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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 Office.

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Acronyms List

CSA	Climate-Smart Agriculture
DoA	Department of Agriculture
EFC	Employers' Federation of Ceylon
EVAL	ILO Evaluation Office
F	Female
ILO	International Labour Organization
KII	Key Informant Interviews
LEED	Local Empowerment through Economic Development
LEED+	Local Empowerment through Economic Development and Reconciliation
M	Male
M&E	Monitoring and Evaluation
MSME	Micro, Small and Medium Sized Enterprise
MTR	Mid Term Review
PAVE	Promoting the Advancement of Vulnerable Persons and Enterprises
PU	Programme Unit
PwD	Persons with Disabilities
SDG	Sustainable Development Goals
SEDD	Small Enterprise Development Division
UNSDCF	United Nations Sustainable Development Cooperation Framework

Executive Summary

On the 17th of November 2022, the Norwegian Ministry of Foreign Affairs awarded the International Labour Organization (ILO) a cooperate agreement to implement the project 'Promoting the Advancement of Vulnerable Persons and Enterprises' (hereafter, PAVE project). PAVE aims to create lasting employment opportunities for marginalized women, men, and people with disabilities in the Northern Province of Sri Lanka. The project duration is 10th of November 2022 to 31st of December 2025, with a total funding of NOK 19,801,980 (equivalent to 1.8 million USD at the time of evaluation).

The project originally focused on the groundnut and chili value chains, with a vision to expand value addition by setting up processing units in the Northern Province to generate jobs. However, the project was forced to deviate from the original areas of focus due to unforeseen changes in import regulations that led the partner companies to pull out of the agreement. The project recognized that the identified value chains were no longer viable, as it was no longer profitable for partner companies to set up processing units in the North. As a result, the project showed its agility by shifting the focus to export-oriented value chains with the potential to create income opportunities for people in vulnerable situations. The project identified the potential of the seaweed and gherkin value chains to create income opportunities in primary production as well as some direct employment through partial processing.

PAVE has developed two partnerships with leading private sector companies in the Gherkin and Seaweed value chains, currently reaching 1400 farmers (354M; 1046F; 89PwD) in total. Within these value chains, the ILO is working with companies to introduce climate smart practices and digital solutions to farmers. The ILO has also held gender empowerment and leadership trainings for women and men in both Seaweed and Gherkin value chains and their communities.

The mid-term evaluation provides the ILO project team, stakeholders and the Norwegian Government with an assessment of the project performance to date. Based on the evaluation questions developed, the evaluation reached out to the project stakeholders through online and in-person consultations during June and July 2024.

The evaluation concluded by providing a detailed set of recommendations, intended to provide the ILO and its stakeholders with suggested actions to strengthen the achievement of project outcomes and increase the potential for impact and sustainability.

Summary of recommendations.

The full text of the recommendations is provided in the report body.

1. The project should consider creating a Project Advisory Committee (PAC) with project stakeholders, chaired by the Chief Secretary of the Northern Province.
2. The project should consider reviewing its monitoring, evaluation, and learning system.
3. To build the capacity of BDS providers, the project should also consider working with the National Enterprise Development Authority (NEDA) as a national stakeholder.
4. The project should consider rolling out the ILO's Gender and Entrepreneurship Together (GET Ahead) program.

5. To enhance climate-smart agriculture, the project could pilot the application of AI-based growing technologies, if the project can accommodate additional resources.
6. The project need to consider extending it's engagement with private sector banks, i.e., HNB and Commercial Bank.
7. Leverage the Employment Federation of Ceylon's disability network which can provide business development services to farmers with disabilities.

1. Context and Project Description

1.1 Context

The ‘Promoting the Advancement of Vulnerable Persons and Enterprises (PAVE)’ project, funded by the Norwegian Ministry of Foreign Affairs, aims to create lasting employment opportunities for marginalized women, men and people with disabilities in the Northern Province of Sri Lanka. The project aims to achieve this by partnering with leading companies in promising agriculture and aquaculture value chains, and by improving new and existing Micro, Small, and Medium sized Enterprises (MSMEs) in the North. The project is set to run from November 2022 until November 2025 and is currently in the implementation phase.

The Northern Province of Sri Lanka, which is home to 1.3 million Sri Lankans (2021), was one of the worst affected areas during the three-decade long civil conflict that raged in the country until 2009. Even more than a decade after the war, unemployment and poverty rates remains higher than the national average – making it among Sri Lanka’s poorest regions. People’s livelihoods in the Northern Province are heavily reliant on agriculture and fishing with 83.4 per cent of people living in rural areas. In addition to being marginalized in terms of remote localities, the province is home to many women headed families whose partners were lost due to the war, and men and women with disabilities who find themselves in an especially precarious position with the stigma from having an impairment intermingling with assumptions of being an ex-combatant. In 2022, 75,600 women-headed households and 21,660 persons with disabilities were recorded in the province¹. PAVE specifically focuses on these groups. PAVE’s goal is to address the economic challenges in the Northern Province. It rests on four pillars: inclusive growth, private sector investment, entrepreneurship, and digitalization, primarily in agriculture and fisheries. The project aims to establish 100 new enterprises, enhance 100 existing businesses, and create income-generating opportunities for 3,000 individuals.

1.2 Project Description

The PAVE project is working in agriculture and aquaculture value chains with a focus on creating opportunities for women and people with disabilities and supporting sector growth. The project has forged partnerships with leading private companies within the selected value chains to adopt and adapt inclusive business models that not only benefit the primary producers but also strengthen their own supply chains. The fundamental principle of the business models is such that these are owned by the partner companies by making investments in the form of creating provision of inputs, technical know-how and technology for its primary producers. The ILO finances part of the initial investments made by the partner companies as a risk-sharing mechanism and to help them adopt the models. Partner companies can therefore source a higher number of products, of better quality, through a secured supply channel and a growing supplier base. On the other hand, primary producers receive better technical advisory services, inputs, and technology to become more productive and efficient and thereby experience increased income and improved access to new jobs. These incentive driven models, therefore, offer a win-win proposition for all, thus making the impact both sustainable and scalable.

PAVE is also focusing on creating employment opportunities for vulnerable people who do not have access to farming land or the sea for aquaculture, by promoting the expansion and creation of

¹ Department of Census and Statistics, 2022.

MSMEs. While the Northern Province has potential for economic growth, the MSMEs in the Northern Province face numerous challenges that hinder their development and contribution to the local economy. Considering the above challenges, the PAVE project focuses on developing selected MSMEs by accommodating some of the recommendations from the Business Development Service Market Assessment in collaborating with the Small Enterprise Development Division and the Department of Industries in the North. The project focuses on potential MSMEs, that are willing to expand and create employment opportunities for women and persons with disabilities.

So far, the ILO has established two partnerships with leading private sector companies in the Gherkin and Seaweed value chains. These partnerships currently support 800 Gherkin farmers and 600 Seaweed farmers, collectively reaching a total of 1,400 farmers (1,046F; 354M; 89 PwD). The Seaweed partnership reaches 489 female farmers, 111 male farmers and 18 farmers with disabilities. The Gherkin partnership reaches 557 female farmers, 243 male farmers and 71 farmers with disabilities. Within these value chains, the ILO is working with companies to introduce climate-smart practices and digital solutions to the farmers. Additionally, the ILO has conducted gender empowerment and leadership training for both women and men in the Seaweed and Gherkin value chains, extending these trainings to their communities. The ILO plans to move into the Tilapia value chain in the next phase of the project. At the time of the evaluation, the necessary preparatory steps have been taken to begin a feasibility study for the Tilapia value chain.

To further promote private sector investments in the Northern Province, the ILO, in partnership with the Employers' Federation of Ceylon (EFC), organized a delegation of private sector companies to Jaffna in May 2024. The delegation aimed to explore challenges and opportunities for private sector investment in the North.

To strengthen Business Development Services (BDS) for MSMEs, the PAVE project is currently working with the Small Enterprise Development Division (SEDD) to develop two modules and national-level training guidelines on 'How to Start a Business' and 'Introducing Digitalization to New and Existing Businesses'. Once developed, the project will organize national level Training of Trainers on the modules for SEDD staff, and roll them out in the Northern Province.

The ILO has also recently partnered with the Ministry of Women's Affairs (Northern Province) to enhance and refine the Provincial Gender Policy and build staff capacity for implementation. The project also has an engagement with the Department of Social Services (Northern Province) aimed at enhancing disability inclusion initiatives.

Furthermore, the project is planning to conduct a diagnostic study – *Analysis of Leading Sectors and Characteristics of Northern Provincial Economic Growth in Sri Lanka* to examine the characteristics and drivers of economic growth in prominent sectors, identify key challenges and opportunities, and to provide recommendations for policy and strategic interventions to enhance economic growth and employment creation. The project hopes to benefit from the recommendations of the report to engage at the provincial level. The recruitment process for a suitable consultant is underway at the time of the evaluation.

Project Objectives

The table below outlines the overall project goal, objectives/outcomes, and the key outputs and interventions to achieve the objectives.

Impact: The Northern Province has a growing and inclusive economy that supports vulnerable groups to improve their economic well-being.
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Outcome 1: Vulnerable women, and persons with disabilities engaged in promising value chains enjoy decent employment and better support from family members and their community	
Output 1.1 Processing units/backward linkages established together with private companies and communities in potential value chains.	1.1.1 Identify potential clusters and partner companies and establish partnerships by signing agreements and providing all required information. 1.1.2 Support partner companies and communities to develop inclusive business models and to identify suitable locations for processing units.
Output 1.2 Targeted women, men, and people with disabilities have been trained on job-specific or entrepreneurial skills	1.2.1 Identify and enlist the targeted vulnerable population to be wage-employed in the processing units established. 1.2.2 Identify the skill gaps of target people for running enterprises or for wage employment in processing units and assist partner companies in training them on required skills by giving specific attention to issues facing vulnerable men, women, and persons with disabilities.
Output 1.3 Improved and inclusive decent working conditions in processing plants and MSMEs	1.3.1 Assess OSH, inclusiveness, and necessary working condition measures required for processing plants by giving specific focus to vulnerable women, men, and persons with disabilities and support partner companies to adhere to such measures through technical and financial support. 1.3.2 Identify potential MSMEs/start-up business opportunities to benefit from backward linkages created by the project and support them to comply to create decent jobs for the target groups by assessing OSH and working conditions
Output 1.4 Target group has improved access to climate-smart techniques and digital solutions in their farming and MSMEs.	1.4.1 Identify available climate-smart practices in selected VCs and support partner companies to adopt/adapt and promote climate-smart practices among targeted primary producers by giving specific attention to vulnerable men, women, and persons with disabilities. 1.4.2 Identify available and effective digital solutions for primary producers by giving specific attention to vulnerable men, women, and persons with disabilities in selected VCs and support partner companies to equip them with digital interfaces and solutions <i>(How the digital interface can be useful: the purpose of this intervention is to support the primary producers under the identified value chains to get information on weather forecasts, backward supply chain information (e.g. tilapia grower societies will be able to access information from tilapia nurseries on when the next stock will be available as well as other relevant parameters) and timely technical information based on climatic conditions.</i>
Output 1.5 Families and community members have increased awareness of gender equality, and disability equity for the economic progression of targeted vulnerable groups	1.5.1. Identify the target groups and provide awareness and training on equality, and to change social norms, perceptions, and practices about women's livelihoods, leadership, and care responsibilities. 1.5.2. Develop a digital services directory and provide training to end-users and government officials to use it in providing essential services (water, land, and the required essential services for livelihood, business-related services) equitably for men and women in the targeted locations. 1.5.3 Support the government to finalize provincial gender policy and other strategies and build the capacity of the government officers/department to implement them.
Outcome 2: New and existing MSMEs and primary producers are more productive and competitive	
Output 2.1	2.1.1. Select BDS providers and support for them in designing suitable inclusive business model.

Selected Business Development Service (BDS) providers (including SEDD) have increased capacity to offer competitive solutions to MSMEs and potential entrepreneurs	2.1.2 Design capacity-building interventions for selected BDS providers based on sustainable inclusiveness business models and execute these interventions for selected BDS providers.
Output 2.2 MSMEs and farmers including vulnerable men, women and persons with disabilities in agriculture and fishery value chains have access to alternative targeted and appropriate financial services	2.2.1 Assess possibilities/challenges of value chain financing in selected agriculture/fishery VCs and support value chain financing partners (lead firms/financial institutions) to develop appropriate financial products targeting MSMEs and farmers emphasizing vulnerable men, women and persons with disabilities. 2.2.2 Support value chain financing partners and other institutions to roll out their products and improvise where necessary for selected and non-selected value chains.
Output 2.3 Targeted individuals/MSMEs have increased entrepreneurial and business management skills	2.3.1 Assess entrepreneurial challenges and opportunities in the Northern Province, with a particular focus on women and persons with disabilities. 2.3.2 Contextualize appropriate ILO entrepreneurship trainings such as KAB, SIYB, etc. 2.3.3. Identify and develop the capacity of local training providers to offer training to selected owners (women, men, and persons with disabilities) of MSMEs/start-ups and facilitate them to develop an entrepreneurship training plan and execute it accommodating the participation of vulnerable targeted members.
Outcome 3: Targeted entrepreneurs, farmers, and fishers have adopted digitalized solutions for competitive MSMEs and productive farming and fishing practices.	
Output 3.1 Improved digital skills of targeted entrepreneurs, farmers, and fishers	3.1.1 Map out digital solutions and digital solutions providers (including government extension departments) available and prioritize solutions and providers focusing on the target group and the Northern Province by paying attention to specific needs and gaps of vulnerable men, women, and persons with disabilities. 3.1.2 Develop digitalized services and support the roll out of service provision including digital knowledge building.
Output 3.2 Private companies offer more digitalized solutions to producers and enterprises	3.2.1 Enlist the selected government extension department (prioritized under Output 3.1) and 2-3 BDS providers (selected under Output 2.1) and assess their current digital solutions and demand-supply mismatch. 3.2.2 Assist selected extension and BDS providers to improve existing or new digital solutions.

The Strategic Fit of the Project

The project is contributing towards the sustainable development goals, in particular, SDG 8 on 'Promoting Decent Work' (8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value), SDG 5 on 'Supporting Gender Equality' (5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political,

economic and public life), SDG 10 on 'Reduced Inequality' (10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status), and SDG 13 on 'Climate Change' (13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning).

The project is well aligned with the United Nations Sustainable Development Cooperation Framework for Sri Lanka 2023-27, in particular: Outcome 2: Sustainable and Inclusive, Green-Led Growth, People-Centered Economic Recovery, Livelihoods and Productivity; Outcome 3: Natural Resource Management, Climate Resilience and Environmental Sustainability; and Outcome 6: Gender Equality and Women's Empowerment.

The project is contributing to ILO Decent Work Country Programme for Sri Lanka 2018-2022, Country Priority 1: Creation of sustainable, inclusive, and decent employment. The project also contributes to the ILO Programme and Budget for 2024-25, in particular: Outcome 4: Sustainable Enterprises for Inclusive Growth and Decent Work and Outcome 5: Gender Equality and Equality of Treatment and Opportunities for All. The project is a part of the ILO in Sri Lanka's flagship programme "Jobs for Peace and Resilience". The project also contributes towards 'Recommendation 193' (cooperatives), 'Recommendation 205' (Employment and Decent Work for Peace and Resilience), as well as 'Job Creation in Small and Medium-Size Enterprises Recommendation 1998' (No. 189).

2. Evaluation Purpose and Methodology

2.1 Purpose, Scope and Objectives

The main purpose of this internal mid-term review is to enhance learning among the project team and stakeholders and ~~to ensure accountability to the stakeholders, as well as~~ to provide necessary guidance for the next half of the project period. The project is required to conduct an internal Mid Term Review. In line with ILO Policy Guidelines for Evaluations, the Chief Technical Advisor (project manager) managed the internal review and sent the final report to the ~~EVAL unit~~ Evaluation Office for disclosure. The internal review was carried out by an internal ILO certified evaluation manager with no relation to the project.

Objectives of review:

1. Assess relevance, validity of design, effectiveness, efficiency, and the sustainability of process initiated by the project.
2. Identify lessons and key changes in a collective manner
3. Identify ways to strengthen the project (recommendations)

The users of this MTR is the ILO project team, implementing partners and stakeholders. The MTR ensures that issues and inputs from stakeholders and tripartite constituents are adequately covered.

Evaluation Scope

The scope of the MTR covers all interventions the ILO and implementing partners from the beginning of the project to date. The evaluation integrated ILO's cross-cutting issues, including norms and social dialogue, gender equality, disability inclusion, other non-discrimination concerns, and medium and long-term effects of capacity development issues throughout the evaluation methodology and all deliverables, including the final report. Further, the evaluation gave specific attention to how the intervention is relevant to the ILO's programme and policy frameworks at the national and global

levels, the UNSDCF and national sustainable development strategy (or its equivalent) or other relevant national development frameworks, including any relevant sectoral policies or programmes.

2.2 Evaluation Methodology

2.2.1 Evaluation Questions and Data Sources

The evaluation addressed the overall ILO evaluation concerns including relevance, validity of design, coherence, effectiveness, efficiency, sustainability, gender, and non-discrimination. The evaluator was guided by the following questions:

1. Relevance and Validity of the Design:

- To what extent does the intervention objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities?
- To what extent is the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherent?
- Does the design need to be modified in the second half of the project, and why?
- Was the methodology of implementation the right one under the circumstances?
- How appropriate and useful are the indicators described in the project document in assessing the project's progress? If necessary, how should they be modified to be more useful? Are the indicators gender sensitive?
- To what extent has the project responded to the impact of the Covid 19 pandemic and global economic crisis and any country-specific impediments/obstacles in order to remain relevant to the communities and other stakeholders?
- To what extent has the project complemented and/or harmonized or coordinated with other actors and their interventions to maximise the project's effectiveness and impact?

2. Intervention Progress and Effectiveness (including effectiveness of management arrangement)

- To what extent has the project been making sufficient progress towards its planned results? Are there any unintended (positive and negative) outcomes? Will the project be likely to achieve its planned long-term and medium-term outcomes by the end of the project? Are there any external and internal factors that hindered or facilitated achievement of the project's outputs/outcomes/impact? What factors can be identified that are positively or negatively affecting project implementation?
- To what extent has gender been mainstreamed in the design and implementation of the project?
- To what extent do the project management capacities and arrangements put in place support the achievement of the planned results?
- How effective was the support provided to the project team by the ILO (PU of the country office, technical specialists), donors, and tripartite constituents in delivering results? What could have been done differently?
- To what extent was results-based management implemented in the programme? To what extent are the lessons learned and monitored data fed into the decision-making process of project stakeholders?
- How effective is communication between the project team of the ILO and the national partners? Is there a clear understanding of roles and responsibilities by all parties involved?

3. Efficiency

- To what extent has the project delivered value for money? How well have resources and inputs (funds, expertise, time, etc.) been allocated or used strategically to achieve the planned results? Have they been delivered in a timely manner? If not, what were the factors that have hindered timely delivery of outputs? Any measures that have been put in place?
- To what extent has the project resources been leveraged with other related interventions to maximize impact, if any?

4.Sustainability

- To what extent are the followed processes leading towards sustainability of the interventions?
- To what extent can the results be expected to be sustainable over the longer term?
- Assess the level of operationalization of the project exit strategy and its effectiveness.

5.Tripartism, Social Dialogue, Gender Equality, Non-Discrimination

- What are, so far, the key achievements of the project on gender equality and women's empowerment? What are the key achievements of the project on disability inclusion?
- Has the project allocated substantive resources in achieving gender equality activities of the project? Has the project engaged tripartite constituents meaningfully since the designing of the project to assure their involvement and enhance ownership?
- Has the project been able to leverage the ILO contributions, through its comparative advantages including International Labour Standard, social dialogue and tripartism?

2.2.2 Evaluation Schedule

In coordination with the project staff, the evaluation conducted inception phase activities in May 2024. This included project orientation, document review, listing of stakeholders to be consulted, preparation of the protocols, and data collection scheduling. The key informant interviews were conducted from June to July 2024. Data analysis, report writing, and finalisation occurred in July and August 2024.

2.2.3 Data Collection Methods

The review applied a mixed-methods approach, engaging the key stakeholders of the project throughout the design, field work, validation, and report formulation. It adopted elements of utilisation-focused evaluation approaches to enhance the ownership and utility of the findings. The review was completed through a desk review and key informant interviews (KII), conducted either via a virtual platform or, where necessary, by visiting the implementing partners in person.

The review methodology involved a thorough examination of the intervention's Theory of Change. This included a detailed analysis of the underlying assumptions, risk and mitigation strategies, as well as the alignment between the different levels of results and the ILO's strategic goals and outcomes at global and national levels, as well as with the relevant SDGs and related targets. The methodology included multiple methods, with analysis of both quantitative and qualitative data, to capture the interventions' contributions to the achievement of outcomes. To the extent possible, the data collection and analysis included a focus on issues related to the ILO's normative work, social dialogue, gender equality, disability inclusion, diversity, and non-discrimination.

2.2.4 Data Analysis

The evaluation triangulated the findings from the document review and the key informant interviews to address each evaluation theme and question.

2.3 Limitations and Mitigating Strategies

The main limitation of the methodology was the inability to collect data directly from project beneficiaries as the evaluation was conducted remotely from Colombo. The evaluation findings therefore do not capture the insights and feedback from the direct beneficiaries of the project.

3. Evaluation Findings

This section presents the findings in response to the evaluation questions, organized according to the following criteria: design validity (section 3.1), relevance to stakeholders (section 3.2), coherence (section 3.3), effectiveness of the interventions (section 3.4), management effectiveness and resource efficiency (section 3.5), and potential impact and sustainability (section 3.6).

3.1 Project Design Validity

This section addresses the evaluation questions regarding the validity of the project design in achieving the project objectives. This section also covers how well the project design and project interventions integrate gender and disability dimensions. To answer the questions, the evaluation reviewed the evolution of the project design, starting from the initial formulation of the project proposal through to the later adjustments made to the results framework.

The project originally focused on the groundnut and chili value chains, with a vision to expand value addition by setting up processing units in the Northern Province to generate jobs. However, the project was forced to deviate from the original areas of focus due to unforeseen changes in import regulations that led the partner companies to pull out of the agreement. The project therefore shifted its focus to the seaweed and gherkin value chains to create income opportunities in primary production as well as some direct employment through partial processing.

The evaluation confirms that at the time of the evaluation, the project design narrowed its scope to the Gherkin and Seaweed sector. However, the change in focus during project implementation means the focus on OSH needs to be expanded in the project design. While the project design has already identified the need to focus on working conditions in processing plants, as outlined in Output 1.3—Improved and Inclusive Decent Working Conditions in Processing Plants and MSMEs—there is also a need to address OSH conditions throughout the entire value chain, from primary production to processing. The seaweed sector could face challenges in implementing OSH best practices due to the nature of the cultivation process. The specific output needs an adjustment in the project design to be able to address workplace occupational health standards and their consequences for workers in both production sites and processing units.

Validity of the Theory of Change

The project design took place during the inception phase of the project and was supported by comprehensive analysis. The project conducted comprehensive assessments of potential value chains and the business development service market in the Northern Province. Additionally, the project conducted a peace and conflict analysis, and a gender, diversity and inclusion analysis of the Northern Province. The assessments covered potential forms of business engagement, employment,

informality, and possible opportunities for marginalised groups such as women and persons with disabilities.

To address these issues, the project logic or *theory of change* proposes that both **enterprise-level enhancements** through value chain linkages support employment creation and promote gender equality and disability inclusion, as well as an **improved enabling environment in the target sectors** such as access to finance, technological advancement, and business development services.

The evaluation confirms that the project approach is in line with the ILO strategy on decent work in supply chains, which aims to optimise the impact of ILO's work by promoting a smart mix of national and international measures while utilising all available ILO means of action. The strategy on decent work in supply chains also builds on the ILO's tripartite structure and the international labour standards system where the evaluation found the strategic alignment.

The evaluation highlights that the project's design is reinforced by successful approaches from previous ILO interventions in the region, particularly the Local Empowerment through Economic Development (LEED) program and its follow up Local Empowerment through Economic Development and Reconciliation (LEED+). The evaluation also notes that the project aimed to respond to the economic crisis to a certain extent, with a focus on supporting the most vulnerable population segments. Although it is still early to assess how the intervention will help the country navigate future obstacles, there is potential for the interventions to remain relevant to communities and stakeholders, particularly in the event of future crises.

An overview of the results framework is shown in Figure 1, which includes three main outcomes, supporting outputs, and specific activities. For better clarity, activities are not included in the figure below but are referred to in the full results framework in Annex 1: PAVE Results framework.

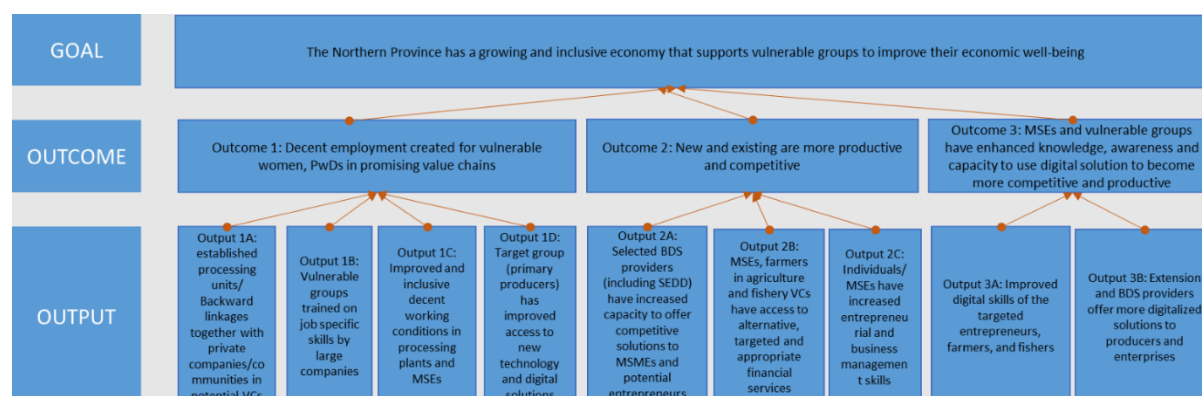


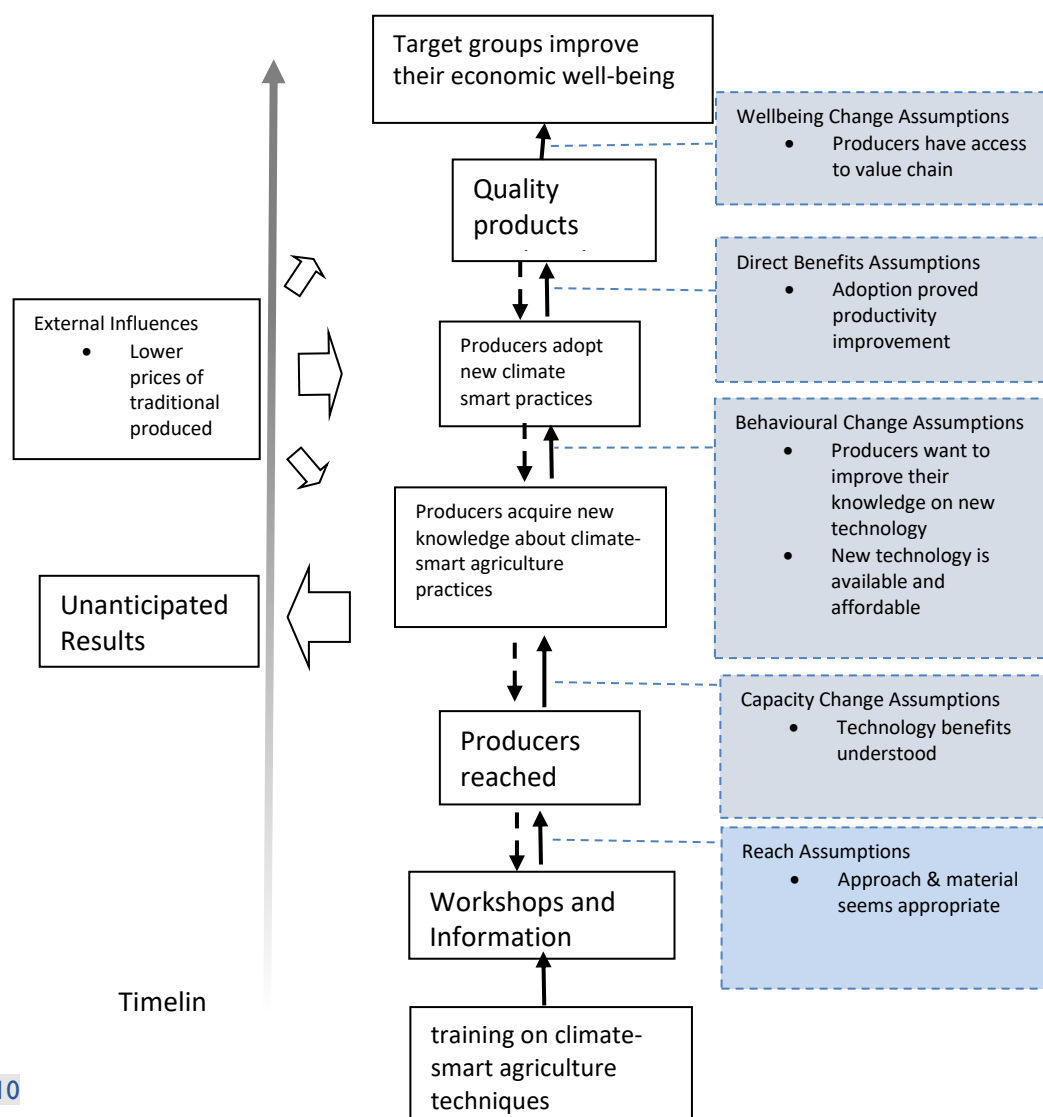
Figure 1: Project intervention logic

In line with results-based management principles, the elements in the proposed results sequence are well linked and stated in evaluable terms. However, the wording of a couple of the outputs is overly complicated by combining multiple elements in one output (as in output 1.4 below), and the activities have not yet been streamlined with the changed project expectations. There are some elements where the logic could be clearer and more streamlined, but the evaluator does **not** consider these critical.

For example, Output 1.4 is expected to achieve climate-smart techniques as well as digital solutions.

Output 1.4 Target group has improved access to climate-smart techniques and digital solutions in their farming and MSMEs.	1.4.1 Identify available climate-smart practices in selected VCs and support partner companies to adopt/adapt and promote climate-smart practices among targeted primary producers by giving specific attention to vulnerable men, women, and persons with disabilities. 1.4.2 Identify available and effective digital solutions for primary producers by giving specific attention to vulnerable men, women, and persons with disabilities in selected VCs and support partner companies to equip them with digital interfaces and solutions <i>(How the digital interface can be useful: the purpose of this intervention is to support the primary producers under the identified value chains to get information on weather forecasts, backward supply chain information (e.g. tilapia grower societies will be able to access information from tilapia nurseries on when the next stock will be available as well as other relevant parameters) and timely technical information based on climatic conditions.</i>
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Merely identifying and promoting climate-smart practices among primary producers is not sufficient to ensure widespread access and adoption. The evaluator proposes that the project build a comprehensive theory or pathway of change to reflect what it is actually aiming for. A pathway of change should clearly describe the sequence of steps and the relationships between them, as elaborated in the diagram below.



Given that the project approaches focus on connecting enterprises and communities, the theory of change could have more clearly formulated the intended results of the project.

Overall, the results framework is coherent from a results-based management perspective. The strategies formulated are clear, particularly the process for potentially scaling up good practices from the two sectors, gherkin and seaweed, beyond the duration of the project. In addition, the sustainability plans incorporate ownership, institutional stability, and capacity enhancement, guaranteeing the long-term benefits of the project.

The evaluation notes that the original focus on groundnut and chilli shifted to gherkin and seaweed due to implementation challenges resulting from unforeseen changes in import regulations. The primary focus of PAVE was to develop value chains with the potential for value addition at local levels to generate employment. This was to be achieved by setting up processing units for value addition. However, due to relaxations in import regulations in the pulses sector the value chains identified were no longer realistic to pursue. It was no longer profitable for partner companies to engage in the pulses value chains in the North and set up processing units to generate employment opportunities, as imported pulses would be available at lower costs. As a result, the project shifted the focus to export-oriented value chains with the potential to create income opportunities for people in vulnerable situations. The project identified the potential of the seaweed and gherkin value chains to create income opportunities in primary production as well as some direct employment through partial processing.

The evaluation recommends updating the results framework in accordance with the current priorities/value chain sectors selected to reflect the current operation modality.

Gender and disability inclusion in the design and implementation

The project prioritizes gender mainstreaming, focusing specifically on women workers, especially those from conflict-affected backgrounds and female-headed households. The gender mainstreaming strategy developed is very thorough and supported by the preliminary evaluation. At the early stages of the project implementation, gender and PWD assessment has been undertaken to analyse the specific needs and gaps for the target groups i.e. women and PWDs. With the partnership of the private companies, Seaweed and Gherkin, the project trained target beneficiaries including for vulnerable women and PWDs to acquire the required skills to be part of the value chain, creating employment opportunities. In addition, the project contributed to improve some of the working conditions and facilities suitable for target beneficiaries. However, the evaluation found a need focus to on points in the value chain where women and person's with disabilities work to identify specific occupational safety and health improvements that will benefit women. The evaluation notes that the Seaweed company provided shoes and gloves to farmers to prevent cuts on feet and other injuries and supported the farmers to minimise OSH risks. However, the evaluation notes that concerted action is required to bring together employers and workers to prepare and execute a balanced OSH strategy throughout the value chain.

The M&E system includes gender-disaggregated monitoring of participation in both Gherkin and Seaweed value chains and of results, particularly at the lower levels of the results framework. The result monitoring framework doesn't identify or directly reflect measurements on gender equality. The gender analysis completed in the latter stage of 2023 suggested some key indicators that reflect gender inclusion, and the evaluation suggests incorporating some of those indicators into the project results framework and M&E system. The evaluation found that the project is collecting gender and disability disaggregated data through its M&E system, however the data is not fully captured and updated in the M&E system up to end of June 2024.

3.2 Relevance to Stakeholder Needs and Priorities

The relevance of the project goals and interventions to the needs and priorities of its stakeholders is crucial to achieve impact and sustained results. This section addresses how the project continues to address national needs and align with the priorities of the ILO's constituent partners, including how it adapts to evolving national policy processes.

The project is highly relevant to the expressed needs and priorities of the Northern Provincial Ministry of Women Affairs, Department of Social Service, Department of Co-operatives, Department of Industries, and Small Enterprise Development Division. These encompass the key government partners of the project. According to government representatives, the project builds on the relationships established and strategies initiated under LEED+, particularly the formulation of gender and inclusion policies.

The Ministry of Women Affairs affirms that the strategy to formulate the gender policy includes extensive stakeholder involvement, including with government officers, to review and refine the provincial gender policy as required for the current context. While progress is steady, the adoption of the policy will depend on the Ministry's ongoing priorities and could be influenced by the upcoming election. In this context, the Ministry of Women Affairs appreciates the work on women and persons with disabilities, which aligns with the Ministry's priorities in the Northern Province, and highly praises the project effort to institutionalise monitoring and evaluation at the ministry.

The project has signed a contract with the Department of Agriculture (DOA) to enhance the skills and exposure of committed farmers and staff from the DOA on climate-smart agriculture (CSA) and innovative digital technologies. Capacity-building activities have been completed for 45 officers from DOA and is yet to commence for 1,500 individual farmers across the Northern Province.

The Employers' Federation of Ceylon (EFC) strongly supports the project, believing it aligns well with their objective of promoting business in the Northern Province. EFC believes the project will assist its members in initiating new business ventures in the province, and foster ownership among member companies and some non-member companies to foster collaboration between northern provincial state authorities and local businesses.

The PAVE project is closely aligned with Norway's development priorities for Sri Lanka, including the promotion of sustainable development with a focus on economic development, private sector cooperation, lasting peace, and reconciliation. The project resonates with the Norwegian Government's key priority areas: a) promotion of climate smart agriculture among smallholder farmers to address hunger and food insecurity; b) promotion of gender equality and sustainable economic growth to create jobs and address poverty. Norway's strong focus on women's rights is also central to the PAVE project, which emphasises the economic and social empowerment of women, including through increased representation and participation in decision-making processes. Given the high rates of vulnerability and poverty in these communities, this project resonates strongly with the Sustainable Development Goals (SDGs) and Sri Lanka's commitments to these goals to "leave no one behind." Promoting jobs and enterprises is a part of the ILO Decent Work Agenda with gender as a cross-cutting theme.

3.3 Coherence

This section assesses how well the PAVE project aligns with other ILO interventions on Local Economic Development.

3.3.1 Contribution to ILO Programmes and Conventions

The project team has ensured that the PAVE project aligns well with Decent Work Country Programme Priorities and continues to build on the LEED and LEED+ projects, through its work in the agriculture and fisheries sectors. The project is contributing to ILO Decent Work Country Programme for Sri Lanka 2018-2024, Country Priority 1: Creation of sustainable, inclusive, and decent employment. The project also contributes to the ILO Programme and Budget for 2024-25, in particular: Outcome 4: Sustainable Enterprises for Inclusive Growth and Decent Work and Outcome 5: Gender Equality and Equality of Treatment and Opportunities for All. The PAVE project is a part of the ILO's flagship programme 'Jobs for Peace and Resilience'. PAVE also contributes towards 'Recommendation 193' (cooperatives), 'Recommendation 205' (Employment and Decent Work for Peace and Resilience), and 'Job Creation in Small and Medium-Size Enterprises Recommendation 1998' (No. 189).

The project support Sri Lanka's obligations under the SDGs including on Goal 8 on 'Promoting Decent Work' (8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value), Goal 5 on 'Supporting Gender Equality' (5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life), Goal 10 on 'Reduced Inequality' (10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status), and Goal 13 on 'Climate Change' (13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning).

3.3.2 Coherence at the Country-Level

The PAVE project team has actively worked to promote coordination and coherence with the ILO projects implemented in Sri Lanka under the Decent Work Country Programme. The project builds on the success and lessons learned from the LEED+ project and is closely connected to the US DoS funded South Asia Leadership in Entrepreneurship (SALE) project. At national level, SALE is working with local institutions, encouraging entrepreneurship and an enabling environment for start-up businesses bringing young women and men with entrepreneurship training, through campaigns, competitions and mentoring programmes. In supporting the national effort, PAVE works with local stakeholders that simultaneously focus on creation of entrepreneurs to uplift the economy while developing Business Development Services (BDS) that supports entrepreneurs to flourish. The two project identified synergies between them and avoid duplicate at the project operational level. The project also aligns with and complements fundamental ILO conventions that promote decent work, especially those ratified by Sri Lanka and continued to lobby of ratification of Work in Fishing Convention which is started by the LEED+ project.

3.4 Effectiveness of Interventions

This section examines the extent to which the project is on track towards achieving its intended outcomes. This section draws upon reported results, incorporates qualitative feedback from stakeholders on the effectiveness of the intervention, and analyses factors influencing these achievements. This section also tackles the evaluation questions related to gender mainstreaming in the project design and implementation and addresses cross-cutting issues of importance to the ILO, such as the International Labour Standards, social dialogue, and tripartism.

Overall, the project has made significant progress, particularly under Outcome 1 and Outcome 3 through the interventions in the Seaweed and Gherkin value chains. In the Gherkin value chain, the

project collaborated with Reitzel Walker (Pvt) Ltd. engaging 800 farmers in gherkin cultivation, including 71 persons with disabilities, 557 women, and 243 men. In addition, the project supported the company to set up 10 collection and grading centres for gherkin. The initiative includes comprehensive training for farmers on farming techniques and technology use, as well as occupational safety and health. The project also intends to continue the work with Reitzel Walker (Pvt) Ltd. to promote climate-smart agricultural practices among farmers during the remainder of the implementation period.

For the seaweed value chain, the project is collaborating with Marine Algae Farm (Pvt) Ltd. to engage vulnerable women in seaweed production while improving their technical capacities to maximise their production, and to expand seaweed cultivation across the North. Supported by the Seaweed Society, NAQDA, and fishermen's cooperative societies, the company has extended its reach to over 600 farmers, with more than 80% being women. Currently, 18 farmers with disabilities are engaged in seaweed. The company has provided technical training to selected new farmers in Mannar, Kilinochchi, and Jaffna districts, introducing new farming methods and strengthening farmer networks. The project has also conducted gender empowerment workshops and leadership trainings for both women and men involved in the seaweed value chain and their respective communities.

Additionally, the project has initiated preparatory work to enter the Tilapia value chain.

To further promote private sector investments in the Northern Province, ILO organised a business delegation in partnership with Employment Federation of Ceylon (EFC) to Jaffna in May 2024. This initiative aimed to explore challenges and opportunities for private sector investments in the North.

Under Outcome 2, the project has made progress by collaborating with the Small Enterprise Development Division to design a capacity development program to strengthen their business development services. The intervention aims to improve SEDD's capacity to offer competitive solutions to MSMEs and potential entrepreneurs in the Northern Province. Currently, the project is working with the Small Enterprise Development Department (SEDD) to develop national-level training materials, which will be rolled out in the Northern Province in the second half of the project. The project has engaged CurveUp Creative Studio to develop two new modules and corresponding training guidelines to enhance the business management skills of small and medium enterprises (SMEs) in Sri Lanka, with a focus on digitalisation and entrepreneurship. The activities under Outcome 2 have recently commenced.

During the inception phase, the project also completed several assessments including value chain and market assessments, gender and disability assessments, and business development services assessments to understand ground realities. These assessments influenced the design and implementation of the project, including the choice of value chains and subsequent progress under Outcome 1 and Outcome 3.

Typically, the evaluation would compare the performance of indicator results in the monitoring framework with the targets for the evaluation period. However, the evaluation noted that the monitoring framework has not been fully updated, hence the comparison wasn't performed during the evaluation.

3.5 Management Effectiveness and Resource Efficiency

This section assesses the efficiency of project management and delivery, focusing on key areas such as the management structure and human resource deployment, delivery efficiency, coordination

and planning, and financial resource efficiency. It also assesses the effectiveness of the monitoring, evaluation and learning (MEL) system.

3.5.1 Management Structure, Human Resources and Delivery

The project team is led by a Chief Technical Adviser, who provides technical guidance, manages donor relations, oversees reporting, and supervises monitoring and evaluation. The project's implementation and operations are managed by a national project manager, supported by a gender officer, a finance and administrative assistant, and two field officers, all based in Vavuniya. The project is also supported by a project officer and a junior professional officer based in Colombo. The recent resignations of the National Gender and Disability Technical Officer and Monitoring and Evaluation Officer, respectively, are likely to have an impact on the project's progress over the coming months, as it will take time to hire and orient the new staff. The project currently assigns monitoring and evaluation responsibilities to the junior professional officer. The project also receives technical guidance from the Enterprise Specialist from the Decent Work Technical Support Team in New Delhi.

3.5.2 Effectiveness of Monitoring, Evaluation and Learning

At the national level, the project reports to the Decent Work Country Programme taskforce, which consists of representatives from ILO's tripartite members and meets every four months. The taskforce meetings serve as a platform to report on the progress of the ILO's work to the Ministry of Labour and Trade Union Relations, the Employer's Federation of Ceylon, and the trade unions. At the provincial level, the project has yet to establish a Project Advisory Committee (PAC) with key stakeholders, chaired by the Provincial Council's Chief Secretary. However, the project has confirmed that it has taken the necessary steps to formally establish the PAC and is in the process of organizing its first meeting.

The evaluation found that the Monitoring, Evaluation, and Learning (MEL) system was set up at the beginning of the project, which included the Results Measurement Matrix (see Annex X), which included key performance indicators, baselines, and targets. Several results tracking sheets were created, but effective use and updates have not been completed at the point of evaluation. The evaluation found that the current monitoring system appears intricate and requires additional effort to complete regular updates. Project field missions were carried out either jointly or individually by the project team, stakeholders, donors, and the project manager. The project document proposed that annual reviews, quarterly reviews, event reflections, peer reviews and thematic assessments should be conducted at different levels as per the project requirement using participatory approaches. Annual reviews were conducted, and "event reflections" were carried out through focus group discussions with seaweed and gherkin farmers as well as company field staff. These covered negative coping mechanisms, the impact of the extreme heat in April causing disruptions in the seaweed value chain, and qualitative insights on seasons. The evaluation found that structured quarterly reviews of the project had not been carried out, however, regular meetings took place with the project team to ensure smooth project finance and activity delivery, as well as the continued relevance of the project interventions.

3.5.3 Financial Resource Efficiency

The National Project Manager holds overall responsibility for budget reporting and financial management, with all financial transactions being administered through the ILO's Integrated Resources Information System (IRIS).

Category	Totals	% of Total
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Outcome 1	69,443.63	5.49
Outcome 2	86,106.12	6.80
Outcome 3	46,793.90	3.70
Staff+ Operational+ M&E Cost	894,366.09	70.64
Programme Support	169,330.00	13.37
Total	1,266,039.74	

The largest portion of the budget, more than 70%, goes to staff salaries and operational costs, with less than 20% of the budget being allocated for specific outcome areas. As of 30th June 2024, according to ILO responsible staff, the project performed a financial delivery rate of 36.3%.

Budget	Actuals	Encumbrances	Balances
1,266,039.74	459,572.45	585,959.75	220,507.54

The evaluation noted that, due to ILO regulations requiring staff salaries and operational costs to be reserved upfront at the beginning of the project, the budget is skewed, with a heavier proportion of funding for activities being allocated towards the end of the project cycle.

3.6 Potential Impact and Likelihood of Sustainability

This section answers the evaluation questions regarding potential impact and sustainability, including the quality of the project's sustainability strategy, and the results that appear likely to be sustained at this point in the project life.

3.6.1 Potential Impact

By investing in inputs, technical know-how, and technology for its primary producers, the project connects vulnerable communities—including women and persons with disabilities—to viable business models owned by partner companies. The pilot phase proved the commercial viability of these investments, enabling partner companies to secure a steady supply of higher-quality products from a growing supplier base. Meanwhile, primary producers benefited from better technical advisory services, inputs, and technology, which improved their productivity and efficiency, resulting in increased income and better access to new jobs. These incentive-driven models, therefore, offer a win-win proposition for all, thus making the impact both sustainable and scalable. As the partner companies own the business models and maintain their investments in the North, they are independent of project support and are very likely to continue their operation beyond the project period. The approach is designed to be anchored with relevant government institutions, allowing for scale-up and replication not only within the North but also beyond the Northern Province.

4. Lessons Learned and Emerging Good Practices

This section identifies lessons learned and emerging good practices, drawn from evaluation interviews, progress reports, and the evaluation analysis. The ILO/EVAL templates with the full descriptions of these lessons learned and good practices are provided in Annex E.

4.1 Lessons Learned

The project builds on the ILO's Local Empowerment through Economic Development and Reconciliation (LEED+) project, supported by the Government of Norway and DFAT, which has been successful in going beyond the traditional livelihoods approach and looking at broader market systems. The expertise gained through the implementation of LEED and LEED+ has proven that strong market linkages and value chains result in reducing post-harvest losses and increasing profitability for farmers. Enhancing storage and processing facilities, fostering connections between farmers and local collectors, and incorporating private sectors guarantees a stable market and price for farmers. Also, linking farmers with value chains helped farmers ease access to credit and financial services, increasing their ability to invest in modern farming inputs and technologies, and expand their market.

The project has learnt that the region is highly vulnerable to climate change impacts, such as inconsistent rainfall patterns and extreme weather events, which is a risk for agricultural productivity. To minimise the risks, educating farmers on climate-resistant crop selection and promoting the adoption of climate-smart agricultural practices can significantly boost productivity and sustainability.

4.2 Emerging Good Practices

Deep engagement with tripartite partners: The project has established a strong network of government and social partner stakeholders at the grassroots, provincial, and national levels. This has resulted in a strong sense of ownership among the constituents and a balanced involvement of employees, including women and persons with disabilities, as well as employer organisations, which supports the prospect of sustainable outcomes. To build sustainable ownership, the project has connected with well-established companies and learnt that creating linkages through business associations is vital. The project formed a partnership with the Employers Federation of Ceylon, allowing member companies and some non-member companies to become potential stakeholders in the project.

5. Conclusions

5.1 Project Design Validity

Design Feasibility: The initial scope of the project included groundnuts and chili which seemed feasible during the design stage. However, due to the relaxation of import restrictions on these crops, the project strategy had to be realigned to address the shifting market dynamics. As a result, the focus has shifted to new sectors such as seaweed and gherkin. This shift in sectoral focus has not notably impacted the project's geographic coverage.

Validity of the design strategy and logic: The project design logic for promoting the advancement of vulnerable people and enterprises is sound. It is based on the lessons learned from earlier ILO interventions in the Northern Province of Sri Lanka, such as the Local Empowerment and Economic Development (LEED) and the follow up LEED+ project. The project design is based on a clear problem analysis that leads to support for the most vulnerable and marginalised populations in the Northern Province by promoting decent work. Overall, the results framework is coherent from a results-based management perspective. The strategies and formulation are clear, particularly in outlining the potential for scaling up the good practices from the two sectors, even after the project's lifespan.

Apart from this, ownership, institutional stability, and enhancing capacity are captured in the sustainability plans, ensuring the continuation of project benefits.

Gender and disability inclusion in the design and implementation: The project focuses on women workers, especially those affected by conflict and female-headed households, with a priority on gender mainstreaming. While the gender mainstreaming strategy developed is very thorough, the evaluation found that further focus is needed on points in the supply chains where women work to identify specific OSH improvements benefiting women. The M&E system includes gender-disaggregated monitoring of participation in both Gherkin and Seaweed value chains and of results, particularly at the lower levels of the results framework. However, this data is not captured until the end of June 2024. Ideally, gender-disaggregated data should be captured from the beginning of the interventions.

5.2 Relevance

The representatives of the government, especially the Provincial Ministry of Women Affairs and the Employers Federation of Ceylon, find the project aims and strategies highly supportive and relevant to their priorities.

5.3 Coherence

The project team has ensured that the Promoting the Advancement of Vulnerable Persons and Enterprises project aligns well with Decent Work Country Programme Priorities and continues to build on the success of the LEED and LEED+ projects in the agriculture and fisheries sectors.

The PAVE project contributes to the ILO Decent Work Country Programme for Sri Lanka 2018-2024, particularly Country Priority 1: Creation of sustainable, inclusive, and decent employment. The project is also a part of the ILO's flagship programme "Jobs for Peace and Resilience" and contributes towards 'Recommendation 193' (cooperatives), 'Recommendation 205' (Employment and Decent Work for Peace and Resilience), as well as 'Job Creation in Small and Medium-Size Enterprises Recommendation 1998' (No. 189).

The project contributes to Sri Lanka's obligations under the SDGs, particularly Goal 8 on 'Promoting Decent Work', Goal 5 on 'Supporting Gender Equality', Goal 10 on 'Reduced Inequality', and Goal 13 on 'Climate Change'.

5.4 Effectiveness of Interventions

The project is on track toward achieving its intended outcomes, as evidenced by the project's reported results and qualitative feedback from stakeholders on the effectiveness of interventions. The evaluation also considered factors affecting these achievements, the extent to which gender mainstreaming was integrated into the project's design and implementation, along with attention to the ILO's cross-cutting policy drivers — International Labour Standards, social dialogue, and tripartism.

Overall, the project has made significant progress, particularly under Outcome 1 and Outcome 3, with activities under Outcome 3 now underway. The project is supported by a strong monitoring system for collecting and tracking data, that is thorough and utility-focused, focused on the progress of project activities.

To further strengthen the monitoring of project activities and achievements, it is recommended to establish a Project Advisory Committee (PAC) of project stakeholders that should be chaired by the Chief Secretary of the Northern Provincial Council.

5.6 Potential Impact and Sustainability

The project connects vulnerable communities, including women and persons with disabilities, with partner companies through sustainable business models. The companies provide investments in the form of inputs, technical expertise, and technology. The pilot phase demonstrated commercial viability, resulting in higher quality products and increased income for both suppliers and producers.

6. Recommendations

The recommendations are intended to provide the ILO and its stakeholders with suggested actions to strengthen the achievement of project outcomes and increase the potential for impact and sustainability.

8. **The project should consider creating a Project Advisory Committee (PAC) with project stakeholders, chaired by the Chief Secretary of the Northern Province.** Establishing a project-level advisory committee to oversee the implementation and provide timely updates on achievements and challenges could benefit both the project and its stakeholders by improving their understanding of the project's progress. This would also open another avenue to involve all stakeholders in project monitoring.
9. **Review the monitoring, evaluation, and learning system.** The current monitoring system appears intricate and requires additional effort for regular updates. To improve monitoring efficiency, the project should plan a viable methodology for updating the performance indicators in a simplified manner.
10. **To build the capacity of BDS providers, the project should also consider working with the National Enterprise Development Authority (NEDA).** Apart from working with SEDD, the project should also consider working with Ministry of Industries to offer competitive solutions to MSMEs and potential entrepreneurs. At the national level and the grass-roots level, NEDA is the government-mandated arm to support enterprises, which include micro, small, and medium-scale. The evaluation noted based on the project staff confirmation, outreach of NEDA at the grass root level in the North is very limited, the staff confirmed IDB, SEDD and DoI showed significantly higher outreach to MSMEs in the North.
11. **Roll out the Gender and Entrepreneurship Together (GET Ahead) program.** ILO's GET Ahead training programme is a gender-sensitive entrepreneurship training programme designed for women and men with basic numeracy or literacy skills. The programme provides men and women with business management and essential soft skills needed for entrepreneurship. By using this module to train the farmers who are the beneficiaries of the project, we will be able to build their capacity, as well as the capacity for local actors to ensure sustainability. The project could use the NEDA Trainers who have already completed the GET Ahead ToT programme.
12. **To enhance climate-smart agriculture, the project could pilot the application of AI-based growing technologies, such as AiGrow.** AiGrow is currently available in Sri Lanka subject to resource availability. AiGrow has expanded its research and offerings to include automated

fertigation units and climate control systems for small- to large-scale producers in a protected environment, which could benefit Gherkin production. AiGrow is a Sri Lankan-based product that is equal in quality to imported technology, yet much more affordable than popular brands. AiGrow manufactures everything in Sri Lanka, allowing local farmers to benefit significantly. In addition to the cost-benefit, local farmers can get quick and easy support from AiGrow.

13. **Extend engagement with private sector banks, i.e., HNB and Commercial Bank.** The evaluation noted that access to finance, financial literacy and management trainings are currently being successfully conducted in partnership with the Bank of Ceylon. Working only with state banks might not be sufficient to reach out to a wider range of beneficiaries. Through the implementation of similar interventions, the ILO has learned that HNB and Commercial Bank's SME Arms have a stronger on-the-ground presence, including training facilities, and they are willing to continue their partnership with ILO.
14. **Leverage the resources and networks of the Employment Federation of Ceylon.** The EFC's disability network can provide business development services to farmers with disabilities. Also, as private sector banks are members of the EFC, the project can establish partnerships through the EFC and utilize its training and capacity-building facilities to promote the application of occupational safety and health (OSH) standards in the workplace.

ANNEXES

Annex 1: PAVE Results framework

Impact: The Northern Province has a growing and inclusive economy that supports vulnerable groups to improve their economic well-being.	
Outcome 1: Vulnerable women, and persons with disabilities engaged in promising value chains enjoy decent employment and better support from family members and their community	
Output 1.1 Processing units/backward linkages established together with private companies and communities in potential value chains.	1.1.1 Identify potential clusters and partner companies and establish partnerships by signing agreements and providing all required information. 1.1.2 Support partner companies and communities to develop inclusive business models and to identify suitable locations for processing units.
Output 1.2 Targeted women, men, and people with disabilities have been trained on job-specific or entrepreneurial skills	1.2.1 Identify and enlist the targeted vulnerable population to be wage-employed in the processing units established. 1.2.2 Identify the skill gaps of target people for running enterprises or for wage employment in processing units and assist partner companies in training them on required skills by giving specific attention to issues facing vulnerable men, women, and persons with disabilities.
Output 1.3 Improved and inclusive decent working conditions in processing plants and MSMEs	1.3.1 Assess OSH, inclusiveness, and necessary working condition measures required for processing plants by giving specific focus to vulnerable women, men, and persons with disabilities and support partner companies to adhere to such measures through technical and financial support. 1.3.2 Identify potential MSMEs/start-up business opportunities to benefit from backward linkages created by the project and support them to comply to create decent jobs for the target groups by assessing OSH and working conditions
Output 1.4 Target group has improved access to climate-smart techniques and digital solutions in their farming and MSMEs.	1.4.1 Identify available climate-smart practices in selected VCs and support partner companies to adopt/adapt and promote climate-smart practices among targeted primary producers by giving specific attention to vulnerable men, women, and persons with disabilities. 1.4.2 Identify available and effective digital solutions for primary producers by giving specific attention to vulnerable men, women, and persons with disabilities in selected VCs and support partner companies to equip them with digital interfaces and solutions (<i>How the digital interface can be useful: the purpose of this intervention is to support the primary producers under the identified value chains to get information on weather forecasts, backward supply chain information (e.g. tilapia grower societies will be able to access information from tilapia nurseries on when the next stock will be available as well as other relevant parameters) and timely technical information based on climatic conditions.</i>)
Output 1.5 Families and community members have increased awareness of gender equality, and disability equity for the economic progression of targeted vulnerable groups	1.5.1. Identify the target groups and provide awareness and training on equality, and to change social norms, perceptions, and practices about women's livelihoods, leadership, and care responsibilities. 1.5.2. Develop a digital services directory and provide training to end-users and government officials to use it in providing essential services (water, land, and the required essential services for livelihood, business-related services) equitably for men and women in the targeted locations.

	1.5.3 Support the government to finalize provincial gender policy and other strategies and build the capacity of the government officers/department to implement them.
Outcome 2: New and existing MSMEs and primary producers are more productive and competitive	
Output 2.1 Selected Business Development Service (BDS) providers (including SEDD) have increased capacity to offer competitive solutions to MSMEs and potential entrepreneurs	2.1.1. Select BDS providers and support for them in designing suitable inclusive business model. 2.1.2 Design capacity-building interventions for selected BDS providers based on sustainable inclusiveness business models and execute these interventions for selected BDS providers.
Output 2.2 MSMEs and farmers including vulnerable men, women and persons with disabilities in agriculture and fishery value chains have access to alternative targeted and appropriate financial services	2.2.1 Assess possibilities/challenges of value chain financing in selected agriculture/fishery VCs and support value chain financing partners (lead firms/financial institutions) to develop appropriate financial products targeting MSMEs and farmers emphasizing vulnerable men, women and persons with disabilities. 2.2.2 Support value chain financing partners and other institutions to roll out their products and improvise where necessary for selected and non-selected value chains.
Output 2.3 Targeted individuals/MSMEs have increased entrepreneurial and business management skills	2.3.1 Assess entrepreneurial challenges and opportunities in the Northern Province, with a particular focus on women and persons with disabilities. 2.3.2 Contextualize appropriate ILO entrepreneurship trainings such as KAB, SIYB, etc. 2.3.3. Identify and develop the capacity of local training providers to offer training to selected owners (women, men, and persons with disabilities) of MSMEs/start-ups and facilitate them to develop an entrepreneurship training plan and execute it accommodating the participation of vulnerable targeted members.
Outcome 3: Targeted entrepreneurs, farmers, and fishers have adopted digitalized solutions for competitive MSMEs and productive farming and fishing practices.	
Output 3.1 Improved digital skills of targeted entrepreneurs, farmers, and fishers	3.1.1 Map out digital solutions and digital solutions providers (including government extension departments) available and prioritize solutions and providers focusing on the target group and the Northern Province by paying attention to specific needs and gaps of vulnerable men, women, and persons with disabilities. 3.1.2 Develop digitalized services and support the roll out of service provision including digital knowledge building.
Output 3.2 Private companies offer more digitalized solutions to producers and enterprises	3.2.1 Enlist the selected government extension department (prioritized under Output 3.1) and 2-3 BDS providers (selected under Output 2.1) and assess their current digital solutions and demand-supply mismatch. 3.2.2 Assist selected extension and BDS providers to improve existing or new digital solutions.

Annex A. List of Stakeholders Interviewed

Mr. Kasun Ratnayake (CEO). Reitzel Walker Private Limited (Gherkin company)
Mr. Felician- MD Marine Algae Farm Private Limited (Seaweed Company)
Mr. Vageesan – Secretary Ministry of Women Affairs (Northern Province)
Ms. Thanuja- Assistant Director Department of Social Services (Northern Province)
Ms. Janaki Wijesiri, Small Enterprise Development Division (SEDD)
Mr. Vajira Ellepola, Employer’s Federation of Ceylon (EFC) and
Mr. Thomas Kring, Chief Technical Advisor
Mr. Nihal Devagiri, National Project Manager
Ms. Nora Langguth, Junior Professional Officer
Ms. Anishka Wijesinghe, Project Officer
Mr. Semarasa Vasudev, Field Coordinator
Mr. Thabesan Sivalinganathan, Field Coordinator
Mr. Thayanath Nagaratham, Senior Finance Assistant

Annex B. List of Desk Review Documents

Pro Doc
Technical progress report 2023
Project monitoring system

Annex D. Performance Monitoring Plan Indicator Results

The results shown as of mid September 2024

Objectively verifiable Indicator	Baseline and targets	M&E Method	Frequency	Responsibility	Assumptions and risk management
	<i>NOTE: Basis for all disaggregation in targets is 60% female, 10% people with disabilities.</i>				
Impact Indicator 1: Number of targeted* persons who change their net income through the project interventions. <i>(*Targeted farmers, employees in collection and processing units and MSME owners)</i>	Baseline: 0 (project doc) Target by project end: 2,500 Target 2023: 500 (300F; 200M; 50PwD) <i>Actual 2023: 0 (900 farmers engaged in farming)</i> Target 2024: 1800 (1080F; 720M; 180 PwD) Target 2025: 2500 (1500F; 1000M; 250PwD)	Review databases of seasonal records for farming, monthly sales for MSMEs and income of employees.	Seasonal, Annual.	Data collection: project field team Analysis: M&E Officer	Availability of accurate quantitative data with timely updates.
Impact Indicator 2: The extent to which the targeted groups adopted negative coping mechanism within their families over the course of the project.	Baseline (Off-Seasons End 2023/Beginning 2024): • 20/20 respondents had adopted at least one negative coping mechanism during the last off season. • 18/20 respondents reduced quality of meals or number of meals, with 12/20 reducing both. The two respondent who did not compromise on food had taken out loans and pawned jewellery. • 18/20 respondents had either pawned jewellery, borrowed money or both. • 3/20 of respondents had sold assets. • 2/20 of respondents had sent children to live with relatives or in hostels. Target: N/A.	1)FGDs with primary producers to identify common negative coping mechanisms. 2) Select Representative sample in terms of gender, disability, location etc. from Gherkin and Seaweed VCs (20 people).	Twice during project cycle (due to timing of off-season).	Data collection: M&E Officer and field team. Analysis: M&E Officer	Sensitive nature of some of the data means respondents might not disclose everything. Facilitate discussion in an appropriate manner and document well.

		3) Individual discussions with targeted members. Same people are revisited the following year.			Train the team to collect data.
Impact Indicator 3: Number of initiatives from public or private entities promoting businesses and entrepreneurship in the Northern Province.	Baseline 2023: 0 Target 2024: 2 Target 2025: 4	Review project databases. Review partner progress reports. KII with relevant public and private entities.	Annual	Data collection: Field team Analysis: M&E officer	Partner progress reports are produced on time with sufficient information.

Annex E. ILO Lessons Learned and Emerging Good Practice Templates

Promoting the Advancement of Vulnerable Persons and Enterprises (PAVE)

Project DC/SYMBOL: LKA/22/01/NOR

Name of Evaluator: Asitha Seneviratne

Date: 15 August 2024

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.

LESSON LEARNED ELEMENT	TEXT
Brief description of lessons learned (link to specific action or task)	The project builds on the ILO's Local Empowerment through Economic Development and Reconciliation (LEED+) project, supported by the Government of Norway and DFAT, which has been successful in going beyond the traditional livelihoods approach and looking at broader market systems. The expertise gained through the implementation of LEED and LEED+ has proven that strong market linkages and value chains result in reducing post-harvest losses and increasing profitability for farmers. Enhancing storage and processing facilities, fostering connections between farmers and local collectors, and incorporating private sectors guarantees a stable market and price for farmers. Also, linking farmers with value chains helped farmers ease access to credit and financial services, increasing their ability to invest in modern farming inputs and technologies, and expand their market. The project has learnt that the region is highly vulnerable to climate change impacts, such as inconsistent rainfall patterns and extreme weather events, which is a risk for agricultural productivity. To minimise the risks, educating farmers on climate-resistant crop selection and promoting the adoption of climate-smart agricultural practices can significantly boost productivity and sustainability.
Context and any related preconditions	During the implementation of the LEED and LEED+, the ILO supported a large-scale exporter to develop its small-scale coco-chips suppliers in the North. While the partner company achieved its commercial objective by receiving its inputs from these suppliers, LEED+ met its development objective as the partnership agreement directed the company to develop those small suppliers owned by women and/or PwDs.
Targeted users / Beneficiaries	ILO
Challenges /negative lessons - Causal factors	Implementation processes can be delayed in cases where it is difficult or not possible to engage private sector enterprises as partners in demonstrating good practices.
Success / Positive Issues - Causal factors	ILO project team has wealth of experience in working on similar intervention.

ILO Administrative Issues (staff, resources, design, implementation)	No significant administrative issues
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Promoting the Advancement of Vulnerable Persons and Enterprises (PAVE)

Project DC/SYMBOL:

Name of Evaluator: Asitha Seneviratne

Date: 15 August 2024

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

GOOD PRACTICE ELEMENT	TEXT
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	Deep engagement with tripartite partners: The project has established a strong network of government and social partner stakeholders at the grassroots, provincial, and national levels. This has resulted in a strong sense of ownership among the constituents and a balanced involvement of employees, including women and persons with disabilities, as well as employer organisations, which supports the prospect of sustainable outcomes. To build sustainable ownership, the project has connected with well-established companies and learnt that creating linkages through business associations is vital. The project formed a partnership with the Employers Federation of Ceylon, allowing member companies and some non-member companies to become potential stakeholders in the project.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	Relevant to ILO Country Office and projects where projects are implemented addressing decent work in the same or related sectors.
Establish a clear cause-effect relationship	Contributes to the coherence and efficiency within country-level programming
Indicate measurable impact and targeted beneficiaries	Tripartite partnership
Potential for replication and by whom	ILO Country Office
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	Decent Work Country Programme 2018-2024

Other documents or relevant comments	N/A
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Annex F. Terms of Reference

Promoting the Advancement of Vulnerable Persons and Enterprises (PAVE)

Terms of Reference
Midterm Evaluation

1. Key Facts

Title of Project being Evaluated	Promoting the Advancement of Vulnerable Persons and Enterprises (PAVE)
Project DC Code	LKA/22/01/NOR Project No.TBC Award No.502980
Type of Evaluation	Internal
Timing of Evaluation	Midterm (May-June 2024)
Donor	Government of Norway – Ministry of Foreign Affairs (MFA)
Administrative Unit in the ILO responsible for administrating the project	ILO Country Office for Sri Lanka and the Maldives (CO-Colombo)
Technical Unit(s) in the ILO responsible for backstopping the project	DEVINVEST
P&B Outcome(s) under evaluation	No P&B Outcome(s) indicated in Project Papers, however, the project contributes to Outcome 4: Sustainable enterprises for inclusive growth and decent work and Outcome 5: Gender Equality and Equality of Treatment and Opportunities for All
SDG(s) under evaluation	SDG 8 (Target 8.5) SDG 5 (Target 5.5) SDG 10 (Target 10.2) SDG 13 (Target 13.3)
Budget	NOK 20 million

2. Background Information

The 'Promoting the Advancement of Vulnerable Persons and Enterprises (PAVE)' project, funded by the Norwegian Ministry of Foreign Affairs, aims to create lasting employment opportunities for marginalized women and people with disabilities in the Northern Province of Sri Lanka. The project will achieve this by partnering with leading companies in promising agriculture and aquaculture value chains, and by improving new and existing MSMEs in the North. The project is set to run from November 2022 until November 2025, and is currently in the implementation phase.

The Northern Province of Sri Lanka, which is home to 1.3 million Sri Lankans (2021), was one of the worst affected areas during the three-decade long civil conflict that raged in the country until 2009. Even more than a decade after the war, unemployment and poverty rates remains higher than the national average – making it among Sri Lanka's poorest regions. People's livelihoods in the Northern Province are heavily reliant on agriculture and fishing with 83.4 per cent of people living in rural areas. In addition to being marginalized in terms of remote localities, the province is home to many women headed families whose partners were lost due to the war, and men and women with disabilities who find themselves in an especially precarious position with the stigma from having an impairment intermingling with assumptions of being an ex-combatant. In 2022, 75,600 women-headed households and 21,660 persons with disabilities were recorded in the province². PAVE specifically focuses on these groups. PAVE's goal is to address the economic challenges in the Northern Province. It rests on four pillars: inclusive growth, private sector investment, entrepreneurship, and digitalization, primarily in agriculture and fisheries. The project aims to establish 100 new enterprises, enhance 100 existing businesses, and create income-generating opportunities for 3,000 individuals.

The PAVE project is working in agriculture and aquaculture value chains with a focus on creating opportunities for women and people with disabilities and supporting sector growth. The project has forged partnerships with leading private companies within the selected value chains to adopt and adapt inclusive business models that not only benefit the suppliers-producers but also strengthen their own supply chains. The fundamental principle of the business models is such that these are owned by the partner companies by making investments in the form of creating provision of inputs, technical know-how and technology for its suppliers-producers. ILO finances part of the initial investments made by the partner companies as a risk-sharing mechanism and to help them adopt the models. Partner companies can therefore source higher number of products, of better quality, through a secured supply channel and a growing supplier base. On the other hand, suppliers-producers receive better technical advisory services, inputs, and technology to become more productive and efficient and thereby experience increased income and improved access to new jobs. These incentive driven models, therefore, offer a win-win proposition for all, thus making the impact both sustainable and scalable.

PAVE is also focusing on creating employment opportunities for vulnerable people who do not have access to farming land or the sea for aquaculture by promoting the expansion and creation MSMEs. While the Northern Province has potential for economic growth, the Micro, Small, and Medium Enterprises (MSMEs) in the Northern Province face numerous challenges that hinder their development and contribution to the local economy. Considering the above challenges, the PAVE project focuses on developing selected MSMEs by accommodating some of the recommendations from the Business Development Service Market Assessment. The project focuses on potential MSMEs, that are willing to expand and create employment opportunities for women and persons with disabilities.

² Department of Census and Statistics, 2022.

So far, ILO has developed partnerships with leading private sector companies in the Gherkin and Seaweed value chains, currently reaching 900 farmers in total. Within these value chains ILO is working with the companies to introduce climate smart technologies and digital solutions to farmers.

The ILO has also held gender empowerment and leadership trainings for women and men in the seaweed value chain and their communities. ILO is planning to move into the Tilapia value chain in the next stage of the project. To further promote private sector investments into the Northern Province, ILO is organizing a delegation of the Employment Federation of Ceylon (EFC) to Jaffna in May 2024 to explore challenges and opportunities for private sector investments to the North. To strengthen BDS services for MSMEs, PAVE is currently working with the Small Enterprise Development Department (SEDD) to develop training materials (national level) that will be rolled out in the Northern Province. The training material developed will include a module on digitalization. ILO has also recently partnered with the Ministry of Women Affairs (Northern Province) and the Department of Social Services (Northern Province).

Current Partners

Reitzel Walker Private Limited (Gherkin company)
Marine Algae Farm Private Limited (Seaweed Company)

Ministry of Women Affairs (Northern Province)
Department of Social Services (Northern Province)

Small Enterprise Development Division (SEDD)

Employer's Federation of Ceylon (EFC)

Theory of Change

IF the most vulnerable and marginalized populations in the Northern Province are engaged in decent work – be it primary level production or enterprise level wage - or self-employment - in the most promising value chains, can access business development services and make use of digital solutions, and develop partnerships and representation at the national level,
THEN they are more likely to achieve greater economic well-being, show higher resilience to economic shocks and disasters, and gain a stronger voice in the community,
BECAUSE they will be skilled, efficient, productive, and competitive to make tangible economic and social contributions to the development of the local as well as the national economy.

Project Objectives

The table below outlines the overall project goal, objectives/outcomes, and the key outputs and interventions to achieve the objectives.

Impact: The Northern Province has a growing and inclusive economy that supports vulnerable groups to improve their economic well-being.	
Outcome 1: Vulnerable women, and persons with disabilities engaged in promising value chains enjoy decent employment and better support from family members and their community	
Output 1.1 Processing units/backward linkages established together	1.1.1 Identify potential clusters and partner companies and establish partnerships by signing agreements and providing all required information.

with private companies and communities in potential value chains.	1.1.2 Support partner companies and communities to develop inclusive business models and to identify suitable locations for processing units.
Output 1.2 Targeted women, men, and people with disabilities have been trained on job-specific or entrepreneurial skills	1.2.1 Identify and enlist the targeted vulnerable population to be wage-employed in the processing units established. 1.2.2 Identify the skill gaps of target people for running enterprises or for wage employment in processing units and assist partner companies in training them on required skills by giving specific attention to issues facing vulnerable men, women, and persons with disabilities.
Output 1.3 Improved and inclusive decent working conditions in processing plants and MSMEs	1.3.1 Assess OSH, inclusiveness, and necessary working condition measures required for processing plants by giving specific focus to vulnerable women, men, and persons with disabilities and support partner companies to adhere to such measures through technical and financial support. 1.3.2 Identify potential MSMEs/start-up business opportunities to benefit from backward linkages created by the project and support them to comply to create decent jobs for the target groups by assessing OSH and working conditions
Output 1.4 Target group has improved access to climate-smart techniques and digital solutions in their farming and MSMEs.	1.4.1 Identify available climate-smart practices in selected VCs and support partner companies to adopt/adapt and promote climate-smart practices among targeted primary producers by giving specific attention to vulnerable men, women, and persons with disabilities. 1.4.2 Identify available and effective digital solutions for primary producers by giving specific attention to vulnerable men, women, and persons with disabilities in selected VCs and support partner companies to equip them with digital interfaces and solutions (<i>How the digital interface can be useful: the purpose of this intervention is to support the primary producers under the identified value chains to get information on weather forecasts, backward supply chain information (e.g. tilapia grower societies will be able to access information from tilapia nurseries on when the next stock will be available as well as other relevant parameters) and timely technical information based on climatic conditions.</i>)
Output 1.5 Families and community members have increased awareness of gender equality, and disability equity for the economic progression of targeted vulnerable groups	1.5.1. Identify the target groups and provide awareness and training on equality, and to change social norms, perceptions, and practices about women's livelihoods, leadership, and care responsibilities. 1.5.2. Develop a digital services directory and provide training to end-users and government officials to use it in providing essential services (water, land, and the required essential services for livelihood, business-related services) equitably for men and women in the targeted locations. 1.5.3 Support the government to finalize provincial gender policy and other strategies and build the capacity of the government officers/department to implement them.
Outcome 2: New and existing MSMEs and primary producers are more productive and competitive	
Output 2.1 Selected Business Development Service (BDS) providers (including SEDD) have increased capacity to offer competitive solutions to MSMEs and potential entrepreneurs	2.1.1. Select BDS providers and support for them in designing suitable inclusive business model. 2.1.2 Design capacity-building interventions for selected BDS providers based on sustainable inclusiveness business models and execute these interventions for selected BDS providers.

Output 2.2 MSMEs and farmers including vulnerable men, women and persons with disabilities in agriculture and fishery value chains have access to alternative targeted and appropriate financial services	2.2.1 Assess possibilities/challenges of value chain financing in selected agriculture/fishery VCs and support value chain financing partners (lead firms/financial institutions) to develop appropriate financial products targeting MSMEs and farmers emphasizing vulnerable men, women and persons with disabilities. 2.2.2 Support value chain financing partners and other institutions to roll out their products and improvise where necessary for selected and non-selected value chains.
Output 2.3 Targeted individuals/MSMEs have increased entrepreneurial and business management skills	2.3.1 Assess entrepreneurial challenges and opportunities in the Northern Province, with a particular focus on women and persons with disabilities. 2.3.2 Contextualize appropriate ILO entrepreneurship trainings such as KAB, SIYB, etc. 2.3.3. Identify and develop the capacity of local training providers to offer training to selected owners (women, men, and persons with disabilities) of MSMEs/start-ups and facilitate them to develop an entrepreneurship training plan and execute it accommodating the participation of vulnerable targeted members.
Outcome 3: Targeted entrepreneurs, farmers, and fishers have adopted digitalized solutions for competitive MSMEs and productive farming and fishing practices.	
Output 3.1 Improved digital skills of targeted entrepreneurs, farmers, and fishers	3.1.1 Map out digital solutions and digital solutions providers (including government extension departments) available and prioritize solutions and providers focusing on the target group and the Northern Province by paying attention to specific needs and gaps of vulnerable men, women, and persons with disabilities. 3.1.2 Develop digitalized services and support the roll out of service provision including digital knowledge building.
Output 3.2 Private companies offer more digitalized solutions to producers and enterprises	3.2.1 Enlist the selected government extension department (prioritized under Output 3.1) and 2-3 BDS providers (selected under Output 2.1) and assess their current digital solutions and demand-supply mismatch. 3.2.2 Assist selected extension and BDS providers to improve existing or new digital solutions.

Risks and Assumptions

The following risks are elaborated in more detail in the PAVE project papers' 'Annex 2: Budget Results Framework':

- 1) The country's political and economic stability remains unfavourable to achieving outcomes, outputs and impact. In addition, unexpected power cuts, limited access to fuel, community unrest may cause delays in completing some of the interventions on time.
- 2) The limited self-commitment of private companies in mainstreaming people with disabilities and vulnerable women into value chains affects the achievement of outputs and targets.
- 3) The possibility of exploitation of vulnerable communities by private companies affects the achievement of the targets.
- 4) Resistance to purchase business services by the small and medium-scale entrepreneurs affect the achievement of outcome 3.
- 5) Climate-related or induced risks such as flood, drought, pest attacks, diseases for crops and cyclones affect primary producers' effect on the achievement of output and targets.

- 6) Risks of corruption, positive and negative biasness towards stakeholders, procumbent, and misuse of human, financial and physical resources affect the achievement of project outcome and outputs.
- 7) The possibility of operational and programmatic challenges with engaging in cooperatives affects the achievement of outputs and outcomes.

Project Management Set Up

The project is managed by the Chief Technical Advisor, based in Colombo. The National Project Officer, based in Colombo, is responsible for supporting and coordinating national level policy dialogue and engagement, and will lead on communications and engagements on social media. The National Coordinator for Monitoring and Evaluation, based in Colombo, was monitoring the project until January 2024. A Junior Professional Officer, based in Colombo, is currently supporting the M&E function of the project.

A field team, based in Vavuniya, are coordinating the implementation of the project. They consist of the National Project Coordinator (NPC), responsible for the technical and financial delivery of the project, two Field Coordinators, responsible for implementing field level activities such as identifying and selecting beneficiaries, monitoring, and assessing partners' field activities and provide feedback to management. The field team also consist of a National Gender and Disability Technical Officer (currently vacant), an Admin and Finance Officer, and a Driver.

The Strategic Fit of the Project

The project is contributing towards the sustainable development goals, in particular, SDG 8 on 'Promoting Decent Work' (8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value), SDG 5 on 'Supporting Gender Equality' (5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life), SDG 10 on 'Reduced Inequality' (10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status), and SDG 13 on 'Climate Change' (13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning).

The project is well aligned with the United Nations Sustainable Development Cooperation Framework for Sri Lanka 2023-27, in particular: Outcome 2: Sustainable and Inclusive, Green-Led Growth, People-Centered Economic Recovery, Livelihoods and Productivity; Outcome 3: Natural Resource Management, Climate Resilience and Environmental Sustainability; and Outcome 6: Gender Equality and Women's Empowerment.

The project is contributing to ILO Decent Work Country Programme for Sri Lanka 2018-2022, Country Priority 1: Creation of sustainable, inclusive, and decent employment. The project also contributes to the ILO Programme and Budget for 2024-25, in particular: Outcome 4: Sustainable Enterprises for Inclusive Growth and Decent Work and Outcome 5: Gender Equality and Equality of Treatment and Opportunities for All. The project also contributes to the ILO's flagship programme "Jobs for Peace and Resilience", 'Recommendation 193' (cooperatives), 'Recommendation 205', (Employment and Decent Work for Peace and Resilience), as well as 'Job Creation in Small and Medium-Size Enterprises Recommendation 1998' (No. 189).

3. Purpose and Objective of the Evaluation

The main purpose of this internal mid-term review is to enhance learning among the project team and stakeholders and to ensure accountability to the stakeholders, as well as to provide necessary guidance for the next half of the project period. The project is required to conduct an internal Mid Term Review. In line with ILO Policy Guidelines for Evaluations, the Chief Technical Advisor (project manager) will manage the internal review and send the final report to the EVAL unit for disclosure. The internal review will be carried out by an internal ILO certified evaluator with no relation to the project.

Objectives of review:

1. Assess relevance, validity of design, effectiveness, efficiency, and the sustainability of process initiated by the project.
2. Identify lessons and key changes in a collective manner
3. Identify ways to strengthen the project (recommendations)

The users of this MTR will be the project teams of ILO, implementing partners and stakeholders. The MTR will ensure that issues and inputs from stakeholders and tripartite constituents are adequately covered.

4. Evaluation Scope

The scope of the MTR will cover all interventions the ILO and implementing partners from the beginning of the project to date. The evaluation will integrate ILO's cross-cutting issues, including norms and social dialogue, gender equality, disability inclusion, other non-discrimination concerns, and medium and long-term effects of capacity development issues throughout the evaluation methodology and all deliverables, including the final report. Further, the evaluation will give specific attention to how the intervention is relevant to the ILO's programme and policy frameworks at the national and global levels, UNSDCF and national sustainable development strategy (or is equivalent) or other relevant national development frameworks, including any relevant sectoral policies or programmes.

5. Evaluation Criteria and Questions including on Cross-Cutting Issues and Issues of Special Interest to the ILO

The evaluation will address the overall ILO evaluation concerns including relevance, validity of design, coherence, effectiveness, efficiency, sustainability, gender, and non-discrimination. The evaluator may adapt the evaluation criteria and questions, but any fundamental changes should be agreed between the evaluation manager and the evaluator, and reflected in the inception report.

1. Relevance and Validity of the Design:

- To what extent does the intervention objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities?
- To what extent is the project design (objectives, outcomes, outputs and activities) and its underlining theory of change logical and coherent?
- Does the design need to be modified in the second half of the project, and why?
- Was the methodology of implementation the right one under the circumstances?
- How appropriate and useful are the indicators described in the project document in assessing the project's progress? If necessary, how should they be modified to be more useful? Are indicators gender sensitive?

- To what extent has the project responded to the impact of the Covid 19 pandemic and global economic crisis and any country-specific impediments/obstacles in order to remain relevant to the communities and other stakeholders?
- To what extent has the project complemented and/or harmonized or coordinated with other actors and their interventions to maximise the project's effectiveness and impact?

2. Intervention Progress and Effectiveness (including effectiveness of management arrangement)

- To what extent has the project been making sufficient progress towards its planned results? Are there any unintended (positive and negative) outcomes? Will the project be likely to achieve its planned long-term and medium-term outcomes by the end of the project? Are there any external and internal factors that hindered or facilitated achievement of the project's outputs/outcomes/impact? What factors can be identified that are positively or negatively affecting project implementation?
- To what extent has gender been mainstreamed in the design and implementation of the project?
- To what extent do the project management capacities and arrangements put in place support the achievement of the planned results?
- How effective was the support provided to the project team by the ILO (PU of the country office, technical specialists), donors, and tripartite constituents in delivering results? What could have been done differently?
- To what extent was results-based management implemented in the programme? To what extent are the lessons learned and monitored data fed into the decision-making process of project stakeholders?
- How effective is communication between the project team of the ILO and the national partners? Is there a clear understanding of roles and responsibilities by all parties involved?

3. Efficiency

- To what extent has the project delivered value for money? How well have resources and inputs (funds, expertise, time, etc.) been allocated or used strategically to achieve the planned results? Have they been delivered in a timely manner? If not, what were the factors that have hindered timely delivery of outputs? Any measures that have been put in place?
- To what extent has the project resources been leveraged with other related interventions to maximize impact, if any?

4. Sustainability

- To what extent are the followed processes leading towards sustainability of the interventions?
- To what extent can the results? be expected to be sustainable over the longer term?
- Assess the level of operationalization of the project exit strategy and its effectiveness.

5. Tripartism, Social Dialogue, Gender Equality, Non-Discrimination

- What are, so far, the key achievements of the project on gender equality and women's empowerment? What are the key achievements of the project on disability inclusion?
- Has the project allocated substantive resources in achieving gender equality activities of the project? Has the project engaged tripartite constituents meaningfully since the designing of the project to assure their involvement and enhance ownership?
- Has the project been able to leverage the ILO contributions, through its comparative advantages including International Labour Standard, social dialogue and tripartism?

6. Methodology

The review will apply a mix methods approach, engaging with key stakeholders of the project at all levels during the design, field work, validation, and reporting stages. It is the plan to adopt elements of Utilization Focused Evaluation Approaches to enhance the ownership and utility of the review findings. The Review will be done through a desk review and discussions (FGD, KII) via either a virtual platform or by visiting the implementing partners where necessary. A data collection plan should be developed during the inception and annexed to the inception report. The internal certified ILO evaluator can get the input from the project team for field data plan preparation.

The methodology should include examining the intervention's Theory of Change, with particular attention to the identification of assumptions, risk and mitigation strategies, and the logical connect between levels of results and their alignment with ILO's strategic objectives and outcomes at the global and national levels, as well as with the relevant SDGs and related targets. The methodology should include multiple methods, with analysis of both quantitative and qualitative data, and should be able to capture intervention's contributions to the achievement of expected and unexpected outcomes. The data and information should be collected, presented and analysed with appropriate gender disaggregation even if project design did not take gender into account. To the extent possible, the data collection, analysis and presentation should be responsive to and include issues relating to ILO's normative work, social dialogue, gender equality, diversity and non-discrimination, including disability issues. The methodology should clearly state the limitations of the chosen evaluation methods, including those related to representation of specific group of stakeholders. The methodology should ensure involvement of key stakeholders in the implementation as well as in the dissemination processes (e.g. stakeholder workshop, debriefing of project manager, etc.). The evaluator may adapt the methodology, but any fundamental changes should be agreed between the evaluation manager and the evaluator, and reflected in the inception report.

7. Main Deliverables

Deliverables	Time
Deliverable 1: Brief Inception Report that consists of review framework with detail of data and information collection, field data collection plan, lay out for final report, and key limitations. Getting project team involvement for review framework is encouraged.	4 th June
Deliverable 2: Submission of Draft Evaluation Report (Maximum 25 pages)	24 th June
Deliverable 3: Stakeholder Workshop to validate draft evaluation report findings after circulation of the first draft. The project team arrange required translation facility based on requirements.	28 th June
Deliverable 4: Final Evaluation Report (using the relevant templates for the Title Page, and the Executive Summary and Annexes including lessons learned and emerging good practices in the ILO Template). The quality of the report will be assessed against the relevant EVAL Checklists. The finalization phase continues until the internal evaluator has addressed all the feedback at a satisfactory level and the report has been approved by the review manager.	12 th July

8. Management Arrangements and Workplan

The internal evaluator will develop the review framework through a consultation with the ILO team and implementing partners. It should detail the key evaluation questions, sub questions, and expected M&E method.

Governance of the Mid Term Review

Project Manager

- Manage the MTR
- Finalize TOR for the MTR
- Select an ILO internal evaluator with no connection to the project
- Assure the quality of the final report

Project Team

- Provide input for ToR and final report
- Preparation of field for data collection by coordinating and communicating with relevant stakeholders
- Upload and update MS Team space allocated to the project
- Update results tracking sheets

Evaluator

- Submit inception report consisted of detailed review framework, challenges and methodology (max 5 pages)
- Conduct validation session
- Final Review report (main report should be max 25 pages).

Proposed Work plan and Time Frame

The work on the **review** should begin by May 2024 and the final report is to be submitted by mid July 2024. The total effort is expected to be 30 person days to complete the full assignment.

Internal evaluator/ Review Manager	Brief by evaluation manager, NPCs Desk Review of project – related documents, preparation and submission of inception report	3
Internal Evaluator	• Data and information collection from key stakeholders	9
	• Preparation of first draft	6
Internal Evaluator	• Comments from team and stakeholders.	5
Internal Evaluator	• Finalize the report with comments	7
		30 days

Desired Competencies of the Evaluator

- Has completed ILO EVAL COURSE and has no affiliation with the project.
- 12-15 years of experience in international project evaluations and reviews.
- Experiences in designing projects for changing mindsets and behaviours and creating a conducive environment.
- Hands-on experience in using participatory tools and methods for data collection and analysis.
- Substantive experiences in more qualitative data collection analysis.

- Exposure to the international context, human rights-based approach, inclusiveness.
- Experience in using results-based management principles, Theory of change /LFA analysis for programming.
- Ability to bring gender and disability dimensions into the evaluation, including in data collection analysis and writing.
- Demonstrate an understanding of the ILO mandates and tripartism.
- Experience in Sri Lanka will be an advantage.
- Fluency in spoken and written English.
- Familiarity with handling virtual platforms for data and information collection.
- Be flexible and responsive to changes and demands; client-oriented and open to feedback.

9. Legal and Ethical Matters

The evaluation must comply with UN Norms and Standards. The evaluator must abide by the EVAL's Code of Conduct for carrying out the evaluations. UNEG ethical guidelines must be followed. The internal evaluator should not have any links to project management, or any other conflict of interest that would interfere with the independence of the evaluation.

Annex 1: All relevant ILO evaluation guidelines and standard templates

1. [Evaluator's Code of Conduct Form](#)
2. [EVAL's Protocol on collecting evaluative evidence on the ILO's COVID-19 response measures](#)
3. [Guidance Note 3.1. Integrating gender equality in monitoring and evaluation of projects, and UNEG documents](#)
4. [Guidance Note 3.2 on adaptive evaluation methods to the ILO's normative and tripartite mandate](#)
5. [Checklist 4.8. Writing the inception report](#)
6. [Checklist 4.2. Preparing the evaluation report and Checklist 4.4. Writing the evaluation report summary](#)
7. Templates for the evaluation [lessons learned](#) and [good practices](#)

Annex 2: structure of the evaluation report

- Cover page with key project and evaluation data
- Executive Summary (as per ILO EVAL template)
- List of Acronyms
- Table of Contents
- Background on the project and its logic
- Purpose, scope and clients of evaluation
- Methodology and limitations
- Main Findings

- Relevance and quality of design
- Efficiency of implementation
- Effectiveness
- Orientation to impact
- Sustainability
- Conclusions
- Recommendations
- Annexes:
 - TOR
 - Evaluation matrix (questions and indicators)
 - List of people interviewed
 - Schedule of the field work
 - List of Documents reviewed
 - Lessons learned (as per ILO EVAL template)
 - Good practices (as per ILO EVAL template)
 - Others