learned and good practice identified
3. ILO template for the Executive summary completed.
  4. A brief presentation on the outcome of the evaluation to the ILO Country Office Directors (one hour)

All reports, including drafts, will be written in English. Ownership of data from the evaluation rests jointly with the ILO and the evaluator. The copyright of the evaluation report will rest exclusively with the ILO. Use of the data for publication and other presentations can only be made with the written agreement of the ILO. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

**X. Management arrangements, work plan & time frame**



## Management

The evaluator will report to the evaluation manager (project manager) Mr. Daniel Cork, with whom he/she should discuss any technical and methodological matters. He will supervise the evaluator and approve the deliverables. The evaluation manager will be technically supported by the ILO M&E Officer for Africa.

The evaluation will be carried out with full logistical and administrative support of the ILO Office in Algiers and in collaboration with the project team members in other ILO Offices.

All draft and final outputs, including supporting documents, analytical reports and raw data should be provided to the evaluation manager in electronic version compatible with Word for Windows.

The first draft of the report will be circulated to stakeholders for a two-week review. Comments from stakeholders will be presented to the evaluator by the evaluation manager for their integration into the final report as appropriate or to document why a comment has not been addressed.

<b>Output</b>	<b>Description</b>	<b>Working days</b>	<b>Tentative dates</b>
<b>Share the draft ToRs with the key stakeholders</b>	The evaluation manager shares the ToRs for inputs to finalize the ToRs	0	May 1 to June 15, 2023
<b>Disseminate the Call for EoI and ToRs</b>	The evaluation manager disseminates the call for applications in relevant websites, mailing lists and social media	0	July 10, 2023
<b>Contract of the consultant</b>	The project coordinates the process to develop and sign the evaluator contract.	0	August 2023
<b>Desk review including inception meetings with the project team and key stakeholders within the ILO, and the donor</b>	Read and review the core set of project documents. Request any additional documentation required	5 days	September 1 to 10, 2023
	Meetings (virtual or physical) with the project team and core staff at ILO and the donor		
	Inception report: An operational work plan		

	which indicates the phases of the evaluation, finalizes the set of evaluation questions, the approach, the timing, key deliverables and milestones, aligned with TOR		
<b>Stakeholder interviews</b>	Interview with national stakeholders in Algeria, Egypt, Lebanon and OPT ILO specialists, and other relevant partners, including SOLID 2.	10 Days	September 10 to 30, 2023
<b>Stakeholder workshop</b>	Prepare and implement the workshop with focus on preliminary findings and information gaps	1 Days	October 20, 2023
<b>Draft report</b>	A short (no more than 40 pages) report (templates and annexes not counted in the page numbers) addressing the evaluation questions.	5 days	October 20, 2023
<b>Draft report circulated to stakeholders for comments by the project manager</b>	The evaluation manager will consolidate and forward the feedback of the stakeholders to the evaluator.  All feedback from stakeholders for the evaluator will be communicated in a consolidated manner	0	November 10, 2023
<b>Finalize evaluation report and submit to the project manager</b>	The evaluator submits to the manager the final version of the evaluation report and, the report Evaluation Executive Summary under ILO EVAL	1 days	November 30, 2023

	template for the review and final submission to EVAL		
<b>Total</b>		22 days	

#### **XI. Budget and Payment Schedule**

A budget is allocated for this mid-term evaluation for engagement of the evaluator and organization of a consultative stakeholder workshop. The evaluation budget includes:

- Fees for the evaluator for 22 workdays.
- Flights and DSA as per ILO travel policy
- Workshop logistics defined by the TOR.

Payment will be disbursed in line with the satisfactory delivery of outputs and activities outlined as per the following four instalments:

#### **XII. Duration**

This assignment will be implemented between 15<sup>th</sup> September and 30<sup>th</sup> November 2023.

The evaluator/evaluation team will carry out field work in two countries (Algeria and Lebanon), and remote work in Egypt and OPT.

#### **XIII. Evaluator qualification**

The evaluator will be selected based on proven evaluation experience and meeting the following independence criteria:

- A master's degree in social sciences, Development studies, Economics or related graduate qualifications
- A minimum of 5-7 years of professional experience specifically in evaluating international country development initiatives, including UN projects, in particular with policy level work and institutional capacity building
- Experience in qualitative and quantitative data collection and analysis
- A good understanding of ILO mandate and tripartite structure
- Experience in facilitating workshops for evaluation findings
- Have no previous or current involvement – or offers of prospective employment – with the ILO project or programme being evaluated
- Have no personal links to the people involved in managing or delivering the project/programme (not a family member, friend or close former colleague)
- Knowledge and previous experience on social dialogue, formalization and/ or skills

development and the country/region will be an asset

- Fluent in spoken and written English and French. Good knowledge of Arabic will be an asset.

The evaluator will start to work tentatively on first week of October 2023.

Website EVAL portal on managing and conducting evaluation (all guidance notes, checklist, templates, etc.) -en Anglais

[https://www.ilo.org/wcmsp5/groups/public/---ed\\_mas/---eval/documents/publication/wcms\\_853289.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_853289.pdf)

Specially:

- The ILO Policy Guidelines for evaluation: Principles, rationale, planning and managing for evaluations, 4th ed.

In sections 3 and 4:

- Template 3.1 Code of conduct form (To be signed by the evaluators)

- Guidance note 3.1. on integrating gender equality in the monitoring and evaluation of projects

-Guidance note 3.2. on adapting evaluation methods to the ILO's normative and tripartite mandate

- 4.4. Guidance note on stakeholders engagement in the ILO evaluation

-Checklists:

4.1 Preparing the evaluation report

4.2 Filing in the evaluation title page

4.3 Writing the evaluation report summary

4.4 Documents for project evaluators

4.6 Writing the inception report

4.7 Rating the quality of evaluation reports

- Templates

4.1 Lessons learned

4.2 Good practices

4.3 Evaluation summary (internal evaluator template to be provided by the evaluation manager)

4.4 Evaluation title page (internal evaluator template to be provided by the evaluation manager)

<http://www.unevaluation.org/document/download/548>