International Labour Organization

Evaluation Office

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Independent Final Evaluation of the Global Scale of Digital Wages Project

QUICK FACTS

Countries: Cambodia, Indonesia, Peru, the Philippines

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Evaluation timing: Final

Administrative Office: Social Finance Unit, ENTERPRISES

Technical Office: n/a

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BACKGROUND & CONTEXT	
Summary of the project purpose, logic and structure	The project aimed to **promote the transition from cash to responsible digital wage payments at country and global levels**, thereby contributing to the ILO's Decent Work Agenda by improving workers' income security, resilience, and access to financial services. Funded by the Gates Foundation and implemented by the ILO through its Social Finance Unit (ENTERPRISES Department), the project sought to influence policy, practice, and stakeholder behaviour related to wage digitalisation. The project was structured around **three interrelated components**. Country-level interventions in selected partner countries – Cambodia, Indonesia, Peru, and the Philippines – focused on supporting governments, employers, and workers through diagnostic assessments, stakeholder consultations, and tailored national work plans that promote responsible wage digitalisation. A research and knowledge management component aimed at generating and disseminating evidence on the costs, benefits, and good practices of digital wage payments, and developing a digital repository of tools, guidance materials, and learning platforms. The advocacy component used this evidence and the project's pilots to raise the global profile of digital wages, engage ILO constituents and financial service providers, and inform regulatory and policy frameworks. Initially planned for 2021-2023, the project was extended three times without additional cost and concluded in November 2025. Implementation was coordinated globally from ILO headquarters in Geneva, with country-level delivery undertaken in collaboration with ILO country offices, national constituents, and technical partners. The project logic was articulated around **five outcomes**, including the establishment of a Global Centre on Digital Wages for Decent Work, strengthened national regulatory and financial ecosystems, and enhanced enterprise capacity to adopt responsible digital wage practices. These outcomes were expected to contribute to two guiding outcomes: improved access to secure digital wage payments for over 20 million workers and the integration of responsible digital wage practices into labour policies in at least 15 countries.
Present situation of the project	The first phase of the **project ended on 30 November 2025**. The second phase of the project is underway.
Purpose, scope	**Purpose**: The objectives of the evaluation are to assess the project's

and clients of the evaluation	performance using the OECD DAC criteria. It also identifies lessons learned and good practices and provides recommendations to enhance sustainability and guide future similar interventions. **Scope**: The evaluation covers the entire project implementation from 2021 to 2025 focusing on four countries: Cambodia, Indonesia, Peru, and the Philippines. **Clients**: The evaluation is intended for ILO constituents, ILO headquarters and country offices, and donors, while also providing insights for a broader range of stakeholders.
Methodology of evaluation	A mixed methods approach was employed, including document review, data analysis, semi-structured interviews, and two validation meetings. The evaluation team also explored how the project activities plausibly influenced the observed outcomes, using evidence collected through various methods (contribution analysis). The approach was informed by the OECD DAC Standards (including the Quality Standards for Development Evaluation, and "Applying Evaluation Criteria Thoughtfully" and "Protection of people involved in evaluation" guidelines) as well as ILO's relevant guidance notes and standards. The **document review** covered project documentation shared by the technical teams, including the initial Investment Document, annual and country work plans, progress reports, budget expenditure sheets, results briefs, and steering committee documents. In addition, the evaluation team reviewed relevant external studies on digital wages to complement and triangulate project evidence. The evaluation team conducted 18 online, **semi-structured interviews** involving 25 project stakeholders, as well as 23 in-person, semi-structured interviews with stakeholders in Cambodia, Indonesia, and Peru during three country visits. Interviewees included representatives of the ILO, government institutions, employers' and workers' organisations, and other key partners. To ensure adequate gender balance and representation of different stakeholder groups, the number of interviews exceeded those initially planned in the inception report. Stakeholder engagement and validation were supported through two online workshops held on 4 December 2025, as well as written comments provided on the draft evaluation report. These inputs informed the refinement of findings, conclusions, and recommendations. The evaluation was carried out in line with the approved inception report,

	with only minor adjustments during implementation. Ethical guidelines and data protection were ensured, by ensuring informed consent, allowing participants to opt out of questions, de-identifying data, and committing to delete all recordings and related materials six months after the evaluation.

MAIN FINDINGS & CONCLUSIONS	The evaluation main findings, structured according to the OECD DAC criteria, are as follows: **Relevance:** Digital wage payments clearly respond to current needs, and the stakeholders across countries recognised their potential to lead to positive outcomes such as improved financial inclusion. Employers viewed digital wages as a tool that improves efficiency and reduces risks. While workers and their representatives recognised benefits too, the topic was not always seen as a core priority. They raised concerns about fees, gaps in financial literacy and uneven financial infrastructure. The project was well aligned with national priorities related to formalisation, financial inclusion and digitalisation, and supported government agendas in all four countries. It also linked meaningfully to multiple ILO Programme and Budget outcomes and Decent Work Agenda elements. The project's underlying Theory of Change was clear for the project team in HQs and provided guidance. Conversely, some stakeholders did not fully understand the intervention pathways. Nonetheless, the ToC's flexible design enabled adaptation, and strong localisation by country teams helped ensure continued relevance. **Coherence:** The project demonstrated coherence by building on earlier global initiatives to digitise payments and addressing gaps related to worker. Across countries, stakeholders recognised that the project drew on existing ILO initiatives and long-standing partnerships to design context-specific interventions. The global partnership model added technical expertise and convening power, although the collaboration became less tangible at the country level. The project used ILO's advantage as a tripartite organisation for policy dialogue and engagement with the constituents, although country-level engagement with workers' organisations was uneven. **Effectiveness:** The project made progress across all five outcome areas. It achieved the establishment of the Global Centre (Outcome 1) and raised the profile of digital wage payments through research and global and national tripartite dialogue events (Outcome 4). Capacity building was valued in all four pilot countries, although the ambition of more conducive regulatory frameworks and financial ecosystems remains incomplete (Outcome 2). The

project exceeded outreach targets for enterprise training but lacks the systematic and accessible documentation of best practice and learnings that was initially anticipated (Outcome 3). However, it did not reach the initial ambition to foster the adoption of good practices and standards that accelerate the transition to responsible and gender-intentional digital wage payments across ILO's member states (Outcome 5). Overall, the project demonstrated clear results, but they vary in depth and gaps in the monitoring frameworks limited the ability to assess results more precisely.

Efficiency: Across countries, the interviewees noted that activities were delivered on modest budgets and often leveraged existing institutions, partnerships and cost-sharing arrangements. Small investments were seen as catalytic, and staffing setup helped reduce expenses. The project team was widely regarded as committed and technically strong. Extensive consultations strengthened legitimacy and were seen as a great asset, but reduced available delivery time. Part-time staffing, administrative procedures and country-specific bureaucracies sometimes slowed progress. Some concerns were raised about an imbalance between staff costs and funds available for activities, which may have limited scale. Governance mechanisms functioned well initially but became less productive over time, and weak M&E systems limited the project's ability to steer implementation or generate outcome-level evidence. Overall, value for money was viewed positively.

Impact: The project contributed to raise awareness, access to digital wages and policy dialogue – particularly in Cambodia, where interviewees highlighted clearer payroll processes, reduced fraud and greater financial control. In Peru and Indonesia, the results show potential for improved formalisation and better regulatory frameworks, but most results remain at pilot stage. The lack of systematic outcome-level data means it is unclear whether the project is on track to reach its guiding outcomes of expanding access to digital wages for over 20 millions of workers or influencing policy across 15 countries as well as deeper behavioural change, worker empowerment and gender-responsive benefits. Given the enterprise and worker figures from the four participating countries, the quantitative target seems unlikely to have been achieved in the near future.

Sustainability: The evaluation finds promising but mixed prospects for sustainability and scale-up. The strongest signals come from government ministries and employer associations that have started integrating digital wages into regular programmes and national systems. Capacity-building efforts — such as training-of-trainers, e-learning modules, and national training systems — provide important foundations, although risks like staff turnover threaten their continuity in some countries. Interviewees stressed the need for continued technical assistance and government engagement. While the project provides models that are replicable, in theory, scaling will require contextualisation and prerequisites such as strong coordination mechanisms, integration into national systems and regulations, adaptable tools, local champions, and resources.

Cross-cutting issues: The project showed strong gender-intentional design at the global level but it was not consistently translated into implementation across countries. Positive effects for women were observed, particularly in female-dominated sectors, but these were often driven by sectoral focus rather than a systematic inclusion strategy, and challenges persisted for low-literacy, rural, and digitally excluded groups. Engagement with other vulnerable populations was limited and the lack of disaggregated monitoring data made it hard to understand how different groups were affected by the project.

Conclusions: The project has delivered many concrete results and created valuable assets. The Global Centre on Digital Wages for Decent Work has become a recognised point of reference, and the project's tools, training packages, research products and country partnerships offer a strong basis for further work. Many stakeholders who were interviewed for the evaluation confirmed that the project has promoted and raised the profile of digital wage payments and that their capacity to work with the topic has been increased through trainings and events. There was appreciation for the project team's technical expertise and commitment, and interviewees showed ownership over what has been developed. This momentum creates an opportunity for the ILO to strengthen its leadership in the field, influence policy dialogue, and guidance to its constituents.

The project's additionality lies in promoting responsible digital wage practices that safeguard workers' rights and well-being, rather than accelerating wage digitalisation as an end in itself. Rapid advances driven by technology and market forces in financial services, enterprise management, and daily life worldwide create favourable conditions for the uptake and sustainability of digital wages. In this context, implementation has been easier and more cost-effective (in terms of cost per worker reached) when the project has primarily engaged large, formal enterprises, where a shift to digital payroll would likely occur over time anyway. In these settings, the

	business case for digital wages is stronger, ESG-related pressure from major buyers is higher, and financial ecosystems are typically more developed. However, among rural MSMEs and in the informal sector, constraints such as limited digital infrastructure, lower financial inclusion, weaker HR/payroll capacity, and higher trust and onboarding needs can increase delivery costs. Yet additionality is likely to be higher where baseline inclusive digital wages practices and worker protections are weaker, offering significant potential for impact when support is well targeted. This implies that the project's additionality varies by context; specifically, with whom and where it is generated. Several strategic and operational questions have emerged that will shape future work. These include how to balance flexibility with clearer planning, how to best incorporate workers and their representatives, and whether to focus more deeply on a smaller number of countries, sectors and companies, or keep broader coverage. They also relate to how evidence can be generated for changes at outcome level, especially for workers, and which scaling pathways are suitable in contexts with low digital readiness or high informality. Summing up, the project has created strong foundations and underscored the relevance of responsible digital wage payments. The second phase should build on these assets, address open strategic and operational questions, and focus on areas where the ILO can make the greatest difference. The following recommendations are formulated to support this direction.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES	
Main recommendations	The report provides the following recommendations: 1. Strengthening worker-centred approaches to digital wage payments. 2. Strengthen support to employers (enterprise support system) 3. Develop clear scaling and sustainability strategies 4. Clearly aligned objective and Theory of Change 5. Strengthen M&E systems to enhance learning, communication, and evidence generation across pilot interventions 6. Explore pathways to integrate digital wages into core labour standards

Main lessons learned and good practices	Several lessons learned and good practices were identified, including that: • LL1: there are trade-offs in balancing quick gains in large, formal enterprises with the more time- and resource-intensive work needed to reach micro and small businesses, • LL 2: while digital wages can support formalisation, progress depends on context-specific solutions, evidence and learning to overcome regulatory, infrastructure and trust barriers, • GP 1: the experience in Peru shows how evidence-based collaboration can strengthen national regulation and build capacity for data-driven policymaking on digital wage payments.