



# ILO EVALUATION

- **Evaluation Title: Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices**
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- **Type of Evaluation : Final internal evaluation**
- **Country(ies) :Jordan, Lebanon**
- **Date of the evaluation: April-May 2017**
- **Name of consultant(s): Christoph David Weinmann**
- **ILO Administrative Office: ILO ROAS**
- **ILO Technical Backstopping Office: ILO ROAS**
- **Date project ends: 31 May 2017**
- **Donor: n.a.**
- **Evaluation Manager: Nathalie Bavitch**
- **Key Words: small enterprise, productivity, work environment, working conditions, training programme, human resources management, marketing, enterprise development, business development service, food processing, packaging**

**This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Unit.**



# **FINAL REPORT**

## **Internal Final Evaluation**

### **Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices (January 2015 – May 2017)**

**September 2017**

**Christoph David Weinmann**

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## LIST OF ACRONYMS AND ABBREVIATIONS

ACI	Areas of Critical Importance
ACTEMP	Employers' activities
ACTRAV	Workers' activities
ALI	Association of Lebanese Industry
CPO	Country Programme Outcome
CO	Country Office
DWCP	Decent Work Country Programme
DWT	Decent WorkTeam
ED	enterprise development
EO	employers' organization
FENASOL	Fédération Nationale des Syndicats des Ouvriers et des Employés au Liban
GFJTU	General Federation of Jordanian Trade Unions
ILO	International Labour Organization
JCI	Jordan Chamber of Industry
JOR	Jordan
KPI	key performance indicator
LBN	Lebanon
M&E	monitoring and evaluation
MSME	micro, small and medium enterprise(s)
NGO	non-government organization
ODA	official development assistance
OSH	occupational safety and health
OVI	objectively verifiable indicator
P&B	Planning and Budget
RBSA	Regional Budget Supplementary Account
ROAS	Regional Office for Arab States
SD	skills development
SME	small and medium enterprise(s)
TNA	training needs analysis
ToT	training of trainers
UN	United Nations
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNDAF	United Nations Development Assistance Framework
UNSF	United Nations Strategic Framework
USD	United States Dollar
WISE	Work Improvement(s) in Small Enterprises (ILO programme/ product), also: "Conditions of Work and Employment Programme" and "Higher Productivity and a Better Place to Work"
WISE-R	More Work Improvement(s) in Small Enterprises (extension of original WISE modules, ILO product)
WISE+	combination of WISE and WISE-R in a single package (ILO product)
WO	workers' organization

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## 1 ACKNOWLEDGEMENTS

The results of evaluations, understood as joint learning exercises in a process of continuous improvement, essentially depend on the participation of key stakeholders and availability of key informants.

The fact that it was possible to collect a fair amount of relevant information on the project during the time period accorded is mainly a result of

- the very positive attitude to sharing information and discussing the status of implementation by all interlocutors that were (or made themselves) available for meetings during the evaluation period, notably the different ILO staff involved with the design and implementation of the project at different stages (with a completely open book policy) and ILO constituents (employers' and workers' organizations) and consultants deployed by ILO both in Amman and Beirut
- the good preparation of the field visits by the project team which enabled the evaluator to visit a selected number of the enterprises in the Beirut area which benefited from ILO support during the project implementation
- the readiness of the beneficiary enterprises visited to receive the consultant and openly discuss their experience with the project

The independent consultant reiterates his highest appreciation to all concerned for the valuable support provided to this mission.

All errors and omissions remain at the responsibility of the consultant.

## 2 SUMMARY

### Quick Facts

Countries: Jordan and Lebanon

Final Evaluation: April-May 2017

Mode of Evaluation: Internal

ILO Office Administratively backstopping the Project: ROAS

ILO Technical Backstopping Office: ROAS

Evaluation Manager: Nathalie Bavitch

Evaluation Consultant: Christoph David Weinmann

Project End: May 2017

Project Code: RAB/16/01/RBS

Donor & Project Budget: RBSA (USD 714,600)

Keywords: small enterprise, productivity, work environment, working conditions, training programme, human resources management, marketing, enterprise development, business development service, food processing, packaging

### Background and Context

Given the multiple challenges faced by SME in the Arab states when increasing their productivity, ILO ROAS drew up a project that was meant to tackle issues in enterprise productivity and working conditions on the basis of an integrated approach, combining work place improvement with skills (core and technical) and business management training.

The development and piloting of the tools related to this integrated approach and the prerequisite of having workers and employers join forces to identify skills gaps, work improvements needed to secure decent working conditions and adequate managerial performance to enhance productivity was expected to strengthen the capacity of employers' organizations to respond to the needs of small enterprises and ensure a safer, better and more conducive work environment for workers thus increasing the membership base of trade unions.

The project generally worked toward the objective of "enhancing SME productivity and competitiveness through responsible workplace practices". However the exact specification of the objective varied over the implementation period of two biennia.

The project strategy was guided by piloting the approach jointly with employers and workers organizations, in two countries, Jordan and Lebanon.

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

The project purpose, logic and structure is not easily described because the project is based on output-based workplans (OBW) instead of the standard

logical framework (LF) established for project planning. Moreover, the project benefited from RBSA support during two biennia (2014-15 and 2016-17) and had to meet the different formal requirements that were determined for each of the biennia.

- The immediate objective (project outcome) of the project during the biennium 2014-2015 was formulated as follows: "to demonstrate the need for and the effectiveness of a combined approach of work place improvements, business management training and skills development through an experimental trial within small enterprises in Jordan and Lebanon".
- The project title (presumably project outcome) of the project during the biennium 2016-2017 was formulated as follows: "enterprise-support programmes implemented to enhance productivity, working conditions and competitiveness in SMEs".

On the basis of the evaluation, the fundamental purpose of the project is best described as to make available a tested ILO product (Work Improvement in Small Enterprises, WISE) to Arab states in a bid to further the agenda of the ILO in the field of sustainable enterprises. Jordan and Lebanon provided suitable testing grounds for this purpose without imposing high cost of travel. An analytically derived project objective therefore would read "effectiveness of WISE demonstrated for small enterprises (in Jordan and Lebanon)".

The "outputs" defined within the framework of OBW essentially consisted of what technically speaking are inputs. Most underlying assumptions of the intervention logic were not spelled out and the logic was not properly tested, arguably, as a result of embracing the RBSA formats prescribed.

The project structure consisted of a local coordinator, backstopped by a senior ILO specialist from ROAS, and supported with local short-term experts. Specific work included, inter alia, baseline assessments of SME, including on productivity aspects; skills, business management and work improvement needs analyses; trainings of trainers and trainings of selected SME; coaching of SME. Most of the activities focused on the larger Beirut area and Amman.

### Present Situation of the Project

The evaluation occurred just prior to project closure. At the time of publication of this report and its summary, the project has been closed. The evaluation took place in September 2017.

### Geographical Coverage of the Project

In **Lebanon**: Given the small size of the country, almost all regions are represented. Selected enterprises are located in the capital, Beirut, Mount Lebanon, North and South Lebanon and the Bekaa Valley. A mix of urban, rural and peri-urban regions was targeted under this project.



### Purpose, scope and clients of the evaluation

The purpose of this final internal evaluation was to serve as organizational learning exercise and for improvement of similar projects in the future. The evaluation was to assess the extent to which the project objectives have been achieved, and the extent to which project partners and beneficiaries have benefited from the project. It was also meant to assess results on the basis of standard evaluation criteria such as effectiveness and efficiency of implementation and sustainability.

Primary stakeholders of the evaluation were project management and ILO (ILO ROAS), and the ILO constituents involved in Jordan and Lebanon.

### Methodology of evaluation

The main methodological elements of this evaluation consisted of a desk review of programme documents, meetings with available stakeholders at national level and field visits in the Beirut area to beneficiary enterprises selected by the project. Existing monitoring and evaluation (M&E) data were retrieved and considered in the analysis.

Meetings in the field consisted of discussions with final beneficiaries (site visits), ILO staff, ILO constituents, and ILO consultants, using semi-structured, open-ended questions, exchange of opinions, selective probing, as well as informed judgment as a basis for developing evaluation findings.

The preliminary results of the evaluation were discussed with ROAS in a VoIP meeting following the end of the field visit.

### Main Findings and Conclusions

The project "Enhancing SME productivity and competitiveness through responsible workplace practices"

#### Relevance:

- Addressed an objectively highly relevant issue for the Arab states including the two countries selected for experimentation

#### Validity of the design:

- Suffered from the absence of a more structured logical design, notably the absence of a logical framework

#### Project Achievements and effectiveness:

- As a consecutive fault suffered from difficulties in measurement of effectiveness due to technical deficiencies in the specification of the outcome
- Appears to not have been effective as indicated, inter alia, by the following facts: (1) dropping of one component (skills) during the course of implementation; (2) inability to complete the experimental trials in Jordan; and (3) a significantly higher share of coaching in the field of "marketing" than in the field of "WISE"
- Failed to demonstrate the effectiveness of a combined approach of business management, skills development and WISE

Sustainability:

- Has not yet fully exploited the potential of WISE for the Arab states
- Made commendable efforts to measure results

Efficiency of resource use:

- Had documented positive effects on beneficiary enterprises, but had difficulties in delivering sufficient evidence of additionality

Effectiveness of management arrangements:

- Did not have the best-possible management arrangements to organize implementation

Impact orientation of the project:

- Has not yet forged partnerships to properly anchor the ILO approach in the two countries at this stage because the focus was on first demonstrating the effectiveness of the approach.

Partnership

- Has not yet contributed to ILO's mainstreamed strategies because the project was focused on introducing an existing ILO product by trial experiment, however, the project also has not diminished the potential for WISE to more strongly contribute, notably to social dialogue and labor standards at the enterprise level, equal opportunities and equal pay, and gender-sensitive human resources practices, once the approach is ready for roll-out in Arab states

Recommendations

- ILO should continue enhancing productivity of SME in Arab states even if progress made in the project may not have fully met expectations.
- RBSA project proposal forms need to be structured according to state-of-the-art project planning methods, including logframes.

- Maintaining RBSA project proposal formats over time could enhance the efficiency of preparing proposals and facilitate extensions where useful.
- ILO should develop guidance on how to measure effects of projects on productivity in enterprises to facilitate project preparation and comparison of results. This also goes for measuring the effects on gender and social dialogue when working with WISE.
- ILO should develop a market-based strategy for promoting WISE in the Arab states, including a system of accreditation and certification of trainers and consultants, proper screening processes and pricing of services.
- Lean project structures are not always effective. When introducing new approaches or new ILO products, stronger structures may be required to ensure sufficient uptake.

### Lessons Learned

- The project suffered from the absence of a more structured logical design, notably the absence of a logical framework. Although the responsibility for project planning always rests with the planners of a project, the formats used for RBSA proposals including the emphasis on "output-based work plans" seemed to have encouraged activity-based planning. As a result, the project outcome was double barreled, levels of logical hierarchy were joined, assumptions (incl. risks) not fully identified, and objectively verifiable indicators for measuring achievement of the outcome have not been agreed before the launch of the project.
- Changes between the 2014-2015 and 2016-2017 biennia in the formats used for RBSA did not help improving consistency in planning. Both formats essentially were based on activity-based planning, even if the terminology changed (e.g. from outputs to milestones). While priorities (as to content) may change, there is nothing gained by changing application formats between biennia.
- The project made a commendable attempt to measure its achievements and collected detailed information about the beneficiary enterprises at the outset (baselines). The project, although aware of different productivity measures, did not undertake any attempt to specify by which metrics the achievement of the outcome could best be measured. It also did not attempt to estimate existing trends in productivity growth in the beneficiary enterprises against which the achievements of the project would need to be offset.
- Management arrangements for the project were insufficient to guarantee success. The structure was too lean in that a junior project coordinator (who did not receive any induction and was backstopped by a senior specialist who was "on the road" most of the time) was selected to head the project, and due to the fact that the project did not liaise more closely with its component in one of the two countries. As a

result, the implementation of the project was very much left to external consultants, and the project lost the confidence of the counterparts in one of the countries half way through implementation.

### 3 PROJECT BACKGROUND

During the first decade of the century, the Middle East had the lowest productivity growth of any region except Latin America. Relative productivity in industry declined over time. This was and is in line with the observation that the structure of manufacturing in the Arab region is dominated by low value-added products. Industrialization and employment growth have also been lower than in other regions with similar level of regional GDP. At the same time, a growing body of research indicates that compliance with international labour standards often accompanies improvements in productivity and economic performance.<sup>1</sup> Though project documents do not spell this out, this background sets the stage for any project concerned with "enhancing productivity and competitiveness" in the Arab states.

As elsewhere in the world, small and medium enterprises (SMEs) constitute the bulk of the private sector in Arab economies and contribute significantly to their GDP and employment. In Jordan, the private economy is largely comprised of SMEs, which represent nearly 90 per cent of all firms and employ 31% of the workforce. In Lebanon, the private sector is dominated by SMEs which account for 95 per cent of total enterprises and employ 51 per cent of the total workforce (World Bank group estimates). It therefore appears reasonable to introduce measures which have the potential to enhance SME productivity and competitiveness -- through responsible workplace practices

ILO ROAS therefore drew up a project that was meant to tackle issues in productivity and working conditions on the basis of an integrated approach, combining work place improvement with skills (core and technical) and business management training. The development and piloting of the tools related to this integrated approach and the prerequisite of having workers and employers join forces to identify skills gaps, work improvements needed to secure decent working conditions and adequate managerial performance to enhance productivity was expected to strengthen the capacity of employers' organizations to respond to the needs of small enterprises and ensure safer, better and more conducive work environment for workers thus increasing the membership base of trade unions.

The project was preceded by activities, implemented in 2013 and funded from both RBSA and Regional Office funds, working on the ILO's WISE programme, targeting host communities for Syrian refugees in Jordan and Lebanon. Simplification, translation and adaptation of the WISE (including WISE-R) training material to the specific conditions of industrial SMEs employing between 10 and 25 workers was completed in both Lebanon and Jordan. Ten case studies of enterprises (5 from Lebanon and 5 from Jordan) were developed to provide programme participants with concrete examples of WISE productivity measures.

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<sup>1</sup> Cf. ILO ROAS and UNDP ROAS 2012, ch.1.

The impact of the Syria crisis on the economies of Jordan and Lebanon provided additional motivation for testing and introducing packages that enable SMEs to enhance their productivity and competitiveness. The agro-food and printing and packaging sectors in Jordan and Lebanon were selected because they had a certain potential to link with the economies of host communities and to benefit both nationals and refugees in the wake of the ongoing spillover effects of the Syria crisis. Technically speaking, the project would not have needed any link to the Syria crisis in order to be justified. Productivity and working conditions in Jordanian and Lebanese SME are important issues in their own end.

## **Project Implementation and Milestones**

A number of existing ILO tools were used to develop the methodology and training packages. A survey was developed to serve as a base for the enterprise assessment. It includes key performance indicators, workplace improvement, business management and skills indicators.

The Key performance indicators were selected as a result of desk research and indicators used under the Sustaining Competitive and Responsible Enterprises (SCORE) programme, which has the same objective of improving working conditions and productivity of enterprises, and is implemented in other regions.

Workplace improvement indicators were based on the Work in Small Enterprises (WISE) programme. Business management indicators were based on the Improve Your Business (IYB) and Expand Your Business (EYB) training programmes.

The project is structured around five phases. It is considered as a pilot that serves as a model for replication onto other sectors and countries, targeting micro as well as macro or institutional levels for ensuring sustainability: supporting SMEs, both workers and employers:

- (1) The inception phase entails getting endorsement of the project by the direct beneficiaries, employers' and workers' organisations in Jordan and Lebanon.
- (2) The pre-intervention assessment phase consists in conducting a baseline assessment of a number of enterprises in each of the agro-food and printing and packaging sectors, to measure and assess their needs in terms of key performance indicators, workplace improvement, business management, and skills indicators before ILO intervention.
- (3) The capacity building phase: Based on the assessment results, the ILO will develop or adapt training curricula, deliver trainings of trainers, and training of workers and enterprises, on workplace improvement, business management and skills.

- (4) Coaching and follow-up phase: consists in organising visits to the selected enterprises in both sectors to deliver on-site coaching and collect information to monitor progress after ILO intervention.
- (5) Post-intervention assessment phase: Based on the same tool used for the baseline assessment, the ILO will conduct an assessment to evaluate the impact of its intervention on SME productivity and competitiveness, generate results and produce a final report.

## **Funding Arrangements**

The project received RBSA funding during the biennia 2014-2015 and 2016-2017. The modalities of funding and the application formats were not identical, and it underwent a change in title from "Institutional capacity building of Employers and Workers Organization to deliver WISE and business management training combined with skills enhancement for workers in small enterprises in Lebanon and Jordan" (RAB/14/04/RBS, January 2015 - December 2015) to "Enterprise-support programmes implemented to enhance productivity, working conditions and competitiveness in SMEs" (RAB/16/01/RBS, April 2016 - May 2017), in response to changes in country programme outcome designations.

## **Intervention Logic**

*The project purpose, logic and structure is not easily described because the project is based on output-based workplans (OBW) instead of the standard logical framework established for project planning. Moreover, the project benefited from RBSA support during two biennia (2014-15 and 2016-17) and had to meet the different formal requirements that were determined for each of the biennia.*

- *The immediate objective (project outcome) of the project during the biennium 2014-2015 was formulated as follows: "to demonstrate the need for and the effectiveness of a combined approach of work place improvements, business management training and skills development through an experimental trial within small enterprises in Jordan and Lebanon".*
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## **Strategic Objectives, Immediate Outcomes and Outputs**

While the project worked toward ILO strategic objectives and country programme outcomes, its own outcome, partially as a result of "output-based work plans" RBSA modalities, was not properly defined throughout.

During the period 2014-2015, the project strove to achieve the following:<sup>2</sup>

- Output 1: Endorsement of the project partners namely Employers and Workers Organizations, of the project outputs and activities as well as its implementation modality and commitment for future replication and scale up obtained.
- Output 2: Baseline institutional assessment of 30 enterprises in Jordan and 30 enterprises in Lebanon in the services sector (pre WISE+ business management + Skills intervention) conducted.
- Output 3: Identified sector skills needs analysis with the involvement of Workers and Employers conducted for the selected services sector and with the involvement of the selected enterprises.
- Output 4: Business management and work improvement training needs assessment conducted on the targeted enterprises.
- Output 5: Core and technical skills curricula work space improvements and business management training curricula adapted/developed.
- Output 6: Training of trainers on selected technical and core skills (workers at supervisory levels in enterprises and trade Union members) conducted.
- Output 7: Training of trainers on WISE and business management (involvement of the SME Units at the Eos and free lancers) conducted.
- Output 8: Work improvement and business management training and skills training delivered to selected enterprises.

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<sup>2</sup> under the CPOs of Jordan and Lebanon linked to outcome 3: sustainable enterprises create productive and decent jobs, indicator 3.2: number of member States that, with ILO support, implement entrepreneurship development policies and programmes for the creation of productive employment and decent work



- Output 9: Work improvement and business management coaching provided to the selected enterprises.
- Output 10: Institutional assessment of 30 enterprises in Jordan and 30 enterprises in Lebanon post project intervention conducted.
- Output 11: The integrated intervention modality combining work place improvement, provision of business management training and skills development assessed for impact on increased competitiveness and productivity of small enterprises, documented, analysed and published.

During the period 2016-2017, the project strove to achieve the following:<sup>3</sup>

- Milestone 1: Improved working conditions (workplace conditions and human resources practices) and impact on productivity in selected SMEs in the agro-food and printing and packaging sectors in Jordan and Lebanon.
  - Output 1.1: Coaching visits (and progress reports) conducted to selected enterprises in the agro-food and printing and packaging sectors to identify priority areas, monitor progress and achieve results on working conditions
  - Output 1.2: Final report summarizing the outcome of the coaching on working conditions measuring KPIs before and after capacity building intervention and impact on productivity
  - Output 1.3: Coaching guide on workplace improvement in small enterprises produced for potential training of trainers' workshops
- Milestone 2: Enhanced marketing management practices and impact on productivity in selected SMEs in the agro-food and printing and packaging in Lebanon
  - Output 2.1: Coaching visits (and progress reports) conducted to selected enterprises in the agro-food and printing and packaging sectors to identify priority areas, monitor progress and achieve results on marketing management
  - Output 2.2: Final report summarizing the outcome of the coaching on marketing management measuring KPIs before and after capacity building intervention and impact on productivity
  - Output 2.3: Coaching guide on improving marketing management in small enterprises produced for potential training of trainers' workshops
- Milestone 3: The integrated intervention combining workplace improvement and provision of business management training for impact on increased competitiveness and productivity of small enterprises, assessed, documented and published
  - Output 3.1: Post-intervention assessment on selected enterprises to evaluate the impact of workplace improvement and business management capacity building on productivity and competitiveness
  - Output 3.2: Final study measuring impact on productivity
  - Output 3.3: An implementation guide of the integrated approach for future replication

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<sup>3</sup> under outcome 4: promoting sustainable enterprises, indicator 4.2: member states where enterprise support programmes have been designed and implemented aimed at improving productivity, working conditions, constructive industrial related and environmental sustainability in SMEs or cooperatives promoting their integration into local and global value chains

- Output 3.4: A wrap-up meeting with EOs and WOs to present results and discuss potential scale-up and replication

## **Institutional Framework and Management Arrangements**

The overall management of the project occurred from the seat of ILO ROAS. A project coordinator, backstopped by a senior specialist of ILO ROAS, organized the project mainly in collaboration with employers' organizations in Jordan and Lebanon. Trial enterprises and potential trainers were selected with the help of employers' organizations. The practical implementation was performed by consultants deployed as trainers of trainers, and as trainers of enterprises and coaches. The project also invested strongly in establishing a baseline in order to be able to measure the effect of the services provided to the enterprises on their productivity and reviewing the results toward the project end, also implemented with the assistance of consultants.

Workers organizations participated in the beginning of the project, but later, following the discontinuation of a skills training component, reduced their participation.

## **4 EVALUATION BACKGROUND**

ILO considers evaluation as an integral part of the implementation of technical cooperation activities. Provisions are made in all projects in accordance with ILO evaluation policy and based on the nature of the project and the specific requirements agreed upon at the time of the project design and during the project as per established procedures. The Regional Evaluation Officer at the ILO ROAS provides an independent evaluation function for all ILO projects.

The project document states that a final internal evaluation will be conducted at the end of the project implementation.

ILO's established procedures for technical cooperation projects are followed for monitoring, reporting and evaluation of the project throughout the project cycle and at different stages of project execution. Specific components of the ILO's M&E plan include a multi-layered logical framework and work plan to measure the timely achievement of results at the activity and output level as well as change at the outcome and development objective level.

Monitoring of individual objectives and activities based on indicators in the logical framework feed into the progress reports. Annual progress reports were submitted in addition to the inception report and are attached to this terms of references.

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

The purpose of this final internal evaluation was to serve as organizational learning exercise and for improvement of similar projects in the future. The evaluation was to assess the extent to which the project objectives have been achieved, and the extent to which project partners and beneficiaries have benefited from the project. It was also meant to assess results on the basis of standard evaluation criteria such as effectiveness and efficiency of implementation and sustainability.

Primary stakeholders of the evaluation were project management and ILO (ILO ROAS), and the ILO constituents involved in Jordan and Lebanon.

## 5 METHODOLOGY

The evaluation utilises the standard ILO framework and follows its major criteria:

- **Relevance and strategic fit** – the extent to which the objectives are aligned with sub-regional, national and local priorities and needs, the constituents' priorities and needs, and the donor's priorities for the project countries;
- **Validity of design** – the extent to which the project design, logic, strategy and elements are/ remain valid vis-à-vis problems and needs;
- **Efficiency** - the productivity of the project implementation process taken as a measure of the extent to which the outputs achieved are derived from an efficient use of financial, material and human resources;
- **Effectiveness** - the extent to which the project can be said to have contributed to the development objectives and the immediate objectives and more concretely whether the stated outputs have been produced satisfactorily; in addition to building synergies with national initiatives and with other donor-supported projects, project visibility;
- **Impact** - positive and negative changes and effects caused by the Project at the sub regional and national levels, i.e. the impact with social partners and various implementing partner organisations;
- **Effectiveness of management arrangements**; and
- **Sustainability** – the extent to which adequate capacity building of social partners has taken place to ensure mechanisms are in place to sustain activities and whether the existing results are likely to be maintained beyond project completion; the extent to which the knowledge developed throughout the project (research papers, manuals and other tools) can still be utilized after the end of the project to inform policies and practitioners,

### **Relevance and strategic fit:**

- How do the project objectives respond to the priorities of the donors (RBSA) in Lebanon Jordan, and the region?

- Are the project objectives aligned with bipartite constituents' objectives and needs? What measures were taken to ensure alignment? How does the Project deal with shortcomings of tripartism characteristic of the region?
- Although not designed as a response, how well does the project's approach fit the evolving context of the Syrian refugee crisis?
- To what extent should the project have been/ be involved in the Lebanon Crisis Response Plan?
- To what extent are project activities linked to the global commitments of the ILO including the Sustainable Development Goals and the agenda 2030?
- Are the planned project objectives and outcomes relevant and realistic to the situation and needs on the ground? Were the problems and needs adequately analysed?

**Validity of design:**

- Is the project strategy and structure coherent and logical (what are logical correlations between objective, outcomes, and outputs)?
- On the whole, were project assumptions realistic; did the project undergo a risk analysis and design readjustment when necessary?
- Does the project make use of a monitoring and evaluation framework? How appropriate and useful are the indicators in assessing the project's progress? If necessary, how should they be modified to be more useful? Are indicators gender sensitive? Are the means of verification for the indicators appropriate? Are the assumptions for each objective and output realistic?
- To what extent were the indicators used effective in measuring enhancement of capacities of ILO constituents?
- To what extent did the project design align with the CPO?
- What was the baseline condition at the beginning of the project? How was it established?
- Was the strategy for sustainability of impact defined clearly at the design stage of the project? If yes how? Was the approach taken appropriate to the context?

**Effectiveness:**

- Has the project achieved the main objectives? (analysis of achievements and challenges by output is required) In cases where challenges were faced, what intermediate results can be reported towards reaching the objective? Are the project partners using the outputs?
- Specific questions by Objective (Please provide evidence-based answers to the following):
- To what extent was work improvement in small enterprises achieved? To what extent were the indicators used accurate in assessing the effectiveness of the project? Please describe by area: Preventive

maintenance plan; Food safety/Good manufacturing practices; Human resources; Marketing.

- What have been the constraining factors and how have they been addressed?
- How have stakeholders been involved in project implementation? To what extent has the project management been participatory and has the participation contributed towards achievement of the project objectives? How effective was the collaboration with the relevant ILO offices, other UN agencies, media, and non-governmental organizations working on SMEs, and what has been the added value of this collaboration? What systems been put in place to enhance collaboration with other UN agencies, government institutions working on this issue and how?
- To what extent did the project build synergies with national and regional initiatives and with other donor-supported projects?
- How did outputs and outcomes contribute to ILO's mainstreamed strategies including gender equality, social dialogue, poverty reduction and labour standards?
- To what extent did synergies with and operation through local organisations help to ensure the sustainability of the impact of the project ie through building capacity?
- What, if any, alternative strategies would have been more effective in achieving its objectives?
- What unintended outcomes can be identified?
- How effective was collaboration with the media? How efficient has the project been in communicating its results, disseminating success stories and enhancing visibility?

**Sustainability:**

- Are the project achieved results likely to be sustainable? What measures have been considered to ensure that the key components of the project are sustainable beyond the life of the project? How will activities and/or management structures be financed when the project ends?
- Did the project put in place measures to ensure the continuity of SME development efforts after the end of the project?
- To what extent have the interventions advanced strategic gender-related needs?
- What was the role of the project in resource mobilisation?
- How can employers and workers be meaningfully brought on board for interventions in Lebanon?

**Efficiency:**

- To what extent have project activities been cost-effective? Have resources (funds, human resources, time, expertise etc.) been allocated strategically to achieve outcomes? To what extent can the project results justify the time, financial and human resources invested in the project?
- To what extent has the project been able to build on other ILO or non-ILO initiatives either nationally or regionally, in particular with regard to the creation of synergies in cost sharing?
- What were the intervention benefits and related costs of integrating gender equality?

**Effectiveness of management arrangements:**

- What was the division of work tasks within the project team and has the use of local skills been effective? How does the project governance structure facilitate good results and efficient delivery? And if not, why not? How clear is the understanding of roles and responsibilities and division of labour between project staff?
- How effective was communication between the project team, the regional office and the responsible technical department at headquarters? Has the project received adequate technical and administrative support/response from the ILO backstopping units?
- How effectively does the project management monitor project performance and results? Does the project report on progress in a regular and systematic manner, both at regional level, to PROGRAM and the donors? What M&E system has been put in place, and how effective has it been?

**Impact orientation:**

- What is the likely contribution of the project initiatives to the stated objectives of the intervention?
- What were the interventions long-term effects on more equitable gender relations or reinforcement of existing inequalities?
- To what extent are national partners able and willing to continue with the project? How effectively has the project built national ownership? In what ways are results anchored in national institutions and to what extent can the local partners maintain them financially at end of project?
- Would a continuation of the project to consolidate achievements be justifiable? In what way should the next phase differ from the current one?

The main methodological elements of this evaluation consisted of a desk review of programme documents, meetings with available stakeholders at national level and field visits in the Beirut area to beneficiary enterprises selected by project. Existing monitoring and evaluation (M&E) data were retrieved and considered in the analysis.

Meetings in the field consisted of discussions with final beneficiaries, ILO staff, ILO constituents, and ILO consultants, using semi-structured, open-ended questions, exchange of opinions, selective probing, as well as informed judgment as a basis for developing evaluation findings.

- Interviews with constituents, consultants, and beneficiaries were conducted in English language. Interviewees were all willing to speak freely and there was no indication of uneasiness in the meetings. Only one meeting (FENASOL) required interpretation which was provided by the stakeholder in high quality. Within the beneficiary enterprises, there was at least one person who was fluent enough to act as a direct interlocutor.
- Visits to beneficiary enterprises in Lebanon included visits to the areas where improvements were achieved or implemented, with the exception of one enterprise where the office was located at an outlet and a visit of the production area was not feasible due to the time schedule.
- Beneficiary enterprises in Jordan could not be visited for reasons explained in section 6.5 below.

## Limitations

- The evaluation was carried out to provide the project stakeholders and the ILO with an assessment of the progress made and lessons learned. In particular, there was an apparent uncertainty whether the results of the project justified the resources invested in the project. A long list of specific questions to be addressed are referenced in the terms of reference for the evaluation (cf. Annex A.4).
- The evaluation's potential was maybe not sufficiently exploited because the evaluator was not able to benefit from any recent evaluation reports prior to the mission in the field, the only project report being available dating 2015.
- The unavailability of any recent progress reports prior to the field mission was made up for by a complete handover of (content-related) project files in the beginning of the field mission by the enterprise development specialist.
- The field visit to Lebanon and Jordan occurred in the end of April 2017/ beginning of May while the report for the second phase of the project still was being drafted (cf. itinerary in Annex A.3). Beneficiary enterprises could only be visited in Lebanon. A few discussions (meetings) that could

not be held during the field mission were conducted using VoIP following the field mission. The debriefing mission also occurred using VoIP (on 30 May 2017) given that key participants were not available for a debriefing in the end of the field visit.

## **Norms, Standards and Ethical Safeguards**

- This internal evaluation will comply with ILO evaluation guidelines and UN Norms and Standards.
- These ToRs will be accompanied by the code of conduct for carrying out the evaluation "Code of conduct for evaluation in the ILO" (See attached documents).
- UNEG ethical guidelines will be followed through-out the evaluation.
- The consultant will not have any links to project management or any other conflict of interest that would interfere with the independence of the evaluation.

## **6 EVALUATION FINDINGS**

### **6.1 Relevance and strategic fit**

Relevance and strategic fit is important to ensure that projects dovetail with existing policies and strategies. This is both important for ensuring that projects do not enfeeble existing policies and strategies, and for securing a maximum of thrust. Where the project aligns with policies and strategies it will be easier to achieve a successful outcome because it will encounter less or even no resistance during implementation.

The perspective in this chapter typically is guided by the assumption that existing policies and strategies are relevant to the problem the project wishes to address or solve.<sup>4</sup> This need not necessarily be the case because policies and strategies are agreed in a process that is not necessarily of a technical nature, but essentially consists of bargaining processes between the concerned stakeholders. These bargaining processes may often lead to policies and strategies that contain multiple objectives which, moreover, may be in conflict with each other. Projects therefore may also need to cater to multiple and conflicting objectives if they want to align with these policies and strategies.

All in all, the project has been designed to be relevant to the situation in both Jordan and Lebanon, from the perspectives of national policies and strategies, ILO and donor perspectives as well as from a technical point of view. It fits with existing strategies and addresses important long-standing problems (productivity, working conditions) that cannot be solved by a single project intervention.

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<sup>4</sup> Technically speaking, the problems of insufficient productivity, indecent working conditions and lack of competitiveness are relevant to both Jordan's and Lebanon's economy. They are, in fact, problems which are prevalent across the Arab region, as can be verified from many sources.



The project evaluated, first of all, generally is aligned both with the **priorities of the governments** of Jordan and Lebanon.

- As far as Jordan is concerned, national policies and strategies related to overall development, including even the Poverty Reduction Strategy (2013-2020) explicitly emphasize the need to increase levels of economic activity and productivity. The link between employability, skills and productivity is a matter of strong concern, notably the preference of SME to focus their production on low skills and low productivity activities. Jordan's National Employment Strategy's (2011-2020) vision is to improve living standards through increased employment, wages, benefits and productivity improvements. The new Jordan Economic Growth Plan (2018-2022) seeks to, *inter alia*, continuously strive to reducing production costs in Jordan through increasing productivity. In other words, the project is of continuing relevance, not only during the period under evaluation.
- In Lebanon, government policies and strategies do not so much refer to the term "productivity", but are also striving to make Lebanon "more productive". One of the four objectives of the Lebanon SME Strategy (Roadmap to 2020) is to transform SMEs into global and agile players with higher productivity and improved resiliency. The integrated vision for Lebanese Industrial Sector (Lebanon Industry 2025) lists among its strategic objectives striving to lead the Lebanese society into becoming a highly productive and active industrial society and raising productive capacity of national industry to provide 50-70% of local consumption needs.

**Donor priorities** may generally be presumed to align with national strategies in accordance with the Paris Declaration. In practice, this holds more strongly for Jordan than for Lebanon, however, given the difference in the quality of planning processes and governance in the two countries. Discussing the factual alignment of the seven RBSA donors (Belgium, Denmark, Germany, Italy, The Netherlands, Norway, and Sweden) with the two countries' strategies would require an in-depth donor-by-donor and weighted discussion which, given the strong weight of regional factors (Palestinian conflict, Syria crisis, geopolitical interests) in shaping donor strategies vis-à-vis the countries, would require too much space without adding significant value to the discussion of the relevance of the project.

In both countries, however, donor strategies have taken a significant shift toward mitigating the effects of the Syria crisis. Given the enormous burdens faced by both Jordan and Lebanon as a result of the crisis (refugee influx, and economic impact), donors have been channeling significant additional resources to both countries in order to address these burdens, even if not to the degrees pledged. Projects that are aligned with this shift, therefore, are aligned with the changes in the flows of donor funds which again tie in with the national response plans of Jordan and Lebanon to the Syria crisis.

- In Jordan, the Jordan Response Plan 2015 for the Syria Crisis has a Resilience Specific Objective (2) in the area of "Livelihoods and Food

Security" which supports the establishment and growth of sustainable micro, small and medium enterprises and which itself is based on the complete dedication of the livelihoods sector to unleashing micro enterprise, promoting SMEs, etc. proclaimed in Jordan's National Resilience Plan 2014-2016. The Jordan Response Plan for the Syria Crisis 2016-2016 maintains this approach.

- In Lebanon, the project is aligned with the priority intervention of explicitly supporting the implementation of the new SME strategy under the sector "Livelihoods" in the 2015-2016 Lebanon Crisis Response Plan. It also fits with the response area 3 (preserving national stability) where capacities are to be strengthened, among others, with regard to labor skills and technical and management skills of MSME. By selecting the food industry as one of the sectors, there is also a potential for positive effects, by ways of backward linkages, on the agricultural sector where many Syrian refugees find employment. Looking to the future, the Lebanon Crisis Response Plan 2017-2020 also recognizes the importance of productivity increases in MSME and agricultural production.

It should be stressed, however, that the major focus of the crisis response in both countries is to directly boost MSME development in the local host communities for vulnerable populations. Full alignment with the crisis response would therefore depend on the geographic distribution of the enterprises and the income bracket respectively vulnerability of the business owners who ultimately benefit from the project.

Whether such an alignment, i.e. to follow the shift in order to respond to the Syria crisis, is feasible and appropriate for a project which is addressing a valid development concern and formulated strategy goal, is open to question. Sacrificing long-term aims (increasing productivity) for short-term gains (crisis response) could be a legitimate short-term approach. None of the response plans, however, are advocating for this kind of a trade-off.

For example, Jordan's National Resilience Plan 2014-2016, in its situation analysis, clearly points out that employment and livelihood conditions for a significant proportion of Jordanians were already dire prior to the influx of Syrian refugees and refers to the coexistence of unemployment with the prevalence of low quality and low productivity jobs. Such statements highlight that the problems are actually aggravated by the crisis, and imply that they still need to be overcome. Moreover, it cannot be expected that governments forfeit all of their development aspirations in order to respond to a crisis situation of a neighboring country even if it affecting their own economy. From this perspective, it would clearly not seem necessary this project specifically aligns itself with crisis response plans.

The project, nevertheless, has made an effort to fit in with crisis response by developing ideas how to extend the activities in such a way that they can benefit enterprises affected by the Syria crisis and/ or enterprises employing

Syrians,<sup>5</sup> and by practically seeking, albeit unsuccessfully, to identify beneficiary enterprises in regions outside the Mount Lebanon area.

Ultimately, reviewing donor strategies more generally for the countries is not required for relevance of this project because RBSA is a category of voluntary resources set up to increase the funding of the ILO's Decent Work Agenda through flexible unearmarked voluntary contributions to the Technical Cooperation programme. Therefore, the internal **criteria for RBSA funding** established by the ILO are the final guidance that determines relevance of the projects.

The project evaluated was essentially implemented three phases which ILO administered with different office procedures and formats. A first phase was implemented in 2013.

The second phase was guided by the strategy and interventions under the priority Areas of Critical Importance (ACI) in the Arab States region, where it aligned with ACI 4 "productivity and working conditions in the SMEs".<sup>6</sup> The project, for both countries, was designed to fit with outcome 3 "sustainable enterprises create productive and decent jobs" and able to contribute to achieving indicator 3.2 "number of member states that, with ILO support, implement entrepreneurship development policies and programmes for the creation of productive employment and decent work". It also was designed to contribute to respective CPOs, for Jordan "institutional capacity to promote a conducive business environment for SMEs and foster an entrepreneurship culture in the country enhanced" (JOR101), and for Lebanon "institutional capacity to foster an entrepreneurship culture, SME development programmes and competency-based approach to training for youth, enhanced" (LBN102). Whether there would have been alternative projects with even closer alignment to these CPOs was not assessed. The links to Planning & Budget 2014-2015 outcome 3 and indicator 3.2 are very straightforward.

The third phase was guided by latest criteria for the use of RBSA which may be summarized as follows.<sup>7</sup>

- spending on countries eligible for official development assistance
- catalytic actions that leverage other resources across the outcomes found in the programme and budget for the biennium
- focus on low income and lower middle income countries and other countries in vulnerable situations
- achievement of a limited number of prioritized country programme outcomes selected according to
  - achievement of targets in the programme and budget
  - tripartite support and involvement

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<sup>5</sup> Cf. the 2016-2017 project proposal for the project .

<sup>6</sup> Cf. Proposal Form ACI of 14 March 2014, updated October 2014.

<sup>7</sup> Cf. IGDS 474 (Version 1) and IGDS 475 (Version 1) of 23 May 2016. It is unclear from the documents whether all of the criteria for RBSA funding spelled out are meant to be achieved by each project or whether the funds as a whole are to be allocated to a batch of projects which in its entirety responds to these criteria.

- contribution to national development objectives, UN country programme goals, and the implementation of the 2030 Agenda for Sustainable Development at country level
- office-wide collaboration
- achievement of visible and concrete results
- availability of a DWCP supported by a results framework
- submission of output-based workplans

Jordan and Lebanon are eligible for official development assistance, however, they both belong to the group of upper middle income countries and not (anymore) to the low and lower middle income categories. Whether they can be classified as other countries in vulnerable situations depends on the definition of what constitutes a "vulnerable situation" for a country.<sup>8</sup> Both countries have been significantly affected by the Syria crisis, and therefore may classify as "vulnerable" and therefore eligible for RBSA (despite the income bracket they pertain to).

The criterion of "catalytic" actions that "leverage" other "resources" across the "outcomes" is difficult to meet for any type of project. If the project was to be designed to be a catalyst (that accelerates a change) in order to leverage (i.e. use something ILO already possesses in order to achieve something new or better, or use project funds to obtain additional funds) other resources (i.e. presuming that other resources are idle or not used at full capacity) across (i.e. not catering to selected) outcomes, the design was inappropriate. The project was neither designed as a catalyst (because it was focused on building capacities, changing mentalities and organizations -- essentially long-term processes), nor meant to leverage (because other ILO resources that relate to productivity are not available at ROAS and there are no strong productivity focused organizations and networks or similar resources available in either country), nor conceived to work across outcomes (contributing rather to very specific outcomes instead).

The project was designed to contribute to the achievement of a limited number of prioritized country programme outcomes (JOR101, LBN102), and it also works toward the Planning & Budget 2016-2017 outcome 4 "promoting sustainable enterprises" (where indicator 4.2 calls for the design of programmes to improve productivity, working conditions -- for which WISE is a sound ILO product). To which extent they were selected according to *achievement* of targets in the programme and budget is unclear (no specific memo available). They were selected according to tripartite support and involvement because a conscious effort was made in the design to involve both employers and workers, including the respective office-wide collaboration required (ACTEMP, ACTRAV).

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<sup>8</sup> To our knowledge, there is no official classification of countries that find themselves in a vulnerable situation. The term of "vulnerability" usually is applied in contexts of external threats (e.g. war, crime, natural disaster) or occasionally with regard to fragility (fragile or failed states). In development assistance, the term is more frequently used when referring to specific target groups of a population (i.e. not for countries). The only grouping of countries that officially uses the term is the Climate Vulnerable Forum (48 member countries, Jordan and Lebanon are not members).

As already mentioned at the outset of this chapter, the project fits with the national development objectives of both countries.

The project does not support specific UN country programme goals, but it also does not contradict them either.

- The situation analysis of the UN Country Programme Document for Jordan 2013-2017 recognizes that there has been insufficient support of SME. The UN Country Assessment 2011 for Jordan sees a need to move to a more productive workforce. While listing business support services and microenterprise development through Jordan's Enhanced Productivity Programme among already existing measures, it concludes that worker productivity has not increased.
- The UNDAF for Lebanon 2010-2014 pointed out that output and employment structure in the country hardly changed over more than three decades and resulted in stagnant productivity. The UNCT also pledged to support the enhancement of competitiveness of the productive sectors, albeit at the policy and regulatory level. Under the Core Priority 3 the UNSF for Lebanon 2017-2020 highlights the importance to both mitigate the impact of the Syrian conflict and address pre-existing structural constraints, including the strengthening of productive capacities and generation of inclusive growth. The UN similarly aims at maximizing its support in improving productivity, competitiveness and employment potential by supporting optimization of value chains, business management services, workplace improvements as well as job creation programmes in vulnerable areas. According to the UNSF, support will also be provided in enabling the country's manufacturing sector to become the catalyst for job creation, economic inclusion and spearheading socio-economic suitability among all cohorts of the population in Lebanon. Food safety, which justified the focus on working with food and packaging industry firms, remains of continuing concern.

The project is fully in line with SDG 8 (promoting sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all), the success of which will, *inter alia*, be measured by achievement of higher levels of economic productivity and the encouragement of growth of MSME (SDG indicators 8.2 and 8.3). It was therefore designed to contribute to the implementation of the 2030 Agenda for Sustainable Development at country level.

The project also was designed to achieve visible and concrete results, including by planning for the measurement of its effects on productivity so as to be able to provide specific proof of concrete results.

A DWCP, supported by a results framework, only exists for Jordan, not for Lebanon. While the DWCP 2012-2015, extended to 2016-2017, for Jordan does not explicitly tackle productivity, it explicitly recognizes that Jordan's economy is on the way to a low-skills/ low-productivity/ low-wage equilibrium and includes among its priorities the promotion of better working conditions.

The proposed DWCP 2017-2020 for Lebanon directly includes the project's objectives under outcome 2 "decent work opportunities created in line with applicable Lebanese laws and regulations", outputs 2.2 ("enhanced productivity of SMEs through better business management practices ") and 2.3 ("improved productivity in SMEs through improving working conditions").

Output-based workplans were submitted. Arguably, the project may have been too output-driven because output-based workplans were a selection criterion.

The project's objectives are aligned with **bipartite constituents'** objectives and needs. Representatives of ALI, FENASOL, GFJTU, and JCI all have confirmed during the evaluation that the project meets the needs of their members. The project proposal of 2014, however, has identified a lack of commitment and ownership on behalf of employers' and workers' organizations as a risk that could jeopardize the project's sustainability and future scale-up. The action proposed to mitigate for the risk consisted of an inception workshop where endorsement and commitment was to be sought based on which the project would be pursued.

The project proposal form of 2016 does not contain a field for mentioning risks, and the proposal does not make mention of the risk identified in 2014. To the contrary, it reports that ILO has successfully engaged with employers' and workers' organisations and secured participation of enterprises in the project. Moreover, ILO reports it has consulted with employers' and workers' organizations in each country and agreed on project objectives, activities and potential replication/ scale-up. Further measures to ensure alignment or collaboration were not included in the design.

To which extent the project deals with the "shortcomings of tripartism" characteristic of the region (i.e. the relative weakness and limited outreach of employers and workers organizations), is a question that is difficult to answer. Generally, it is unclear whether these shortcomings are shortcomings of tripartism or actually shortcomings of representation and organization of stakeholder interests on a broader scale, not only with regard to industrial relations and social dialogue. If it refers to institutional weaknesses of the organizations that represent employers, workers, and government, there certainly are distinctions to be drawn between the two countries, with institutions in Lebanon being weaker than in Jordan. The project has identified the problem in 2014 and has proposed to address the problem by garnering support during an inception workshop. It has subsequently not seen further need for dealing with the potential risk because the mitigating action planned has been implemented.<sup>9</sup>

The planned project objective(s) and outcome(s) were fully relevant and sufficiently realistic with regard to the situation and needs on the ground. Problems and needs were sufficiently analyzed.<sup>10</sup> Increasing the productivity

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<sup>9</sup> Cf. the following section.

<sup>10</sup> Technically speaking, "needs" are not analyzed in the preparation of a project. A problem is analyzed, then a solution is developed, and the needs are derived from the proposed solution. Needs cannot be specified in the absence of a proposed solution.

and the competitiveness of SMEs in Jordan and Lebanon is not only important for improving working conditions, but for moving forward on industrial relations. Where employers learn that working conditions may improve productivity, they become interested in improving industrial relations. Where employees realize that productivity is important for continuous improvement of working conditions, a cooperative spirit for jointly increasing competitiveness can emerge. The idea to introduce WISE, an ILO tool that is very pragmatic, in order to achieve this objective on an exemplary basis in two different sectors (agro-food and printing and packaging) was realistic, although possibly not in relation to the time frame.<sup>11</sup>

Empirical research on the relationship between productivity and working conditions is not fully conclusive, even if this relationship is plausible. It corresponds to a more generally held conviction at the ILO that both are mutually reinforcing. However, there may be different scenarios where this relationship is not straightforward, e.g. when cost for improving working conditions significantly exceed productivity gains in the short term which is why WISE, for example, seeks to identify quick wins. From this perspective, the project may also be considered timely because it can contribute to accumulating knowledge or experience regarding the relationship between the working environment or wellbeing at work and productivity in Jordan and Lebanon.<sup>12</sup>

Both Jordan and Lebanon have been ranked midfield (55 and 59 out of 138) in the category of "pay and productivity"<sup>13</sup> of the most recent Global Competitiveness Report (2016-2017). While the reinforcement of such a link as such is not the major intent of the project, the ranking could indicate there may be an important role that increases in productivity can play in both countries for improving competitiveness and well-being at the same time. Malaysia, for example, is investing strongly in installing a virtuous circle that can be created between productivity and wages in a bid to move the country to a higher income level.<sup>14</sup>

Working with a mix of direct support to selected enterprises and institutional support to employers' and workers' organizations also was a realistic approach. Practical examples are required to demonstrate the feasibility and usefulness of WISE. Employers' and workers' organizations are important to institutionalize the understanding for the approach, disseminate the results,

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<sup>11</sup> Cf. the following section.

<sup>12</sup> One recent study of Denmark, Finland, Norway, and Sweden countries does conclude that the physical working environment is an important predictor of productivity. Cf. Foldspang, Mark, Rants et al. 2014. It is not always possible to infer from one country or group of countries to another.

<sup>13</sup> Answers the question: "In your country, to what extent is pay related to employee productivity?". Generally, the index rankings need to be taken with a grain of salt because it is difficult to avoid measurement errors on qualitative questions across the world even if the selected respondents are asked to answer "based on international comparison" (which is bound to be biased).

<sup>14</sup> Malaysia is ranked 6 in the category "pay and productivity" of the Global Competitiveness Index and has an explicit strategy of promoting a productivity-linked wage system (PLWS). It seeks to boost business profits by ways of heightened productivity, resulting from harmonious work relationships and commitment from the workers. Reciprocally, workers benefit from higher wages, higher job satisfaction and motivation. Benefits are both monetary and non-monetary.

Note that in the over 100 (sub-) categories of the Global Competitiveness Index, productivity is only explicitly mentioned with regard to the efficiency of labor markets, and only in its relation to pay.

and for developing a medium to long-term strategy for rolling out WISE in both countries.

## 6.2 Validity of design

This chapter focuses on the technical validity of the design of the project. The measure for the validity in results-based planning is the extent to which the project has established a reasonable causal chain<sup>15</sup> from the **inputs** via **outputs** to the **outcome** and **impact** levels.<sup>16</sup> Although the designation for these levels varies between organizations, these four levels have come to be the accepted standard terminology for describing the logical hierarchy of any project. The standard tool for displaying the logic is the logframe (or logical framework) presented below.

The basic algorithm used to assess whether the causal chain is captured by the project design is the following: If inputs are implemented and assumptions at input level hold true, then outputs are achieved. If outputs are achieved and assumptions at output level hold true, then the outcome is achieved. If the outcome level is achieved and assumptions at outcome level hold true, then the project contributes to impact. The logframe contains additional columns to record the suitable indicators for measurement at each level and how to verify whether the indicator has been achieved. Inputs usually need no indicators because they are easily recorded.

Intervention logic	Objectively verifiable indicator	Means of verification	Assumptions
<b>Goal, development objective [impact],</b> e.g. number of work-related accidents reduced, number of jobs created			
<b>Purpose, immediate objective [outcome]</b> e.g. knowledge and skills applied, new mechanism put into place			e.g. agreed legislative changes are approved in due course
<b>Results [outputs],</b> e.g. capacity built, new mechanism agreed, increased awareness			e.g. consensus on permanent funding can be achieved with Ministry of Finance
<b>Activities [inputs],</b> e.g. expert deployment, workshop, fellowship			e.g. key partner staff is available for workshop during 2 <sup>nd</sup> half of 2012

G.01 Generic logframe structure.  
Source: Own compilation.

Where different levels of hierarchy are concerned, logframes are organized in cascades. In this case, what is, for example, the "impact" of the lower level logframe becomes an "outcome" for the higher level program. Likewise, an "output" of a higher level program can consist of the "outcome" of a lower

<sup>15</sup> Technically, this is not about identifying correlations, as suggested in the terms of reference, but about establishing cause-effect relationships (for problem analysis), or means-end relationships (for problem solution, i.e. project design).

<sup>16</sup> This prevailing approach is based on linear planning concepts and does not yet integrate the more realistic approaches of systems thinking which also includes feedback loops and their impact on achieving outcomes.



level project. This sometimes leads to confusion because the same term can exist at different hierarchy levels. For example a country program outcome should usually not be identical with a project outcome that feeds into the country program outcome.<sup>17</sup>

The project evaluated suffered from the **absence of a more structured logical design**, notably the absence of a logical framework, and the need of following slightly shifting goal posts (at impact level) over the different phases. Both problems can be traced to the way RBSA funding has been administered because the application forms did not require logical frameworks and because the criteria for RBSA slightly changed over the years.<sup>18</sup> The emphasis on output-based workplans may also have contributed to a lack of attention to outcome and impact levels and the omission of assumptions (risks) in the design processes.

In order to work with causal chains and logframes, it is important to distinguish causes and effects at every level. A common mistake in many projects, not only at ILO, is to define objectives that are double barreled or that combine two or more hierarchical levels (or distinct elements of a causal chain). This mistake usually has knock-on effects for the measurement of achievements.

The immediate objective (i.e. outcome) of the project during the biennium **2014-2015** was formulated as follows: "to demonstrate the need for and the effectiveness of a combined approach of work place improvements, business management training and skills development through an experimental trial within small enterprises in Jordan and Lebanon". This formula is both double barreled and combines 2-3 steps of a logical hierarchy. The requirement is to demonstrate both a "need" and the "effectiveness". At the same time it includes the means ("experimental trial"). A better formula would have, for example, been "effectiveness of a combined approach of work place improvements, business management training and skills development demonstrated".<sup>19</sup>

The "outputs" defined for this phase, moreover, essentially consist of what technically speaking are "inputs". They are a list of activities that are being implemented in order to achieve the outcome:

- endorsement of the project partners
- baseline institutional assessment
- identified sector skills needs analysis
- business management and work improvement TNA
- core and technical skills curricula
- ToT selected technical and core skills
- ToT WISE & business management

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<sup>17</sup> The alignment of the project design with CPO is discussed in the section on relevance above.

<sup>18</sup> Cf. previous section.

<sup>19</sup> Why is this better? It properly focuses attention on the key outcome desired (successful demonstration). This allows for adjusting the project strategy in case the means selected (experimental trial) turns out not to be the most effective way of achieving the end (project outcome). The "need" can be shifted to the next higher logical level because it requires additional assumptions (e.g. sufficient dissemination of results, replication of the experiments in other businesses) before a "need" for adopting this approach can objectively be established or even will make itself felt on a significant scale.

- training delivered to selected enterprises
- work improvement & business management coaching
- post-project institutional assessment
- integrated intervention modality analysed and published

In other words, either the output level is missing or the outcome is actually an output. Disentanglement of the double barreled and 2-3 level outcome formula would have served improving the logic.

The project form included a field for risk evaluation which essentially corresponds to a short format for spelling out assumptions.<sup>20</sup> The risk identified by the project was the "lack of EOs' and WOs' commitment and ownership could jeopardize programme sustainability and future scale-up". This risk was to be mitigated by ways of an inception workshop. The measure selected ultimately turned out to be insufficient during implementation,<sup>21</sup> but the risk was correctly identified.

In this context, it should be noted that the title selected for the project during the biennium 2014-2015 was "institutional capacity building of employers' and workers' organizations to deliver WISE and business management training combined with skills enhancement for workers in small enterprises in Lebanon and Jordan". This project title significantly diverges from the immediate objective (i.e. outcome) specified for the project because it explicitly focuses on the capacity building of employers' and workers' organizations to deliver the tool -- instead of focusing on demonstrating the effectiveness of the tool. This discrepancy is likely to have strongly contributed to (if not been at the origin of) misunderstandings that have affected the implementation of the project in Jordan.<sup>22</sup> The capacity of ILO constituents also cannot really be found at lower levels of the logical hierarchy (output, input), neither does it figure in the development objective (i.e. at impact level) of the project. To the extent that enhancement of capacities of ILO constituents was effectively not a part of project design, there also were no indicators in place to measure progress on these capacities.

The project title (presumably identical with the desired outcome because the respective RBSA application form contains no field for entering a project outcome) of the project during the biennium **2016-2017** was formulated as follows: "enterprise-support programmes implemented to enhance productivity, working conditions and competitiveness in SMEs". This formula also combines two steps of a logical hierarchy, the "implementation of support programmes" and their desired effects ("enhancement of productivity etc."). This project outcome could have been specified as either "enterprise-support

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<sup>20</sup> Assumptions always refer to external factors which is why they directly lead to risks. Some organizations have therefore relabeled the assumptions column of their logframes as "assumptions and risks".

<sup>21</sup> Cf. section 6.5 below.

<sup>22</sup> Also cf. section 6.5 below. It should be noted that the project brochure of October 2015 which summarizes the approach of the project, actually states that the project aims at enhancing productivity and competitiveness of SME "by improving industrial relations and worker representation". This opened a further thread of discussion of objectives and thus was likely to also confuse key stakeholders.

programmes implemented"<sup>23</sup> or "productivity, working conditions and competitiveness enhanced in SMEs".<sup>24</sup>

In contrast to the previous biennium, the RBSA form introduced a "milestone-output" structure for the applicants. This effectively substituted logframe planning with a technique which is used in critical path planning or, if not as ambitious, with simple activity planning. In other words, activity planning was given a higher priority than project logic or consistency. Other than in the previous biennium, an assessment of risks also was not included.

The three milestones planned for during this phase were

- "improved working conditions (workplace conditions and human resources practices) and impact on productivity in selected SMEs in the agro-food and printing and packaging sectors in Jordan and Lebanon"
- "enhanced marketing management practices and impact on productivity in selected SMEs in the agro-food and printing and packaging in Lebanon"
- "the integrated intervention combining workplace improvement and provision of business management training for impact on increased competitiveness and productivity of small enterprises, assessed, documented and published"

These milestones were consistent with the project workstreams foreseen for the phase. Arguably, however, the separation of the work streams "improved working conditions" and "marketing management practices" is not consistent with an "integrated intervention" later to be assessed. Had the formulas been part of a logframe, they would have been unsuitable because they combine different levels of logical hierarchy in single milestones. As a matter of fact, even without a logframe requirement, the formulas chosen could have been more specific as to which level was to be achieved by the project because the impact on productivity of the different workstreams might come with a delay. The third milestone also consists of what are clearly three different milestones (impact of intervention assessed, impact of intervention documented, impact of intervention published) because it is usually not possible to achieve these simultaneously.

As in the previous phase, the "outputs" listed for these milestones consist of what technically speaking are "inputs". They list the different activities required to reach the milestones:

- coaching visits on working conditions
- final report on outcome of coaching on working conditions measuring KPIs before and after capacity building intervention and impact on productivity
- coaching guide for potential ToT workshops
- coaching visits on marketing management

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<sup>23</sup> Normally, this would not be convincing as a project outcome which usually at least should consist of the uptake of changes or services introduced (i.e. "use of output"). Given the project is an extension of the previous, not fully completed phase, it would be acceptable (in the sense that the experimental trials are to be completed, or better: "effectiveness of the approach demonstrated").

<sup>24</sup> Assuming that the three can be concomitantly achieved by implementing WISE. Otherwise, this outcome formula would be triple barreled.

- final report summarizing the outcome of the coaching on marketing management measuring KPIs before and after capacity building intervention and impact on productivity
- coaching guide on improving marketing management in small enterprises produced for potential ToT workshops WISE & business management
- post-intervention assessment on selected enterprises to evaluate the impact of workplace improvement and business management capacity building on productivity and competitiveness
- final study measuring impact on productivity
- implementation guide of the integrated approach
- wrap-up meeting with EOs and WOs

Clearly, failure to equip the project with a logframe (or to conduct a logframe analysis prior to filling in the RBSA forms) seems to have affected the strategy and structure of the project because it has prevented a systematic discussion of the assumptions made along the means-end chain. For example, it is likely that the time required for concluding each step of the means-end chain would have become more visible. By subsuming different levels of logic in single steps, this discussion usually is blurred, and outcome (and even impact) seems in close reach. That could have led to a different approach for managing the project, or a downscaling of expectations (proper gauging in the light of available resources). It is also likely that some of the assumptions about the relationships with and between employers' and workers' organizations and their participation would have been assessed in more detail along the chain and led to a higher sensitivity of the project vis-à-vis the constituents' participation.<sup>25</sup> While these potential improvements are of a speculative nature for the project evaluated because counterfactual cannot be produced, these types of improvements usually are exactly the reason why logframe planning has obtained such a high status in project planning and has proven superior to activity-based planning.

As a consequence, there seem to have been several **implicit assumptions** that have not been sufficiently discussed regarding their effect on achieving the outcome:

- the assumption that it would be practical to combine improvements in working conditions with improvements in marketing and management and with skills training (in particular, the resource requirements of skills training could have been anticipated during a planning process and screened out prior to the approval in view of the resources available)
- the assumption that specific institutional support of employers' organizations as well as workers' organizations to be able to properly assume their roles in this project (and in following the implementation of the project) was not required
- the assumption that managing project activities in Jordan out of the Beirut office would not impair implementation
- the assumption that awareness raising for the WISE approach with the stakeholders are not required

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<sup>25</sup> Cf. section 6.5 below.

- the assumption that measurement of productivity impact in the enterprises participating in the project is technically feasible (an assumption that usually would qualify as a "killer assumption"<sup>26</sup> in a region where lack of trust will not permit an open measurement and sharing of productivity data)

Without fully spelling out all assumptions, a risk analysis cannot be made. While the project proposal for the 2014-2015 biennium contained a field for risk assessment and an appropriate (though, arguably in hindsight, insufficient) mitigation action was proposed,<sup>27</sup> the project proposal for the 2016-2017 biennium did not have such a field. In both phases, there were no requirements to spell out assumptions or even an intervention logic. The RBSA project design format, therefore, left the project with no formal incentive to properly spell out and then monitor assumptions (and risks).

During both the 2014-2015 and the 2016-2017 biennium, the RBSA project proposal forms have not included any fields related to **measurement of outputs, outcomes, and impact** as they are typically required when logframe planning is adhered to. The project has, nevertheless, made a commendable effort to measure the achievement of outputs (at enterprise level) if not outcome (across all enterprises).

The framework for the measurement of these achievements, however, was not properly designed at the outset. It was left to be determined during implementation in the work with the enterprises on the basis of a standard questionnaire developed based on the SCORE methodology and the WISE approach. This is an acceptable approach when the reality in the field or in the enterprises concerned (to be selected during implementation) is not sufficiently known before the project is launched. As mentioned above, the realities of Jordanian and Lebanese enterprises with regard to their readiness to allow for productivity measurements, however, could have been anticipated beforehand. This could have led to a redesign of the strategy for measuring results (which also is important to achieve the objective of the project, namely, to provide proof that the approach selected is effective).

Enterprises were individually appraised by the project during the course of implementation. Once the appraisals were available, a redesign of the strategy for measuring results could have been undertaken because gaps in the ability to collect important information relating to productivity measurement were evident.<sup>28</sup> This, however, has not occurred. The reasons for this have not been discussed during the evaluation mission.

The project did not make use of any general **monitoring and evaluation framework**. In the absence of a logframe including risk analysis, this is to be expected. A project based on an output-based (actually: activity-based) workplan is usually monitored by tracking project activities (which by definition

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<sup>26</sup> A "killer assumption" is the technical term for an assumption that does not hold, yet, has been included in a logframe, thereby preventing the project from reaching its outcome. Given that the logic is based on assumptions, the means-end relationship is interrupted by the killer assumption.

<sup>27</sup> A redesign is not required when the risk can be mitigated with specific measures.

<sup>28</sup> For a discussion of the outcome indicators and baseline used cf. section 6.3 below.

does not require a specific monitoring and evaluation framework) and reaching specific milestones. Delays in implementation of activities directly translate into delays of delivery of outcome. It is inherent to this approach that external factors by definition remain "unforeseeable" and usually are not explained and monitored.

A **strategy for sustainability of impact** was not defined at the design stage of the project. Whether this was a conscious choice or a result of lack of requirement in the RBSA forms has not been discussed during the evaluation mission. Although the sustainability of results is a key factor for achieving development outcomes, there are reasons why the absence of such a strategy can be accepted for the project evaluated.

- If the project outcome consists of the successful demonstration of the effectiveness of the WISE approach, the outcome is relatively self-contained and can be used as the basis for deciding on a strategy relating to the introduction and scale-up of the approach. After all, it is not meaningful to plan for the sustainability of an approach that has not yet proven to be effective.
- If the sustainability of the impact of the different trainings and consultancies on the pilot enterprises is the focus of concern, it is unlikely that the pilot enterprises would accept any recommendations to increase productivity that are not sustainable. In fact, SME that typically are price takers in the market, have no option for introducing changes that do not meet their bottom line. It may therefore be assumed that any adopted change is sustainable. Moreover, increases of productivity usually enhance the sustainability of an enterprise.

Only if the discussion of the sustainability of impact refers to the sustainability of future scale-up activities by ILO constituents (which does not seem to be the case), would the absence of such a strategy constitute a major flaw of design.

### 6.3 Project achievements and effectiveness

The criterion of "effectiveness" in evaluations refers to the question whether the project has reached its objective, i.e. whether outcome has been achieved. This is the key criterion for assessing the success of any project because all measures implemented in their combination should usually lead to achieving the objective. As a matter of fact, all measures implemented may have been futile if the objective is not achieved by the time the project ends.<sup>29</sup> Any other project achievements are secondary to achieving the objective. Arguably,

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<sup>29</sup> The key feature that distinguishes projects from other forms of organization of work is the aspect of ending. Every project has an end. From the technical point of view, if the objective is not achieved by the end of the project, the project has, arguably, failed.

An analysis of achievements by outputs is not required for an evaluation of effectiveness. This actually runs counter the state of the art whereby only project outcomes are being measured. This approach is important because projects need to be able to flexibly adjust outputs if they find out that their theory of change does not hold, assumptions do not hold, or the environment changes. Projects, as a matter of fact, only owe the achievement of the objective. For effectiveness, it does not matter which inputs and outputs are used to achieve the objective. Monitoring of activities and outputs (including "intermediary results") is the task of the project team.

other achievements may indicate more resources than actually required for achieving the objective were used.

The objective(s) the project aimed to achieve was

- to demonstrate the need for and the effectiveness of a combined approach of work place improvements, business management training and skills development through an experimental trial within small enterprises in Jordan and Lebanon (biennium 2014-2015)

and

- enterprise-support programmes implemented to enhance productivity, working conditions and competitiveness in SMEs (biennium 2016-2017)

The quality of these statements of objective has already been discussed in the preceding section. Quality has immediate implication for the evaluation of effectiveness. Is the project, for example, to be measured against the benchmark of "need for a combined approach...", "effectiveness of a combined approach..." or only "experimental trial" (biennium 2014-2015). These are three different levels of achievement for the same objective, and it may be unclear whether the project has been effective if it only achieved one of these.

Moreover, the shift from one objective to another poses a fundamental problem in that it is essentially not possible to measure the same project's effectiveness against two different objectives. For example, the level of the objective during the biennium 2016-2017 is lower than the level during the preceding biennium if the "implementation of the support programmes" amounts to nothing else than the "experimental trial" in the preceding biennium.

In order not to declare the evaluation of effectiveness as infeasible under these circumstances (which holds true), and close the chapter (which would be the correct procedure), we will discuss the effectiveness of the project mainly based on the following understanding. This understanding has not been agreed with ILO ROAS and the project team,<sup>30</sup> but reflects the

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<sup>30</sup> The original project objective emphasizes a combined approach of work improvement (WISE), business management and skills development. While this approach is appealing because of its comparably holistic approach and strategically interesting because of its potential for developing both employers' and workers' capabilities, the combination was unrealistic from the outset because of the amount of effort required from the enterprises to engage with such a broad-scale approach, bearing in mind that the target group were small enterprises (by definition 10-49 employees, though another size criterion also existed in the project) which are usually owner-managed. Whether the criteria formulated for RBSA (across outcomes, office-wide) may have implicitly encouraged the formulation of objectives that are too ambitious may possibly merit review.

It should also be noted that a combined approach as such is not a product of an appealing fantasy because full-fledged SME support systems usually do offer multiple types of services. With the increasing recognition of complexity as a factor in itself that demands complex (or holistic) solutions, the combination of diverse services certainly make sense. The question here is whether the combined approach was realistic for a project (of the given size) to take on and whether it would have been comprehensive enough (by combining three specific services) to be distinctly superior in addressing the needs of the SME.

perception of the evaluator regarding a realistic underlying goal the project could have tried to achieve.

The fundamental purpose of the project was to make available a tested ILO product (WISE) to Arab states in a bid to further the agenda of the ILO in the field of sustainable enterprises. In order to be able to do this, it was important to develop some capacities to implement WISE in Arabic language, and to demonstrate the effectiveness of WISE in the context of the Arab states. Jordan and Lebanon provided suitable testing grounds for this purpose without imposing high cost of travel. (If combining WISE with other tools served the aim of making WISE available, that would not contradict the purpose.)

The derived project objective therefore would read

***effectiveness of WISE demonstrated for small enterprises  
(in Jordan and Lebanon).***

In order to demonstrate the effectiveness of WISE for small enterprises, the project had to provide evidence that productivity of enterprises benefiting from WISE would increase as a result of the WISE activities.<sup>31</sup> It is actually for this very reason that the project design included the assessment of the situation in the enterprises prior to the introduction of any measures, and that its activities included an assessment of the situation in the enterprises at the end of the project. These assessments were not limited to WISE, but also covered business management aspects going beyond WISE.

From the technical point of view, however, effectiveness can not be measured by comparing "before" and "after" the project intervention. This is because there usually are developments (including changes in productivity) which exist even in the absence of the project. The measurement of effectiveness therefore always is based on a comparison of the situations "without project" and "with project" (the increment or incremental effect).<sup>32</sup> For example, if there

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The (perception-wise "workers-related") skills development component was dropped in the process because it was, ultimately, deemed as too challenging. Beneficiary enterprises, nevertheless, participated in a "Work and Business Process" training workshop in June 2015 which allowed them to identify key processes in different occupations and perform a skill analysis for these processes.

The business management component was maintained throughout the project. It is easier to implement jointly with work improvement and less demanding to implement. The two components also overlap from a technical point of view (because business management includes human resource management, process management, and shop floor management).

Note also that if the original or key goal of the project really was to demonstrate the effectiveness of the combined approach (WISE plus business management plus skills), there would have been a need to compare the effects of the combined approach on productivity with the effects of uncombined approaches (e.g. only business management), a measurement task which is even more demanding.

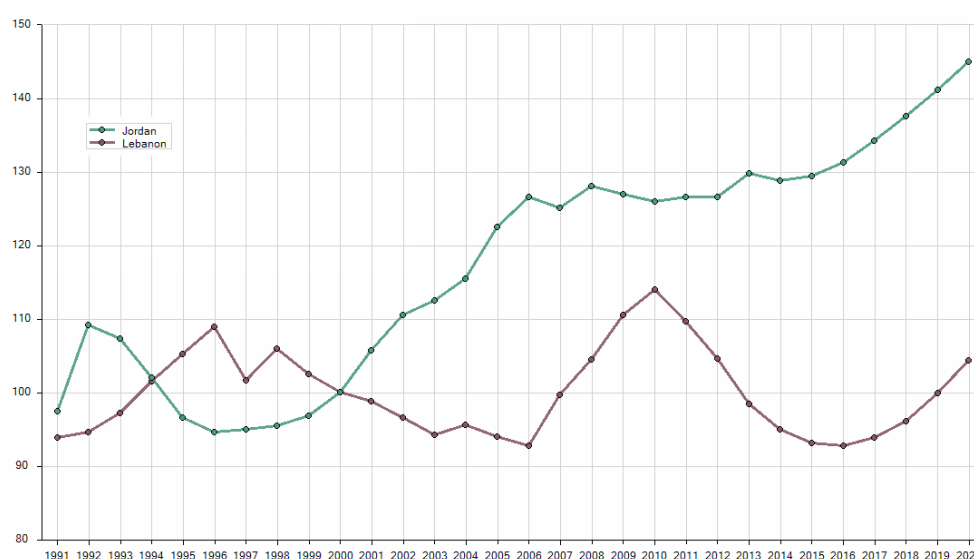
<sup>31</sup> Another way of measuring the effectiveness would be to measure whether the enterprises have responded to the method or the approach of WISE and accepted proposed changes. Given the strong prominence of "productivity" as an objective in the documentation, and the deliberate attempt to use specific performance indicators as proxies for productivity in the baseline studies, we conclude that the project's intent was to demonstrate effectiveness by showing that productivity was enhanced. Note that Vandenberg 2004 also emphasizes the effect job quality can have on (increasing) productivity.

<sup>32</sup> This is an established standard operating procedure for decades. The DCED (which discusses the standards for assessing enterprise development projects) has continuously reminded stakeholders



is a trend of decreasing productivity and the project contributes to mitigating this trend (by increasing productivity and slowing down the trend), the measurement of productivity before and after the project may still reveal a decline in productivity. Likewise, if there is a trend that productivity is increasing, the project would need to demonstrate that its intervention has increased productivity by a higher amount than it would have increased in the absence of the project.

While reporting aggregate trends, and not the situation of the specific enterprises that participated in the project, the graph below shows that productivity trends cannot be ignored when measuring the effectiveness of a project claiming to have a positive effect on productivity, including in Jordan and Lebanon. Supposing that the trend estimated reflected the situation in the enterprises concerned, enterprises in Lebanon would have seen a decline in productivity during the 2014-2015 biennium and an increase during the 2016-2017 biennium whereas enterprises in Jordan would have recorded a continuous increase over the two biennia. Therefore, for a project dealing with specific enterprises, a baseline assessment also needs to record the prevailing productivity trend in the enterprises concerned and estimate the evolution of this trend in the absence of the project. Only in this way can net gains in productivity that are attributable to the project be measured.



G.02 Output per worker (GDP constant 2011 international PPP \$, 2000=100).

Source: ILO KILM, Table 16a.

Besides ensuring that only the increment is being measured, the following may affect the way the increment is being assessed.

- Given multilateral support, including ILO's, to any economic activity is by definition public sector support, the category for measuring net benefit generated by the project is economic (i.e. an aggregated net measure of the individual increases in productivity of the businesses supported, subjected to the economic discount rate where measured in monetary terms). Measuring the net benefit requires the comparison with a control group (that will be measured while not

about the need to keep this in mind. For a recent reminder, cf. DCED 2016: 12, fig.9.

benefiting from the project) or at least a reasonable prior estimate of the expected productivity growth of the beneficiary enterprises in the absence of project support. This requires rather substantial measuring efforts and may be too costly. It also requires using economic prices (shadow prices).

- When the project does not benefit a large number of comparable enterprises, the likelihood that generalizations about productivity improvements including their measurement (e.g. using aggregate proxies) can be applied to all enterprises is low. Statistical measurement (the theory of which is based on large populations) "reaches its limits". How to measure productivity improvements then is bound to significantly vary between beneficiaries because the enterprises will need to define measures in line with their measurement capabilities (resources) and specific productivity improvement or management strategies (e.g. when improvements are phased in steps).<sup>33</sup> Where the selected measures are monetary, financial prices (as paid by the business, e.g. including taxes) are applied.
- When projects work toward a short time frame, not all effects on productivity improvement may come to fruition before the project ends. While quick wins may be measured during the implementation period (if the necessary changes are implemented quickly enough) the more substantial and longer-lasting effects may only be measured following the end of the project, i.e. they would require post-project measurement and calculation. Future benefits, following standard doctrine, would be discounted by an appropriate factor, representing the time preference for early benefits.

Beyond the question of establishing the basic productivity trend of the enterprises benefiting from the project and using the appropriate valuation procedures, measuring the productivity increases as such may constitute a practical challenge because enterprises differ substantially regarding their capacities to collect the required information or data and their strategies for increasing productivity.

The table below displays different productivity measures that are frequently being used. Productivity measurement does not come with a universally agreed unique metric, and metrics may evolve over time following changes in economic development. Different perspectives or purposes determine the differences in metrics selected. Whereas economics needs to work with aggregates and draws on statistics (production, factors, etc.) including use of proxy indicators to estimate national or industry level productivities, individual businesses need to define for themselves what are useful and practical measures in order to monitor and improve their productivity.<sup>34</sup> All of this occurs against a background of what feasibly can be measured with

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<sup>33</sup> The question raised in the terms of reference to what extent the indicators used were accurate in assessing the effectiveness of the project (preventive maintenance plan; food safety/ good manufacturing practices; human resources; marketing) is not useful because the situations for each enterprise is bound to vary. What is important is that enterprises are able to benefit from the WISE package as such in order to increase their productivity. Whether they currently select to do it by improving maintenance or manufacturing practice, for example, is of no concern.

<sup>34</sup> Though it appears to be straightforward, it is fairly easy to fall into practical traps when measuring productivity in enterprises. For a selection of examples, if not an antidote to simplistic productivity measurement in business, see Chew 1988.

This is not to say that productivity measurement is simple at the aggregate level. It also requires careful deliberation and analysis, e.g. how to integrate unaccounted work at or from home when calculating hours of labor input, whether labor inputs need to be weighted according to skills in order to better reflect their impact on productivity.

reasonable cost.

Productivity measures: Which do we want to use to demonstrate the effectiveness of a WISE project?	
<b>economic or industry perspective</b>	
1	partial factor productivity (a single factor, e.g. labor, capital)
2	multi factor productivity (more than one factor, e.g. materials and energy)
3	total factor productivity (all factors combined)
<b>business perspective</b>	
1	labor productivity (value added ÷ number of employees, measured in persons or hours or wages)
2	direct labor (for a specific output, often only blue collar, measured in hours or cost)
...	total quantity produced ÷ hours of work to produce total quantity (ideally relating to non-defective quantity)
...	units of output per hour (e.g. for a factory, a production line, a machine, or a laborer)
...	orders completed per hour (e.g. in services, distribution, maintenance)
...	packages or weight per hour (e.g. where physical quantities are significant or easy to measure)
...	moves per hour (e.g. where logistics are an important element in the productivity of a site)
...	...

T.03 Selected productivity measures.

Source: Own compilation.

WISE trainings usually introduce participants to the meaning and calculation of two important measures of productivity: labor productivity and capital productivity. When considering the more holistic concept of productivity improvement which underlies most modern Asian and also European concepts of management (and that essentially corresponds to the visions of the ILO for enterprise development<sup>35</sup>), single factor measurement such as labor productivity, even though it has historically proven to be important in the long run in the competitiveness of economies, is a limited concept at the enterprise level. This is not to say that labor productivity does not play a role. However, it is only one element in a more comprehensive set of factors that are considered important to increase the productivity in a specific SME.

The Asian Productivity Organization (APO), for example, proposes that SME themselves work on four "productivity levers" in order to enhance their productivity: enhancing sales revenues, improving output per unit cost of production, optimizing labor utilization, and optimizing capital utilization. In order to measure progress on these levers, several organizational and operational metrics that are more easily collected are being proposed.<sup>36</sup>

<sup>35</sup> Cf. Vandenberg 2004: 13-15.

<sup>36</sup> Cf. APO 2015.

Productivity Lever #3: Optimize Labor Utilization				
Organizational	S/N	Key Performance Indicators	What it measures	Formula
	1.	Labor Productivity	Efficiency and effectiveness of employees in generating VA	$VA \div \text{Number of Employees}$
	2.	Labor Cost per Employee	Average remuneration per employee	$\text{Labor Cost} \div \text{Number of employees}$
	3.	Labor Cost Competitiveness	Efficiency and effectiveness of company in terms of its labor cost	$VA \div \text{Labor Cost}$
Operational	S/N	Performance Indicators	What it measures	Formula
	1.	Employee Turnover Rate	Overall employee satisfaction level, retention rate and effectiveness of recruitment process	$\text{Number of employees resigned} \div \text{Total number of employees}$
	2.	Employee Satisfaction Index	Employee morale and engagement level	Calculated from a series of weighted employee measures or indicators
	3.	Employee Participation Rate in Team Activities (%)	Involvement in quality and productivity activities	$\text{Number of employees involved in team activities} \div \text{Total number of employees}$
	4.	Employee Participation Rate in Suggestion Scheme (%)	Involvement in quality and productivity activities	$\text{Number of employee who submitted suggestions} \div \text{Total number of employees}$
	5.	Cost Savings from Employee Involvement Activities (\$)	Cost savings from projects implemented	Total amount of estimated cost saving from projects
	6.	Training Hours per Employee	Learning and development emphases to enhance employee competencies	$\text{Training hours per year} \div \text{Number of employees}$
	7.	Training Expenditure/Sales Turnover (%)	Level of investment in employees	$\text{Training expenditure} \div \text{Sales turnover}$
	8.	Absenteeism Rate	Engagement and morale of employees	$\text{Number of absentees} \div \text{Total number of employees}$

T.04 Productivity Lever "Optimizing Labor Utilization" and its measures.  
Source: APO 2015: 16.

This diversity of productivity (lever) measurements could serve as a repository of indicators<sup>37</sup> for any project that aims at increasing labor productivity in small businesses. In other words, while measurement of productivity increases is challenging as such, there are numerous indicators that reflect changes in

<sup>37</sup> These indicators are not necessarily proxies for productivity in the statistical sense.

productivity which are not so difficult to measure. The difficulty of measuring productivity related changes across a group of enterprises with different priorities and strategies will, nevertheless, remain because it is not meaningful to measure what an enterprise does not want to implement, or currently is not sufficiently able, to manage.

The technical issues having been stated, there are a number of context factors that impede accurate measurement of productivity in enterprises of the Arab region:

- Unwillingness on behalf of the enterprises to open their books to third parties, mainly resulting from fears that information obtained could reach the tax or other authorities (e.g. labor, immigration, customs, market supervision, public health), which could result in potential disputes including because of unrecorded transactions by these enterprises.
- Unwillingness to share productivity or competitiveness related information with outsiders, for fear of losing commercial secrets to competitors.
- Lack of awareness of the usefulness of measurement of input/ output relations (notably where education levels are low or the business is traditional)

These business practices are not new. Knowledge about them was available before the beginning of the project. Even if knowledge of the particularities of productivity measurement had not been available, the business practices mentioned already would have required a cautious prior review of what is a feasible approach to project metrics in the enterprises concerned.

Should these business practices not have been on the radar of the ILO for any reason, the risk of ILO not being able to measure results certainly emerged following the implementation of the baseline research which reported on the difficulties in obtaining important data. As a result of these studies, a discussion could have been held as to the alternative measurement options and a decision taken on how to deal with the monitoring and evaluation (of the outcome) in the light of the circumstances. This seems to not have occurred. Activity-based RBSA formats, however, also have not guided the project to outcome measurement.

When comparing the technical requirements for providing conclusive evidence that productivity impact has actually occurred as a result of the project intervention (and thereby demonstrate the effectiveness of WISE in the Jordanian and Lebanese contexts), the project is not in a position to come up with sufficient evidence of effectiveness in reaching the derived project objective. As a result, we do not know whether the project has been effective, i.e. whether it has achieved its derived project objective. There has not been a second assessment of the situation in the treatment (and non-treatment) enterprises along exactly the same criteria as recorded during the baseline assessment. The effects measured are not sufficiently quantified (i.e. difficult to compare). Benchmarks for comparison have not been established (i.e. we do not exactly know what would qualify for an "enhanced productivity" or what comparable programs are achieving). And the perspective to be taken has not been discussed, with the perspective of the businesses prevailing (economic perspective discarded).

It needs to be emphasized, however, that the project has made a truly commendable effort to measure its success and thereby is providing a good example for other projects. Before beginning with training and coaching, the

project implemented baseline assessments in order to analyze the situation of selected SME in both countries. The project equipped its consultants with standardized questionnaires that were used as the basis for face-to-face interviews during site visits in a bid to generate comparable information about the enterprises situation before the project intervention. The right questions were asked, and the consultants deployed were fully familiar with required productivity metrics, including some of those proposed by the APO. The project furthermore collected information from the enterprises toward the end of the project in order to document the changes the project has stimulated.<sup>38</sup>

The results of these assessments have been summarized and published as an interesting snapshot of the enterprises selected in Jordan (15 agro-food, 14 printing and packaging) and Lebanon (16 agro-food, 8 printing and packaging).<sup>39</sup> These published assessments are not baselines to the extent that they summarize the results across the enterprises selected. They may be useful for third parties who wish to gain an overview of the beneficiary enterprises. For a project that aims to demonstrate improvements in productivity for selected enterprises, the "average" baseline is not relevant.

Clearly, in both Jordan and Lebanon, the baselines conducted yielded that productivity is not measured across enterprises. For Jordan, it was concluded that since the majority of the companies do not plan production, their ability to calculate productivity and set productivity targets is limited. In Lebanon, the situation was similar and the report coined the phrase "productivity -- an alien concept" to describe it. Some of the "inabilities", nevertheless, are quite likely to be rooted in an unwillingness to share some of the information with ILO consultants. The short excerpt below of an enterprise profile sheet illustrates the uphill battle some of the productivity related baseline research faced.

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<sup>38</sup> Cf. table 07 below.

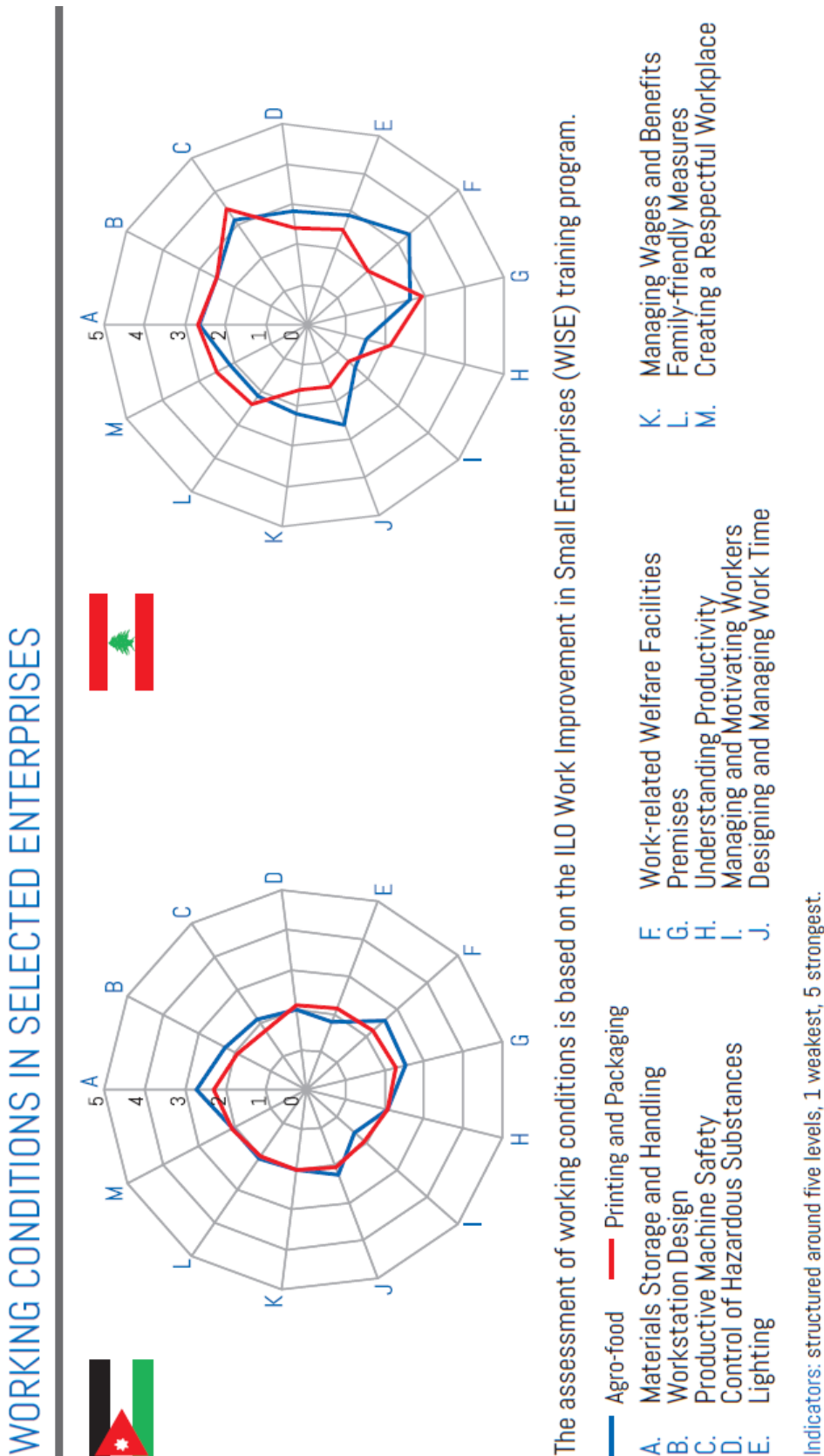
<sup>39</sup> Whether the assessments provide a sufficiently accurate view of the situation of enterprises in the agro-food and printing and packaging sectors in Jordan and Lebanon, as their publication may imply and their titles may suggest, is unclear because they are based on a sample of convenience. What they do contain is a good summary overview of the enterprises the project engaged with.

Key performance indicators (2014)	Score/Answer	Non conformities and comments
<b>1. Quantitative indicators</b>		
<b>1.1. Output</b>		
1.1.1. Total annual turnover (sales) (% of annual increase or decrease)	n/a	The company is not interested in giving numbers
1.1.2. Turnover local %, Exports %	n/a	Company exports to [REDACTED]
1.1.3. Annual increase in number of customers %	n/a	Not monitored by the co.
1.1.4. Annual increase in volume of orders %	n/a	New product variety resulted in the increase in sales mainly [REDACTED]
1.1.5. Defects rate (number of defective products/total production)	n/a	Not calculated, company requires support in this.
1.1.6. Wastage rate (number of wasted products/total production)	n/a	Not calculated, company requires support in this.
1.1.7. On-time Delivery to Commitment: number of failed deliveries	n/a	Failed deliveries exist only in high season.
<b>1.2. Labour utilisation</b>		
1.2.1. Total labour cost (direct labour)	n/a	
1.2.2. Employee turnover rate: number of employees resigning or leaving/total number of employees (by gender if possible)	n/a	High in unspecialized workers
1.2.3. Absenteeism rate: number of absentees/total number of employees (by gender if possible)	50% (mostly male)	
1.2.4. Number of trainings or number of training days	0	In house training

T.05 Example of enterprise profile sheet (excerpt).

Source: Project documentation.

It is the baseline of each enterprise which is relevant for improving its productivity. Based on the standardized interviews, the ILO consultants were able to proceed on an enterprise-specific basis using the collected information. Detailed enterprise profile sheets are available for each enterprise surveyed. The detail of information collected is also easily visible from the summary of the baseline assessment results in the area of "WISE" in the chart below. Even if a significant number of enterprises did not submit complete information and remained vague or silent on key figures, large sections of the questionnaire were completed. Many answers given were sketchy, but in their entirety provided an overall picture of the current status of the enterprises. They were sufficient to establish an overview of strengths and weaknesses as well as training needs (by WISE criteria and, for example, with regard to food safety).



G.06 Summary of baseline assessment results in the area of "WISE".  
Source: ILO project brochure.



The following table presents effects of the project as recorded in the final report of the project for specific enterprises that have benefited from the complete service, i.e. training and counseling services. Information is available for a total of seven enterprises, only one third of the enterprises enterprises reached.

Enterprise	Effects of the project
Food 01	<ul style="list-style-type: none"> <li>- increased compliance with food safety standards</li> <li>- <b>reduced work incidents</b></li> <li>- improved supervision through better auditing and inspection</li> <li>- increased access to markets through improved packaging</li> </ul>
Food 02	<ul style="list-style-type: none"> <li>- recruitment of 6 additional staff in different positions accompanied by updated organization chart</li> <li>- improved recruitment process: improved job descriptions and interview processes</li> <li>- enhanced performance appraisal and incentives processes leading to <b>more motivated employees</b></li> <li>- improved supervisory skills and performance of various supervisors.</li> </ul>
Food 03	<ul style="list-style-type: none"> <li>- increased efficiency in implementation of preventive maintenance plan: decreased machine downtime and errors.</li> <li>- Recruitment of one new employee and promotion of another; accompanied by updated organization chart</li> <li>- enhanced employee management through updated human resource forms and processes, specifically performance and appraisal forms</li> </ul>
Food 04	<ul style="list-style-type: none"> <li>- <b>enhanced compliance with safety standards</b> – increased awareness of preventive maintenance</li> <li>- increased efficiency in implementation of human resource management processes namely recruitment and training processes.</li> <li>- improved packaging as result of better market research and client segmentation</li> </ul>
Food 05	<ul style="list-style-type: none"> <li>- improved employee performance through enhanced recruitment processes</li> <li>- <b>reduced employee turnover</b> through better on-job training programs</li> <li>- <b>reduced work accidents</b> and errors through increased compliance with food safety standards</li> <li>- implementation of <b>cleaning and sanitation</b> plan</li> </ul>
Packaging 01	<ul style="list-style-type: none"> <li>- new organization chart and recruitment process</li> <li>- lower storage costs as result of optimizing stock management system</li> <li>- more sales leads due to improved segmenting and profiling of clients</li> <li>- enhanced client servicing through improved follow-up and sales reporting</li> </ul>
Printing 01	<ul style="list-style-type: none"> <li>- small improvement in client follow-up through sales reporting</li> </ul>

T.07 Overview of coaching effects on selected enterprises, as recorded by project.  
Source: Project final report, table 6.

The effects recorded do show that changes have occurred. No attempt was made on estimating the increase on productivity. The amounts or degrees of change remain somewhat obscure. Is increased compliance with food safety standards "full compliance", or how much remains to be done? How has increased motivation from employees by enhanced performance appraisal and incentives processes been measured? Can we not specify the decreased downtime of the machines (1%, 10%,

90%)? By how much have work place accidents been reduced? While the project is able to document that the enterprises have benefited from the services delivered and while this has generally been corroborated by the evaluation, it is unable to document or determine whether these changes have been significant and whether the project has been more significant than other approaches, and which amount of the recorded changes are attributable to the project intervention.

When it comes to the question to what extent work improvement in small enterprises was achieved, four out of the seven enterprises for which effects were assessed by the project appear to have directly reported work improvement (highlighted in blue color in the table above). This is encouraging. Possibly, if only WISE had been offered as an input (i.e. not in combination with marketing or other business management topics), the share of such enterprises would have been higher.

Other observations relating to effectiveness:

- The total number of enterprises reached by the project is significantly lower than the number planned for (24 out of 60). While this is unimportant in relation to the derived project objective because the demonstration of effectiveness of WISE in the context of the two countries does not depend on the exact number of enterprises reached, but on the evidence that WISE positively influenced the productivity of the enterprises, it indicates that implementation was not as effective as planned.
- Enterprises in Jordan ultimately were not reached (0 out of 30). This is ineffective because it was important for the project to demonstrate the effectiveness of WISE in the context of both countries, not only in Lebanon.
- Use of outputs is a precondition for achieving outcome. Based on the derived project objective, use of training and advice provided by the project in the enterprises (as partners of the project) would be the appropriate level of measurement. If the project objective is understood as to equip the employers' and workers' organizations (as partners of the project) with the capacity to deliver WISE (as it may appear from the project title for the first biennium), the use-of-output stage has yet not been attained.
- Consultants deployed by the WISE displayed their competencies in delivering WISE in discussions held. They have been effective in delivering their services. Enterprises visited during the field research for this evaluation have made use of the different recommendations provided by WISE consultants and the training received and were able to explain the improvements made.<sup>40</sup>

It is unclear, however, to which extent the different changes in the enterprises unambiguously demonstrate a project additionality. It appears that WISE met needs of businesses that were already quite sensitive to the relationships between workplaces, productivity, and competitiveness. For example, one enterprise visited already had developed the ability to

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<sup>40</sup> For the extent to which work improvements have been achieved in small enterprises cf. the section on impact below.

comply with highest international standards in its sector and ran several processes of further improving its technical and managerial capabilities. Arguably, the WISE project provided a windfall benefit to this enterprise (i.e. a free-of-charge service contributing to further enhancing performance when the enterprise most likely would have contracted and paid for such a service anyway). Another enterprise visited could not exactly remember whether specific changes introduced were attributable to the WISE project or another (contracted) consultant working with the same enterprise.<sup>41</sup>

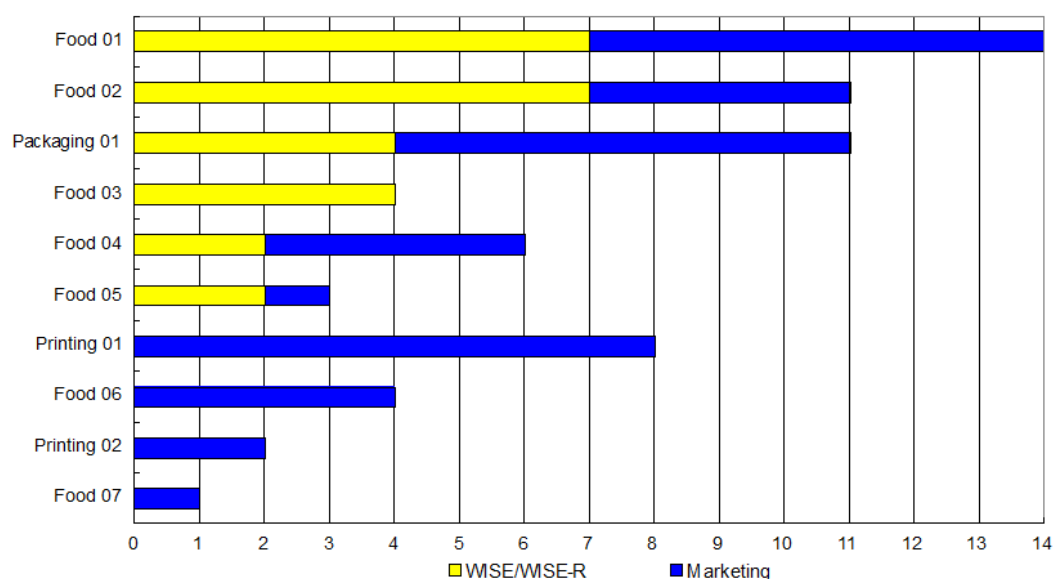
- Generally, it should be noted that there were no alternative strategies that would have been more effective in achieving the derived project objective. The approach for achieving the derived project objective is fine. The lack of clarity regarding the achievement of the derived project objective results from difficulties in measurement and some mishaps in managing the project.<sup>42</sup>
- No unintended outcomes (that could have reduced or enhanced effectiveness or had neutral effects) have been identified. However, effectiveness in achieving the derived project objective may have been impaired by introducing WISE in combination with marketing. This has led to a situation where ILO, arguably, has diverted too much attention to existing business services (marketing) for the sake of creating a "perfectly combined" service while failing to properly ground the ILO-specific service (WISE) in the two countries.

The chart below displays the distribution of WISE (40%) and marketing (60%) coaching sessions implemented in the project. While there is no doubt that the distribution reflects demand for these services by the beneficiary enterprises and while "sales" figure among productivity levers at enterprise level, it is nevertheless difficult to see why ILO would implement marketing assignments with the beneficiary enterprises. Marketing services are generally available in the business development service markets of both countries, as paid services, and are usually tangible enough for enterprises to be able to grasp their value. From this perspective, it would have been more effective to recommend to beneficiary enterprises to make use of these existing services following the initial assessment and to more actively promote the WISE-related counseling.

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<sup>41</sup> To illustrate the point, the following is taken directly from one of the enterprise profiles: "The company has subcontracted [XYZ] to provide food safety consultancy certified for ISO 22000 and thus they are all compliant with most food safety and GMP standards. (They have minor non-conformity with regard to storage areas.)." Are the changes undertaken by the company attributable to ILO or to "XYZ", or to both organizations at the same time, and to according to which shares?

<sup>42</sup> Cf. section 6.5 below.



G.08 Distribution of project coaching sessions for Lebanese businesses.  
Source: Project statistics [N=64].

Other observations not relating to effectiveness but included in the terms of reference under this heading:

- There have been no constraining factors relating to effectiveness other than three self-inflicted constraints: (1) omission of the fact that productivity improvements are not easily measured; (2) omission of the fact that enterprises are not keen to share financially relevant and potentially competitive information with third parties; and (3) a weak management of expectations with regard to the employers' organization in Jordan.<sup>43</sup> The first two (only) relate to measurement of effectiveness, whereas the third reduced effectiveness. None of these were sufficiently addressed during the course of implementation.
- Outputs and outcomes have not yet contributed to ILO's mainstreamed strategies (including gender equality, social dialogue, poverty reduction and labour standards) because the project was focused on introducing an existing ILO product (WISE) which is in line with ILO's mainstreamed strategies by trial experiment. There is potential for WISE to contribute, notably to social dialogue and labor standards at the enterprise level, once the approach is ready for roll-out in Arab states.
- Indicators for assessing the project's progress were not required because the project was implemented on the basis of activity-based workplans. Activities can be checked as implemented and need no additional indicators.  
It is the measurement of the outcome which poses an indicator issue. The question is how the project can measure the increase in productivity as a result of the improvements triggered by WISE. Instead of measuring improvements based on recommendations, as the project has done, which is closer to measuring input or output, it may be more pragmatic to research beneficiary enterprises about their perceptions regarding the

<sup>43</sup> Cf. section 6.5 below.

impact of WISE on their productivity. Enterprises could report what was the effect of the improvements they attribute to WISE. This could be "translated" into or "sorted" according to relevant productivity (lever) criteria (best by the enterprises themselves). Measuring the net productivity increases (as required by evaluation standards) will always prove to be a costly exercise, and fraught with uncertainties regarding access to reliable information or data.

- Are indicators sensitive to gender? No, they also need not be sensitive to gender for this type of a trial project. They need to be sensitive to the capabilities and willingness of the beneficiary enterprises regarding the measurement of productivity, as well as to the enterprises' criteria for improving productivity. As WISE is rolled out at a later stage, monitoring indicators should be tested for gender sensitivities and WISE programs should also report gender-relevant indicators.
- Are the means of verification for the indicators appropriate? The means of verification for the indicators have not been spelled out because the project was conceived on the basis of an activity-based workplan, and not on the basis of a logframe.

## 6.4 Sustainability

Sustainability essentially is concerned with establishing patterns that are able to ensure a lasting success of a given measure or the continuous presence or activity of institutions or organizations created to address specific issues on a continuous basis. It asks whether the outcome of a project will subsist beyond the project implementation period. The general challenge for projects is to build institutions and mechanisms by which project benefits can be sustained following the withdrawal of support by the ILO.

For this project, sustainability could consist of mechanisms or institutions established to continuously promote and implement the approaches that have been developed. It could, at a lower level of expectations, also refer to the successful adoption and implementation of the project's recommendations in the beneficiary enterprises (which presumably would be sustainable given that the enterprises supported are able to survive without subsidies).

In the absence of proven effectiveness, however, there is usually no reason for assuming there should be any sustainability. A valid demonstration of the effectiveness of either the "combined approach" or "WISE" (uncombined) has not yet been achieved. Therefore, it is too early to discuss sustainability when the project's objective is concerned.

As a consequence, so far, no measures have been considered to ensure that the key components of the project are sustainable beyond the life of the project. The ball for promoting either the "combined approach" or WISE therefore continues to be with ILO. A concept for rolling out either, at country level or in the region, is not in place.

The evaluation has found that the services developed by the project definitely have a potential for sustainability. When beneficiary enterprises were asked what would be a fair price to charge for the project's services if the ILO ran out of funds, the following responses were obtained:

- "USD 150-200 per day of training"
- "USD 500-780 per day of consulting"
- "chambers and government offer seminars free of charge"
- "USD 2,000 for a marketing package would be OK"
- "USD 100 per day of training"
- "USD 400 for a coaching exercise"

In other words, designing a strategy for sustainability of the products to be placed will not be an elusive exercise and therefore should be tackled as early as possible.

There are certain hypotheses relating to sustainability that can be developed on the basis of the experience of the project during the two biennia:

- Dropping the skills component from the project seems to indicate that the combined approach is not only difficult to implement, but probably also not sustainable.
- The gravitation toward marketing services experienced in the counseling activities seems to indicate that combining WISE with services already established in the market (not only marketing, but also business management and quality management) may carry a risk of draining resources from WISE to the better known services and thereby endanger WISE's own sustainability.
- The interest of enterprises already in the process of moving toward higher levels of quality management (ISO etc.) and respective certification in working with WISE indicates that WISE is an attractive product once awareness for the importance of increasing productivity exists. Further raising awareness may therefore be a precondition for or at least an important contributor to achieving sustainability.
- The weakness of constituents' organizations in both countries point to the need for developing a concept for institutional attachment of WISE. Possibly, an attachment outside the inner circle of ILO constituents (labor administrations, employers' and workers' organizations) could enhance sustainability.
- A system of accreditation and certification for WISE trainers and coaches may be important to ensure sustainability because trainers and coaches have little incentive to develop their own business strategies around WISE if their own qualification to deliver WISE cannot be made visible (e.g. by an appropriate certificate<sup>44</sup>) to potential clients as a unique selling proposition.

Other observations relating to sustainability, as emerging from the terms of reference:

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<sup>44</sup> The trainers trained currently only have been issued certificates of attendance, and it remains unclear which of the trainers who attended have developed sufficient training skills to deliver.

- Would a continuation of the project to consolidate achievements be justifiable? In what way should the next phase differ from the current one? Technically speaking, a continuation of the project to consolidate achievements is justifiable because the project addresses a key need of enterprise development in the region which will require substantial efforts to achieve fruition. Workplace improvements can contribute to reducing the aversion youth have to seek employment in small business, are likely to be able to increase productivity in a large number of enterprises, and may ultimately increase the understanding of employers and workers for the mutual advantage tripartite processes and bipartite relations have at the enterprise level. We are only at the beginning of a long-term process of changing the productivity of enterprises in the Arab states. Any future phase would need to pay better attention to the relationships with constituents and other stakeholders in order to generate interest and commitment beyond the individual enterprises concerned, and for the long term. It would also need to dedicate time to awareness raising and branding of WISE, and on building a network of advocates, trainers and consultants who may coordinate their efforts. Collaboration with other agencies involved in the enhancement of productivity (including by governments and donors) should be identified in order to generate more opportunities for spreading WISE.
- How will activities and/or management structures be financed when the project ends? No concept has been presented. Management structures have not yet been created. Thus, there is no risk that established structures will run out of financing.
- Did the project put in place measures to ensure the continuity of SME development efforts after the end of the project? It can be assumed that SME development efforts will continue after the end of the project. These efforts do not depend on the continuation of the "combined approach" or WISE as an ILO product because SME development is a broad field of interventions that draws on multiple tools and approaches.
- To what extent have the interventions advanced strategic gender-related needs? It is unclear how strategic gender-related needs could have been advanced by the interventions that have occurred within the scope of this project. WISE is a tool that is neutral vis-à-vis gender. Where working conditions are improved, no differentiation is made on the basis of the sex of the concerned, and equal opportunities as well as equal pay for equal work are principles enshrined in the method. WISE-R also specifically advocates gender-sensitive human resources practices. Where the environment is not neutral with regard to gender, however, a neutral procedure may have the effect of reinforcing existing biases. Given that there are significant restrictions imposed on women and men in the region by socially defined roles, it would be interesting to explore to which extent or in which way WISE can place people in greater control of themselves and whether there are any opportunities for correcting imbalances resulting from such social restrictions or attitudes by using WISE as a tool, once the tool has been grounded in the region. Currently, it would be too early to pursue strategic gender needs.<sup>45</sup>

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<sup>45</sup> The appraisal form for the project proposal of the biennium 2016-2017 recorded awareness of this fact by attesting the 2A marker selected for the gender and non-discrimination CCPD for JOR101 and

- What was the role of the project in resource mobilisation? The role of the project in resource mobilization has not been the focus of the evaluation. The general impression is that resources need to be mobilized for the project.
- How can employers and workers be meaningfully brought on board for interventions in Lebanon? Institutional weaknesses in Lebanon are paramount. Bringing on board employers' and workers' organizations in Lebanon is no less a challenge than bringing on board other organizations. Essentially, to a much larger extent than in other countries, it is important to pay attention to identifying individuals in the organizations concerned that have an interest in championing the approaches developed with ILO support, including for WISE. If a market-based solution can be found for any services, the risk of dependency on individuals (who ultimately usually move on to other organizations, especially if they are competent) can be reduced and sustainability increased.
- To what extent are national partners able and willing to continue with the project? How effectively has the project built national ownership? In what ways are results anchored in national institutions and to what extent can the local partners maintain them financially at end of project? At this stage, it is unlikely that any national partners are willing to continue with the project on their own. The WISE approach is not sufficiently rooted as yet. National ownership has not been mobilized, and the results are not yet anchored in national institutions. It is highly unlikely that local partners will not maintain them financially at end of project.

## 6.4 Efficiency of resource use

Efficiency, as opposed to effectiveness, is concerned with input-output or input-outcome ratios. It is a criterion which seeks to assess to which extent resources have been put to good use, i.e. achieving a maximum value for money. For example, if a value of USD 750,000 were invested to improve the productivity of 60 enterprises, the efficiency is higher (project input of USD 12,500 per enterprise) than when the same amount is invested to improve the productivity of 24 enterprises (project input of USD 31,250 per enterprise). If the attributable increment in productivity increased by an amount of USD 20,000 per enterprise (project outcome), the project would have generated a net benefit in the first case and a net loss in the second case.<sup>46</sup> Or so, it seems. Strategies to improve efficiency are therefore often focusing on increasing outputs or decreasing inputs in one way or another.

The project has decreased inputs from the start and has therefore been implemented in a rather lean format, i.e. kept cost/ input levels low from the start. It was managed by a highly motivated and capable junior coordinator (who had not received a proper induction training but was left to acquaint

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LBN102, and suggesting a lower marker for the strategy and designed outputs in this area.

<sup>46</sup> Such calculations usually do not apply to projects that are piloting an approach. However, they are relevant for the implementation of any project where larger numbers of beneficiaries are to be reached.



himself with ILO procedures<sup>47</sup>). The backstopping function was assumed by the enterprise development specialist (who, in the case of ROAS, is usually to be found on a heavy travel schedule and therefore does not have extensive office presence). Well qualified individual consultants from Jordan and Lebanon were asked to implement the technical tasks (baselines, training, coaching), did not pose any risk to increasing overhead costs. Administrative support was provided by ILO ROAS administrative staff. Performance was therefore quite efficient.

Leanness often characterizes ILO's implementation in the field. We seem to overlook, at times, that, depending on the situation, leanness can also reduce effectiveness and thereby have an effect on efficiency and even sustainability. This applies particularly in cases where certain minimum thresholds need to be surpassed or critical masses achieved before efficiency can be reaped, e.g. when there are economies of scale or when a build-up phase is required before activities can run more smoothly.

- When new approaches are being spearheaded in a specific context, for example, it may be important to have ("less lean") senior advisers who are experienced with implementing the approach to jump-start the project and propel the activities forward during an initial phase. Senior advisers usually have more clout to generate support for and commitment to the project and are often awarded more attention by higher ranking members of partner organizations. It is also important to deploy senior advisers when backstopping capacities are limited.
- Strong investment in awareness raising right from the start, both with constituents, and also with the larger community of small businesses as well as in the sectors selected may have provided a more fertile ground for introducing WISE.
- An upfront effort to develop a concept for WISE trainer (and coach) accreditation and certification, to develop WISE as a standardized service as well as to create a trainer network would have promoted early sustainability.
- More or stronger resources for communication including travel could have possibly averted or mitigated misunderstandings with the Jordanian Chamber of Industry and thereby enhanced efficiency and effectiveness.

All of the points above would have had important effects for the success of the project. While there is no way of measuring the counterfactual, the likelihood that the project might find itself in a better situation if the implementation structure would not have been designed quite as lean. The project, arguably, was too efficient to become effective.

Other trade-offs could have been made. For example, in order to demonstrate the effectiveness of WISE in Jordan and Lebanon, a smaller sample of enterprises also could have selected. In the end, the effectiveness of an approach can be demonstrated even if only 5-10 enterprises are going through a trial experiment. Whether there are 10 or 60 positive examples

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<sup>47</sup> Presumably in violation of WISE recommendations. (We do not always seem to be able to implement what we are preaching to our beneficiaries.)

usually does not matter for demonstrating effectiveness of an approach. What matters is the quality and the validity of the example. Spending more to ensure visible, high quality cases that can possibly be showcased in the media may have been a more efficient way of spending funds than striving to go for 30 in each country.<sup>48</sup> If the target enterprises are considered to be final beneficiaries of a small business support programme, of course, the number of final beneficiaries and the aggregate incremental effect and the ratio with inputs will be an important if not the most important criterion for assessing efficiency. For a project that strives to demonstrate the effectiveness of an approach in a new context, the equation is a different one. We always spend more on developing the prototype than we spend on producing the stock car.

Another possible trade-off: Working in one country only as opposed to two. Instead of busying the project with dealing with multiple stakeholders, the country with the better institutional setup (Jordan) or the country with the better policy fit (Lebanon) could have been selected. Focusing on one institutional setup could have strengthened cooperation and ownership, reduced misunderstandings and led to a more intensive joint learning experience.

Otherwise, more realistic screening of the initial RBSA proposal should have normally led to an early identification of the weight the skills component would take if it were implemented.<sup>49</sup> From this perspective, the project has lost time and resources by experimenting with a combined approach that would have lead to overstretch (both of client resources and available funds).

Other efficiency-related points as per terms of reference:

- To what extent have project activities been cost-effective? The budgets for the activities implemented have not been reviewed during the course of this evaluation. There were no visible inefficiencies and there also was no mention whatsoever made of inefficiencies by interlocutors. ROAS administrative staff, without any apparent incentive, praised the impeccability of submissions of the project coordinator that never required follow-up or clarification, could be immediately processed.
- To what extent can the project results justify the time, financial and human resources invested in the project? The results do not fully justify the time, financial and human resources invested in the project. It is unlikely, however, that a better result could have been achieved with less time, and fewer financial and human resources. The potential trade-offs discussed above are made under the assumption that a similar resource envelope is made available.

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<sup>48</sup> This presumes that those enterprises identified will continue with the project in order to complete the full (training-coaching) sequence. This cannot be guaranteed because there always is attrition. Even if enterprises are strongly interested in participating, they may underestimate their own absorption capacities. In other words, one may need to start with 30 if one wishes to end up with 12 (40%).

<sup>49</sup> While a three-prong approach may be better than a single-minded one for developing the productivity of any business, it is still unlikely that an optimal mix can be assembled from three fields of action (WISE, business management, skills) alone. Precompetitive research, technology transfer, innovation, financing, clustering, etc. may be just as relevant. The scope of services for SME development is broad and usually cannot be sufficiently addressed by any project.

- To what extent has the project been able to build on other ILO or non-ILO initiatives either nationally or regionally, in particular with regard to the creation of synergies in cost sharing? The project has not been able to build on other ILO or non-ILO initiatives either nationally or regionally, in particular with regard to the creation of synergies in cost sharing, because the WISE approach is unique. It could have possibly created more synergies by cooperating in the areas that are not WISE-specific (business management and skills). This would have required an early detection of the resource constraint implied by the skills component and an early rethinking of the combined approach originally advocated. It would have furthermore made the implementation of the trial dependent on external stakeholders, introducing additional risks for achieving the outcome.<sup>50</sup>
- What were the intervention benefits and related costs of integrating gender equality? To our knowledge, there was no specific intervention regarding gender equality. Therefore, respective costs and benefits cannot be described. The enterprises selected for the baseline assessment employed only 13% females (both sectors) in Jordan and only 22% (printing & packaging) respectively 35% (agro-food) females in Lebanon. These shares are a reflection of the current employment practices in the two sectors concerned. As mentioned above, WISE is an ILO tool that is sufficiently gender-proofed and its usage may lead to gender-sensitive improvements independent of the sectors it is applied in. It is unlikely to affect the prevailing social preferences for employment in specific professions and production processes in the two countries. According to the records of the project, no gender-specific improvements were among the actions that have been recommended or undertaken in the beneficiary enterprises.

## 6.5 Effectiveness of management arrangements

The effectiveness of management arrangements of a project may impact upon its performance and therefore justifies a specific section of the report. This allows for a better attribution of causes in case the project design or strategy was "good" ("bad") while the management of the project was bad ("good").

From the catalog of the terms of reference:

- What was the division of work tasks within the project team and has the use of local skills been effective? The team was lead by a junior Coordinator who drew on Lebanese and Jordanian consultants to implement the project. The use of local skills was effective because qualified consultants were available in the local markets, including for food safety which had been selected as a specific technical issue to address

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<sup>50</sup> Had a longer time frame (> 2 years) been envisaged from the start, then the organization of synergies may have had higher attention because there would have been sufficient time to explore the options and organize the synergies.

- due to resurgent debates on food safety in Lebanon (relevant both for agro-food and to packaging firms because of potential contamination).
- How does the project governance structure facilitate good results and efficient delivery? And if not, why not? The project structure generally facilitated good delivery because it delegated technical responsibility for training and consulting to the most qualified individuals close to the client, the trainers/ consultants (principle of subsidiarity). Backstopping was delivered to the Coordinator on a regular basis.
  - How clear is the understanding of roles and responsibilities and division of labour between project staff? Very clear. Not only were roles and responsibilities as well as division clear, but they also were adhered to.
  - How effective was communication between the project team, the regional office and the responsible technical department at headquarters? The project team was embedded in the regional office. No contact was mentioned relating to the responsible technical department at headquarters. If there was communication with headquarters, it is unlikely that it was important for operational matters.
  - Has the project received adequate technical and administrative support/ response from the ILO backstopping units? ILO backstopping units were those in the regional office. Main support was provided by the enterprise development specialist, the desk the project was attached to. Other specialists contributed during the discussion of project proposals and provided occasional support as required. The employers' specialist had an important role in assisting bridging gaps between the project and the Jordanian Chamber of Industry, when communication between the project and the chamber floundered.<sup>51</sup>
  - How effectively does the project management monitor project performance and results? Does the project report on progress in a regular and systematic manner, both at regional level, to PROGRAM and the donors? The project left much of the activity monitoring to the consultants who were implementing the project. The evaluation mission in the end of April 2017 could not draw on any other progress report except an undated "ACI4 progress report" which was prepared, according to the content, before September 2015. The final report for the project was submitted on 19 May 2017. From this perspective, progress reporting did not occur. Only final reports were submitted. Sufficiently detailed event-based reports do exist, e.g. on training workshops implemented. Reporting to PROGRAM and donors was formally not required.
  - What M&E system has been put in place, and how effective has it been? An M&E system has not been put in place. Given that RBSA was administered on the basis of activity-based workplans and no logframes were required, an M&E system was not necessarily implied.

The existing management arrangements described appear to not have been able to sort out difficulties that emerged in the communication between the project and the employers' organization in Jordan during the implementation of the project. The management arrangement clearly had an impact on the

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<sup>51</sup> See also below.

effectiveness of the project because it impeded the completion of the project's activities in Jordan.

The reasons for the emerging difficulties in communication between the project and the employers' organization in Jordan were difficult to assess during the course of the evaluation given that only one single meeting could be made with each party concerned or involved, and there were no possibilities to refine the understanding or use group processes to arrive at a common interpretation of what had actually occurred.

In what follows, we will sketch our interpretation of the situation. While sketching some deficiencies, we are of the conviction that all ILO staff and consultants in the project were fully dedicated and delivered to the best of their abilities; ROAS staff made an incredible effort to facilitate access to RBSA in order to give WISE a boost; and there certainly was no wanton negligence that resulted in the perceived deficiencies. We hold the same conviction regarding dedication and delivery to best abilities vis-à-vis the Jordan Chamber of Industry (JCI). No party involved is presumed to have acted in bad faith.

Expectations were not properly managed by the project in that the strong high-level reference to "support on the institutional level, through training of trainers, to employers' organisations ... such as JCI..." of the original project proposal had apparently fallen somewhat into oblivion during the course of implementation. As a matter of fact, the original title of the project in 2014 as per ACI proposal form was "institutional capacity building of employers and workers organizations to deliver WISE and business management training combined with skills enhancement for workers in small enterprises in Lebanon and Jordan." This title is quite clear about who are the key partner organizations and the title must have generated substantial ownership and expectations (for capacity building) with JCI as the key constituent employers' organization in Jordan. Declared in-kind contributions (as recorded in the project proposal) will have reinforced the ownership.<sup>52</sup>

JCI has reported three key events that have led to souring of relations with the project. One is the perceived low quality of the assessment reports following the baseline study. The second is the fact that the (only) two trainers selected for Jordan following the training of trainers in Amman did not pertain to the network of the JCI, but to government organizations (Ministry of Industry and JEDCO). The third is the lack of communication between the two phases of the project.

Quality of assessment report:

During the discussion held with JCI, it became clear that the JCI either did not receive the assessment report or did not retrieve it from the email system because the discussion, following probing, actually revolved around the 2-

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<sup>52</sup> For the biennium 2016-2017, the official title changed to "enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices". It is likely, however, that the change in title would not have altered original expectations.

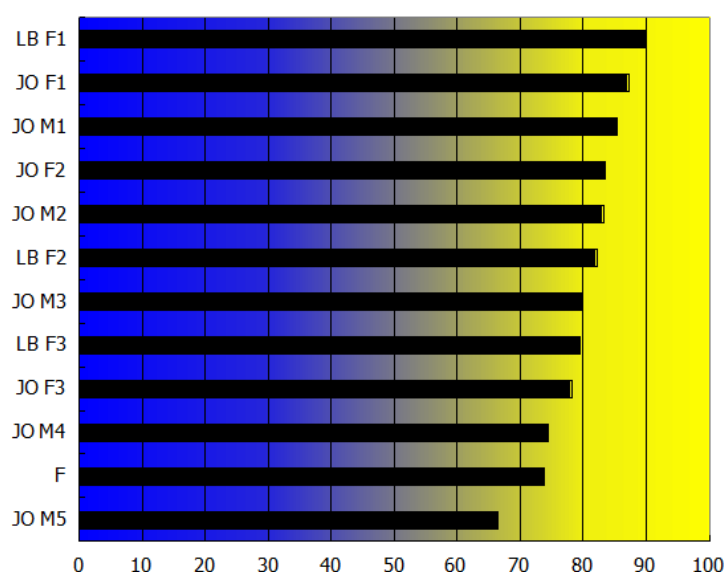
page project flyer (ILO project brochure\_A4.pdf) that had been developed for the project following the assessment reports.<sup>53</sup> The fact that the flyer also included some information drawing on other publicly available sources reinforced JCI's disappointment: "We should have stopped the project right then."

Following cross-check with the project, it turned out that the project cannot anymore retrieve the email to JCI that carried the assessment report.

From the perspective of a third party (evaluation), the odds are that the report actually did not reach JCI. The fact that the project was unaware of this indicates that communication between the project has not been as close as it could have been.

#### Selection of trainers:

The project conducted a training of trainers in line with the project plan, i.e. to qualify persons for conducting training and coaching to enterprises located in Jordan. All trainers trained were evaluated by a panel of trainers and received scores regarding their performance in the end of the ToT. The scores were also recorded in the respective training report which was distributed to the stakeholders (cf. graph below). Yet, JCI expressed in the discussion held: "We felt the selection of trainers was not transparent."



G.09 Scores obtained by WISE-ToT participants.

Source: Project report. Observations: JO ... Jordan, LB ... Lebanon, F ... Female, m ... male [N=12].

How is this explained? The project felt that the ToT workshop report contained all the relevant information, and was surprised when the information was cross-checked.

<sup>53</sup> The remarks appeared to be genuine, and the report was drawn from a file of correspondence that was opened on the table.

When the project organized a training of enterprises and planned to deploy the two trainers by ILO, JCI took the initiative to include additional trainers to participate in the training course, thereby obliging the project to restructure the training course while it was underway. The action taken by JCI confused the project.

From a third-party point of view, however, it appears as if it was symptomatic for the relationship that the project was not able to interpret the signals sent by JCI. Effectively, JCI was worried that the institutional support promised by the project was vanishing as a result of the "exclusion" of the trainers affiliated with JCI from the training of enterprises (an exercise which would have provided them with additional experience in training). Given the ownership taken from the start, this behavior is not only rational, but completely natural.

The probable explanation for the difference in perceptions, technically speaking, is probably rooted in the fact that no criteria were specified before the training of trainers regarding the minimum scores that needed to be achieved in order to qualify as a trainer. There also was no declaration as to who passed and who did not pass in the report on the training of trainers course. While the scores were presented for each participant, including a breakdown of performance in different modules and comments on strengths and weaknesses, no cut-off point was defined. ILO assumed the technical approach of selecting the two trainers with the highest scores would be a reasonable and acceptable choice.

When reviewing the scores obtained in the training (cf. graph above), it is very clear that the choice may cause debate. None of the trainers surpassed a score of 90%. The lowest score achieved was 66%. Six of the trainers trained received a score >80%, two more persons scored higher than 75%, and another 2 persons obtained scores higher than 70%. How much better is a trainer who scored 87% than a trainer who scores 85% than a trainer who achieves 83%?

It is probably the failure to specify minimum requirements has triggered doubts as to the transparency of the selection procedures. The failure to understand why the JCI felt sidelined, in turn, can probably be attributed to insufficient communication. Had the project team been in closer contact with JCI on a regular basis, it is likely that the perceptions of JCI would have been observed and not overlooked. Doubts as to the selection procedure could have been removed.

More importantly, however, the concern of JCI of building its own capacities could have been taken up and addressed (e.g. by working with the top 5 performers which would have included candidates of JCI) in order to ensure that JCI would not lose interest in the project. In the end, providing more good trainers with exposure to enterprise trainings cannot hurt the dissemination of WISE in Jordan. Failure to deal with the expectations of JCI left JCI with the impression the project only used the JCI to identify stakeholders and enterprises and organize workshops at short notice, but at the same time avoided delivering institutional support to JCI.

The situation, arguably, is tragic given that neither ILO nor JCI had any "malevolent" intentions. It should be remedied or "reset" as soon as possible in order to not become an unnecessary burden for the positive relationship ROAS enjoys with the constituents in the region.

Absence of communication during change of phases:

When the project experienced a delay in funding between the phase of the 2014-2015 biennium and the phase of the 2016-2017 biennium, this was not communicated to JCI. Instead of sharing the reasons and the strategy for bridging the situation with JCI, the communication just ceded.

Again, closer communication links with JCI could have enhanced relationships and ensured that JCI remains committed, including the possibility for JCI to liaise with selected enterprises in order to nurture their continuing interest in the project.

According to JCI, it was not possible to motivate the enterprises which had participated in the WISE training to receive the final evaluation mission. The delay between the training (their first contact with the project) and the evaluation (their potential second contact with the project) had been too long. Enterprises had lost interest and were not ready to make themselves available.

On the side of the workers' organizations, management arrangements originally foresaw their participation and workers had signaled interest in participating. This interest was particularly related to the skills component originally foreseen by the combined approach. As the skills component turned out to be too costly to implement and was canceled, workers organizations' interest was reduced but did not disappear.

Further questions from the terms of reference:

- How have stakeholders been involved in project implementation? During the evaluation mission, meetings were held with both employers' and workers' organizations in the two countries. Whereas employers' organization in both countries have been involved, workers organizations have not. In Jordan, the workers' organization remained supportive of the project. In Lebanon, however, the workers' organization FENASOL felt they were not meant to participate. FENASOL felt employers had "more bargaining power" for this project. "There seems to be a tendency for excluding workers from these activities. ILO could push for more tripartism. ... At the first workshop, you could see in the employers' faces that we were not welcome." FENASOL mentioned they had only participated in the launch of the project and wondered whether there were any further meetings, or whether there was a steering committee.
- To what extent has the project management been participatory and has the participation contributed towards achievement of the project objectives? Management was based on an activity-based workplan which was a condition for approval for RBSA. The project has consulted with



stakeholders during the process of drawing up the project proposals. Implementing the workplan did not leave too much room for participation because genuine participation would have required an orientation by an outcome (and not by activities) because participation amounts to lip service if activities are not meant to be adjusted.

- How effective was the collaboration with the relevant ILO offices, other UN agencies, media, and non-governmental organizations working on SMEs, and what has been the added value of this collaboration? To our understanding, there was no substantial collaboration with other UN agencies, media, and non-governmental organizations working on SMEs.
- What systems been put in place to enhance collaboration with other UN agencies, government institutions working on this issue and how? None.
- To what extent did the project build synergies with national and regional initiatives and with other donor-supported projects? To no extent.
- To what extent did synergies with and operation through local organisations help to ensure the sustainability of the impact of the project i.e. through building capacity? Synergies with and operation through local organizations was limited to ILO constituents, notably employers' organizations. Due to the weak structure of the employers' organization in Lebanon, collaboration in Lebanon was limited to the organization of workshops and identification of beneficiary enterprises. Issues in the collaboration with Jordan's employers' organization where some capacity building occurred have been discussed above. As a result, collaboration in Jordan, in the end, was also limited to the organization of workshops and identification of beneficiary enterprises. At the time of the evaluation, operation through other local organizations to help to ensure the sustainability of the impact of the project was not observed.

A final remark on the measurement of effectiveness in the project:

The work related to the baselines (including the identification of strengths and weaknesses, the implementation of training and coaching measures, and the assessment of the results) has, to a certain extent, been in the hands of the same consultants. The author of the baselines and the final report is the same.

While there are very practical benefits of organizing the interventions in this way (all of the benefits that accrue from the one-face-to-the-customer principle, the customer being the beneficiary enterprises), at least the measurement of the results (achievements) should usually be left to a third party. While there is no indication that consultants did not apply proper codes of ethics, the odds usually are that both problems and achievements may be inflated. If the project does not separate design and measurement tasks from implementation tasks, there are risks that the project loses control over its own effectiveness because it has no choice but to believe the reports by the implementing consultants. There is no evidence that the ILO separately communicated with beneficiary enterprises in order to reassure itself that WISE services are being delivered in line with the expectations of the project, and whether there is any collusion between the businesses treated and the consultants applying the treatment.

## 6.6 Impact orientation of the project

Impact orientation of a project usually refers to the contribution of a project to higher-level objectives, i.e. beyond the objective of the project itself. In traditional ILO terminology, expected impact is often recorded in the formulation of a "development objective" to the achievement of which the objective of the project itself (the "immediate objective" in ILO terminology) contributes. The impact is not under the control of the project whereas the project outcome is (i.e. must or should be). Impact is usually achieved in conjunction with other developments or contributions.

In a broader sense, impact is also associated with benefits at the level of the population (the ultimate final beneficiaries of any project intervention), which often are achieved in the long run only. This is also why impact evaluations are usually conducted following the implementation, as post-project evaluations.

Often the word "impact" is understood as to be the same as an "effect". While this understanding generally is fine, in the world of project evaluation, it is out of place. In project evaluation, an impact is outside of the control of the project. There is a cause-effect chain linking the impact to the project (input-output-outcome-impact), but the effect of outcome on impact is not as direct or immediate as the effect of inputs on output or of outputs on outcome.

In the project evaluated, increases in productivity would often fall into the field of impact because the increases usually only come with a certain delay following the training and coaching exercises of the project, and in conjunction with other changes that occur. Some activities can also have an immediate effect, e.g. when a reorganization of a work flow or a task immediately translates into reduced defects. Some activities may also have an immediate effect on occupational safety and health, e.g. the introduction of machine guards on belt drives in one of the beneficiary enterprises of the project (see picture below, as an example of an immediate effect of the project, the impact of which could be measured after a few years of usage by reviewing accident statistics relating to driving belts from the time before the guards were affixed).



G.10 Fixed machine guards installed on vertical belt drives in one of the beneficiary enterprises.  
Source: Evaluation photo.

Given the project has just come to an end, impact evaluation is not yet feasible. It is also likely that it will be difficult to attribute future impact (impact measured in the future) to the project. The remarks made in the section on effectiveness concerning the difficulties in measuring productivity improvements on the basis of the collected information/ data are also valid for impact measurement.

As to specific questions from the terms of reference:

- What is the likely contribution of the project initiatives to the stated objectives of the intervention? If the development objective of the phase 2014-2015 is used as a guidance for what is meant by impact, the impact would consist of enhancing small enterprises' productivity and competitiveness. At this time, it is impossible to predict the impact. For those enterprises that have gone through all of the support measures, there is a possibility that productivity and competitiveness will increase as a result of the measures. However, the informational basis for properly appraising the amount of impact does not exist. Any absolute or relative enhancement of productivity and competitiveness would remain speculative.
- What were the interventions long-term effects on more equitable gender relations or reinforcement of existing inequalities? There is no information available to answer this question. To the extent that job descriptions were introduced in some of the enterprises, it would be possible to verify whether they have been drawn up on a preconceived shape of gender relations or whether the profiles are neutral with regard to gender (or even would lead to positive discrimination in favor of a disadvantaged sex). This would require a more specific study and cannot be covered by short company visits as during this evaluation.

## 6.7 Partnership

The project has not placed a very strong emphasis on developing partnerships in order to achieve its objective. This is natural because the project focused on first delivering evidence of the effectiveness of its approach by ways of experimental trials.

Partnership was very much limited to ILO constituents though at the outset, vocational training institutions were identified as partners in the delivery of the core and technical skills training, the Euro Lebanese Center for Industrial Modernization (ELCIM) in Lebanon and Jordan Enterprise Development Corporation (JEDCO) in Jordan as well as other BDS providers and free-lance business management trainers were foreseen as partners.

The section discussing the effectiveness of management arrangements (q.v.) already discussed some of the issues related to the particular partnership with employers' organization in Jordan. It also referred to the more general institutional weaknesses of Lebanon.

While there is no meaningful way to work without involving the tripartite constituents for ILO, the particular weakness of labor administrations and some of the constituent organizations could point to an objective need for partnering more strongly with institutions beyond the constituents when seeking to achieve the broader aims of the ILO. This is a particular issue for the field of enterprise development because many of the stronger promoters of small enterprise development in numerous countries are not linked to the labor administration, but to bodies more directly responsible for enterprise promotion, such as those identified in the beginning of the project. The result of the training of trainers in Jordan, where two trainers emerged on top who were not sent by the constituents but who belonged to stakeholders specialized in enterprise promotion is an illustration of this dilemma.

From this perspective, it may be useful for achieving higher effectiveness to develop medium to long-term strategies for working in partnership with other stakeholders while institutional capacity building for tripartite constituents continues. For example, specific ILO products could be attached more specifically to different types of organizations in different countries. Such attachments should be based on professional or institutional merit and interests, and ideally be agreed with the constituents in each country. Weaker constituents could, for example, act as referral services and guide their members to these services while stronger partners deliver these services. Constituents which possess of sufficient resources can of course also directly deliver these products.

Related questions from the terms of reference:

- How effective was collaboration with the media? No collaboration existed between the project and the media. While it is understandable that during

a trial experiment media would not not be involved, the media could have been one channel to communicate about the importance of work improvements for increasing productivity. Human resource management issues are being discussed in the media across the region, and there are sufficient numbers of researchers of local universities concerned with these topics to allow for proper debate in the media. Working with the media could have possibly also provided the project with opportunities to generate interest of additional business owners (many of them not affiliated with existing constituent organizations) in participating in the experimental trials.

- How efficient has the project been in communicating its results, disseminating success stories and enhancing visibility? Given that the project results were only available by the end of the duration of the project, the results have not been communicated as yet. There certainly is a possibility to disseminate success stories and enhancing visibility on the basis of some of the work done in the enterprises. Before the stories are being disseminated, however, a strategy for the future work with WISE in the region should be forged. It would be a disaster if success stories were disseminated, demand thereby generated, but no structure available to respond to the interest.

## 7 CONCLUSIONS

Major conclusions from this evaluation of the project "Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices" are the following:

- ①. The project addressed an objectively highly relevant issue for the Arab states including the two countries selected for the trial experiments, Jordan and Lebanon. Increasing SME productivity is one cornerstone of a strategy to break out of the low productivity trap the region finds itself locked into.
- ②. The project's strategic fit with national policies and strategies was more congruent with Lebanon's than with Jordan's. In both countries the massive effects of the Syria crisis are strongly influencing short-term objectives. While the project does not contradict these, it is clearly working toward long-term objectives.
- ③. The project suffered from the absence of a more structured logical design, notably the absence of a logical framework. Although the responsibility for project planning always rests with the planners of a project, the formats used for RBSA proposals including the emphasis on "output-based work plans" seemed to have encouraged activity-based planning. As a result, the project outcome was double barreled, levels of logical hierarchy were joined, assumptions (incl. risks) not fully identified, and objectively verifiable indicators for measuring achievement of the outcome have not been agreed before the launch of the project.
- ④. Changes between the 2014-2015 and 2016-2017 biennia in the formats used for RBSA did not help improving consistency in planning. Both formats essentially were based on activity-based planning, even if the terminology changed (e.g. from outputs to milestones). While priorities (as to content) may change, there is nothing gained by changing application formats between biennia.
- ⑤. A measurement of effectiveness of the project was not possible given the technical deficiencies in the specification of the outcome. There are a number of indications that the project was not effective. These include the following: (1) dropping of one component (skills) during the course of implementation; (2) inability to complete the experimental trials in Jordan; and (3) a significantly higher share of coaching in the field of "marketing" than in the field of "WISE".
- ⑥. If the intended project outcome was to demonstrate the effectiveness of a combined approach of business management, skills development, and WISE for enhancing productivity in SME, the result of the project was that the combined approach is not feasible because it leads to overstretch of a single service provider and probably also exceeds the absorption capacity of the beneficiary enterprises. Implementation of a combined approach

requires a full-fledged network which needs a stronger platform than ILO and its constituents are able to provide.

- ⑦. The project made a commendable attempt to measure its achievements and collected detailed information about the beneficiary enterprises at the outset (baselines). The project, although aware of different productivity measures, did not undertake any attempt to specify by which metrics the achievement of the outcome could best be measured. It also did not attempt to estimate existing trends in productivity growth in the beneficiary enterprises against which the achievements of the project would need to be offset. And the project seriously underestimated the practical difficulties in obtaining relevant data from beneficiary enterprises to measure productivity related developments.
- ⑧. A number of beneficiary enterprises visited during the evaluation have benefited both from ILO's and other consultants' advice during the same period of time. From this perspective, it is difficult to estimate what was the exact additionality of the project. There is also a risk that some of the services provided by the project constitute windfall gains to the selected beneficiary enterprises.
- ⑨. Sustainability has not been achieved and there is no concept available for achieving sustainability. Arguably, sustainability was not a priority at this stage because the project was about piloting an approach to enhance productivity of SME. It was important to first establish the effectiveness of the approach. However, it would have been useful to at least evaluate the potential for sustainability toward the end of the project. There are indications from the evaluation that the services provided are quite tangible and therefore could allow for an element of cost recovery directly with beneficiary enterprises.
- ⑩. Management arrangements for the project were insufficient to guarantee success. The structure was probably too lean in that a junior project coordinator was selected to head the project and due to the fact that the project did not liaise more closely with its component in Jordan. As a result, the implementation of the project was very much left to external consultants and the project lost the confidence of its Jordanian counterpart half way through implementation.
11. The absence of a mechanism by which trainers trained by the project were certified and accredited strongly contributed to misunderstandings between the project and its Jordanian counterpart. Had an experienced training manager been coordinated the project, this gap could have probably been identified early in the process.
12. Partnerships to properly anchor the ILO approach in the two countries were not forged at this stage because the focus was on first demonstrating the effectiveness of the approach. This is a prudent way of moving forward.

13. Impact orientation was not essential to the success of the project because the project was about piloting an approach. Understood in a more narrow sense of direct effect on final beneficiaries, "impact" did occur in the beneficiary enterprises, including on issues related to work improvement.
14. Outputs and outcomes of the project have not yet contributed to ILO's mainstreamed strategies because the project was focused on introducing an existing ILO product by trial experiment. There is potential for this ILO product (WISE) to contribute, notably to social dialogue and labor standards at the enterprise level, once the approach is ready for roll-out in Arab states. WISE also embodies the principles of equal opportunities and equal pay, and advocates for gender-sensitive human resources practices.

## 8 LESSONS LEARNED

- 1) The project suffered from the absence of a more structured logical design, notably the absence of a logical framework. Although the responsibility for project planning always rests with the planners of a project, the formats used for RBSA proposals including the emphasis on "output-based work plans" seemed to have encouraged activity-based planning. As a result, the project outcome was double barreled, levels of logical hierarchy were joined, assumptions (incl. risks) not fully identified, and objectively verifiable indicators for measuring achievement of the outcome have not been agreed before the launch of the project.
- 2) Changes between the 2014-2015 and 2016-2017 biennia in the formats used for RBSA did not help improving consistency in planning. Both formats essentially were based on activity-based planning, even if the terminology changed (e.g. from outputs to milestones). While priorities (as to content) may change, there is nothing gained by changing application formats between biennia.
- 3) The project made a commendable attempt to measure its achievements and collected detailed information about the beneficiary enterprises at the outset (baselines). The project, although aware of different productivity measures, did not undertake any attempt to specify by which metrics the achievement of the outcome could best be measured. It also did not attempt to estimate existing trends in productivity growth in the beneficiary enterprises against which the achievements of the project would need to be offset.
- 4) Management arrangements for the project were insufficient to guarantee success. The structure was too lean in that a junior project coordinator (who did not receive any induction and was backstopped by a senior specialist who was "on the road" most of the time) was selected to head the project, and due to the fact that the project did not liaise more closely with its component in one of the two countries. As a result, the implementation of the project was very much left to external consultants, and the project lost the confidence of the counterparts in one of the countries half way through implementation.



## 9 RECOMMENDATIONS

Major recommendations emerging from this evaluation:

- ①. ILO [ROAS] should continue its work on enhancing productivity of SME in Arab states in the future (long-term effort) even if progress made in the project may not have fully met the project's own expectations. The issue is highly relevant even though it may be overshadowed by the effects of the Syria crisis and not always be on the top of the agenda of national governments and diverse donor strategies for the Arab states, i.e. may be slightly lacking strategic fit. Productivity growth is one of the key ingredients for implementing decent work on a wider scale. Strategic fit with ILO outcomes therefore can be assumed. Resources need to be mobilized on a long-term basis for supporting these efforts. <medium priority>
- ②. Across the ILO, RBSA project proposal forms need to be structured according to state-of-the-art project planning methods. This, as a minimum, requires validated or cross-checked logical frameworks in order to ensure that outcomes are logically achievable and do not depend on assumptions about external factors that do not hold.<sup>54</sup> This is an immediate priority and should be solved at ILO headquarters before the next round of RBSA allocations [PARDEV]. <high priority>
- ③. Across the ILO, maintaining RBSA project proposal formats over time is likely to increase the efficiency of managing RBSA because proposals could be prepared in advance based on standard formats. It would also facilitate extension of projects which have met with unexpected delays or which are able to justify expansion. This is of high priority and should already be kept in mind when designing the next set of application documents at ILO headquarters [PARDEV]. <high priority>
- ④. ILO ROAS should carefully evaluate the difficult experience of the project with regard to measuring changes related to productivity in beneficiary enterprises. Given that the issue of productivity is bound to stay, it may even be useful to develop an ILO-wide approach or guideline with recommendations for measuring the effects of projects on productivity in enterprises. This will increase the efficiency of planning projects related to productivity and measuring their results. It will also open up opportunities to compare the achievements across different projects, and, ideally, with other agencies. This will be a medium-term effort because it requires sufficient discussion at technical levels [WISE; ACTRAV, ACT/EMP, SME]. <medium priority>
- ⑤. When rolling out WISE in the future, it will be important for ILO to find simple ways of measuring gender related impact as well as impact on

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<sup>54</sup> "Output-based workplans" (essentially equivalent to activity-based planning) have become obsolete for project planning several decades ago. They should not be reintroduced as a result of poor knowledge management or generalized oblivion.

social dialogue.<sup>55</sup> This applies not only to projects in the Arab states. While productivity gains are an important incentive for enterprises to participate in WISE, one of the key motivations for promoting WISE on an ILO-wide scale is to reveal the positive effects of improving working conditions on productivity. This will be a medium-term effort because it requires sufficient discussion at technical levels [WISE; ACTRAV, ACT/EMP, GED, DIALOGUE, SME]. <medium priority>

- ⑥. Given that a combined approach of business management, skills development, and WISE has turned out to not be feasible in the project, the combined approach, the merits of which cannot be completely disregarded, should be a goal for stronger and more diversified networks of SME support. ILO and its constituents should contribute their part to such networks, but should not aim at shouldering the responsibility for the whole. With the exception of small island states (or remote areas with small populations and low densities), this recommendation should generally apply to most other countries [WISE; ACTRAV, ACT/EMP, SME]. <high priority>
- ⑦. Given the potential for WISE as an ILO product has not been fully exploited during the project because it was combined with other types of services that have reduced the visibility of WISE, more efforts should be undertaken by ILO ROAS to properly establish WISE in the Arab states. In order to achieve this, the unique value proposition of WISE (for the Arab states, for specific countries, for specific businesses) needs to be developed and communicated [ROAS]. <high priority> On an ILO-wide basis, it will also be important to establish a mechanism of accreditation and certification for WISE trainers and consultants as a basis for developing the institutional structures that can carry WISE forward in the medium and long term [WISE; ACTRAV, ACT/EMP, SME]. <high priority>
- ⑧. Positioning WISE in any business development services market is a challenge to the extent that enterprises that are already on a track to improving their productivity have an incentive to take in WISE services on their way to higher level certifications such as from the ISO system. If WISE is offered free of charge, the intake is likely to take the form of windfalls for the more capable enterprises, and WISE additionality will be reduced. At the same time, an enterprise will also need a minimum of long-term vision or strategy for actively engaging with WISE. Therefore, market-specific screening procedures (e.g. screening out enterprises that are already engaging in ISO certification processes) or price schedules need to be introduced to manage targeting, presumably not only in the Arab states [WISE; ACTRAV, ACT/EMP, SME].<sup>56</sup> <medium priority>

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<sup>55</sup> The project's enterprise profiles for the baselines have included respective questions. Measuring the respective results of the intervention, however, may be just as difficult as measuring increases in productivity.

<sup>56</sup> If successfully implementing WISE encourages an SME to move on to higher level processes, that is fine, of course.

- ⑨. WISE services are of a tangible nature. Based on the evaluation, a certain willingness to pay does exist. Therefore, a future strategy by [ROAS] for promoting WISE in the Arab states should not be void of an element of pricing.<sup>57</sup> <medium priority>
- ⑩. ILO often operates with lean project structures. When introducing new or complex products in a new market, there is an argument to be made for more powerful structures of implementation. The difficulties encountered by the project would have probably been avoided had a stronger structure been in place. Therefore, alternative management models should always be properly assessed before deciding on a management arrangement for any project implemented by ILO [PARDEV, ROAS, ROAF, ROAP, ROLAC, ROECA]. <high priority>

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<sup>57</sup> This also would be in line with the guidelines of the DCED for developing business development services.

## ANNEX

### **A.1 Lessons Learned Templates**

Lesson Learned 1:

#### **ILO Lesson Learned Template**

**Project Title:** Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices

**Project TC/SYMBOL:** RAB/16/01/RBS

**Name of Evaluator:** *Christoph David Weinmann*

**Date:** September 2017

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

<b>LL Element</b>	<b>Text</b>
<b>Brief description of lesson learned (link to specific action or task)</b>	<i>The project suffered from the absence of a more structured logical design, notably the absence of a logical framework. Although the responsibility for project planning always rests with the planners of a project, the formats used for RBSA proposals including the emphasis on "output-based work plans" seemed to have encouraged activity-based planning. As a result, the project outcome was double barreled, levels of logical hierarchy were joined, assumptions (incl. risks) not fully identified, and objectively verifiable indicators for measuring achievement of the outcome have not been agreed before the launch of the project.</i>
<b>Context and any related preconditions</b>	<i>all projects implemented by ILO</i>
<b>Targeted users / Beneficiaries</b>	<b>all ILO programme and project managers</b>

<b>Challenges /negative lessons - Causal factors</b>	<i>"Output-based workplans" (essentially equivalent to activity-based planning) have become obsolete for project planning several decades ago. They should not be reintroduced as a result of poor knowledge management or generalized oblivion.</i>
<b>Success / Positive Issues - Causal factors</b>	<i>n.a.</i>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<i>Across the ILO, RBSA project proposal forms need to be structured according to state-of-the-art project planning methods. This, as a minimum, requires validated or cross-checked logical frameworks in order to ensure that outcomes are logically achievable and do not depend on assumptions about external factors that do not hold.</i>

## Lessons Learned 2

### ILO Lesson Learned Template

**Project Title:** Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices

**Project TC/SYMBOL:** RAB/16/01/RBS

**Name of Evaluator:** *Christoph David Weinmann*

**Date:** September 2017

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

LL Element	Text
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<b>Brief description of lesson learned (link to specific action or task)</b>	<i>Changes between the 2014-2015 and 2016-2017 biennia in the formats used for RBSA did not help improving consistency in planning. Both formats essentially were based on activity-based planning, even if the terminology changed (e.g. from outputs to milestones). While priorities (as to content) may change, there is nothing gained by changing application formats between biennia.</i>
<b>Context and any related preconditions</b>	<i>RBSA 2014-15, RBSA 2016-2017</i>
<b>Targeted users / Beneficiaries</b>	<b>ILO staff involved in designing and implementing RBSA</b>
<b>Challenges /negative lessons - Causal factors</b>	<i>Staff involved should focus on the technical contents of project proposals. Where formats change, significant time is lost with adjusting to different formats. Time-tested formats should remain unless there is a valid technical reason to move to a new format.</i>
<b>Success / Positive Issues - Causal factors</b>	<i>n.a.</i>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<i>Across the ILO, maintaining RBSA project proposal formats over time is likely to increase the efficiency of managing RBSA because proposals could be prepared in advance based on standard formats. It would also facilitate extension of projects which have met with unexpected delays or which are able to justify expansion.</i>

## Lessons Learned 3

### ILO Lesson Learned Template

**Project Title:** Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices

**Project TC/SYMBOL:** RAB/16/01/RBS

**Name of Evaluator:** *Christoph David Weinmann*

**Date:** September 2017

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

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<i>The project made a commendable attempt to measure its achievements and collected detailed information about the beneficiary enterprises at the outset (baselines). The project, although aware of different productivity measures, did not undertake any attempt to specify by which metrics the achievement of the outcome could best be measured. It also did not attempt to estimate existing trends in productivity growth in the beneficiary enterprises against which the achievements of the project would need to be offset.</i>
<b>Context and any related preconditions</b>	<i>projects concerned with improving the productivity of small and medium enterprises (SME)</i>
<b>Targeted users / Beneficiaries</b>	<b>small and medium enterprises (SME) and respective business development services (BDS)</b>
<b>Challenges /negative lessons - Causal factors</b>	<i>The project seriously underestimated the practical difficulties in obtaining relevant data from beneficiary enterprises to measure productivity related developments.</i>

<b>Success / Positive Issues - Causal factors</b>	<i>n.a.</i>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<i>Given that the issue of productivity is bound to stay, it will be useful to develop an ILO-wide approach or guideline with recommendations for measuring the effects of projects on productivity in enterprises. This will increase the efficiency of planning projects related to productivity and measuring their results. It will also open up opportunities to compare the achievements across different projects, and, ideally, with other agencies.</i>

#### Lessons Learned 4

### ILO Lesson Learned Template

**Project Title:** Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices

**Project TC/SYMBOL:** RAB/16/01/RBS

**Name of Evaluator:** *Christoph David Weinmann*

**Date:** September 2017

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

LL Element	Text
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<b>Brief description of lesson learned (link to specific action or task)</b>	<i>Management arrangements for the project were insufficient to guarantee success. The structure was too lean in that a junior project coordinator (who did not receive any induction and was backstopped by a senior specialist who was "on the road" most of the time) was selected to head the project, and due to the fact that the project did not liaise more closely with its component in one of the two countries. As a result, the implementation of the project was very much left to external consultants, and the project lost the confidence of the counterparts in one of the countries half way through implementation.</i>
<b>Context and any related preconditions</b>	<i>all projects implemented by ILO</i>
<b>Targeted users / Beneficiaries</b>	<b>all ILO programme and project managers</b>
<b>Challenges /negative lessons - Causal factors</b>	<i>There sometimes is a trade-off between effectiveness and efficiency. Lean management structures often are efficient, but they may also compromise effectiveness. In such cases, effectiveness is more important than efficiency because only effectiveness will guarantee the achievement of the project's intended outcome.</i>
<b>Success / Positive Issues - Causal factors</b>	<i>n.a.</i>

<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<i>ILO often operates with lean project structures. When introducing new or complex service products in a new market, there is an argument to be made for more powerful structures of implementation. The difficulties encountered by the project would have probably been avoided had a stronger structure been in place. Therefore, alternative management models should always be properly assessed before deciding on a management arrangement for any project implemented by ILO.</i>
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## A.2 List of persons met

(by order of organizational affiliation and function)

Name	Organization	Function
<b>LEBANON</b>		
<b>ILO</b>		
Nathalie Bavitch	ILO ROAS	Regional M&E Officer
Rayann Koudeih	ILO ROAS	Project Coordinator
Rania Bikhazi	ILO ROAS	Senior Enterprise Development Specialist
Lars Johansen	ILO ROAS	C/RPU
Joumana Karamé	ILO ROAS	Programme Officer
Lama Oueijan	ILO ROAS	Senior Employers' Specialist
Shaza Ghaleb Jondi	ILO ROAS	UN Coherence Officer/ Resource Mobilisation Officer
Sana Abousleiman	ILO ROAS	
Moussa Toufaily	ILO ROAS	
<b>Other organizations and individuals</b>		
Soha Atallah	LibanPack	Consultant
Hania Chahal		Consultant/ Marketing Economist

Name	Organization	Function
Rouba Kharrat		Consultant
Saad Oueini	ALI	Chairperson, retired
Antoine Mansour (☎)		Consultant
Wael Dib Hajj (☎)		Consultant
Pierre El Haddad	Crown Flour Mills	Personnel Supervisor
Antonio Khachacho	Crown Flour Mills	Maintenance Supervisor
Bane Fedaoui	Goodies	Financial Manager
Mohamad Ali O. Tabbarah	Goodies	Director of HR
Hilal Chehade	Abido Spices	Factory and Development Manager
Nabil S. Dabbous	Salim Dabbous Printing Company	Managing Partner
Tamara Hirbli	Plasticom	Operations Manager
Mahmoud Hirbli	Plasticom	Account Executive
Castro Abdallah	Fédération Nationale des Syndicats des Ouvriers et des Employés au Liban (FENASOL)	President
<b>JORDAN</b>		
<b>ILO</b>		
Patrick Daru	ILO Jordan	Senior Skills and Employability Specialist and Amman Office Coordinator
<b>Other organizations and individuals</b>		
Maher H. Al-Mahrouq	Jordan Chamber of Industry (JCI)	Director General
Hisham Shatarat	Jordan Chamber of Industry (JCI)	SME Technical Support Unit
Khaled Al-Habahbeh	General Federation of Jordanian Trade Unions (GFJTU)	International Relations Officer
Ameed Abdelqader	Garment Design and Service Center	Consultant

<b>Name</b>	<b>Organization</b>	<b>Function</b>
Atallah Al-Ayed	Ministry of Industry	Consultant
Jansette Qandour		Marketing Consultant
Sima Al-Oran	Jordan Enterprise Development Corporation (JEDCO)	Consultant

### A.3 References

Asian Productivity Organization (APO) 2016. APO Productivity Data Book 2016. Tokyo: APO.

Asian Productivity Organization (APO) 2015. SME Productivity Measurement an Analysis for NPOs. Tokyo: APO.

Bureau of Labor Statistics 2008. Technical Information About the BLS Major Sector Productivity and Costs Measures, in: *Major Sector Productivity and Costs*. March 11, 2008

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Donor Committee for Enterprise Development (DCED) 2016. The 2016 Reader on Results Measurement.

Foldspang, Lars, Michael Mark, Louise Lund Rants et al. 2014. Working environment and productivity. A register-based analysis of Nordic enterprises. Copenhagen: Nordic Council of Ministers.

Horekens, Jona and Ralf Mauer 2014. Report of the Review of ILO's Regular Budget Supplementary Account (RBSA).

ILO ROAS and UNDP ROAS 2012. Rethinking Economic Growth -- Towards Productive and Inclusive Arab Societies. Beirut: ILO.

Organisation for Economic Co-Operation and Development (OECD) 2001. Measuring Productivity. OECD Manual. Paris: OECD.

Standards, Productivity and Innovation Board (SPRING) 2011. A Guide to Productivity Measurement. Singapore: SPRING.

Vandenberg, Paul 2004. Productivity, Decent Employment and Poverty. Small Enterprise Development (SEED) Working Paper No. 67. ILO: Geneva.

## A.4 Itinerary

Date	Itinerary	Time
2017-04-23	Arrival from Tunis	Flight TU847
2017-04-24	ILO ROAS	Nathalie Bavitch 0930 Rayann Koudeih 1000 Rania Bikhazi 1400 Lars Johansen 1600
2017-04-25	ILO ROAS	Soha Atallah 0900 Joumana Karame 1030 Lama Oueijan 1330 Shaza Ghaleb Jondi 1500 Sana Abousleiman & Moussa Toufaily 1600
2017-04-26	ILO ROAS	Hania Chahal 0900 Rouba Kharrat 1030 Saad Oueini 1330 Antoine Mansour (VoIP) 1700 Wael Dib Hajj (VoIP) 1800
2017-04-27	Beirut area	Crown Flour Mills 0900 Goodies 1100 Abido Spices 1330
2017-04-28	Beirut	Dabbous Printing 0900 Plasticom 1200
2017-04-29	Travel Beirut - Amman	Flight RJ3755
2017-04-30	ILO Jordan office	Patrick Daru 0900 Ameed Abdelqader 1600 Atallah Al.Ayed 1630 Jansette Qandour 1700
2017-05-01	Amman and ILO Jordan office	JCI 1100 Patrick Daru 1230 GFJTU 1400
2017-05-02	Departure for onward travel	Flight TK815

## A.5 Terms of reference

### Terms of Reference (ToR) for Final Internal Project Evaluation "Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices"

1. KEY FACTS	
<b>TC Symbol:</b>	RAB/16/01/RBS
<b>Country:</b>	Lebanon and Jordan
<b>Project titles:</b>	Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices
<b>Duration:</b>	2.25 Years (27 Months)
<b>Start Date:</b>	1 January 2015
<b>End Date:</b>	31 May 2017
<b>Administrative unit:</b>	Regional Office for the Arab States (ROAS)
<b>Technical Backstopping Unit:</b>	Regional Office for the Arab States (ROAS)
<b>Collaborating ILO Units:</b>	Enterprises Department (ENTERPRISES) The Bureau for Workers' Activities (ACTRAV) Bureau for Employers' Activities (ACTEMP) Skills and Employability Branch (SKILLS)
<b>Evaluation requirements:</b>	Final Internal Evaluation
<b>Budget:</b>	ILO RBSA: 714,600 USD

## 2. BACKGROUND INFORMATION

### Project Background

The Syrian crisis has greatly affected Jordan and Lebanon on various levels: economic, social and political. With high levels of unemployment, especially among youth, and an unfavourable business environment, SMEs face an additional challenge of providing decent employment to both national and Syrian workers. Such challenges call for a targeted intervention that could help increase the productivity and competitiveness of SMEs in a context of massive influx of Syrian refugees.

Latest statistics show that small and medium-sized enterprises (SMEs) constitute the bulk of the private sector in Arab economies and contribute significantly to their GDP and employment. In Lebanon, the private sector is dominated by SMEs which account for 95 per cent of total enterprises and employ 51 per cent of the total workforce. In Jordan, the private economy is largely comprised of SMEs, which represent nearly 90 per cent of all firms and employ 31 per cent of the workforce.

Given their important economic contribution, the key to sustainable development lies in the development of SMEs that are competitive, resilient and able to grow despite difficult market conditions. However, SMEs, by virtue of their small size, are particularly vulnerable to external shocks such as the five-year old Syrian Crisis that has had spill-over effects to the socio-economic sphere, including the business environment in the neighbouring countries, particularly Jordan and Lebanon. As a result, the two countries are facing the dual challenge of providing their own national workforce (Lebanese and Jordanian) with decent jobs, while providing Syrian refugees with livelihoods and employment opportunities that would increase their self-reliance.

In that sense, SMEs play a central role in helping Jordan and Lebanon address these significant challenges. However, they require adequate non-financial and financial support to be able to grow and provide their current and future employees with decent work opportunities. The effectiveness of such support requires an integrated approach combining workplace improvement and business management capacity building of SMEs in both countries.

The project aims to enhance the productivity and competitiveness of SMEs in the agro-food and printing and packaging sectors in Jordan and Lebanon by improving industrial relations and worker representation. Specifically, it targets:

- SMEs with capacity building programmes to improve working conditions, productivity and business management;
- Employers' and workers' organizations to ensure a more sustainable and conducive business environment.

### **Geographical Coverage of the Project**

In **Lebanon**: Given the small size of the country, almost all regions are represented. Selected enterprises are located in the capital, Beirut, Mount Lebanon, North and South Lebanon and the Bekaa Valley. A mix of urban, rural and peri-urban regions was targeted under this project.

In **Jordan**: Selected enterprises are located in the urban and highly-populated cities: Amman, Zarka, Sahab, Marka and Muqablein. Amman and Zarka are the largest cities in Jordan. Saha, Marka and Muqablein are industrial zones.

### **Project Methodology and Tools**

A number of existing ILO tools were used to develop the methodology and training packages. A survey was developed to serve as a base for the enterprise assessment. It includes key performance indicators, workplace improvement, business management and skills indicators.

The Key performance indicators were selected as a result of desk research and indicators used under the Sustaining Competitive and Responsible Enterprises (SCORE) programme, which has the same objective of improving working conditions and productivity of enterprises, and is implemented in other regions.

Workplace improvement indicators were based on the Work in Small Enterprises (WISE) programme. Business management indicators were based on the Improve Your Business (IYB) and Expand Your Business (EYB) training programmes.

### **Project Structure**

The project is structured around five phases. It is considered as a pilot that serves as a model for replication onto other sectors and countries, targeting micro as well as



macro or institutional levels for ensuring sustainability: supporting SMEs, both workers and employers:

- (1) The inception phase entails getting endorsement of the project by the direct beneficiaries, employers' and workers' organisations in Jordan and Lebanon.
- (2) The pre-intervention assessment phase consists in conducting a baseline assessment of a number of enterprises in each of the agro-food and printing and packaging sectors, to measure and assess their needs in terms of key performance indicators, workplace improvement, business management, and skills indicators before ILO intervention.
- (3) The capacity building phase: Based on the assessment results, the ILO will develop or adapt training curricula, deliver trainings of trainers, and training of workers and enterprises, on workplace improvement, business management and skills.
- (4) Coaching and follow-up phase: consists in organising visits to the selected enterprises in both sectors to deliver on-site coaching and collect information to monitor progress after ILO intervention.
- (5) Post-intervention assessment phase: Based on the same tool used for the baseline assessment, the ILO will conduct an assessment to evaluate the impact of its intervention on SME productivity and competitiveness, generate results and produce a final report.

## **Objectives and Outputs**

### *Main Objective*

The project aims to increase the productivity and competitiveness of SMEs in Lebanon and Jordan in the agro-food and printing and packaging sectors through:

- Direct support to SMEs with capacity building interventions on workplace improvement, business management and skills development; and
- Support on the institutional level, through training of trainers, to employers' organisations, private sector associations, business development service organisations such as the Jordan Chamber of Industry (JCI) in Jordan and the Association of Lebanese Industrialists (ALI) in Lebanon, and workers' organisations such as the General Federation of Jordanian Trade Unions (GFJTU) in Jordan and the National Federation of Employees and Workers (FENASOL) in Lebanon.

### **Phase 1**

Output 1: Endorsement of the project partners namely Employers and Workers Organizations, of the project outputs and activities as well as its implementation modality and commitment for future replication and scale up obtained.

Output 2: Baseline institutional assessment of 30 enterprises in Jordan and 30 enterprises in Lebanon in the services sector (pre WISE+ business management + Skills intervention) conducted.

Output 3: Identified sector skills needs analysis with the involvement of Workers and Employers conducted for the selected services sector and with the involvement of the selected enterprises.

Output 4: Business management and work improvement training needs assessment conducted on the targeted enterprises.

Output 5: Core and technical skills curricula work space improvements and business management training curricula adapted/developed.

Output 6: Training of trainers on selected technical and core skills (workers at supervisory levels in enterprises and trade Union members) conducted.

Output 7: Training of trainers on WISE and business management (involvement of the SME Units at the Eos and free lancers) conducted.

Output 8: Work improvement and business management training and skills training delivered to selected enterprises.

Output 9: Work improvement and business management coaching provided to the selected enterprises.

Output 10: Institutional assessment of 30 enterprises in Jordan and 30 enterprises in Lebanon post project intervention conducted.

Output 11: The integrated intervention modality combining work place improvement, provision of business management training and skills development assessed for impact on increased competitiveness and productivity of small enterprises, documented, analysed and published.

## **Phase 2**

Milestone 1: Improved working conditions (workplace conditions and human resources practices) and impact on productivity in selected SMEs in the agro-food and printing and packaging sectors in Jordan and Lebanon – Link to indicator 4.2, measurement criteria 1.

- Output 1.1: Coaching visits (and progress reports) conducted to selected enterprises in the agro-food and printing and packaging sectors to identify priority areas, monitor progress and achieve results on working conditions – March 16' – November 16' – RBSA funds
- Output 1.2: Final report summarizing the outcome of the coaching on working conditions measuring KPIs before and after capacity building intervention and impact on productivity– December 16' – February 17' – RBSA funds
- Output 1.3: Coaching guide on workplace improvement in small enterprises produced for potential training of trainers' workshops – December 16' – February 17' – RBSA funds

Milestone 2: Enhanced marketing management practices and impact on productivity in selected SMEs in the agro-food and printing and packaging in Lebanon - Link to indicator 4.2, measurement criteria 1

- Output 2.1: Coaching visits (and progress reports) conducted to selected enterprises in the agro-food and printing and packaging sectors to identify priority areas, monitor progress and achieve results on marketing management – March 16' – November 16' – RBSA funds
- Output 2.2: Final report summarizing the outcome of the coaching on marketing management measuring KPIs before and after capacity building intervention and impact on productivity – December 16' – February 17' – RBSA funds
- Output 2.3: Coaching guide on improving marketing management in small enterprises produced for potential training of trainers' workshops – December 16' – February 17' – RBSA funds

Milestone 3: The integrated intervention combining workplace improvement and provision of business management training for impact on increased competitiveness and productivity of small enterprises, assessed, documented and published - Link to indicator 4.2, measurement criteria 1

- Output 3.1: Post-intervention assessment on selected enterprises to evaluate the impact of workplace improvement and business management capacity

building on productivity and competitiveness – November 16' – February 17' – RBSA funds

- Output 3.2: Final study measuring impact on productivity – December 16' – February 17' – RBSA funds
- Output 3.3: An implementation guide of the integrated approach for future replication – December 16' – February 17' – RBSA funds
- Output 3.4: A wrap-up meeting with EOs and WOs to present results and discuss potential scale-up and replication – December 16' – February 17' – RBSA funds

### **Achievements to Date**

In terms of achievements, most outputs were completed to date. In Lebanon and Jordan:

- 24 enterprises in Lebanon and 29 in Jordan operating in the agro-food and printing and packaging were selected to conduct a baseline assessment of their working conditions and business management practices. A set of KPIs was determined at the beginning of the project as part of the baseline assessment to measure and monitor firm productivity throughout the project.
- Based on the assessment results, working conditions (workplace and HR) and marketing management were identified as priority gap areas to address during the capacity building phase.
- The WISE Training Programme was adapted to the context of Lebanon and Jordan and the needs of participating SMEs as a result of the assessment and a Marketing Management Training Manual for SMEs was developed.
- As part of the capacity building phase, project partner, ALI, and other BDS providers, Government representatives and free-lancer trainers were trained on the WISE and marketing management programmes through a ToT workshop.
- Selected SME representatives, both workers and managers, were also trained on the WISE and marketing management Programmes. In Jordan, only the WISE Programme was delivered as SME representatives did not express interest in the Marketing Management Programme.
- An intensive coaching phase was conducted to a sample of 10 enterprises in Lebanon. The purpose of the coaching phase was to conduct regular visits to the enterprises, identify specific areas of improvement in working conditions and marketing management and measure the impact on overall firm productivity. In Jordan, the coaching phase was cancelled (see implementation status for more explanation).
- A post-intervention assessment was conducted on the 10 enterprises that were coached in Lebanon. KPIs were re-assessed and measured to evaluate firm productivity and impact of the intervention.
- A final report that makes the case for the need for an integrated approach combining workplace improvement and business management to increase SME productivity and competitiveness is currently being developed.

### **Implementation Status**

*In Phase 1 of the project, the skills component was removed following a needs-based workshop that was conducted in June 2015. As a result, it appeared that increasing workers' core and technical skills in SMEs would require significant resources and*

*time which were not enough under this project. Therefore, in agreement with the Skills Specialist, the skills component had to be dropped.*

*In Phase II of the project, the coaching phase in Jordan was cancelled. The project counterpart, the Jordan Chamber of Industry could not secure the commitment of enterprises to undertake the coaching exercise.*

*Despite the aforementioned delays, the implementation status can be considered 'on-track'.*

### **Project Management Structure**

The project was managed primarily by a Project Coordinator who began in January 2015. The Project Coordinator worked closely with the SME specialist and was also based at the ILO ROAS office in Beirut. Support was also provided by a Project Assistant

### **Evaluation Background**

ILO considers evaluation as an integral part of the implementation of technical cooperation activities. Provisions are made in all projects in accordance with ILO evaluation policy and based on the nature of the project and the specific requirements agreed upon at the time of the project design and during the project as per established procedures. The Regional Evaluation Officer at the ILO ROAS provides an independent evaluation function for all ILO projects.

The project document states that a final internal evaluation will be conducted at the end of the project implementation.

ILO's established procedures for technical cooperation projects are followed for monitoring, reporting and evaluation of the project throughout the project cycle and at different stages of project execution. Specific components of the ILO's M&E plan include a multi-layered logical framework and work plan to measure the timely achievement of results at the activity and output level as well as change at the outcome and development objective level.

Monitoring of individual objectives and activities based on indicators in the logical framework feed into the progress reports. Annual progress reports were submitted in addition to the inception report and are attached to this terms of references.

### **Project Extensions**

<b>Project Code</b>	<b>Timeframe</b>	<b>Budget</b>
<b>RAB/14/04/RBS</b> <b>104694</b> <b>501397</b> <b>JOR101</b> <b>LBN102</b>	<b>January 2015 – December 2015</b>	<b>USD 414,600</b>
<b>RAB/16/01/RBS</b> <b>10/56/61</b> <b>50/17/58</b> <b>JOR101</b> <b>LBN102</b>	<b>April 2016 – March 2017</b>	<b>USD 127,800 +</b> <b>USD 172,200</b> <b>= USD 300,000</b>

## **3. PURPOSE AND SCOPE OF THE EVALUATION**

### **Purpose**

A final internal evaluation will be conducted to examine the efficiency, effectiveness, relevance, potential impact and sustainability of the project. The evaluation report shall reflect findings from this evaluation on whether the project has achieved its stated objectives, produced the desired outputs, and the extent to which it realized the proposed outcomes. This evaluation will also identify strengths and weaknesses in the project design, strategy, and implementation as well as lessons learned with recommendations for ILO's considerations in the design of a future project on SME development in Lebanon and Jordan.

The final internal evaluation is being carried out at this time as the project has almost ended.

The evaluation will comply with the ILO evaluation policy, which is based on the United Nations Evaluation Norms and Standards and the UNEG ethical guidelines will be followed.

The knowledge generated by the evaluation will be used by ILO ROAS in the design of future projects on SME productivity and other comparable circumstances. In particular the good practices, lessons learned and recommendations produced will be used to identify new opportunities for ILO engagement, improve the implementation and subsequently enhance the resultant impact of projects.

### **Scope**

The evaluation will cover the project 'Enhancing SME productivity and competitiveness in Jordan and Lebanon through responsible workplace practices' in all its outputs and for its entire duration. The scope of the evaluation will extend to both of the RBSA projects together.

The evaluation should focus on all the activities that have been implemented since the start of the projects to the moment of the field visits.

The project was active in Lebanon and Jordan and the travel will be limited...

The internal evaluation will take place between March 2017 and May 2017 with 12 days of field visit to Lebanon and Jordan to collect information from different stakeholders.

The evaluation will integrate gender equality as a cross-cutting concern throughout its methodology and all deliverables, including the final report.

The primary clients of this evaluation are ILO ROAS, ILO constituents in Lebanon and the donors. Secondary users include other project stakeholders and units within the ILO that may indirectly benefit from the knowledge generated by the evaluation.

## **4. EVALUATION CRITERIA AND QUESTIONS**

The evaluation utilises the standard ILO framework and follows its major criteria:

- **Relevance and strategic fit** – the extent to which the objectives are aligned with sub-regional, national and local priorities and needs, the constituents' priorities and needs, and the donor's priorities for the project countries;
- **Validity of design** – the extent to which the project design, logic, strategy and elements are/ remain valid vis-à-vis problems and needs;
- **Efficiency** - the productivity of the project implementation process taken as a measure of the extent to which the outputs achieved are derived from an efficient use of financial, material and human resources;
- **Effectiveness** - the extent to which the project can be said to have contributed to the development objectives and the immediate objectives and more concretely

whether the stated outputs have been produced satisfactorily; in addition to building synergies with national initiatives and with other donor-supported projects, project visibility;

- **Impact** - positive and negative changes and effects caused by the Project at the sub regional and national levels, i.e. the impact with social partners and various implementing partner organisations;
- **Effectiveness of management arrangements**; and
- **Sustainability** – the extent to which adequate capacity building of social partners has taken place to ensure mechanisms are in place to sustain activities and whether the existing results are likely to be maintained beyond project completion; the extent to which the knowledge developed throughout the project (research papers, manuals and other tools) can still be utilized after the end of the project to inform policies and practitioners,

Relevance and strategic fit:

- How do the project objectives respond to the priorities of the donors (RBSA) in Lebanon Jordan, and the region?
- Are the project objectives aligned with bipartite constituents' objectives and needs? What measures were taken to ensure alignment? How does the Project deal with shortcomings of tripartism characteristic of the region?
- Although not designed as a response, how well does the project's approach fit the evolving context of the Syrian refugee crisis?
- To what extent should the project have been/ be involved in the Lebanon Crisis Response Plan?
- To what extent are project activities linked to the global commitments of the ILO including the Sustainable Development Goals and the agenda 2030?
- Are the planned project objectives and outcomes relevant and realistic to the situation and needs on the ground? Were the problems and needs adequately analysed?

Validity of design:

- Is the project strategy and structure coherent and logical (what are logical correlations between objective, outcomes, and outputs)?
- On the whole, were project assumptions realistic; did the project undergo a risk analysis and design readjustment when necessary?
- Does the project make use of a monitoring and evaluation framework? How appropriate and useful are the indicators in assessing the project's progress? If necessary, how should they be modified to be more useful? Are indicators gender sensitive? Are the means of verification for the indicators appropriate? Are the assumptions for each objective and output realistic?
- To what extent were the indicators used effective in measuring enhancement of capacities of ILO constituents?
- To what extent did the project design align with the CPO?
- What was the baseline condition at the beginning of the project? How was it established?
- Was the strategy for sustainability of impact defined clearly at the design stage of the project? If yes how? Was the approach taken appropriate to the context?

Effectiveness:

- Has the project achieved the main objectives? (analysis of achievements and challenges by output is required) In cases where challenges were faced, what intermediate results can be reported towards reaching the objective? Are the project partners using the outputs?
- Specific questions by Objective (Please provide evidence-based answers to the following):
- To what extent was work improvement in small enterprises achieved? To what extent were the indicators used accurate in assessing the effectiveness of the project? Please describe by area: Preventive maintenance plan; Food safety/Good manufacturing practices; Human resources; Marketing.
- What have been the constraining factors and how have they been addressed?
- How have stakeholders been involved in project implementation? To what extent has the project management been participatory and has the participation contributed towards achievement of the project objectives? How effective was the collaboration with the relevant ILO offices, other UN agencies, media, and non-governmental organizations working on SMEs, and what has been the added value of this collaboration? What systems been put in place to enhance collaboration with other UN agencies, government institutions working on this issue and how?
- To what extent did the project build synergies with national and regional initiatives and with other donor-supported projects?
- How did outputs and outcomes contribute to ILO's mainstreamed strategies including gender equality, social dialogue, poverty reduction and labour standards?
- To what extent did synergies with and operation through local organisations help to ensure the sustainability of the impact of the project ie through building capacity?
- What, if any, alternative strategies would have been more effective in achieving its objectives?
- What unintended outcomes can be identified?
- How effective was collaboration with the media? How efficient has the project been in communicating its results, disseminating success stories and enhancing visibility?

Sustainability:

- Are the project achieved results likely to be sustainable? What measures have been considered to ensure that the key components of the project are sustainable beyond the life of the project? How will activities and/or management structures be financed when the project ends?
- Did the project put in place measures to ensure the continuity of SME development efforts after the end of the project?
- To what extent have the interventions advanced strategic gender-related needs?
- What was the role of the project in resource mobilisation?
- How can employers and workers be meaningfully brought on board for interventions in Lebanon?

Efficiency:

- To what extent have project activities been cost-effective? Have resources (funds, human resources, time, expertise etc.) been allocated strategically to achieve outcomes? To what extent can the project results justify the time, financial and human resources invested in the project?
- To what extent has the project been able to build on other ILO or non-ILO initiatives either nationally or regionally, in particular with regard to the creation of synergies in cost sharing?
- What were the intervention benefits and related costs of integrating gender equality?

Effectiveness of management arrangements:

- What was the division of work tasks within the project team and has the use of local skills been effective? How does the project governance structure facilitate good results and efficient delivery? And if not, why not? How clear is the understanding of roles and responsibilities and division of labour between project staff?
- How effective was communication between the project team, the regional office and the responsible technical department at headquarters? Has the project received adequate technical and administrative support/response from the ILO backstopping units?
- How effectively does the project management monitor project performance and results? Does the project report on progress in a regular and systematic manner, both at regional level, to PROGRAM and the donors? What M&E system has been put in place, and how effective has it been?

Impact orientation:

- What is the likely contribution of the project initiatives to the stated objectives of the intervention?
- What were the interventions long-term effects on more equitable gender relations or reinforcement of existing inequalities?
- To what extent are national partners able and willing to continue with the project? How effectively has the project built national ownership? In what ways are results anchored in national institutions and to what extent can the local partners maintain them financially at end of project?
- Would a continuation of the project to consolidate achievements be justifiable? In what way should the next phase differ from the current one?

Lessons learned:

- What good practices can be learned from the project that can be applied to a second phase of this project or similar future projects?
- If it were possible, what could have been implemented differently for greater relevance, sustainability, efficiency, effectiveness and impact?

## 5. METHODOLOGY

An independent evaluator will be hired by the ILO to conduct the evaluation. The following is the proposed evaluation methodology. Any changes to the methodology should be discussed with and approved by the REO and the Project.

### 1. Desk Review



The evaluator will review project background materials before conducting any interviews or trips to the country.

## 2. Briefing

The evaluator will have an initial consultation with the REO, relevant ILO specialists and support staff in ROAS. The objective of the consultation is to reach a common understanding regarding the status of the project, the priority assessment questions, available data sources and data collection instruments and an outline of the final assessment report. The following topics will be covered: status of logistical arrangements, project background and materials, key evaluation questions and priorities, outline of the inception and final report.

## 3. Individual Interviews and/or Group Interviews

Following the initial briefing, the desk review and the inception report, the evaluator will have a mission to Lebanon/Jordan, and have meetings with constituents/stakeholders together with interpreters supporting the process if needed. Individual or group interviews will be conducted with the following:

- a) Project staff/consultants that have been active;
- b) ILO ROAS DWT Director, RPU, and Senior Specialists in SME, Gender, Employers' and Workers' Organisations, and Skills;
- c) ILO Headquarters technical departments;
- d) Interviews with national counterparts (government, public institutions, social partners, IPs, etc.);
- e) Interviews with direct and indirect beneficiaries;
- f) Other international agencies working in relevant fields.

## 4. Debriefing

Upon completion of the missions, the evaluator will provide a debriefing to the Project team, ILO DWT and HQ on the evaluation findings, conclusions and recommendations in Beirut at ROAS. The evaluator will also debrief stakeholders to validate results.

### Evaluation Timeframe

Responsible person	Tasks	Number of Working days	Tentative timeline
Evaluator	Desk review of project documents and phone interview with key informants	4	
Evaluator	Inception report		
Evaluator with the logistical support of project staff in respective countries	Evaluation missions	8	
Evaluator with the logistical support of project staff in respective countries	Stakeholders Workshop and presenting preliminary findings	2	
Evaluator	Drafting report	5	
Evaluator	Submission of the report to the evaluation manager		
Evaluation manager	Circulating the draft report to key		

	stakeholders		
Evaluation manager	Send consolidated comments to evaluator		
Evaluator	Second Draft	3	
Evaluation Manager	Review of Second Draft		
Evaluation Manager	EVAL approval		
Evaluator	Integration of comments and finalization of the report	1	

Total days: 23 Days

### **Evaluation Management**

The evaluator will report to the ILO REO in ROAS and should discuss any technical and methodological matters with the REO, should issues arise. The ILO ROAS office will provide administrative and logistical support during the evaluation mission.

## **6. MAIN DELIVERABLES**

The main outputs of the evaluation consist of the following:

- Deliverable 1: Inception Report
- Deliverable 2: Draft evaluation report
- Deliverable 3: Stakeholder debrief and Powerpoint Presentation (PPP)
- Deliverable 4: Final evaluation report with executive summary (report will be considered final after an additional review by EVAL. Comments will have to be integrated)
- Translation of the final report to Arabic (Project team)

### **Inception Report**

The evaluator will draft an Inception Report, which should describe, provide reflection and fine-tuning of the following issues:

- Project background
- Purpose, scope and beneficiaries of the evaluation
- Evaluation criteria and questions
- Methodology and instruments
- Main deliverables
- Management arrangements and work plan.

### **Final Report**

The final version of the report will follow the below format and be in a range of 30-35 pages in length, excluding the annexes:

1. Title page
2. Table of Contents, including List of Appendices, Tables
3. List of Acronyms or Abbreviations
4. Executive Summary with key findings, conclusions and recommendations
5. Background and Project Description
6. Purpose of Evaluation
7. Evaluation Methodology and Evaluation Questions
8. Status of objectives
9. Clearly identified findings
10. A table presenting the key results (i.e. figures and qualitative results) achieved per objective (expected and unexpected)
11. Clearly identified conclusions and recommendations (identifying which stakeholders are responsible)
12. Lessons Learned

13. Potential good practices

14. Annexes (list of interviews, TORs, list of documents consulted, etc.)

The quality of the report will be assessed against the EVAL Checklists 4, 5, and 6. The deliverables will be submitted in the English language, and structured according to the templates provided by the ILO.

## 7. MANAGEMENT ARRANGEMENTS AND WORKPLAN

### REQUIREMENTS

The evaluator will have experience in the evaluation of development interventions, enterprise development, business management training programmes, working conditions and productivity and other relevant subject matter, an understanding of the ILO's tripartite culture, and knowledge of the Lebanese, Jordanian and regional context. He/she will be guided by high professional standards and principles of integrity in accordance with the guiding principles of the international evaluation professionals associations. The evaluator should have an advanced degree in social sciences, proven expertise on evaluation methods, and knowledge about labour market, skills and migration issues and the ILO approach. Full command of English will be required. Command of the national language would be an advantage.

The final selection of the evaluator will be approved by the Regional Evaluation Focal Point in the ILO ROAS based on a short list of candidates prepared in consultations with the ILO technical specialists, EVAL, ILO HQ technical departments, etc.

### ROLES AND RESPONSIBILITIES

*The External Evaluator is responsible for conducting the evaluation according to the terms of reference (ToR). He/she will:*

- Review the ToR and provide input, propose any refinements to assessment questions, as necessary.
- Review project background materials (e.g., project document, progress reports).
- Prepare an inception report
- Develop and implement the evaluation methodology (i.e. conduct interviews, review documents) to answer the evaluation questions.
- Conduct preparatory consultations with the ILO REO prior to the evaluation mission.
- Conduct field research, interviews, as appropriate and collect information according to the suggested format.
- Present preliminary findings to the constituents.
- Prepare an initial draft of the evaluation report with input from ILO specialists and constituents/stakeholders.
- Conduct briefing on findings, conclusions and recommendation of the evaluation to ILO ROAS.
- Prepare the final report based on the ILO, donor and constituents feedback obtained on the draft report.

*The ILO Evaluation Manager is responsible for:*

- Drafting the ToR;
- Finalizing the ToR with input from colleagues;
- Preparing a short list of candidates for submission to the Regional Evaluation Officer, ILO/ROAS and EVAL for final selection;
- Hiring the consultant;
- Providing the consultant with the project background materials;
- Participating in preparatory consultations (briefing) prior to the assessment mission;
- Assisting in the implementation of the assessment methodology, as appropriate (i.e., participate in meetings, review documents);

- Reviewing the initial draft report, circulating it for comments and providing consolidated feedback to the External Evaluators (for the inception report and the final report);
- Reviewing the final draft of the report;
- Disseminating the final report to all the stakeholders;
- Coordinating follow-up as necessary.

*The ILO REO:*

- Provides support to the planning of the evaluation;
- Approves selection of evaluation consultant and final versions of TOR;
- Reviews the evaluation draft and final report and submits to EVAL;
- Disseminates as appropriate.

*The Project Coordinator in consultation is responsible for:*

- Reviewing the draft TOR and providing input, as necessary;
- Providing project background materials, including studies, analytical papers, reports, tools, publications produced, and any relevant background notes;
- Providing a list of stakeholders;
- Reviewing and providing comments on the inception report;
- Participating in preparatory briefing prior to the assessment missions;
- Scheduling all meetings and interviews for the missions;
- Ensuring necessary logistical arrangements for the missions;
- Reviewing and providing comments on the initial draft report;
- Participating in debriefing on findings, conclusions, and recommendations;
- Providing translation for any needed documents: TOR, PPP, final report.
- Making sure appropriate follow-up action is taken.

## WORK PLAN

Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week
Desk Review												
Inception Report												
Field Mission												
Draft Report												
Consultation												
Final Report												

## SPECIFIC DEADLINES

**Inception Report:**

**Draft Report:**

**Final Report:**

## 8. LEGAL AND ETHICAL MATTERS

- This internal evaluation will comply with ILO evaluation guidelines and UN Norms and Standards.
- These ToRs will be accompanied by the code of conduct for carrying out the evaluation "Code of conduct for evaluation in the ILO" (See attached documents).
- UNEG ethical guidelines will be followed through-out the evaluation.

-The consultant will not have any links to project management or any other conflict of interest that would interfere with the independence of the evaluation.

## **9. ATTACHED DOCUMENTS**