

PROJECT EVALUATION AND IMPACT ASSESSMENT

Project title:	Reducing poverty through promoting employment of youth and other vulnerable groups in the informal economy of Caucasus and Central Asia
Project number:	RER0353MUKM
Donor Agency:	Department for International Development (DFID), UK
Donor contribution:	2,100,000 million USD
Lead ILO Office:	Sub-Regional Office for Eastern Europe and Central Asia (SRO Moscow)
Type of evaluation:	Independent
Geographical coverage:	Caucasus: Azerbaijan Central Asia: Kazakhstan and Kyrgyzstan
Dates/duration of evaluation:	February – March 2006 (4 weeks, 4-5 working days in each country)
Report to be finalised:	March 2006

1. Background and Justification

The project aims at poverty reduction through supporting employment and income generation activities for youth and other vulnerable groups (internally displaced persons, unemployed etc) in the informal economy of Caucasus (Georgia, Azerbaijan) and Central Asia (Kazakhstan and Kyrgyzstan). In order to cope with the various types of problems in informal economy of target countries, the project established four immediate objectives as follows:

Immediate Objective 1: Designing and implementing national employment strategies

National constituents will have been strengthened and capable of designing and implementing national employment strategies aimed at effective poverty reduction through boosting employment and income opportunities for vulnerable workers in the informal sector

Immediate Objective 2: Designing and implementing local economic development (LED) strategies

Local government, social partners and other local actors will have been strengthened and capable of designing and implementing local economic development strategies aimed at effective poverty reduction through boosting employment and income opportunities for workers in the informal sector

Immediate Objective 3: Partnership and participatory approaches to design and implement poverty reduction policies

Constituents and both national and local level will have been strengthened in their ability to form partnerships and participatory approaches to design and implement poverty reduction policies through concrete pilot programmes based on innovative ILO approaches and embedded in the local economic development strategies

Immediate Objective 4: Knowledge-sharing of good practice, lessons learnt and findings of studies

Good practices, tools, lessons learnt and findings of studies will be shared and widely disseminated in order to contribute to a conceptually coherent programme on the informal economy across the countries and facilitating interchange between field and HQ in the preparation and implementation of ILO activities targeting the informal economy.

Designing and implementing the national employment strategies, based on the official requests by the Ministries of Labour in Kazakhstan, Kyrgyzstan and Azerbaijan are being planned and conducted for the purpose of establishing comprehensive framework on employment at national level. This objective was formulated in order to assist the process of informal economy formalization (and its activities in the informal economy) in target countries. Capacity building of constituents and the series of background studies

in the course of designing the national employment strategies have been embedded under this objective.

Designing and implementing LED strategies (Kazakhstan) are being formulated based on the preliminary mapping exercise of needs assessment and consultation with the local counterparts in Tardykurgan, Almatinskaya oblast in Kazakhstan. As a result, following three components were identified as priority areas under the LED framework in Tardykurgan: (1) Providing technical assistance in strengthening the capacity of technical vocational schools in the region; (2) Promoting development and further strengthening of small business through introduction of modern cooperative principles; (3) Supporting the development of local economic potentials by promoting investment possibilities in the region.

Implementation of partnership and participatory approaches for poverty reduction policies (Kazakhstan, Kyrgyzstan, Azerbaijan and Georgia) is being addressed to the selected target groups in the informal economy (unemployed (particularly youth and women) and internally displaced persons (IDPs)) by using various ILO tools and approaches. These approaches include: Start and Improve Your Business (SIYB) programme (Kazakhstan, Azerbaijan, Georgia), Knowing About Business (KAB) programme (Kyrgyzstan), Modular Employable Skills training programme (Azerbaijan and Kyrgyzstan), Employment Intensive Investment Programme (EIIP, Azerbaijan) and Work Improvement in Neighborhood Development (WIND) programme for sensitizing occupational safety and health issues for the farmers working in rural informal sector (Kyrgyzstan). In the process of introducing ILO modular and community-based approaches into training programmes, institutional capacity building at community/regional level for self-sustainable operational mechanism to alleviate poverty incidence has been achieved.

Knowledge-sharing of good practice, lessons learnt and findings of studies is meant to be included to share and disseminate the project outputs in order to contribute to a conceptually coherent programme on the informal economy across the countries. Several sub-regional seminars were organized at the ILO training centre in Turin for this purpose.

2. Scope and Purpose

The independent evaluation assesses the original rationale, design and implementation of the project in three (out of four) countries covered by the project's activities: Azerbaijan, Kyrgyzstan and Kazakhstan. The scope of the evaluation will be mainly divided into two components:

- (1) Evaluation and assessment of project implementation based on its needs and rationale in each country and design and formulation of project;
- (2) Impact assessment as a result of project implementation based on some indicators suggested by the mid-term impact assessment mission.

Evaluation will need to examine the project's effectiveness, relevance, sustainability and efficiency, based on the indicators listed in the project document and other relevant benchmarks. Evaluation will also need to look at the follow-up actions that should be taken upon the project completion. Impact assessment needs to look into the impacts on its direct and indirect beneficiaries based on the impact assessment indicators suggested by the independent evaluator.

The purpose of the evaluation is also to assess the most effective strategies and innovative approaches that were being used, as well as to which extend the ILO social partners were involved in the project implementation. By assessing these aspects, the major lessons learnt will be identified and recommendations for future programmes and projects of a similar nature will be developed. It would contribute to the knowledge-sharing approach the ILO is actively pursuing during the last few years.

Meetings held:

Date	Place	People	Timing
13/02/2006 (Moscow)	ILO SRO office Moscow	Martina Lubyova Vladimir Pogorelski Mariko Ouchi Gulmira Asanbaeva	11h00- 18h00
Kazakhstan			
14/02/2006	MOL, employment department Astana	Aigul Kassenavna Sabyeva, head of dep. Alim Bigenovich Baisakalov, deputy head Akmady Adilovich Sarbassov, deputy director	12h00- 13h30
14/02/2006	Prime Ministers' office Astana	Kamalbek Dzhaukhanov, coordinator tripartite steering committee/head of social guarantee unit	14h00- 15h00
16/2/2006	Agency on statistics of the Republic of Kazakhstan, Almaty	Nina Krivko, director of Labour and prices department	9h30- 10h30
16/2/2006	Confederation of Employers of KZ, Almaty	Nadjat Kadyrov, deputy of executive director	10h45- 11h45
16/2/2006	Almaty Branch of Union of Industrialists and Employers, Almaty	Aleksandr Dolotin, chairman	11h45- 12h30
16/2/2006	Progress Technical College, Otegen batyr	Attending three classes of SIYB courses	13h00- 13h45
16/2/2006	Progress Technical College	Round table on "business incubator as a pilot project in Almaty oblast" , moderator Zhanna Telpekbayeva, director of college	14h30- 16h00
17/2/2006	Employment and	Nurila Bulebayeva, head of the	10h00-

	Social Programmes Coordination Department, Taldykorgan city	department Dauren Yershigeshev, deputy head of department	11h45
17/2/2006	NGO "Employment Assistance Foundation", Taldykorgan city	Svetlana Saduakassova, director	14h00- 15h00
17/2/2006	University of Central Asia, Tekeli	Raikhan Sissekenova, head of school of continuing education Olga V. Lesik, main researcher	16h00- 17h00
18/2/2006	NGO "Karlygash women fund consultative centre"	Alla Denisova, head of VTS and of NGO	10h30- 11h30
Kyrgyzstan			
20/02/2006	Project office Bishkek	Bolot Orokov, national project coordinator Galina Djuraevna, translator	10h00- 11h00
20/02/2006	Vocational School #10, Bishkek	Jusupova Saodat, Nekrasova Ludmila (VS#43) Dinara, Jusupova Bakyt (VS#10)	11h00- 13h00
20/02/2006	Centre for the support of small business & support to the unemployed (business incubator)	Tamara Kojomuratova, director and master trainer SIYB	14h00- 15h30
20/02/2006	Youth Labour Exchange , Bishkek	Aziz Idrizov, director	16h00- 17h00
20/02/2006	State committee on migration & employment	Aigul Ryskulova, chairperson Janish Alimbaev, deputy chairperson Tatiana Scopintseva, head of a division of SCME	9h00- 10h30
21/02/2006	TACIS employment project team, Bishkek	Wofgang Schwegler, consultant	10h30- 11h00
21/02/2006	Administration of the president, Bishkek	Danial Sultanbekov, CDF expert	11h00- 12h00
21/02/2006	Confederation of Employers, Bishkek	Kadyrov Alybek, chairperson Salymbekov, Japarakunov, Vika	14h00- 15h30
21/02/2006	Vocational Education Department, Ministry of Labour	Jamilya Sarmanovna, deputy minister Taalai Cholponkulov, head of vocational education department	16h00- 17h30
22/02/2006	German Technical Cooperation (GTZ), Bishkek	Asel Uzugalieva, GTZ-officer	9h00- 9h45

22/02/2006	Federation of Trade Unions, Bishkek	Svetlana Semenova, head of a division	10h00-11h00
22/02/2006	Vocational School #17	Erimina Nadejda, director	11h15-13h00
22/02/2006	Bishkek, restaurant	Former acting minister	13h30-15h00
24/02/2006	Administration of the President, Bishkek	Gender expert	
Azerbaijan			
22/3/2006	Project office	Yashar Hamzayev, Rashad Farajov	9h30
22/3/2006	Ministry of Labour	Azad Tagizade, Chief of International Cooperation Department	11h00
22/3/2006	Confederation of Employers	Alekber mammadov, Chief of Confederation of Employers	15h00
22/3/2006	Ministry of Labour	Vafa Mutallimova, Chief of Department of Targeted Social Assistance Policy	17h15
23/3/2006	Ministry of labour	Tatiana Babayeva, chief of labour policy department	10h00
23/3/2006	Ministry of labour	Vahab Mammadov, chief of employment policy department	11h00
23/3/2006	Trade Union	Agil Dadashov, deputy chief	15h00
23/3/2006	General Employment Department	Rasim Hasanov, Deputy head	16h30
24/3/2006	Local employment service (Sabail region)	Elchin Asadov, director	10h00
24/3/2006	State Statistical Committee	Agadadash Mammadov, deputy chief Svetlana Antyukhina	11h00
24/3/2006	Confederation of Employers	SIYB and KAB trainers	16h00
25/3/2006	Goshakand, Ismaili region	Meeting with community leaders	8h00-17h00

3. Project Evaluations and Impact Assessment

3.1. Project Evaluation

3.1.1. Project design

- **Were the project objectives as stated in the project document clearly formulated, describing the solutions to identified needs in informal economy in target countries?**

- The objectives are a mixture of long term and short-term objectives, in order to book some immediate results that are visible to different stakeholders and at the same time, work on the long-term framework that makes “employment creation” for vulnerable groups possible in a structural way.
 - The possible linkages between the strategies and activities at the national level, the LED-activities at the regional level and the concrete pilot programmes for the individual beneficiaries are the strength of this project: to operate on the national level and at the same time translate these objectives to the local and beneficiary level
 - In Azerbaijan for example, the different partners have selected a number of concrete pilot activities that are mentioned as possible strategies in the NES 2006-2015 of Azerbaijan Republic. The necessary changes in the educational system that are mentioned in the NES are concretized in KAB and SIYB training of trainers, the introduction of the modular approach is another element that will contribute to a new approach in training. Public works as a means of creation of employment and skills building has been concretized in another project in Azerbaijan. However, during the implementation of this project it has become clear that the linkage of the activities at different levels is not easy. In Kazakhstan for example, many activities have been initiated at the local level (oblast, city or rayon) with direct impact on the target group (SIYB courses for unemployed women, training of farmers in cooperative principles etc.) and there have been lots of activities in order to make an operational structure for local economic development (agricultural market studies, labour market research, study of business development services, study tour to Serbia for LED, social partnership workshops...). A lot of these pilot activities are separate initiatives that are not really part of an integrated plan for local economic development.
- **Were the indicators of achievement clearly defined, describing the changes to be brought about?**
 - Indicators were clearly defined from the very beginning for the four different objectives, although extra indicators were necessary (mid-term evaluation) because of the nature of the project. Qualitative indicators were available for NES and LED-activities, for some concrete pilot programmes of participatory approaches and for the information sharing.
 - Some indicators were added on during the project evaluation (mid-term) partly because some of the project activities with immediate impact on beneficiaries (especially concrete pilot programmes) and activities concerning the formation of LED –fora and structures had to be planned according to the local needs. Finding out these needs were part of the project objectives and therefore could only be found during the implementation of the project
 - Most of the indicators are qualitative indicators, again because of the nature of the project. However, quantitative indicators are necessary to evaluate some immediate impact on the beneficiaries through concrete pilot programmes such as SIYB trainings in Kazakhstan, EIIP in Azerbaijan, formulation of farming cooperatives etc.

- More information about the indicators can be found in chapter 3.1.3 “effectiveness”

- **Was the target groups defined in the project document appropriate for pursuing the project objectives?**
 - The target group of this project are youth and other vulnerable groups of the informal economy. Although “vulnerable groups” is a very general notion, it makes it possible to focus on these groups that are “locally” the most vulnerable groups. Therefore, more specific target groups were selected for different project activities. For example, in Azerbaijan the activities in the field of EIIP were intended for internally displaced people, in Kazakhstan the focus was on the unemployed (both youth and elderly, men and women) and on farmers of the informal economy. All the selected groups in the different countries of the project activities could be described as “vulnerable” and the relevance of the project objectives towards these groups are clear.
 - Although everybody has a general idea about the meaning of the informal economy, it’s open for discussion. In different meetings, it became clear that government and NGO or other organisations sometimes have different ideas about informal and formal economy, about employed and unemployed etc. Are people that are self-employed (they consume and sell their own production) but have no official business registration part of the informal sector? (Probably yes, but some of them are not “vulnerable”) Are they to be considered as people with a job or are they unemployed?

- **Has the project document provided the general framework and strategy for managing project implementation?**
 - The strategies are a mixture of interventions at national level, the local level and direct interventions to the target group. The project document lists the different interventions and possibilities. For the activities in the field of the NES the strategies are clear. For LED-activities, different possibilities are given but the actual interventions depended on the specific local needs. Therefore, a lot of contacts had to be made, a lot of research was necessary, organisations had to be contacted, groups had to be formed, etc. In the timeframe of this project (two years), this meant that a lot of time was needed before actual interventions could take place. Also the concrete pilot programs were to be planned according to the needs and therefore a lot of preparatory work for LED and direct interventions towards the target group was done in 2004, the actual interventions took place in 2005 and beginning of 2006. The timeframe of two years to implement all the activities was probably a bit short (especially in the field of the LED-activities, follow-up is necessary).

3.1.2. Implementation (delivery process)

- **Have the inputs (human and material) to the project been provided as planned?**
 - Human resources
 - As for Kazakhstan, Kyrgyzstan and Azerbaijan: national project coordinators and project assistants, focal points and project steering committees (also in Georgia)
 - Problems: Georgia - no offices, no project coordinator (BDS activities to be carried out by SRO Moscow project team)
 - Problems: Kazakhstan: Astana = official capital but some key stakeholders (employers federation, state statistical office, EC, UNDP etc.) have their office in Almaty. Need of two focal points: Almaty and Astana. The leaving of the national project coordinator and programme assistant in Kazakhstan and their replacing caused for some delay in the follow-up and implementation of project activities
 - Offices
 - Offices are set up in Kazakhstan, Azerbaijan and Kyrgyzstan
 - Problem: Georgia - no office, no project coordinator, restructuring of MOL, high mobility of staff (personnel) at all tripartite partner organizations (MOL, TUs, EOs) and thus capacity-building activities provide very limited effects to the tripartite partners
 - Problem: Kyrgyzstan: electricity cuts and communications problems in office within MOL – other office possible?

- **Have the planned activities been carried out and the outputs produced with the expected quality, quantity and timeliness?**
 - The three progress reports available at the time of evaluation (progress report January –June 2004, July-December 2004 and January-June 2005) and the matrixes of project implementation give a detailed overview of all outputs realised by this project.

- **What activities have taken place, outputs produced and impact realised over and above the project document?**
 - The activities that are related to immediate objective one (NES, NEP) to be focused primarily on Azerbaijan and Kyrgyzstan, but was later on also achieved in Kazakhstan

3.1.3. Performance

Relevance:

- **Were the needs addressed by the project (as described in the project document) relevant for the project's beneficiaries and were they successfully met? Give some verification on any observation.**
 - The development of NES, NEP, NAPYE are a main instrument for employment creation but are only relevant towards the target group if specific attention is paid to this group and only if specific strategies are imbedded in the NES: For Kazakhstan, Kyrgyzstan and Azerbaijan ILO had a very big input in the developing of the respective national employment strategies and plans. In the final documents specific measures are included towards "vulnerable groups", budgets are planned, number of people to be reached are fixed. In Azerbaijan, the focus was not only on the development of a national employment plan as such, but also with a special focus on youth employment because of the different and integrated approach needed for youth (creation of a national action plan for youth employment as a part of the NEP). The actual implementation of these plans is of course the responsibility of the respective governments and therefore the impact of these measures can't be measured within the timeframe of this project.
 - The development of LED-fora or structures is a very important instrument in order to create employment in a specific region in a integrated way : the involvement of the different partners (local government and administration, employers, training institutions,...) makes sure the there is one agreed strategy in order to stimulate regional economic development. One example: To improve the general level of the curriculum and introduce principles of entrepreneurship in vocational schools is of course relevant. But linkages with the local government (what's their idea of developing a region? Do they have their own instruments as funds, business incubators etc.), employment agencies (can we train unemployed?), credit institutions or government funds (are there funds available in order to help people start up a business?), business world (what kind of professions are needed? what kind of skills are needed? what kind of businesses should be stimulated?) and needs is of course crucial. Only an integrated approach is answer to all these questions.
 - In order to create a direct impact on the beneficiaries some concrete pilot programs were organised: SIYB/KAB training in Kazakhstan, TOT in entrepreneurial skills in Kyrgyzstan and Azerbaijan, rural infrastructure project in Azerbaijan, market access improved in Kazakhstan (agricultural products market research): for a detailed overview see chapter 3.2 on impact assessment.

- **To what extent the project has provided positive direct/indirect impacts on the informal economy in target countries. Provide some examples of direct/indirect impacts on informal economy.**
 - For a detailed overview of the direct and indirect impact of this project, see chapter 3.2 on impact assessment.

- **Was gender-mainstreaming pursued in project implementation? Please give some concrete examples and observations.**
 - In order to create enough attention for gender aspects in the project activities, a gender mainstreaming workshop was organised in Moscow in September 2004 for the new project staff of Kazakhstan, Kyrgyzstan and Azerbaijan and for some of the partners in the implementation of this project
 - Activities at the national level:
 - In the development of the National Policy on Employment to 2010 of Kyrgyzstan, help was rendered to the gender expert of the administration of the president and as a result specific attention was given to:
 - the employment situation of women in particular (where do they work? what kind of jobs do they have? what's the unemployment rate?)
 - specific measures described how to resolve some problems (promoting implementation of state gender policy and micro-financing for women)
 - instruments for monitoring (indicators on unemployed women placed in jobs)
 - In the National Employment Programme 2005-2007 for Kazakhstan, the unemployment situation of women is described, specific measures are described towards "target groups" (not specifically women) and towards women in particular: promoting traditional forms of farmstead management and reactivation of traditional ethnic crafts in order to ensure self-employment of women in rural areas and small towns etc.
 - In the NEP of Azerbaijan specific attention is paid to the development of employment for women (training in traditional professions (handicrafts) and new sectors (tourism and resorts), training in entrepreneurial capacity, assistance in development of businesses, flexible employment forms (part time jobs, flexible hours etc.)
 - Concrete pilot programmes:
 - In Kazakhstan, out of four series of SIYB trainings, each time one specific group was selected for training (unemployed) women
 - In Kyrgyzstan, the two KAB-TOT and the two training in MES was organised for a number of schools with a very high representation of women-trainers (employment of women in education is high)

- In Azerbaijan, one of the tripartite partners, the Confederation of Employers is very active in the field of women entrepreneurship. In 2004 they published a bulletin with background info on women entrepreneurship and with 24 stories of women entrepreneurs and their businesses. The State Statistical Committee, another partner in Azerbaijan, pays a lot of attention to gender statistics (2006, Women and men in Azerbaijan). These partners have a relevant input in the concrete realization of pilot programmes.
- LED-activities in Kazakhstan: A lot of activities carried out in order to prepare for the creation of a LED-agency were made by the help of women organisations: an agricultural market research was prepared by the NGO “Employment Assistance Foundation”, which is specialised in assisting unemployed youth and women. A labour market research was carried out by “Karlygash” Women’s educational-consultative centre, the BDS study carried out by the University of Central Asia was done by a women team,..
- Conclusion:
 - we can say that in the implementation of the concrete pilot programmes towards training (KAB, SIYB, MES) in the three project countries visited and for LED activities in Kazakhstan, there was a large involvement of women (directors of schools, teachers, government officials...), partly of course because of the sector of involvement (education as a “women” business!), but also because of the specific attention of the project staff , although there were no specific targets towards women in this project (for example number of trainings to be carried out for unemployed women, number of women to be reached, women-groups to be formed,...)

Effectiveness:

- **Describe the progress made towards the achievement of the objectives and specify major accomplishments and/or drawbacks.**
 - For a complete overview of all the activities implemented, the different progress reports give a very detailed overview. Below you will find some of the major achievements of the project
 - Major accomplishments are without doubt the development of NES and/or NEP in the three countries. Not only these plans itself are important, but also the efforts made in order to build the capacities of the local/national governments through two training seminars in Turin, workshops on methodologies for statistical analysis, technical assistance towards the Ministry of Labour etc.
 - Another major achievement is all the preparatory work done for the creation of a possible LED-agency in Taldykorgan, Kazakhstan
 - : Several backgrounds studies have been made (about the labour market, agricultural market research and research on business development services in the Taldykorgan region), a study tour to Serbia has been organised for major stakeholders in local economic

development, a working group on social partnership in Almaty oblast has been established and there was the initiative of a business incubator in Progress Technical College in Otegen batyr (Almaty oblast).

- The initiative of the “working group on the development of social partnership in the sphere of professional education” is very close to the development of a LED-forum/structure at oblast level, with involvement of the different stakeholders (employers, VTS, NGO’s, government), but its objective is mainly related to training. Of course local economic development is more than that: combination of training, , micro-credit schemes, consultancy to SME’s, promotion of the region, good statistics on local labour market and economic development, attracting investors ...).
- The creation of a business incubator¹ , an initiative of ILO-project office in Almaty and a VTS in Almaty oblast (ILi rayon) and the signing of a memorandum of cooperation between the akim of Ili rayon, department of employment and social programs of the rayon, the entrepreneurs’ association of the rayon, Progress Technical college, a business consulting centre and a local NGO on youth development (New Wave) is another example of a kind of LED-forum/structure on rayon level. Its targets are the creation of a business incubator centre, the development of a database on the specialities needed in the region, reforming curricula towards the specific professional needs, combination of public works and training, organising regular meetings of the participants of the memorandum.
- In Kyrgyzstan, apart from the above mentioned NEP, these are some of the major realisations: the introduction of the KAB-package into 40 Vocational schools and the introduction of the MES-methodology to 20 teachers of vocational schools and people from the “employment services” and confederation of employers.
 - As for the KAB –activities, two TOT’s were organised (in Bishkek and in Osh) and around 40 trainers have been trained in this package. Together with the “ research and methodological centre” efforts were made to make the KAB-package part of the standard curriculum in 40 vocational schools (in each of these schools one trainer was trained in KAB). This was accepted by the Ministry of Labour and Social protection and now a training of 120 hours is an obligatory course in the vocational education program of these 40 vocational schools from all over the country. From the point of view of sustainability, this is a major achievement. By this time (March 2006) the available materials will also be translated in the Kyrgyz

¹ The concept of business incubator here is not the standard one: in this case it’s a combination of practising your technical skills at a VTS (28 different professions) free of charge, at the same time being able to sell your products made at the VTS and being assisted in entrepreneurial skills/accounting/registration of company by a business service centre against a fee.

language, since in the rural and remote areas, the Russian language is not the language that is being used in the daily life.

- As for the introduction of the MES-methodology, efforts have been done in a first workshop in Issyk-Kul (conducted by the Ukraine centre for modular education) to inform people (teachers and directors of vocational schools, employment services, confederation of employers, University of Central Asia) about the possibilities of MES, to give some back-ground info about the methodology, In a second workshop at the Vocational School #10 in Bishkek, a practical training was conducted to teachers of 10 vocational schools in order to be able to develop “modules” themselves in their own schools and to be able to disseminate their knowledge to other teachers. Five professions were chosen after consulting the Confederation of Employers and the Vocational Education Department (brick-layers, confectioners, entrepreneurs, waiters and bee-keepers) and in five separate groups a practical training was organised how to develop modules for these professions. Here we can say that the work has only just started. All stakeholders are convinced of the importance of such a system but there are still a lot of questions to be answered such as financial implications, need of training materials and equipment, qualification system, how to comply with standards of Ministry of Education, more people need to be trained in the methodology, help is needed in the development of concrete modules in the five chosen professions, selection of target groups (regular students, unemployed adults) ...
- In Azerbaijan, a major achievement is the development of the NES 2006-2015 and the fact that Azerbaijan became a YEN –champion country. But also to mention are the activities in the field of public works and the introduction of the modular employable skills methodology
 - As for the introduction of the MES-methodology, a workshop has been given in Baku in October 2005 to introduce this methodology. The employment services chose 15 professions, selected depending on the needs in the labour market (regional employment services have information on the vacancies in the regions). The focus here is on the training of the unemployed. The employment services selected 15 people (one person for each profession) with different back-grounds: some of them are teachers in professional schools, others are specialists in their field with no teaching experience). The employment services are now setting up three modular training centres (one in Baku and two regional centres), in order to start with this modular training program in the 15 selected professions. The programs for these trainings are already available (made by modular training centre in Moscow) and have been translated in the Azeri language. For the profession of car-engineering equipment will be provided by ILO. Of course, this is only the beginning: more teachers need to be trained and the present teachers need feed-back, other programs need to be

adopted, equipment to be purchased and installed, training centres to be made operational etc.

- As for the activities in the field of public works, the upgrading of the streets in Goshakand community, Ismaily region have to be mentioned. Although the initial project document envisaged three components (linking the Goshakand community to the highway in order to improve the market access, the linking of Goshakand community and Tubu and the improvement of the streets in Goshakand), only the third component was realised due to financial reasons. Nevertheless, this project is a perfect illustration of shared responsibilities of the different partners, has a direct impact on employment of the target group, uses local materials in order to make cheaper maintenance possible, build skills of the local target group etc:

- Shared responsibilities: the selection of this community was done in consultation by the Ministry of Labour because of the possibility to create jobs for internally displaced people, this same Ministry provided the salaries for the workers, ILO provided the technical assistance, the community provided the labour force
- Temporary job creation: between 8 August 2005 and 24 October 2005, 2384 worker days have been spent on road construction, at an average of 30 workers per day
- Capacity building: the skills of around 50 workers have improved – these skills could also be used in similar activities in the region
- Labour-based technology in order to make it possible for the community to maintain the road, even after the project is finished.

- Drawbacks: Political changes in Kyrgyzstan (reshuffling of people in charge) that leads to new priorities.

➤ **To what extent has the project improved the capacities of the ILO social partners and partner institutions to implement an effective and demand-oriented policy-making, planning, management and coordination in the field of employment generation through skills development and providing entrepreneurial education?**

- Below you will find a complete overview of all activities that have a positive effect on the capacities of the ILO partners:
- Draft of the NES, NAP: organising a core group of experts among the staff of MOL, statistical agencies etc.: Azerbaijan (also NAPYouthE) , Kyrgyzstan and Kazakhstan
- National tripartite seminar to discuss NEAP, employment policies, social dialogue, Baku, Azerbaijan, April 2004
- Study Tour on LED in Serbia (April 2005)
- Strengthening of social dialogue mechanisms: fully achieved in Taldykorgan (Almaty region):

- Providing advice and preparing analysis for existing organisations: the regional conference “On Social Partnership” (Almaty Oblast Akimat Building, 21/04/05) and the seminar “methodology of conducting labour market research” (Vocational School nr1, Taldykorgan city, 22/04/05)
 - 2 local NGO’s are strengthened in their capacities through project activities: “Karlygash” Women’s educational-consultative center (report on labour market research) and...
 - ILO seminar “introduction of contemporary principles of farmers” cooperatives, clusters and associations of farmers (Sarkand rayon, Taldykorgan region, 21-22/07/05)
 - Central Asia University in Tekeli, Taldykorgan region
 - Introduction of entrepreneurial education in 3 VTS in Taldykorgan
 - Assistance in the creation of a Regional Agency for Economic Development in Taldykorgan (April-June 2005)
 - National Employment Programme Conference, discussing of draft of NEP Bishkek, tripartite conference, all stakeholders, Kyrgyzstan, July 2004
 - National Employment Programme Conference, discussing of draft of NEP, Astana, Kazakhstan, August 2004
 - Subregional workshop on “NES and youth employment in informal economy” for social partners of Tajikistan, Uzbekistan and Kyrgyzstan, 21-24 July 2004, Yssyk-Kul, Kyrgyzstan
 - Tripartite round table on Decent Work Promotion in cooperation with Integration, in order to integrate project activities into future Decent Work Country Programme, Astana, Kazakhstan, November 2004
 - Seminar on results of Decent Work Survey with participation of Kazakhstan Regional Statistical Committees, ILO Geneva and SRO Moscow, Almaty, January 24-28, 2005
 - Subregional seminar on “improving planning and delivery of employment services and vocational training, ITC Turin center, May-June 2005 (do-financed with other ILO-projects)
- **Describe whether the number and/or type of intended beneficiaries and/or direct recipients have been reached according to plan. Explain the reasons for and the nature of changes, if any.**
- A number of participatory approaches that were realized were not yet planned in the beginning. There has been a focus on entrepreneurial training, both on capacity building of the teachers in this field (KAB –TOT in Kyrgyzstan and SIYB and KAB-TOT in Azerbaijan, MES in Kyrgyzstan and Azerbaijan) and on skills development of unemployed people (Kazakhstan and Azerbaijan) and of farmers (Kazakhstan). There has also been a employment intensive investment programme in Azerbaijan in order to promote employment.
 - Number and type of beneficiaries reached in Azerbaijan through concrete pilot activities:

- Type: The target group for the public works activities are internally displaced people that are jobless after the conflict with Armenia, the target group for the improvement of entrepreneurial skills (KAB and SIYB-TOT and MES-methodology) are teachers of vocational schools, entrepreneurs with practical experience related to the Confederation of Employers and teachers of the Employment services
 - Number:
 - EIIP Ismaily region: 2384 worker days in three months time, or an average of work for 30 workers per day during three months
 - SIYB and KAB TOT Baku, February-March 2005: 30 people reached, both teachers in vocational schools as entrepreneurs with specific practical experience
 - MES training and transfer of methodological application, October 2005: 15 teachers were trained in collaboration with employment services
- Number and type of beneficiaries reached in Kazakhstan through concrete pilot activities:
 - Type: Target group for the entrepreneurial trainings are the “vulnerable” people: unemployed people, both men and women, youth (age of 16-25) ,oralmans (ethnic Kazakhs) and farmers for the trainings on cooperative principles
 - Numbers:
 - Training on farmers cooperatives, Taldykorgan, July 2005: 50 farmers and employees of rayon agricultural departments were involved
 - Formation of farmers’ cooperatives?
 - SIYB trainings, Taldykorgan, November-December 2005: 90 people reached of which 74 are women, 16 men
 - SIYB trainings, Otegen batyr, January -February 2006: 90 people reached, all of them unemployed: 15 of them are oralmans, 30 are women, 30 are youth and 15 are unemployed men and women
 - Social partnership working group seminar, Taldykorgan, November 2005
- Number and type of beneficiaries reached in Kyrgyzstan through concrete pilot activities:
 - Type: In Kyrgyzstan the focus was not on the final beneficiary as such (unemployed, women, youth...) but on these people who will have to train the intended target group : vocational school teachers, staff of the education department, school directors, representatives of federation of employers , people from the employment department etc.
 - Number:

- MES training and transfer of methodological application, August 2005 and January 2006 : 53 people reached : teachers and management of 16 vocational schools located throughout the country, 10 from the employment department , federation of employers and education department
 - KAB TOT in Bishkek, May 2005 and Osh, December 2005: 29 teachers from 25 vocational schools located all over the country
- **Describe any internal and/or external factors that have (positively or negatively) influenced the achievement of the objectives**
- Georgia: unstable political situation and restructuring of government agencies, no project offices (promise by MOL and then refused due to restructuring), post of national project coordinator had been vacated after three months
 - ILO has no accredited offices and staff in the region: in order to implement look for offices and recruit staff (no experience, train people on the job and in meetings in Moscow. Also no long term perspective for “project” staff which result in staff fluctuations
 - Lack of clearness regarding continued funding
 - Understaffing in terms of supervising the operations
 - Kazakhstan: distance between some of the stakeholders of the project
 - Kyrgyzstan: Only two weeks after the presidential approval of the NEP, the political situation changed completely because of the revolution in March 2006. The President left the country, new government agencies were created, existing ones reorganised etc. Therefore, the NEP hasn't been implemented up to now. However, the activities carried out on the NEP are been taken up again. The work has only recently been resumed and the basis for the new discussions is the NEP that was presented in March 2005.
- **Assess the effectiveness of the proposed strategies and methodologies applied in the process of implementation. Were there any approaches that did not work and why?**
-
- **Assess to which extend the indicators of achievement were achieved? Explain the reasons if some indicators were not completely met**
- **Indicators related to immediate objective 1:**
 - In short: All the indicators have been fully achieved, one partly

1. National employment strategies formulated in at least 2 countries

Achieved in Kyrgyzstan, Azerbaijan, and Kazakhstan

2. The formulated strategies endorsed and accepted by national authorities (validated through executive acts of the Government, or through parliamentary proceedings or presidential decrees)

Achieved in Kyrgyzstan and Kazakhstan; in Azerbaijan the National Employment Strategy approved by the Government (Inter-ministerial Committee), waiting for Presidential approval. In Azerbaijan NES is already approved by President in 26 October 2005.

3. At least one country becomes a YEN Champion country

Achieved in Azerbaijan, the country has actively participated in YEN events (YETT technical meeting in Geneva and YEN High Panel in Luebeck in October 2004, meetings between the DG and the Azeri minister of Labour, DG and the Azeri Ambassador to the UN in Geneva, etc.); National Coalition for Youth Employment has been formed in co-operation between the Government and Youth Organisations (NAYORA), National Action Plan for Youth Employment is under preparation with ILO's technical assistance.

4. National Statistical Offices able to carry out the indicated surveys in their own capacity

Achieved through launching and initial implementation of Decent Work Indicators Modular Survey with the State Statistical Agency of Kazakhstan (three pilot regions – Karaganda, East-Kazakhstan oblasts, and Almaty city), completion of School-to-Work Transition Survey with tripartite constituents in Kyrgyzstan, and preparatory works for School-to-Work Transition Survey with constituents in Azerbaijan

5. National Statistical Offices able to process the data and provide comprehensive report

A comprehensive report on DW Indicators Modula Survey was provided by the State Statistical Agency of Kazakhstan on June 2005.

6. National authorities take lead in the development of employment strategies

Fully achieved in Kyrgyzstan, Azerbaijan, and Kazakhstan, where Inter-Ministerial Committees (Kyr and Aze) and Inter-agency Working Groups (Kyr, Kaz) have been established to develop/discuss/approve the relevant state documents. ILO has supported the participation of tripartite constituents in these bodies.

7. Routine analytical reports prepared by the national institutions

8. Reports disseminated and used by other institutions among constituents and stakeholders

Achieved in Kyrgyzstan, Kazakhstan, and Azerbaijan, where a number of background studies on labour market, youth employment, and informal economy has been prepared and disseminated

○ **Indicators related to immediate objective 2:**

- **In short:** All the preparatory work is done for the creation of a possible LED-agency in Taldykorgan, Kazakhstan: Several background studies have been made (about the labour market, agricultural market research and research on business development services in the Taldykorgan region), a study tour to Serbia has been organised for major stakeholders in local economic development, a working group on social partnership in Almaty oblast has been established (kind of LED forum on oblast level but in the sphere of professional education) and there was the initiative of a business incubator and forum on linkages between the employers and vocational schools in Progress Technical College in Otegen batyr (Almaty oblast).
- There has been a successful introduction of a number of permanent fora, the establishment of a LED –agency has not yet been achieved. All the relevant stakeholders are brought together, are being consulted and have given their ideas about local economic development; there has been an international exchange of experience (Serbia study tour) etc. An important role is possible here for the oblast government, but it seems they are waiting to really start (Because of budgetary constraints? Do they expect financing?)

1. Local economic development strategies formulated in selected regions in at least 2 countries

Partially achieved in Kazakhstan –Taldykorgan

2. LED forum or LED agency in place

Partially achieved in Kazakhstan –Taldykorgan

3. LED structures capable of further functioning

The idea of creating the LED structure (Agency for Local Economic Development) was supported by the local authority. The development of the structure and functional activities of the Agency is underway

- **Indicators related to immediate objective 3:**

- **In short:** Out of 5 indicators, so far 2 have been achieved: At the development of the project document, a number of pilot activities were listed, but during the implementation of the programme, the focus changed due to concrete needs of the partners. Therefore, a number of initiatives were set up that were not yet planned in the beginning. There has been a focus on entrepreneurial training, both on capacity building of the teachers in this field (KAB –TOT in Kyrgyzstan, MES in Kyrgyzstan and Azerbaijan) and on skills development of unemployed people (Kazakhstan). There has been an employment intensive investment programme in Azerbaijan. We can conclude that not all of the indicators listed below are still valid at the time of evaluation because of the new/more activities were planned and implemented

1. Skills and entrepreneurial training delivered to the target groups in at least two countries

Activities on skills training initiated in Kyrgyzstan in co-operation with Employers' Association and MOL (TVT Colleges), in Azerbaijan in co-operation with the employment services department for the modular training methodology and on entrepreneurial training in cooperation with the Confederation of Employers, on entrepreneurial training in Kazakhstan in cooperation with the employers' association, (SIYB, KAB and MES programmes)

2. Experimental programmes of Ministries of Labour based on micro-credit improved and implemented with a wider geographical coverage and coverage of vulnerable groups

3. Sustainable rate of micro-credit allocation among programme participants between 10 and 20 % (MoL Georgia)

4. ALMP micro-credit schemes achieve return rates comparable to international standards

5. Proportional participation of women ensured in the pilot programmes and among the final beneficiaries of the provided schemes.

SIYB and KAB programmes monitored for participation of women, gender capacity building carried out for project staff in September 2004 in Moscow

- **Has the project contributed to improved knowledge sharing and management in the ILO in general and if so, how?**

- Below you will find a list of activities carried out in order to contribute to improved knowledge sharing:
- Review of implementation of country work plans and activities for all project staff, Moscow, September 22-24, 2004
- Two week training in collaboration with ITC Turin of constituents' representatives of the 4 project countries in order to establish the priorities (decent employment through entrepreneurship, improving knowledge and skills to increase employability and ALMP)
- Visit of Kazakh officials to Russian PES and Business centres in order to study possibilities/strategies for Taldykorgan region
- Study tour to Serbia on LED (April 2005)
- Knowledge sharing workshop in Siem Reap, Cambodia, 28/11/05-01/12/05 (DFID funded projects on informal economy)
- Material development on KAB/SIYB: text books on GYB, SYB, Business Plans, SIYB management guide
- Production of promotional materials on KAB/SIYB: logo, brochures, block-notes,...
- Development of SIYB monitoring and evaluation programme
- Seminar on "Boosting employment and job creation in Uzbekistan, Kazakhstan, Kyrgyzstan and Russia, ITC Turin center, September 2005
- Seminar on "Improving the planning and delivery of employment services and vocational training", ITC Turin, May-June 2005
- (Studies made and published):
 - Kyrgyzstan: Studies on SME development Kyrgyzstan (SME Employment Profile, Legal and Policy framework, role of cooperatives in employment promotion, SME and the Kyrgyz Republic)
 - Kyrgyzstan: Studies on budgeting issues in the development of NEP, assessment of poverty measures/social assistance in relation to employment, macroeconomic policies and (informal) labour market development, (to be published in 2006)
 - Kyrgyzstan: printing and publication of "Social Economic Dialogue in the Kyrgyz Republic" in Russian and Kyrgyz
 - Kyrgyzstan: study on "business incubators" in collaboration with GTZ and OSCE, Naryn oblast SME development study
 - Kazakhstan: research on micro-finance schemes, background studies on LED in Taldykorgan (BDS study, agricultural market research, labour market research)

Efficiency:

- **Do the project's results justify the costs incurred (the overall budget of the project; a special gender allocation)?**
 - "As discussed in Moscow, the "financial" aspects will be evaluated by the ILO-Moscow office"
- **Have the human, financial and material resources been utilized as efficiency as possible?**

- “As discussed in Moscow, the “financial ” aspects will be evaluated by the ILO-Moscow office”
- Human resources: The ILO-staff in the different project countries is limited (mostly a project coordinator and project assistant, sometimes a focal point as in Kazakhstan). Therefore, it's very important that these project staff can rely on external advice, what is being given by ILO through several capacity building workshops for the project staff and partners (sub-regional or at country level) and also by technical experts who can advice on the planning and implementation of the different project objectives.
- As a conclusion, one can say that with a very limited number of staff, a lot of activities are being done in a very qualitative way, a consequence of:
 - Well qualified local staff that can work independently
 - Good links with the ILO sub-regional office
 - The availability of experts on technical matters.
 - Regular workshops on capacity building for project staff and partners
- One problem remains the uncertainty for project staff to a long term/permanent job, whereby some project staff leave the job when there is a possibility
- **Have budgetary adjustments been made throughout the project implementation? If so, why?**
 - Due to the nature of the project, budgetary adjustments were needed throughout the project. At the start of the project, the general framework was ready in order to start implementation, but the selection of concrete activities had to be planned according to the needs of the different parties. For example, LED-activities were planned as a major strategy for employment creation in Kazakhstan, but the type of activities that had to be carried out was heavily depending on the input and needs of the local stakeholders such as the regional authorities, NGO's involved, vocational training institutes etc. Therefore, a fixed allocation of the budget from the beginning in this type of project is simply not possible. The same can be said for the participatory approaches: what type of intervention depends on the needs of the local stakeholders (MES, KAB, SIYB etc.) and therefore there is a need for some flexibility in the budget allocation.

Sustainability:

- **Is there any political commitment (in a form of Memorandum of Understanding or other agreements) from the part of the project clients/ILO constituents/or strategic partners/agencies to further continue activities initiated by the project?**
 - One of the major objectives of the project is the strengthening of the social dialogue in each target country. As for Kazakhstan, the principle of social dialogue has become a standard procedure if employment issues are discussed (“general agreement between government, employers and trade union”). The republican tripartite committee coordinates the involvement of the three main partners in labour related issues. The same can be told for

Kyrgyzstan where the “general agreement on social partnership” was signed by the government, the Federation of Trade Union and the Confederation of Employers (this is only one representative organisation of the employers and government. Also for Azerbaijan we can say that the involvement of the different social partners in the development of the NES was very fruitful. The necessity of the social partnership principles has been included in the NES 2006-2015 and was approved by the president in 2005. A law on social partnership is now being discussed.

- In Kazakhstan, the signing of a memorandum of cooperation between the akim of Ili rayon, department of employment and social programs of the rayon, the entrepreneurs’ association of the rayon, Progress Technical college, a business consulting centre and a local NGO on youth development (New Wave) is an example of a kind of LED-forum on rayon level. Its targets are the creation of a business incubator centre, the development of a database on the specialities needed in the region, reforming curricula towards the specific professional needs, combination of public works and training, organising regular meetings of the participants of the memorandum.
- **What institutional arrangements have been made to ensure the continuation or further development of the project’s activities?**
 - The initiative in Kazakhstan of the “working group on the development of social partnership in the sphere of professional education” is a kind of LED-forum/structure at oblast level, with involvement of the different stakeholders (employers, VTS, NGO’s, government), but its objective is mainly related to training. Of course local economic development is more than that: combination of training, , micro-credit schemes, consultancy to SME’s, promotion of the region, good statistics on local labour market and economic development, attracting investors ...). An LED-agency as such has not yet been created. Also the above-mentioned memorandum of cooperation in the Ili rayon can be mentioned here.
 - In Kyrgyzstan, the KAB-program was introduced in the normal curriculum as an obligatory course in 40 vocational schools (authorized by the Vocational education department of Ministry of labour). The activities on skills training for teachers of vocational schools, both in entrepreneurial training programs and in the technique of modular training were made more efficient through the equipment given to a vocational school (#17) for a “mobile class” (LCD, laptop, white board, training materials etc.) in order to be able to give trainings at different locations (in cooperation with federation of employers). Also equipment was bought to implement modular training in five professions chosen in cooperation with the federation of employers (example: one school received technical materials for beekeeping training)
 - NES: increased capacity of the local partners through the formation and training of core groups of experts of MOL, state analytical office and other relevant institutions (Kazakhstan, Kyrgyzstan and Azerbaijan in order to prepare the national employment programmes

- NES: instruments developed to monitor and evaluate decent work (Decent Work Indicators Survey) in 3 regions in Kazakhstan in 2004 – willingness to expand to all oblasts in Kazakhstan
- Thanks to the intensive training of statisticians, Kazakhstan and Azerbaijan is basing any statistical analysis and reports on the ILO-methodology (for example school-to-work-transition survey)
- **Will the required personnel and other resources be provided to ensure the continuation and further development of relevant activities initiated under the project?**
 - This project has duration of two years (January 2004- March 2006) and was recently extended until May 2006. Personnel are in place, offices are hired, focal points are operational, and cars and office equipment are available. Some of the project activities are finished completely (for NES and NEP the targets have been reached 100%), others still have to be continued (LED, concrete pilot programs) because the timeframe was wimply too short to complete all related activities and therefore an extension to this project is needed to make sure that the initiated activities don't stop.
- **Has the project established the linkages with other TC projects implemented by the ILO SRO or other development agency in the region to ensure the succession of some technical interventions?**
 - Through LED Study Tour to Serbia continued relationships established ILO project in South and central Serbia (REEDA, VEEDA, CEEDA)
 - Thanks to the relation with Dutch TC RAM project of SRO Moscow Gender Capacity Building workshop in Azerbaijan was held for project staff and constituents
 - In Kyrgyzstan the project staff has good relations with GTZ (business incubator study) and with TACIS (project coordinator of ILO involved in the reviewing of the NEP coordinated by TACIS)

3.2. Project Impact Assessment

Based on the suggested impact assessment indicators, which were prepared by the external consultant, the independent evaluator is expected to review to what extent the project has provided positive direct/indirect impacts on the informal economy in target countries².

The project implementation and outputs in each target country have some common technical components in a course of project implementation. For example, similar technical involvement in the following spheres was observed in more than one project countries: formulation of national employment strategies (Kazakhstan, Kyrgyzstan and Azerbaijan) and entrepreneurial training (Azerbaijan, Kazakhstan and Georgia). In these

² Based on the impact assessment indicators suggested by the external consultant, impact assessment indicators finalized by the ILO SRO Moscow are attached as Annex 1 of this TOR. Yet, further suggestion by the independent evaluator for additional indicators may be also included in the evaluation report.

cases, **common impact assessment indicators** may apply and also allows the evaluator to compare the impacts in each country.

In case if different technical interventions in each country were carried out under the project (for example, local economic development strategies (Kazakhstan), skills development (Kyrgyzstan), WIND approach on OSH for informal sector farmers (Kyrgyzstan), employment intensive infrastructure programme (Azerbaijan), **different impact assessment indicators** need to be applied.

Remark: The impact indicators used are mostly qualitative indicators; the use of quantitative indicators in order to measure the impact of this project is not obvious because of the following:

- The nature of the activities: NES, LED: qualitative indicators are obviously more relevant here (only for the activities related to practical pilot programmes, quantitative indicators can be used)
- The timing of the activities: some activities in the field of entrepreneurial training and skills development in the field of modular training were only carried out towards the end of the project and therefore impact assessment is too early
- The number of beneficiaries of KAB, SIYB and MES trainings: the sample numbers are probably too small to carry out real impact measurement
- Some activities were not carried out

The impact of this project can be measured on two levels, closely related to the strategies of this project: On the one hand we can measure the **impact on the organisations (ministries, statistical offices, NGO's, regional government, schools, trade union...)** as a result of the interventions on the national and regional level and on the other hand the **impact on the individual beneficiaries** (unemployed people, farmers, youth, young graduates, women, displaced persons...) as a result of some practical pilot projects.

The overall **impact on the society** (increase in employment for the target group, better jobs for the target group, reduce in poverty, less people working in the informal economy...) cannot be measured at the end of this project. Therefore, the timeframe is too short (impact on society is a long term impact evaluation), the developed national employment strategies and action plans have to be implemented, scientific statistical reports have to be made, impact on target groups and control groups should be compared, external factors can influence the results (for example the political changes in Kyrgyzstan, unstable political climate in Georgia) ...

Impact on the organisations:

Impact on the national authorities:

- National authorities in Kyrgyzstan, Kazakhstan and Azerbaijan are capable of formulating national employment strategies

- National authorities in Azerbaijan are capable of formulating national employment policies and action plans towards youth
- Azerbaijan is able to become a YEN Champion Country
- National statistical authorities are able to carry out surveys in their own capacity
 - State Statistical Agency of Kazakhstan is able to carry out a Decent Work Indicator Survey
 - Youth Labour Exchange in Kyrgyzstan is able to carry out a School-to-Work Transition Survey
 - School-to-Work Transition Survey in Azerbaijan (to be published very shortly – April 2006?)
- National statistical offices are able to process data and provide comprehensive reports
 - State Statistical Agency of Kazakhstan provided a comprehensive report on Decent Work Indicators Survey (June 2005)
- National authorities in Kyrgyzstan, Kazakhstan and Azerbaijan took the lead in the development of national employment strategies
- Improved capacity on employment issues (strategies, decent work, youth employment and global employment agenda)
 - Two week training for vice-minister, high ranking officials of Ministry of labour, social partners of the four project countries, ITC Turin, 2004
- The social dialogue is used as a standard mechanism in employment related issues in Kyrgyzstan, Kazakhstan and Azerbaijan
 - Kyrgyzstan: “general agreement on social partnership”, signed by Federation of Trade Union, Confederation of Employers (this is only one representative organisation of the employers and government), establishment of tripartite steering committee etc.
 - Kazakhstan: law on social partnership was already introduced before the implementation of this project
 - Azerbaijan: social partnership principles are included in the national employment strategies 2006-2015

Impact on the regional authorities (specifically in Taldy-Korgan, Kazakhstan as a result of LED-activities):

- Better knowledge and skills on how to introduce local economic development in their region as a result of the study tour to Serbia (May 2005)
- In the possession of background studies about local economic situation
 - Agricultural market research by “Taldykorgan Employment Assistance Foundation”
 - Business Development Services (by University of Central Asia, Tekeli)
- In the possession of background study about local labour market
 - Labour market study in 8 vocational schools in the cities of Tekeli and Taldykorgan and 6 rayons of Almaty Oblast by NGO Karlygash women fund consultative centre – qualitative (by means of interviews), not real quantitative data
- The social dialogue is used as a strategy to local economic development

- Conference on social partnership, Almaty oblast Akimat office, April 22, 2005
- Created in Otegen batyr, Ili-region, Almaty oblast, by signing memorandum of cooperation between number of vocational schools, representatives of Employers and local government of the Ili-region and by opening a business incubator
- More and better knowledge on the methodology of conducting labour market research with the aim of creating a system of interaction between employers, vocational schools and local government
 - Social Partnership Working Group Seminar (April 21, 2005 and November 2005)?
 - Creation of social partnership working group – main focus on education – under the chairmanship of the vice-akim
 - Subregional seminar on “Improving planning and and delivery of employment services and vocational training”, ITC Turin, May-June 2005
- More and better knowledge and awareness of economic and employment strategies towards local vulnerable groups
 - Subregional seminar on “Boosting employment and job creation through SME development”, ITC Turin, September 2005

Not yet: job fair, LED - agency

Impact on Vocational Technical Schools (Kazakhstan, Kyrgyzstan) :

- Able to train specific target groups (especially unemployed men and women) in entrepreneurship training (possible in Kazakhstan and/or Kyrgyzstan in vocational schools that work with KAB, SIYB and MES)
- Improvement of the general level of the curriculum through introduction of basic entrepreneurship training in the curriculum: realised in Kyrgyzstan through introduction of KAB as an obligatory course in 40 vocational schools
- Availability of training materials (notebook, whiteboard, laptop, printer etc.) in order to conduct entrepreneurship training (Vocational School #17, Bishkek, Kyrgyzstan) and in order to be able to give training all over the country (“mobile class”) in cooperation with Confederation of Employers (training of the unemployed) and vocational education department of Ministry of labour and Social protection
- Availability of full set of training materials (KAB-modules) for the teachers who participated in the TOT of KAB –training in Kyrgyzstan (30 vocational schools), in Russian and Kyrgyz-language (March 2006)
- Availability of technical materials in order to implement modular training in two vocational schools in
 - Kyrgyzstan: beekeeping (Vocational School #47, Chuy-oblast) and confectionery (Issyk-Kul oblast) in order to train regular students and unemployed, in cooperation with Confederation of Employers and

Vocational Education Department of Ministry of labour and Social Protection

- A network with employment services and employers installed in order to create a better match of labour supply and demand
 - Kazakhstan: Created in Otegen batyr, Ili-region, Almaty oblast, by signing memorandum of cooperation between number of vocational schools, representatives of Employers and local government of the Ili-region and by opening a business incubator
 - Kyrgyzstan:
 - Establishment of “coordination counsel for social partnership in the area of vocational training” (started in November 2005, partnership with the federation of employers)
 - The introduction of MES–methodology in number of schools and professions after consulting the federation of employers for the selection of professions (brick-layers, confectioners, waiters, entrepreneurs and beekeepers) and localisation of schools/regions and in cooperation with “employment service department”
 - Azerbaijan: coordinating councils operational in different regions of the country in order to match the educational system and labour market demands, on the initiative of the Ministry of Labour (especially for training unemployed)
- Improvement of the training skills of a number of their teachers and administrators
 - Improvement in entrepreneurial training skills of teachers through SIYB TOT in Kazakhstan (competence reinforcement) and Azerbaijan and KAB TOT in Kyrgyzstan (29 teachers, all but one received certificate)
 - Introduction and practical training in MES-methodology in Kyrgyzstan (13 vocational schools in 6 oblasts)

Impact on modular training centres (Azerbaijan – not yet operational at time of evaluation) :

- A network with employment services and employers installed in order to create a better match of labour supply and demand
- Improvement of the training skills of 15 trainers (teachers of professional schools and specialist in specific professions)
- Availability of equipment and tools in order to implement modular training in the profession of car-engineering (to be delivered by ILO in 2006)
- Availability of training materials (modular packages) for 15 professions in Azeri language

Impact on the Trade Unions:

- Knowledge and insight on economic development and job creation through SME-development (result of sub-regional seminar on SME-development, Turin 2005)

- Became a structural partner in employment related issues (social dialogue mechanism strengthened)
- Have been able to give relevant input into the National Employment Programmes (NEP) in Kazakhstan, Kyrgyzstan and Azerbaijan

Impact on Associations of Employers:

- Knowledge and insight on economic development and job creation through SME-development (Kazakhstan and Kyrgyzstan, result of sub-regional seminar on SME-development, Turin 2005)
- Became a structural partner in employment related issues (social dialogue mechanism strengthened), in Kazakhstan, Kyrgyzstan and Azerbaijan (in this last country law on social partnership to be introduced)
- Have been able to give relevant input into the National Employment Programmes in Kazakhstan, Kyrgyzstan and Azerbaijan
- Improvement of skills in entrepreneurial training (representative of Confederation of Employers Kyrgyzstan trained in SIYB-TOT)
- Involvement of Confederation of Employers in vocational training through “coordination counsel for social partnership in the area of vocational training” in Kyrgyzstan and “coordinating councils” in Azerbaijan

Impact on NGO's (especially in Kazakhstan) :

- Taldykorgan Employment Assistance Foundation
 - Improved knowledge and skills in carrying out professional research on the agricultural market
 - Became a partner in “working group for social partnership” in Taldykorgan
 - Became a solid partner for the local employment services in training unemployed people
 - Better knowledge on local economic development as a result of Serbia Study Tour
- Karlygash women fund consultative centre, Taldykorgan
 - Improved knowledge and skills in carrying out professional research on labour market (study rather qualitative, no real quantitative info)
 - Good cooperation with the department of social coordination and unemployment, in order to train unemployed, organise public works etc.

Impact on the beneficiary:

The direct impact of this project to the beneficiaries is only measurable through a follow-up of some concrete pilot activities, such as the Employment Intensive Investment Programme in Ismaily region in Azerbaijan, the SIYB-trainings in Kazakhstan. All the activities that are related to the national level or regional level (national employment strategies and plans, local economic development...) can only have an indirect impact

on the target group. If the national employment plans are implemented and if concrete measures towards our target group are been carried out, only then there will be an impact on the intended beneficiary. It's not possible to measure this kind of impact at the end of this project and this is also not the responsibility of ILO but of the partners who have to implement the activities. Therefore, we will only measure the impact through the implementation of some concrete participatory approaches and activities.

Remark: Since most of the SIYB-trainings in Kazakhstan were held in 2005 (November-December) and 2006 (January-February), the results in terms of employment, improved work conditions or better jobs, self-employment... can't be measured at this very moment.

Impact on farmers:

Kazakhstan:

- Awareness of advantages/disadvantages of modern cooperative and cluster principles (Taldykorgan, July 2005) for 50 private farmers of Sarkand and Aksu regions in Taldykorgan, employees of rayon agricultural departments and heads of two rayon Akimats (practical follow-up training is needed since this first training was a rather theoretical introduction).
- Improved knowledge on agricultural market as a result of the research by the NGO Taldykorgan Employment Foundation
- Improved knowledge on oblast-interventions such as "Station for materials and technical supply" at rayon level and possibilities for micro-finance (non-collateral crediting for members of association)

Impact on the unemployed:

Kazakhstan:

Improved entrepreneurial skills for unemployed oralmans (15), women (15 in first group and 8 in second group) and youth (7, 6 and 15) (age of 16-25 in first two groups and 17-34 in second group) through different SIYB-trainings in November-December 2005 and January-February 2006

Azerbaijan: unemployed internally displaced people

- Improved technical skills in road upgrading for around 50 people from Goshakand community
- Temporary employment for on average 30 workers per day during three months

Impact on youth (young graduates, students at VTS):

Kazakhstan:

- Improved entrepreneurial skills for youth (45 in three groups, of whom 28 were unemployed, age of 17-34 in first group and 16- 25 in second/third group) through different SIYB-trainings in November-December 2005 and January-February 2006
- Improved knowledge on employment situation of youth through school-to-work transition survey

Azerbaijan:

Improved knowledge on employment situation and specific measures needed to improve employment of youth through school-to-work transition survey and through the development of national employment strategies and action plan for youth employment (NAPYE)

Impact on women:

Kazakhstan:

Improved entrepreneurial skills of women (30, of whom 23 were unemployed) through different SIYB-trainings in November-December 2005 and January-February 2006

Kyrgyzstan:

Improved training skills for women-trainers through two KAB-TOT's in Kyrgyzstan (May and December 2005)

Azerbaijan:

Improved training skills for women-trainers through KAB-TOT and SIYB- TOT in Azerbaijan (February-March 2005)

Impact on (potential) entrepreneurs:

- Improved entrepreneurial skills for 180 people in Kazakhstan (101 women, 34 men) of whom ... were unemployed through four SIYB-trainings in 2005 and 2006
- Improved representation of entrepreneurs in the making of national employment policies/plans through social dialogue mechanism (consultation of employers' associations in Kyrgyzstan, Kazakhstan an Azerbaijan)
- Improved system of management of labour supply and demand through consultations with vocational schools (Kyrgyzstan: establishment of coordination counsel for the social partners in the field of vocational training, Kazakhstan: Almaty-oblast, "memorandum of cooperation between employers, authorities and 20 vocational schools, Azerbaijan: system of coordinating councils at the regional level with involvement of employment services, trade unions, employers, ...)

- Better back-ground information on SME-development through number of studies conducted in Kyrgyzstan (SME Employment Profile, Legal and Policy Framework, Role of cooperatives in employment, SME and the Kyrgyz Republic, Business Incubator Study and Micro-Finance agencies of Ministry of labour) and in Kazakhstan (labour market research, agricultural market research, Business Development Services study, modern farmers' association principles, micro-finance study)

4. Lessons Learned and recommendations

Lessons learned:

In the following some of the most important issues that need further attention are listed by project country.

- Kazakhstan:
 - On the development of a LED-agency there are many ideas by the different partners (government, VTS, NGO's, federation of employers etc.) and there have been already a number of very interesting and promising initiatives. All the preparatory work is done for the creation of a possible LED-agency in Taldykorgan, Kazakhstan: Several backgrounds studies have been made (about the labour market, agricultural market research and research on business development services in the Taldykorgan region), a study tour to Serbia has been organised for major stakeholders in local economic development, a working group on social partnership in Almaty oblast has been established and there was the initiative of a business incubator in Progress Technical College in Otegen batyr (Almaty oblast).
 - The initiative of the "working group on the development of social partnership in the sphere of professional education" is a kind of LED-forum/structure at oblast level, with involvement of the different stakeholders (employers, VTS, NGO's, government), but its objective is mainly related to training. Of course local economic development is more than that: combination of training, micro-credit schemes, consultancy to SME's, promotion of the region, good statistics on local labour market and economic development, attracting investors).
 - The creation of a business incubator³, an initiative of ILO-project office in Almaty and a VTS in Almaty oblast (ILi rayon) and the signing of a memorandum of cooperation between the akim of Ili rayon, department of employment and social programs of the

³ The concept of business incubator here is not the standard one : in this case it's a combination of practising your technical skills at a VTS (28 different professions) free of charge, at the same time being able to sell your products made at the VTS and being assisted in entrepreneurial skills/accounting/registration of company by a business service centre against a fee.

rayon, the entrepreneurs' association of the rayon, Progress Technical college, a business consulting centre and a local NGO on youth development (New Wave) is another example of a kind of LED-forum on rayon level. Its targets are the creation of a business incubator centre, the development of a database on the specialities needed in the region, reforming curricula towards the specific professional needs, combination of public works and training, organising regular meetings of the participants of the memorandum. ► **Recommendations:** A conclusion can be that at this time, government is waiting for the further development of a LED-agency because of lack of funds, while the private sector is not waiting and taking certain initiatives (what is positive of course). Nevertheless, it will be important to combine the efforts of the different parties to prevent a "dispersion" of initiatives without a real structured concept of LED, leading to different actors working on different aspects without one integrated view on LED. The strength of LED should be the combined effort of all partners on training, labour market research, consultancy, micro-credit possibilities, regional development etc. The regional government should play an important coordinating role in this activity. Many activities have been successfully initiated at the local level (oblast, city or rayon) with direct impact on the target group (SIYB courses for unemployed women, training of farmers in cooperative principles,..) and there have been lots of activities in order to make an operational structure for local economic development (agricultural market studies, labour market research, study of business development services, study tour to Serbia for LED, social partnership workshops...). A lot of these pilot activities are separate initiatives that are not really part of a integrated plan for local economic development

- Kyrgyzstan:

- Only just after all the work on the national employment policies had been finalized (National Policy on Employment- 14 March 2005, resolution approved by resolution n°126), the political situation in Kyrgyzstan changed drastically. An important lesson here is that the capacity building of the local partners is very important. Even after the political reforms and although the national employment policies were not longer a priority for the new government (they have more interest in a concrete employment programme) , still a lot of capacity is available amongst initial project partners. During the evaluation visit, it became clear that the technical input of ILO has been highly appreciated in the development of the national policies and although TACIS is now working on a new employment programme, the input of ILO is still

wanted. The national project coordinator of ILO is asked by TACIS as one of the members of the steering committee in this field.

- For ILO, the social dialogue principles are very important. In Kyrgyzstan there is a social dialogue agreement signed between the government, the Trade Unions and an association of employers. This is of course very positive, but one negative point here is that only one association of employers is represented and therefore there is a lot of disappointment from other organisations that represent employers.
▶ **Recommendations:** In order to make the employment programs accepted by the different partners, involvement of the representative organisations is a necessity (this is of course not the responsibility of ILO alone)
- As for the introduction of the MES-methodology, two workshops have been organised (one to inform about the possibilities of this methodology, one to train teachers of 10 vocational schools in order to be able to develop “modules” themselves in their own schools and to be able to disseminate their knowledge to other teacher) Five professions were chosen after consulting the Confederation of Employers and the Vocational Education Department (brick-layers, confectioners, entrepreneurs, waiters and bee-keepers) and in five separate groups a practical training was organised how to develop modules for these professions. Here we can say that the work has only just started. ▶ **Recommendations:** All stakeholders are convinced of the importance of such a system but there are still a lot of questions to be answered such as financial implications, need of training materials and equipment, qualification system, how to comply with standards of Ministry of Education, more people need to be trained in the methodology, help is needed in the development of concrete modules in the five chosen professions, selection of target groups (regular students, unemployed adults), calculation of financial impact of introduction of this system in schools ...
- As for the activities in the field of KAB, we can say that a very important issue here is how to make sure that the introduction of these entrepreneurial skills will be implemented in schools, training institutes or other relevant partners (as federation of employers) when the project finishes. In Kyrgyzstan, the close collaboration with the Ministry of Labour and the technical vocational schools has led to the introduction of the KAB-training package as a part of the standard curriculum of the vocational education in 40 vocational schools. This kind of integration is very important to make sure activities initiated under this project will still continue after this project
- The signing of a memorandum of cooperation between the akim of Ili rayon, department of employment and social programs of the rayon, the entrepreneurs’ association of the rayon, Progress Technical college, a business consulting centre and a local NGO on youth development (New Wave) is an example of a kind of LED-forum/structure on rayon level. Its targets are the creation of a business

incubator centre, the development of a database on the specialities needed in the region, reforming curricula towards the specific professional needs, combination of public works and training, organising regular meetings of the participants of the memorandum.

► **Recommendations:** Are there possibilities here for the development of a LED-agency that focuses on more than training and education?

- Cooperation with other agencies working in the field of employment creation and business development can be an added advantage. For example: GTZ is also working on “entrepreneurial training” and is also having a project that will shortly start in order to assist the vocational education system. ► **Recommendations:** There must be possibilities for further cooperation here (apart from the Business Development Study that has been published now in cooperation with GTZ). Another good example of cooperation: TACIS works also on the NEP, the ILO national project coordinator – Bolot Orokov - is in the steering committee of that activity.
- Azerbaijan:
 - As for the introduction of the MES-methodology, a workshop has been given in Baku in October 2005 to introduce this methodology. The employment services chose 15 professions, selected depending on the needs in the labour market (regional employment services have information on the vacancies in the regions). The focus here is on the training of the unemployed. The employment services selected 15 people (one person for each profession) with different back-grounds: some of them are teachers in professional schools, others are specialists in their field with no teaching experience). The employment services are now setting up three modular training centres (one in Baku and two regional centres), in order to start with this modular training program in the 15 selected professions. The programs for these trainings are already available (made by modular training centre in Moscow) and have been translated in the Azeri language. For the profession of car-engineering equipment will be provided by ILO. ► **Recommendations:** Of course, this is only the beginning: more teachers need to be trained and the present teachers need feedback, other programs need to be adopted, equipment has to be purchased and installed, training centres to be made operational. Follow-up is necessary here to further implement these activities.
 - The EIIP- project is a perfect illustration of shared responsibilities of the different partners (ministry of labour for selection of region and payment of the labourers, ILO for the provision of the technical assistance, the community for the provision of the labour force), it has a direct impact on employment of the target group (vulnerable people: internally displaced people) , it uses local materials in order to make cheaper maintenance possible, build skills of the local target group,.. ► **Recommendations:** This is a very good example of project design and implementation, but the EIIP-project also had the intention to connect Tubu and Goshakand and also to improve the market access

of these two communities to link up with the main road. Follow-up here is essential to fulfil these two objectives and to make this a really successful initiative: to make sure the local community has access to the regional markets.

Recommendations (in general, not linked towards one project country) :

- Concrete pilot activities are sometimes being implemented a bit one by one with no real integration between the different activities, although perfect matches are possible (ex. Kyrgyzstan and Azerbaijan: entrepreneurial training (KAB/SIYB), new methods on vocational training (MES), business incubators, micro-finance etc. = Probably a possibility for future integrated planning, possibilities for LED?)
- A lot of the concrete participatory approaches were organised towards the end of the project. In Kazakhstan for example a lot of activities towards SIYB and KAB were organised between November 2005 and March 2006. But in order to have a better idea of concrete impact of these activities, within the timeframe of the project there is no follow-up possible in terms of job creation, job satisfaction, self-esteem, business start ups etc.
- Many activities have been initiated in the different project countries, but now follow-up is necessary since these activities are not yet completed at the end of this project. In general we can say that all the activities towards the national employment programmes have been finished and have their results in a concrete document/policy/programme... But as for the concrete pilot activities, the work has not finished. For example:
 - The two TOT's in KAB and SIYB in Azerbaijan have successfully been organised. But important now is follow-up here: which teachers are going to organise which trainings? What will be their target group? Will they be able to organise further trainings without financial support? Is there a possibility of integrating these activities with those of the employment services or vocational schools? Are there possible links with a micro-credit organisations (private or governmental)?
 - Also in Azerbaijan the target of the public works project is the development of the Goshakand and Tubu communities through improved market access for their products. This ultimate goal can only be reached if also the links with the main road are also realised.
 - In Kazakhstan all the preparatory activities towards LED development are done and different initiatives of types of LED-fora (especially in the field of training) have started, but the actual agency is not yet in place and local economic development policies have not yet been made
- Another important issue is the possible coordination of activities of different international organisations in one country: many organisations are operational in one country and in many cases they are operating in the same field : partners as

Ministry of Labour ask for coordination in that field but also efficient and effective use of resources (both human and financial) requires cooperation

- Kyrgyzstan: GTZ, TACIS and ILO in the same field
- Azerbaijan: UNDP, ILO, European Education Foundation, Asian Development Bank, other financial institutions etc.
- The follow-up of activities launched, even after the project is finished, is of course very important to be able to make mid- or long term impact measurement possible. In this project skills of teachers were improved through the “modular employable skills”-methodology or through trainings in entrepreneurial capacities (SIYB and KAB). But once these teachers or experts are trained, they have to start trainings themselves. Only then ILO really reaches its objectives: to train (unemployed) men/women/youth/other vulnerable groups and to give them the capacity to get employment or start up their own business. In the timeframe of the project, the follow-up of the activities of these trainers is not always possible (or not always done) but crucial to follow-up.

5. Sources of information

- Project document
- Three progress reports (January - June 2004; July – December 2004; January - July 2005);
- Studies/analytical papers produced under the project;
- Technical missions’ reports and reports on specific activities available (provided by the project coordination team, ILO SRO Moscow);
- Publications/promotional materials produced by the project;
- Relevant country-specific documents, work plans, etc. (provided by the National Steering Committees).

6. List of abbreviations:

LED	Local economic development
NES	National employment strategies
NEP	National employment plans
VTC	Vocational technical schools
MOL	Ministry of labour
MOLSP	Ministry of labour and social protection
NAPYE	National action plan on youth employment
KAB	Know about business training program
SIYB	Start and improve your business training program
MES	Modular employable skills training

	program
GTZ	German Technical Cooperation
NGO	Non Governmental Organisation