



Evaluation of RBSA Projects on Transition from the Informal to the Formal Economy in the context of COVID-19 recovery in Africa (Côte d'Ivoire and South Africa)

QUICK FACTS

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| BACKGROUND & CONTEXT | |
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| Summary of the project purpose, logic and structure | This Evaluation was focused on Regular Budget Supplementary Account (RBSA) interventions on Transition from the Informal to the Formal Economy in the context of COVID-19 recovery in Africa. The evaluation adopted a “cluster approach”, examining two projects implemented in Côte d’Ivoire and South Africa. The approach allowed the evaluation team to identify whether the two projects, although small, are contributing to solving the larger problem they address, namely: transition from the informal to the formal economy. Given its strategic focus, the cluster evaluation synthesized specific project results to inform overarching analysis and insights. The cluster evaluation was guided by the following OECD/DAC evaluation criteria: relevance, coherence, effectiveness, efficiency, sustainability, and orientation towards impact. It also assessed the extent of integration of gender, equity, human rights, and inclusion dimensions. |
| Present situation of the project | The two projects were designed to support ILO tripartite constituents’ efforts on transition from the informal to the formal economy in the context of COVID-19 recovery. Moreover, the projects were focused on the Programme and Budget (P&B) Outcomes on employment promotion and enterprise development. The project implemented in Côte d’Ivoire is titled “Les mandants élaborent et mettent en œuvre la stratégie intégrée de transition de l’économie informelle vers l’économie formelle”. The objective of the project was to support informal entrepreneurs and workers to improve their transition to formalization and increase their resilience to the shocks generated by COVID-19. The project implemented in South Africa is titled “Strengthened capacity of government and social partners to develop policies and programmes that facilitate the transition of the informal economy to formality”. It aimed to strengthen the capacity of the Government and Social Partners to develop policies and programmes to facilitate the transition of the informal to the formal economy. Both projects were approved in 2020 and concluded in 2022. |
| Purpose, scope and clients of the evaluation | The primary purposes of this cluster evaluation are to enable learning and inform strategic development. In terms of scope, the evaluation covers the entire projects’ period (from the start of their implementation to their end) and is nationally focused, in two national contexts. The evaluation covers all projects’ objectives and results. |
| Methodology of evaluation | The following complementary approaches were combined: Cluster Approach, Systems-based Approach, Utilization-Focused and Participatory Approaches, and Mixed Methods Approach. Data collection methods included in-depth document review, semi-structured interviews, field missions and direct observations, sense-making presentations, and focus group discussions. The evaluation began in May 2023, with an inception report completed in August 2023, and a field mission in Abidjan (from September 25 to 29, 2023) and Pretoria (from November 06 to 10, 2023). Evaluation insights were shared with ILO staff and stakeholders in Côte d’Ivoire and South Africa in two separate workshops that were held on November 29 and December 07, 2023, respectively. One limitation was the inability to speak to the ILO’s gender specialist in South Africa due to her recent retirement. The evaluation team mitigated this limitation by ensuring that questions about gender dimensions were asked to other informants, and by analysing projects’ reports to complement the information from interviews. |
| MAIN FINDINGS & CONCLUSIONS | <p>Relevance</p> <p>The objectives and strategies of RBSA funded interventions in Côte d’Ivoire and South Africa were closely aligned with the countries’ and ILO constituents’ needs and priorities to facilitate transition from the informal to the formal economy, particularly with their efforts to mitigate the impact of COVID-19 pandemic on enterprises and workers in the informal economy. The interventions have addressed vulnerabilities and needs that are specific to different groups, including women and women-owned</p> |

businesses operating in public workspaces such as markets and streets. The RBSA-funded interventions in Côte d'Ivoire and South Africa equally considered the needs of other groups at risk of being left behind, such as domestic workers, home and community health-care workers, home-based workers, street vendors, waste pickers, and migrants. The design of both projects integrated, albeit to varying degrees, gender equality considerations but did not address broader inclusion issues (e.g., related to the needs of workers with disabilities). Noted variances and gaps reflect current RBSA proposal formats, which do not require gender and broader inclusion analysis or specific related targets. Finally, the RBSA interventions in Côte d'Ivoire and South Africa were generally demand-driven, involving tripartite ILO constituents in their design and implementation, but with varying degrees of involvement.

Coherence

The RBSA-funded interventions were complementary to other ILO interventions in Côte d'Ivoire and South Africa, with sound demonstration of synergies and interlinkages with DWCP and P&B outcomes. In both countries, the interventions effectively built on the achievements of other past and current actions of the ILO. Project proposals contained key design features which are typically required for development cooperation projects (such as project risk analysis, monitoring and evaluation plan, and management arrangements), with a clear articulation of results and the means to achieve them. However, the theory of change was either missing (South Africa) or incomplete (Côte d'Ivoire) and the analysis of risks was incomplete in both cases, with little consideration of potential political and economic risks. Finally, the RBSA-funded interventions were consistent and complementary to other development partners' efforts to facilitate transition from the informal to the formal economy in Côte d'Ivoire and South Africa. In particular, there is evidence of consistency with development frameworks such as national policies, the United Nations Sustainable Development Cooperation Frameworks (UNSDCFs), ILO's frameworks, and SDGs targets.

Effectiveness

Available monitoring data suggests that the RBSA interventions in Côte d'Ivoire and South Africa have achieved most of their planned intermediate/output level results. The effects of RBSA-supported projects have been distributed across different groups in the informal sectors in South Africa and Côte d'Ivoire. There have been some notable achievements that resulted in benefits for women, primarily in the areas of gender-responsive policy/legislative measures, organizing, as well as sensitization and capacity building for women workers. However, full assessment of gender-related results is constrained by progress reporting's inconsistent usage of sex-disaggregated results to determine differential impacts for men and women.

Different strategies have been used by the RBSA interventions in Côte d'Ivoire and South Africa to facilitate transition from informal to formal economy, with varying degrees of effectiveness. Overall, the strategy aimed at strengthening the enabling environment seems to have achieved more influential results in South Africa. The intervention has mostly impacted on the capacity of social partners to effectively facilitate the transition from informal to formal economy, notably by creating improvements in the legislative and policy environments, based on supported analytical work, advocacy and awareness raising activities. The ratification of C190, the adoption of the Code of Good Practice for the Prevention and Elimination of Harassment in the Workplace, and the amendments of the Compensation for Occupational Injuries and Diseases Act (COIDA) 1993 (Act 130 of 1993) to include domestic workers, best illustrate the contribution of the RBSA-funded intervention to national level results. However, the implementation of C190 in the informal sector has been limited. The strategies of offering incentives and services for formalization (information and awareness, training, access to social protection) and organising informal workers have achieved more results in Côte d'Ivoire. In particular, the development

and piloting of the “Formalize Your Business” (FYB) training module which aims to educate informal entrepreneurs on the importance of formalization and how to go about it is a significant milestone produced by the RBSA-funded intervention. The RBSA intervention also successfully supported the development of a digital information tool, aimed to facilitate awareness raising and make information available to informal economy workers and businesses on the process of formalization in Côte d’Ivoire.

Capacity development on formalization approaches and relevant ILO conventions constituted an important area of work for the RBSA-funded interventions in Côte d’Ivoire and South Africa. The interventions’ activities in this area have contributed to the institutional strengthening of government, employers, and workers organisations, as well as their human resources. The analytical and knowledge activities, organizing work, and web-based information tools, supported by RBSA interventions were identified as having significant effects on social dialogue in Côte d’Ivoire and South Africa. Information and knowledge products resulting from this work directly inform social dialogue consultations or shape the content of countries’ strategic work. The work on “organizing” contributes, in the long-run, to overcoming the barriers to participation in social dialogue, notably in terms of representation and engagement of informal workers in social dialogue structures, as there is a lack of statutory negotiations fora in which they are able to directly participate.

There is evidence of ILO’s global models being replicated in local contexts through RBSA projects. To wit, the RBSA project in Côte d’Ivoire enabled ILO to successfully replicate its “Think.Coop” and “Start.Coop” models. Moreover, some of the RBSA intervention models in Côte d’Ivoire are being replicated in other African countries and beyond. For instance, the FYB is currently being replicated in Gambia, Senegal, and Cabo Verde. The module is also on its way to be replicated in Mali and Benin. Outside Africa, the FYB is reportedly in use in Bangladesh and the Philippines. The RBSA projects’ results in Côte d’Ivoire and South Africa have been positively and negatively influenced by internal and external factors during their implementation. Internally, the effective collaboration of ILO specialists facilitated successful project implementation. The ambitious nature of the proposal (South Africa), limited timeframe for implementation, and delays in project start up negatively affected the achievement of some results, however. Externally, national governance contexts both supported (especially in South Africa) and posed challenges (especially in Côte d’Ivoire) to project implementation. The COVID-19 pandemic led to various delays.

Efficiency

Overall, the RBSA-funded interventions in Côte d’Ivoire and South Africa underspent the allocated budgets (the degree of resource expenditure was 89,2% in Côte d’Ivoire high, and 98 % in South Africa) but managed to allocate resources to strategic activities and partners, allowing their effective use to achieve results. The involvement of ILO Specialists and Decent Work Teams in both interventions has been optimal throughout, providing required expertise in the fields relevant to transition from informal to formal economy. The RBSA projects established results monitoring and oversight frameworks through which periodic monitoring of project activities as well as oversight of the process and people were conducted. The frameworks worked well for capturing output level information but did not sufficiently support data collection and reporting on higher levels of results. The implementation of the RBSA interventions in Côte d’Ivoire and South Africa experienced some delays because of internal and external factors that were not planned for. There is a shared feeling among consulted stakeholders that, while some delays were understandable given the COVID-19 implementation context, the project

timeframe was inadequate and unrealistic to conceive and implement some interventions which involved multi-level and multi-actor processes. At the design phase, the RBSA-funded projects in Côte d'Ivoire and South Africa successfully leveraged funding resources from existing projects and/or programmes within ILO Country Offices. Through their accomplished work, the interventions have also directly and indirectly influenced investments from the ILO and other development partners and focused on transition from informal to formal economy, although it is not easy to unambiguously identify direct relationships.

Impact and Sustainability

While some of the RBSA-funded activities in Côte d'Ivoire and South Africa have had direct impact on the working and living conditions of beneficiary informal workers, others have enhanced the capacity of the social partners to facilitate transition from informal economy to formal economy. However, ensuring the long-term impact and sustainability of results (such as the established cooperatives and associations) requires more support. The RBSA-funded interventions' contributions to the ILO's and other development frameworks at country level included training tools that add to existing global ILO's package, and improvements in national social protection frameworks. For example, the FYB complements the ILO's Start and Improve Your Business (SIYB) training programme, a system of inter-related training packages and supporting materials for small-scale entrepreneurs to start and grow their businesses. In South Africa, the RBSA project contributed to the work that led to the amendments in the COIDA 1993 (Act 130 of 1993), which now recognizes domestic workers as employees for the purpose of benefits.

The RBSA-funded interventions in Côte d'Ivoire and South Africa have taken important steps and measures to ensure sustainability. The first step relates to the involvement of ILO's constituents in all RBSA project's phases. The second centres around the deliberate focus of RBSA-funded interventions on strengthening the enabling environment and building the capacity of relevant actors. There is evidence of results achieved by the RBSA interventions being sustained or that are likely to be sustained in the long-term, with impact (e.g., ratification and adoption of policy and regulatory instruments, training, and Information tools). However, there are gaps in the assumption underlying the sustainability of RBSA intervention results. Concretely, the (implicit) idea that, upon project completion, national governments or other donors/aid organizations will directly carry on RBSA-initiated activities or expand on achieved results does not always hold true, due mostly to partners' insufficient financial and human resources.

Conclusions

The findings of this evaluation confirm the relevance of the RBSA funding modality and demonstrate the relevance of the interventions supported in Côte d'Ivoire and South Africa on transition from the informal to the formal economy in the context of COVID-19 recovery in Africa. The RBSA funding modality is highly appreciated for its flexible allocations, relatively flexible reporting requirements, and the strategic activities for which the money is provided. These features make of RBSA a unique modality available for partner beneficiaries to secure funding that allows them to address urgent issues (such as during COVID-19) for which they had not planned for, or to tap into emerging opportunities, without having to wait for government budget cycles. To beneficiary partners, the RBSA financial support fills a significant gap where governments' budgets are constrained to allocate resources to issues of informal economy.

The RBSA-funded interventions recorded variable performance levels in Côte d'Ivoire and South Africa. In both countries, the interventions have achieved strategic and catalytic results which greatly contributed to achieving country outcomes, with potential to create impacts on workers in the informal economy, in the long run. An important strength of the interventions has been to achieve gender-responsive results, though collection of sex-disaggregated data on projects' results could have been improved. The findings show that, for some policy related results, RBSA-funded interventions effectively triggered interest and certain dynamics about informal labour issues. However, the short-term nature of the interventions did not allow for ensuring achievement of outcome results, as the processes engaged were complex and hardly came to an end during the lifetime of the RBSA projects. The RBSA projects in Côte d'Ivoire and South Africa slightly underspent allocated budgets and were not implemented on schedule due to delays in start-up phases, internal dynamics inside implementing partners, as well as the complexity of processes involved. Deliverables planned for both interventions proved to be overly ambitious given the limited timeframe for implementation and the lengthy stakeholder engagement processes involved.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Main findings & Conclusions

Recommendation 1: For more inclusive social dialogue and consultations about informal labour issues towards supporting the transition from the informal to the formal economy, ILO should continue advocating for more space to be created for informal workers' organizations in national social dialogue structures.

Recommendation 2: The RBSA funding modality should support interventions that focus on prioritized activities and consider potential political economy risks to avoid overly ambitious interventions, while pursuing results that are achievable within a RBSA timeframe. A minimum set of activities and deliverables with higher scale-up potential and impact are preferable to many activities with reduced visibility and impact.

Recommendation 3: To achieve impact results, the ILO Department responsible for the allocation of RBSA resources should consider funding proposals that seek to follow on RBSA projects' results with potential to create impact. Similarly, Country Offices should commit to spend part of their Regular Budget or other resources as follow-on investments in such results.

Recommendation 4: To facilitate a more consistent and coherent consideration of gender and inclusion dimensions in the design and implementation of RBSA-funded interventions, the ILO should integrate these dimensions into the structure of the proposal and reporting processes.

Main lessons learned and good practices

The following key lessons are derived from the analysis of the cluster evaluation's findings.

Lesson 1: Facilitating transition from the informal to formal economy involves complex multi-level and multi-actor processes and requires a gradual approach, which should be considered when designing and implementing formalization strategies.

Lesson 2: A rapid political economy analysis of the country of intervention is of critical importance for effective design and implementation of RBSA-funded interventions.

Lesson 3: Avoiding the trap of including too many activities in a RBSA-funded interventions can pay off.

Lesson 4: Ensuring buy-in at the apex structures of management within Government is a key prerequisite for achieving policy solutions to facilitate the transition from the informal to the formal economy