



ILO EVALUATION

Draft Report for comments

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- ILO TC/SYMBOL: **LKA/20/50/UND**
- Type of Evaluation : **Final Joint Independent Evaluation**
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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

Table of Contents

List of Tables and Boxes	iii
List of Abbreviations.....	iv
Executive Summary	vi
1 Introduction	1
1.1 Background and Objectives of the Project.....	1
1.2 Purpose, Scope and Clients of the Final Independent Evaluation	3
2 Methodology of the Evaluation.....	5
2.1 Conceptual Framework.....	5
2.2 Methodology, Work Plan and Key Deliverables.....	7
3 Overall Findings	9
3.1 Relevance	9
3.2 Coherence and Validity of project design	12
3.3 Effectiveness.....	15
3.4 Efficiency.....	23
3.5 Effectiveness of management arrangements	26
3.6 Impact orientation	27
3.7 Sustainability	29
3.8 Gender, disability and non-discrimination	30
4 Conclusions and Recommendations	32
4.1 Conclusions	32
4.2 Recommendations	36
5 Lessons Learned and Good Practices.....	40

List of Annexes

Annex 1	Terms of Reference (TOR).....	41
Annex 2	List of Stakeholders Interviewed.....	56
Annex 3	List of Beneficiaries interviewed	58
Annex 4	Data Collection Worksheet	59
Annex 5	Attendees at stakeholder workshop	63
Annex 6	List of Guiding Questions for Interviews with MSE Beneficiaries	64
Annex 7	Evaluation Work Plan	66
Annex 8	Results Framework	67
Annex 9	Report of Interviews with Beneficiaries.....	68
Annex 10	Lessons Learned (LL) and Good practices (GP).....	75
Annex 11	List of Documents Consulted.....	79

List of Tables and Boxes

Tables:

1	The Outputs and Activities and the number of male and female beneficiaries reached by the project	16
2	The numbers of PPE kits distributed	16
3	The expenditures by ILO by budget item in US\$.	24
4	The expenditures by UNOPS by budget item in US\$	24
5	The percentages of women by type of activities	30

Boxes:

1	Contents of PPE kit.	16
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List of Abbreviations

A2F	Access to Finance
ACT/EMP	(ILO) Bureau on Employers' Activities
ACTRAV	(ILO) Bureau on Workers' Activities
BDS	Business Development Services
CBSL	Central Bank of Sri Lanka
CCA	Common Country Assessment
CFTU	Ceylon Federation of Trade Unions
CSO	Civil Society Organization
CWC	Ceylon Workers Congress
DoL	Department of Labour
DWCP	Decent Work Country Programme
DWT	ILO Decent Work Team
EDTO	Entrepreneurship Development Training Officers
EFC	Employers Federation of Ceylon
EMPLOYMENT	Employment Policy Department
ENTERPRISE	Enterprises Department
EO	Employers' Organisation
EU	European Union
FGD	Focus Group Discussion
FPRW	Fundamental Principles and Rights at Work
FTZGSEU	Free Trade Zones & General Services Employees Union
GED/ILOAIDS	Gender, Equality and Diversity & ILOAIDS Branch
GENDER	Refer to: GED/ILOAIDS
GDP	Gross Domestic Product
ILC	International Labour Conference
ILO	International Labour Organisation
ILOSTAT	ILO database of labour statistics
ILS	International Labour Standard
IOM	International Organisation for Migration
ITC/ILO	ILO International Training Centre (in Turin)
JICA	Japan International Cooperation Agency
LABADMIN/OSH	Labour Administration and Labour Inspection/Occupational Safety and Health
LMIS	Labour Market Information System
M&E	Monitoring and Evaluation
MoL	Ministry of Labour
MOU	Memorandum of Understanding
MPTF	Multi-Partner Trust Fund
MSA	Market System Analysis
MSE	Micro and Small Enterprises
MSME	Medium Small and Micro Enterprises
MTE	Mid-Term Evaluation
NGO	Non-Governmental Organization
NHREP	National Human Resources and Employment Policy
NIOSH	National Institute of Occupational Safety and Health

NOA/NOB	National Officer (Grade A / Grade B)
NPC	National Project Coordinator
NTUF	National Trade Union Federation
OECD/DAC	Organisation for Economic Co-operation and Development / Development Assistance Committee
OSH	Occupational Safety and Health
P&B	Programme & Budget
PAC	Project Advisory Committee
PARDEV	Partnerships and Field Support
PPE	Personal Protective Equipment
PRODOC	Project Document
PSC	Project Steering Committee
PSS	Psycho-Social support
RBSA	Regular Budget Supplementary Account
ROM	Results-Oriented Monitoring
SDG	Sustainable Development Goals
SED	Small Enterprises Development Division
SKILLS	Skills and Employability Branch
SLNSS	Sri Lanka Nidahas Sevaka Sangamaya
SME	Small and Medium Enterprise
ToC	Theory of Change
ToR	Terms of Reference
TOT	Training of Trainers
TPR	Technical Progress Report
TVET	Technical and Vocational Education and Training
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Frameworks
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNOPS	United Nations Office for Project Services
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNSDF	United Nations Sustainable Development Framework
VCD	Value Chain Development
VCF	Value Chain Financing
WCIC	Women's Chamber of Industry and Commerce
WFP	World Food Programme
WHO	World Health Organization
WORKQUALITY	Conditions of Work and Equality Department

Executive Summary

Background and project description

The present evaluation report is mandated by the Terms of Reference (ToR) for the Final Joint Independent Evaluation of the project on ‘**Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka**’ (see Annex 1). ILO and UNOPS have undertaken a joint, comprehensive and integrated approach to respond to the COVID-19 economic shock, which has hit hard particularly Micro and Small Enterprises (MSEs) in Sri Lanka. The project is funded by the Multi-Partner Trust Fund (MPTF), UNDP, initially for a period of six months, which was later extended in two steps with, in total, another six months. The **overall objective** of the project is to contribute to the protection of jobs and incomes, stimulate employment, and ensuring continuity and resilience of businesses allowing Sri Lanka to recover faster from the COVID-19 pandemic.

Objective, Scope and Methodology of the Evaluation

The main *objective* of this final evaluation is to provide an independent assessment of the achievements to date, through an analysis of relevance, coherence, effectiveness, efficiency, sustainability, orientation to impact and effects of the project, as well as of ILO’s cross-cutting themes. The *scope* of the Evaluation includes the entire implementation period of the project from 15 May 2020 to 31 May 2021. The *primary clients* of the evaluation are ILO and UNOPS Country Offices in Colombo, while the *secondary clients* are the ILO constituents, government agencies, MPTF/UNDP, UNCT, and other ILO and UNOPS units directly involved in the project (see Annex 2 for a full list). The *methodology* includes a desk study, primary data collection through in-depth interviews and discussions which were all conducted online due to the COVID-19 pandemic, data analysis and reporting. It also includes a critical reflection process by the key stakeholders in particular through the online stakeholders’ workshop and the inputs by stakeholders to the draft report. Key deliverables are the inception report, the draft report, the final report taking into consideration the feedback on the draft report, a Matrix including comments and explanations why comments were or were not incorporated into the report, and a stand-alone evaluation summary using the ILO standard template.

Findings

The conclusions of the present final independent evaluation are below categorized according to the eight evaluation criteria used throughout this report. The **Relevance** of the intervention was very high for the beneficiaries because it tries to address several urgent problems of Micro and Small Enterprises (MSEs) in Sri Lanka which were particularly badly hit by the COVID-19 pandemic. The intervention is also very relevant to the mandate and priorities of the Government of Sri Lanka. The project further contributes to the UN global framework for the immediate socio-economic response to COVID-19 which identified the socio-economic recovery of MSMEs as one of their strategic priorities. The fact that it was funded by the UN Multi Partner Trust Fund (MPTF) *#RecoverBetterTogether* shows that it adhered to their requirements and priorities as well. The intervention was further also relevant to the mandate and priorities of both the ILO and UNOPS and to the UNCT’s priorities. Moreover, *all* stakeholders interviewed by the evaluation team underlined the high relevance of the project at this time.

The selection of beneficiaries in the PRODOC was based on the districts which were most affected by the Covid-19 crisis and also have a high percentage of MSEs. In due course it turned out that the selected districts, Gampaha and Kalutara, were also the ones with the most COVID-restrictions and the longest periods of lockdown. The evaluation found that the project did mostly

meet its criteria for selecting vulnerable beneficiaries as laid down in the PRODOC, but not *all* target groups were among the most vulnerable in the country.

The *Validity of the Project Design* was overall more than satisfactory also considering the ultra-short time for preparations; the PRODOC includes a clear diagram for the Theory of Change (ToC) following the *'Results Chain'* format (cf. Annex 1) and an appropriate Results Framework adjusted a few times following the inclusion of additional outputs/activities (see Annex 8). Consultations on the design with UNOPS led the signed PRODOC submitted to the MPTF which was simultaneously the official Agreement dated 23 May 2020. The design of the project was further discussed in a series of broadly attended stakeholder meetings initiated by the ILO, and there it was, for example, decided to include PSS in the project.

The intervention was clearly compatible with a series of other interventions and priorities of different UN organisations, *External Coherence*, while in terms of *Internal Coherence*, the project was firmly embedded within the work of the ILO Country Office. The project design was clearly responsive to gender equality, but non-discrimination, disability and environmental sustainability concerns were not included in the design. International Labour Standards (ILS) and social dialogue did not receive targeted attention, and the Trade Union organisations were not involved in this project.

In terms of *Effectiveness*, the project was a timely crisis response despite delays as a result of the Parliamentary Elections in August 2020, of the COVID-19 Lockdowns and of the procedures involved to procure the PPE kits. The specific targets for the two indicators of the *Outcome* (cf. Annex 8) were reached: selected MSEs were provided with a loan or line of credit and a majority of targeted MSEs continued their operation after the initial COVID lockdown. The achievements of the intervention with respect to the two *Outputs* are summarized in Table 1. The activities are quite diverse including (but not limited to) procurement/distribution of PPE kits, OSH Training, several communication campaigns, Access to Finance (A2F) support through Banking Clinics and Value Chain Financing (VCF), training of women MSEs entrepreneurs, and Psycho-Social Support (PSS) activities. All these activities were considered relevant and necessary at the time of design and inception which was marked by a time of crisis and was designed in order to respond to the diverse immediate needs of the MSEs which were hit hard by the first wave and lockdown. The different activities are described in detail in Section 3.3.

During the implementation of the intervention a number of *challenges* were encountered, including the various lockdowns and the parliamentary elections in early August 2020. Despite such challenges the project has made very good progress (cf. Section 3.3) and this was due to several *success factors*. In particular a combination of huge commitment, mutual understanding and a feeling of urgency among all stakeholders to make the project successful and to provide the benefits properly and timely to the beneficiaries. The commitment of the MoL from the beginning approaching ILO for MSE support was another factor, while the leadership of the ILO was crucial calling all stakeholders for wider consultations and organizing and chairing weekly progress meetings with the relevant staff of the involved organisations. The procurement experience of UNOPS was also important. The re-purposing of staff already employed at the ILO and UNOPS Country Offices was crucial for speedy implementation, and benefited from their experience, good networks and existing trust/mutual understanding with the MoL. In terms of the *Joint Project*, the complementarities of efforts by the different partners were clear in this project with ILO in the lead and focusing on training, awareness campaigns and A2F/VCF while UNOPS

focused on procurement and distribution, with learning from each other on their mutual competitive advantages as an important component.

With respect to the *Efficiency* of the intervention it has leveraged few new financial resources for other projects and has leveraged a series of partnerships in its response to the pandemic (e.g. MoL, SED, EFC, NIOSH, WCIC, CBSL and other banks and MoH). At the international level, the ILO Decent Work Team (DWT) in New Delhi occasionally provided inputs while ILO Geneva's support was important at the design stage. For UNOPS it was also primarily a country-led initiative. The intervention also received a substantial degree of support from the WHO while cooperation with the WFP occurred in the early stages of the project.

The Efficiency of resource use was more than satisfactory, especially considering the adverse conditions under which the intervention took place. The two implementing organisations, ILO and UNOPS, maintained separate budgets. The total budget of the donor MPTF was US\$ 1 million, of which about 65% was allocated to ILO and 35% to UNOPS. Because of the urgency of the project, and the relatively short planned time duration of half a year, it was decided at the inception to skip time-consuming staff recruitment procedures, and to re-purpose two existing staff members in each of the two country offices. Staff costs therefore were also relatively small. Two no-cost extensions were requested, the first one until 31 March 2021, and the second and last one until 31 May 2021 on which date the project was completed. Currently expenditures by both ILO and UNOPS are well over 90%.

With respect to the ILO expenditures, it was found that almost 80% was spent on direct project activities, a substantial part of which was used for the comprehensive communication campaigns. With respect to the UNOPS expenditures, it was found that the largest expenditure category (two-thirds) was for contractual services, in particular the procurement of PPE kits. It was concluded that overall, the resources have been allocated timely, strategically and efficiently to achieve the expected results. The only question mark that was raised concerned the top-up grants in the VCF activity, but these were part of a one-off trial.

The *Management Arrangements* for this project were quite effective. Excellent support was provided by the ILO Country Office in Colombo, and also the activities by UNOPS were firmly based in the global "UNOPS Procurement Procedures and Financial Rules and Regulations". All stakeholders underlined the good support and quick communication from the ILO project team. For some it was an excellent learning exercise being the first time to work with ILO (UNOPS, WHO, WCIC, NIOSH). Reporting followed the contractual conditions and was timely. As MPTF has projects in 56 countries a 'simple template' was designed, but for the projects the Excel-format was not particularly user friendly. The reporting was done by ILO whereby UNOPS provided their inputs which were mostly included. The Project Website has not been updated since its initial launch.

Being a Joint Project of ILO and UNOPS, aid coordination was an important element. Despite the differences between the two UN organisations in project implementation procedures and systems, and the delays, the coordination worked out well and there was a degree of mutual reinforcement between the PPE procurement/distribution and some of the other project components, in particular the OSH Training and awareness campaigns. There was also generally good communication between the two project teams, including the country directors. The regular meetings on joint activities were mutually appreciated. The Donor, MPTF, maintained contacts

only with the lead organisation, ILO, often through the UN-RC office in Colombo. MPTF underlined that the performance of ILO in this project was robust and solid.

The project did not have an explicit monitoring plan/mechanism to track the progress of the activities, but the delivery was closely monitored at the weekly review meetings although these were not documented. The selection of MSEs for the various activities tried to be as inclusive as possible given the limited time and resources available using the databases and networks of such organisations as MoL, SED, EFC, WCIC and others. The only stakeholder not involved was one of ILO's tripartite constituents, namely the Trade Union organisations. In contrast, the EFC has been involved in several elements of the intervention and they have lauded the project for being important to build awareness about MSEs.

With respect to the *Impact orientation*, it is important to keep in mind that the intervention was primarily an immediate response to the COVID-19 pandemic. Nevertheless, one of the most important impacts is that the awareness on OSH/PPE, and indeed the awareness on the position of MSEs have both substantially increased. Another type of impact is the use itself of the PPE kits which is mostly expected to continue for some time. The OSH Training is also an important element of impact contributing to lasting capacity building. With respect to A2F, the partnership with SED had a clear impact through the dialogue between bank officials and MSEs during the Banking Clinics, and the access to the government stimulus package was clearly increased. The VCF component was a pilot project for which the CBSL has expressed its explicit interest to develop it further with the ILO while also ILO Geneva has expressed interest in documenting the VCF model for further replication. Relatively less resources went into the activities on empowering women and on PSS, but they were important learning experiences, and e.g. now the ILO and WCIC are working on another project dealing with women and MSEs. The PSS sessions have enhanced the awareness on psycho-social problems faced by many MSEs among a crucial group of stakeholders: SED staff, Labour Officers and Bank Officers.

With respect to *Sustainability*, it was found that no 'Exit strategy' was developed but that the intervention has enhanced the sustainability of the results in several ways. Overall, in the joint project ILO and UNOPS have been working closely with national and local Government counterparts, employers' organisations, partners and communities to ensure increased 'Ownership' and thereby the sustainability of the results.

At the level of ONE-UN activities, and within the framework of the UN Sustainable Development Framework for Sri Lanka (2018 – 2022) the experience gained by ILO, UNOPS, WHO and WFP in working jointly on this project is promising for further collaboration in the future. In particular, it provides important experience to work jointly along the lines of the UN Advisory Paper on Immediate Socio-Economic Response to COVID-19 (June 2020) and their possible contribution to the SDGs. It will be important if the present evaluation will be incorporated by ILO into its planned Global Evaluation of COVID-19 Responses in 2022, as well as by MPTF into the planned evaluation of their global programme jointly with UNEG also in 2022.

This pilot project provided a good model to support MSEs, and, importantly, the voice of the MSEs has been tabled with different institutions such as CBSL, EFC, WCIC and NIOSH. Several stakeholders also indicated that the project should be replicated at national level and should thereby, in any case, focus more on rural areas and on the most vulnerable groups. Replication is for example likely in MSE training by NIOSH in partnership with ILO and in the possible inclusion

in the National level OSH award ceremony of the MSE sector. Lastly, sustainability was further substantially enhanced through the communication campaigns ingraining an awareness in MSE entrepreneurs as well as stakeholders and partners with respect to OSH, the use of PPE, financial literacy and access to finance in particular to government stimulus packages.

The project was definitely gender sensitive, but at the same time it was found that the attention and the dedicated resources for *Gender Equality* could have been increased. All data were sex-disaggregated, and there was one activity specifically directed at women owned MSEs, while the gender perspective was always included in the visuals. Moreover, the percentages of women in activities are quite equal with an overall 48.6% of beneficiaries being female (cf. Table 5). On the other hand, the attention for gender issues could have been higher at times, such as the one activity dedicated to female MSEs with a relatively low budget allocation. In addition, it turned out difficult to involve the *most* vulnerable women in the intervention. The intervention did not specifically look into *Disability and Non-Discrimination*.

Recommendations

The recommendations formulated on the basis of the findings of the present final joint independent evaluation are as follows:

1. **Promote the development of one single comprehensive Online Database of MSEs possibly maintained by the Small Enterprise Development Division (SED) of the Ministry of Youth and Sports.** It is assumed by SED officials that approximately 40% of the micro enterprises and 75% of the small enterprises are registered with different government ministries, however, these organisations maintain unique data sets which are not communicated among them and are thus not coordinated. In order to address the needs of both categories, it is essential to register all the enterprises under one entity and allow access to this database to all government departments/entities according to their requirement. A condition for this is that the registration process for MSEs should be simplified, preferably through mobile data collection, in order to encourage all the MSEs to register themselves; in order to lower the threshold for MSEs to register, it could be effective to have different levels or layers of registration, with increasing amounts of details and documents to be submitted which could be incremental in time.
2. **In follow-up activities, including the above online database, make sure that there is a clear focus on the most vulnerable groups,** be it vulnerable women/children/disabled, sectors/clusters, rural areas, disadvantaged provinces or remote areas in other provinces as was underlined by many stakeholders interviewed.
3. **Promote the organisation of MSEs into one forum to enhance their bargaining power in social dialogue** and to bring out their voice to claim relevant services and access to other essential supports from government, private sector, and NGOs. Being often at the interface of the memberships of employers' and workers' organisations with many operating as a one-person enterprise, the involvement of both social partners is required (in particular EFC and relevant Trade Unions).
4. **Investigate the procurement procedures by UNOPS, in particular those intended for emergency or immediate responses, and determine if and how such procedures could be further streamlined** to expedite the procurement and distribution process.
5. **The OSH training of MSEs is recommended to be upscaled and replicated widely (preferably nationwide)** with support of the Ministry of Labour (in particular NIOSH) and the Ministry of Youth and Sports (in particular SED). NIOSH could develop a MSE OSH module as an outcome of the present intervention, and an online learning and teaching platform can be created in different sectors (for example through the websites of MoL/NIOSH and/or SED).

6. **Promote the capacity building of relevant government officials dealing with MSEs.** Consultations could be initiated by ILO with MoL, SED, and possibly the Ministry of Women’s Affairs, as well as with EFC and Trade unions (and perhaps also the Sri Lanka Chamber of Small and Medium Industries). Considering the potential of the MSEs for economic growth and employment creation, it is essential to boost the development of the sector in a systematic manner by building the capacity of the relevant government officials who deal with them. This should include explicitly the **Capacity Building of Divisional/District Level Officers** as was learned through the present project implementation at the ground level.
7. **Within the UN-MPTF reporting should be streamlined in order to enhance aid coordination by the joint partners and to further promote One UN.** Once a UN organisation has accepted the role to be in the lead, it also accepts the responsibility to document all activities by all other project partners in full. Preferably a single progress report and a single budget should be presented to the MPTF by the organisation in the lead. In addition, the template for the annual and other progress reporting should be made more user-friendly, and include elements of aid coordination more explicitly, as well as a section on Lessons Learned.
8. **Follow-up on several activities which were in part already planned by ILO and, as far as possible, include thereby the lessons learned from the present project:**
 - 8.1. Maintain the contacts established through the present intervention with the Central Bank of Sri Lanka (CBSL) in particular on Indirect VCF whereby ILO can make a presentation there.
 - 8.2. Cooperate with ILO-Geneva to document the VCF Model piloted during the present project.
 - 8.3. Follow-up the planned projects with NIOSH and WCIC on MSEs.
 - 8.4. Follow-up the cooperation with SED on Access to Finance (A2F) and explore the roll-out of banking clinics nationwide.
9. **For any follow-up activity, include an explicit and comprehensive Gender Equality Strategy** and pay specific attention to the inclusion of women in each and every project activity, output and outcome **and make sure that dedicated resources are allocated to this strategy.** Pay special attention to Unpaid Care Work especially under COVID-19 pandemic conditions and to the implementation of Convention 190 on Violence and Harassment in the World of Work.

Lessons Learned and Good Practices

Finally, from the experience gained by evaluating the present project two Lessons Learned (LL) and two Good Practices (GP) have been identified in this report as follows:

LL1: The project-set-up with a large number of very diverse activities was relevant and effective for a short-term immediate response project with several pilot elements, but follow-up projects should be more targeted.

LL2: Both Direct and Indirect Value Chain Financing (VCF) were found less suitable for an immediate response project with a short implementation time barring the pilot approach employed here.

GP1: The project benefited from particularly effective preparations in the inception period.

GP2: The combination of activities conducted with respect to OSH conditions is an important Good Practice.

The ILO/EVAL **Templates** with the full description of these Lessons Learned (LL) and Good Practices (GP) are provided **in Annex 10**.

1 Introduction

The present Evaluation Report is mandated by the Terms of Reference (ToR) for the **Final Joint Independent Evaluation** of the ILO/UNOPS project entitled ‘**Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka**’ (see Annex 1). The present chapter firstly summarizes the background and the objectives of this project, followed by the purpose, scope and clients of the evaluation. In Chapter 2 the methodology of the evaluation is explained. The actual evaluation exercise consists of the analysis of the findings on the evaluation criteria and evaluation questions in Chapter 3. The findings are summarized in the Concluding Section 4.1, while the Recommendations are the subject of Section 4.2. The final Chapter 5 presents several Lessons Learned and Good Practices.

1.1 Background and Objectives of the Project

Through the project entitled “*Healthy Socio-Economic Recovery of the Micro and Small Enterprise (MSEs) Sector of Sri Lanka*”, the ILO and UNOPS have undertaken a joint, comprehensive and integrated approach to respond to the COVID-19 economic shock. The COVID-19 crisis has hit hard particularly micro and small enterprises (MSEs) in Sri Lanka. In practice this was usually extended to medium-sized enterprises as well (thus the term MSMEs). Health and safety of those working in these often-congested enterprises is paramount in light of COVID-19. The need is to keep them and the workers they employ financially afloat. The project provided support to MSEs/MSMEs to operate in a COVID-19 safe environment while assisting them to access working capital through Government and/or private sector channels to restart their businesses.

Project Objectives

The project is a COVID immediate response and its **overall objective** is to contribute to the protection of jobs and incomes, stimulate employment, and ensuring continuity and resilience of businesses allowing Sri Lanka to recover faster from the COVID-19 pandemic. The project has two interconnected **specific objectives**:

1. Promote Operational Safety and Health (OSH) measures at enterprise level as well as other spheres affiliated with OSH implementation; and
2. Develop a conducive ecosystem for the MSEs sector to resume and continue operation.

The first objective is focused on enhancing OSH measures in the workplace to allow MSEs to operate in a COVID-19 safe environment, while the second one is directed at assisting MSEs to access working capital through Government and/or private sector channels to restart/continue their businesses.

Strategy

The strategy includes according to the ToR (Annex 1, page 3) the support to MSEs through six different types of actions: specific OSH preventative measures; provision of PPE equipment; business continuity planning; entrepreneurship support; manager-worker dialogue; and on-line delivery channels and training. This strategy of OSH precautionary measures and access to working capital will help mitigate the adverse health and socio-economic impact on vulnerable enterprises and the workers they employ, allowing Sri Lanka to faster and steady recovery. A

Theory of Change (see Page 4 of the ToR included here in Annex 1) has been developed in the *Results Chain* format.¹

Project Management Arrangement

The project is implemented by the ILO Country Office for Sri Lanka and the Maldives and the UNOPS Country Office for Sri Lanka and the Maldives. For **ILO**, at the national level the project is managed and administered by the ILO's Country Director based in the ILO's Country Office (CO) in Colombo. The Country Director is supported by the Senior Programme Officer and the Programme Officer and receives financial and administrative assistance from the CO's Finance/Administration Officer. The Country Director is responsible for the overall organisation, administration and financial management of the project; for all communications within the ILO; as well as for all communications between the ILO and the Ministry of Labour, the ILO's government partner for the project. The project receives technical assistance, management and administrative support, guidance, insight, opinion and recommendations from ILO's Decent Work Team based in New Delhi and from ILO's technical units in Geneva.

For **UNOPS**, at the national level the project is managed and administered by the UNOPS Country Manager in Colombo. The Project Management Team (PMT) heads the overall administrative, procurement and general management of the project. Internal liaison and insight are led by the Project Manager with the support of technical team, Country Manager and South Asia Hub Director. The PMT Manager is leading the project and the liaison between ILO and UNOPS. The ultimate oversight of the project is under UNOPS's County Manager.

Task division between ILO and UNOPS: The ILO Colombo Programme Team and the UNOPS Project Management Team are responsible for day-to-day operations of their respective project activities as follows:

- Coordination, liaison and dialogue at national level is led by ILO.
- UNOPS leads the procurement of personal protection equipment and liaises with all project partners for the field distributions.
- ILO liaises with all project partners at the local, district and national level only for operational and project implementation aspects.
- ILO leads the process and performance monitoring and reporting on behalf of the partnership for all matters pertaining to sub project administration and the ILO budget.
- UNOPS is undertaking their procurement, distribution, and administration and finance of their grant allocation.

The project is implemented jointly by the ILO and UNOPS in collaboration with the World Health Organization (WHO) and the World Food Programme (WFP).

Duration and Budget

The project was *originally* planned for 6 months from 15 May 2020 to 15 November 2020, but the official start was pushed to June 2020 while the actual start was in early July 2020 when the actual funding arrived. There were two no-cost extensions, the first one until March 2021, and the last one until May 2021. The donor of the project is the Multi-Partner Trust Fund (MPTF), UNDP, with a budget of US\$ 1,000,000, whereby ILO receives \$651,715, and UNOPS \$348,285. Both organisations undertake their own financial reporting for their respective budget allocations.

¹ ILO Guidance Note 1: https://www.ilo.org/eval/Evaluationguidance/WCMS_165973/lang--en/index.htm

Project Locations

The project is being implemented in two districts in Sri Lanka both located in the Western Province (which further includes Colombo District): **Kalutara District** is located South of Colombo and has a population of about 1.22 million (Census 2012), while **Gampaha District** is located North of Colombo with a population of 2.29 million (Census 2012). In addition, certain interventions, for example the communication campaign, may reach wider audiences than those in the two target districts.

1.2 Purpose, Scope and Clients of the Final Independent Evaluation

Evaluation Background

ILO considers evaluation as an integral part of the implementation of technical cooperation activities. The evaluation in ILO is for the purpose of accountability, learning, planning and building knowledge. It has been conducted in the context of criteria and approaches for international development assistance as established by the OECD/DAC Evaluation Quality Standard and the UNEG Code of Conduct for Evaluation in the UN System. This evaluation has followed the new ILO Policy Guidelines for Results-Based Evaluation (4th edition) published by ILO-EVAL in November 2020.²

The COVID-19 crisis led to some restrictions that further affected the evaluation methodology and possibly the scope of the analysis. In this regard, the evaluation has drawn on internal ILO guidance, in particular the document: *Implications of COVID-19 on evaluations in the ILO: An internal guide on adapting to the situation*.³

With the international community's support, countries need to act swiftly to shore up their economies and protect jobs and incomes, taking into account the specific risks of certain groups. To that effect, ILO Geneva published a Policy Brief outlining **ILO's four-Pillar policy framework** for tackling the economic and social impact of the COVID-19 crisis in May 2020.⁴ These four pillars are: (i) Stimulating the economy and employment, (ii) Supporting enterprises, jobs and incomes, (iii) Protecting workers in the workplace, and (iv) Relying on social dialogue for solutions. This framework has been used in the evaluation analysis where relevant.

Purpose and Objectives of the Final Independent Evaluation

The **purposes** of the final evaluation are both for *accountability* to the donor, the government, employers and workers' organizations, beneficiaries and other stakeholders, as well as for *learning* among all stakeholders in particular the ILO and UNOPS. The findings will contribute to learning among the UN Country Team (UNCT) to improving the joint programming and similar interventions in the future. The **specific objectives** of the evaluation are to:

- 1) Assess the *relevance* (is the project doing the right things?) and the *coherence* (how well the project is compatible with other COVID19 responses in Sri Lanka).
- 2) Assess *effectiveness* of the project (The extent to which the project has achieved its planned objectives equitably and whether it has contributed to mitigating the immediate needs of MSEs during the time of COVID19 challenges).
- 3) Assess *efficiency* including the *effectiveness of its management arrangement* and assess the *partnership* and collaboration between ILO and UNOPS in delivering this joint project.

² See: https://www.ilo.org/eval/Evaluationpolicy/WCMS_571339/lang--en/index.htm

³ See: http://www.ilo.ch/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_741206.pdf

⁴ See: https://www.ilo.org/wcmsp5/groups/public/%40dgreports/%40dcomm/documents/briefingnote/wcms_745337.pdf

- 4) Assess the emerging *impact* of the project (either positive or negative) and identify factors that enable the *sustainability* of the project's benefit.
- 5) Provide *recommendations*, and identify *lessons learnt*, and *good practices* that can and should be replicated.

The core ***cross-cutting priorities***, such as gender equality and non-discrimination (including disability), promotion of international labour standards, tripartite processes and constituent capacity development are considered in this evaluation. In particular, the gender dimension is considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation.

Scope of the Evaluation

The evaluation covers all activities implemented from the start until the end of this project. The evaluation will also cover all geographical areas (Kalutara and Gampaha Districts).

Clients of the Evaluation

The ***primary users*** are ILO and UNOPS Country Office in Colombo. The ***secondary clients*** are the ILO constituents, other government agencies, and other ILO and UNOPS units directly involved in the project, in particular:

- The Constituents (Ministry of Labour and Trade Union Relations, Sri Lankan Government, Employers' and Workers' Organisations)
- The implementing partners
- ILO Country Office for Sri Lanka and the Maldives
- DWT-New Delhi
- ILO RO-Bangkok
- Relevant ILO technical unit at HQ
- UNOPS Country Office in Colombo
- Relevant UNOPS technical units
- UNOPS Sri Lanka Partnership Development Unit
- UNCT Sri Lanka

For a detailed list of clients see Annex 2.

Limitations

The Evaluation assignment is clearly laid out in the ToR (Annex 1) and the list of stakeholders to be interviewed is comprehensive and is representative of the main stakeholders (see Annex 2). The travel restrictions laid out by different countries as a result of the COVID-19 crisis will make it impossible for the international consultant to undertake field missions, and also within Sri Lanka travel has been severely restricted because of the lockdowns in May-June 2021. The mitigation strategy was to focus on conducting interviews with project stakeholders through online means of communication or through phone calls.

Initially, the selection of the Team Member was scheduled to be done by UNOPS, but since they could not succeed, the process was delayed, and subsequently ILO has taken on this responsibility and has contracted the Team Member.

2 Methodology of the Evaluation

2.1 Conceptual Framework

As defined in the ToR (p. 7-9; see Annex 1) the present evaluation will address the following eight *Evaluation Criteria*:

- A. Relevance
- B. Coherence (and Validity of project design)
- C. Effectiveness
- D. Efficiency
- E. Effectiveness of management arrangements
- F. Impact orientation
- G. Sustainability
- H. Gender, disability and non-discrimination.

For each of these eight criteria, a series of *evaluation questions* (in total 25 questions) have been identified as follows:

A. **Relevance**

- 1) The extent that the project responds to the need of the beneficiaries, and whether it is consistent with UN responses to the socio-economic impact of COVID-19?
- 2) To what extent has the intervention been developed based on results from COVID-19 diagnostics, UN socio-economic assessments and guidance, ILO decent work national diagnostics, CCA, or similar comprehensive tools?
- 3) Has the project met its criteria for selecting vulnerable beneficiaries? Was the final selection of beneficiaries coherent with the initial eligibility and vulnerability criteria jointly defined by all stakeholders?
- 4) Did the package of support/assistance provided meet the needs expressed and identified by the final recipient/ beneficiaries?

B. **Coherence (and Validity of project design)**

- 5) To what extent is the COVID-19 response intervention built upon a robust TOC for an integrated and harmonized action with existing ILO and UNOPS operations at country level? Coherence (Internal and external): What is the level of compatibility of the intervention with other interventions in a country, sector or institution?
- 6) To what extent has the project design pursued a coherent response to COVID-19 exploiting the complementarity amongst the four ILO policy response pillars?
- 7) Has the COVID-19 response intervention planned and implemented capacity-building strategies alongside other structural response actions to tackle the effects of the COVID-19 pandemic in a holistic manner?
- 8) Cross-cutting issues: Does the design of the intervention include logical and coherent results and monitoring frameworks for a human-centred recovery from the socio-economic impact of COVID-19 pandemic, drawing on international labour standards and social dialogue and responsive to gender equality and non-discrimination and environmental sustainability concerns?

C. **Effectiveness**

- 9) To what extent have the ILO and UNOPS fostered integrated and strategic technical support and dialogue processes through the intervention at country level for a timely crisis response to COVID-19? Specific for Joint Evaluations: Explore the complementarities of efforts by the different partners.
- 10) To what extent the project has achieved its planned outcomes and outputs in a qualitative and quantitative manner? E.g. the MSE sector is equipped and trained to restart businesses amidst the ongoing COVID pandemic? Was the nature of safety equipment and training received effectively applied? What are the areas for improvement?

- 11) To what extent has the project enabled immediate business continuity or resumption and helped MSEs to better cope with immediate shocks? This question is in part also an element of Sustainability.
 - 12) To what extent has the project mitigated access issues related to Covid 19 restrictions?
 - 13) The extent that the project has adhered to basic humanitarian principles in implementing its activities i.e. principles of do no harm, humanity, neutrality, independence and impartiality?
- D. Efficiency**
- 14) To what extent has the project leveraged new or existing financial resources of both other ILO/ UNOPS projects to mitigate COVID-19 effects in a balanced manner? Does the leveraging of resources take into account the sustainability of results?
 - 15) To what extent has the intervention leveraged partnerships (with constituents, national institutions, IFIs and UN/development agencies) to support constituents while targeting the COVID-19 response?
 - 16) Have resources (funds, human resources, time, expertise, etc.) been timely allocated strategically and efficiently to achieve the expected result?
- E. Effectiveness of management arrangements**
- 17) Did the project receive adequate and timely technical support from ILO and UNOPS administrative/management teams from the Country Office? If not, how could that be improved? How well did the projects manage their finances? This should include budget forecasts, delivery monitoring, actions taken for improving the delivery, budget revision and financial reporting. Specific for Joint Evaluations (cf. Footnote 4): Analyse quality of aid coordination.
 - 18) Does the project have an effective internal and external monitoring plan/mechanism to track the progress of the project?
 - 19) To what extent the project encouraged meaningful participation of different groups and communities it worked with. The extent that the project has made particular reference to the opinions of women business owner - throughout the program cycle and identifying areas for improvement including in: effectively communicating with communities, encouraging and using feedback and complaint mechanisms, supporting community decision making and responding to the priorities, needs and culture of the communities and groups?
- F. Impact orientation**
- 20) Has the ILO/UNOPS COVID-19 response action contributed / is likely to contribute to intended outcomes on supporting enterprises, jobs and incomes, and strengthened national social protection systems?
 - 21) Has the ILO/UNOPS COVID-19 response action contributed / is likely to contribute to intended outcomes related to help MSEs restart the business in the midst of the COVID19? What are the significant changes observed?
 - 22) What are the direct and indirect contributions or unintended effects beyond the project's outcomes?
- G. Sustainability**
- 23) How likely will the project lead to results that will be sustained or integrated in other post-pandemic responses over time? Has the project developed a sustainability strategy (an 'exit strategy') and worked with beneficiaries and other national counterparts to sustain results during the emergency stage?
 - 24) What are the main risks for the sustainability of the COVID-19 response and what mitigation strategies should the projects partners implement?
- H. Gender, disability and non-discrimination**
- 25) Has the project integrated gender equality, disability, and non-discrimination as a cross-cutting concern throughout its deliverables, including periodic reports?

The ILO template for the [Data Collection Worksheet](#) describes the way that the chosen data collection methods, data sources, sampling and indicators support the evaluation questions identified above. In the Inception Report (19 May 2021) it has been discussed in detail, and this Data Collection Worksheet is included here in Annex 4.

2.2 Methodology, Work Plan and Key Deliverables

The evaluation has been undertaken through a **participatory** process and consulted with all stakeholders included in the project (MSEs, government agencies, social partners, relevant UN agencies, and other key stakeholders) throughout the evaluation process. The evaluators reviewed data and information that is **disaggregated by sex** and assessed the relevance and effectiveness of gender-related strategies and outcomes to improve the lives of women and men. Furthermore, the evaluation followed non-discriminating factors that allowed for a balanced view of the project's performances.

The methodology for collection of evidences has been implemented in **three phases**: (1) an inception phase based on a review of existing documents; (2) a fieldwork phase to collect and analyse primary data; and (3) a data analysis and reporting phase to produce the final evaluation report.

1) Inception Phase

In this first phase initial discussions were held with the ILO and UNOPS Evaluation Managers and with the ILO and UNOPS project teams. Upon reviewing the available key documents an inception report was prepared which was approved on 19 May 2021.

2) Fieldwork phase

The evaluation applied **a mix methods approach**, engaging with key stakeholders of the project at all levels during the design, field work, validation and reporting stages. Both qualitative and quantitative evaluation approaches were employed, and the methods of data collection were:

- review of secondary data (see Annex 11)
- review of project support documents including correspondence and distribution reports
- interviews with key stakeholders
- stakeholder's consultation workshop via Teams
- interviews with beneficiaries through telephone/on-line communication.

Attempts were made to collect data from different sources by different methods for each evaluation question in such a manner that findings could be triangulated to ensure reliability, validity and generalizability.

Due to the COVID-19 restrictions on travel,⁵ and the lockdowns in Sri Lanka all interviews were undertaken online or through phone calls. Key informant interviews were conducted as per the list provided by the project team and supplemented with selected other stakeholders amounting to a list of **25 key stakeholders to be interviewed** (see Annex 2). The English-speaking stakeholders were interviewed by the international consultant while the national consultant/Team Member joined those interviews where relevant. The non-English-speaking stakeholders were interviewed through phone/online by the national consultant and he/she made interview transcripts in English including the key conclusions and recommendations. The questions to be asked to these stakeholders relate to all of the eight evaluation criteria, and the Evaluation Questions listed in Annex 4 were used by the evaluators as a checklist for the interviews.

The national consultant conducted the interviews with beneficiaries by phone or online, and these are listed in Annex 3. The list of guiding questions in Annex 6 was used for the interviews with

⁵ For more details about adaptation to the current situation, see: www.ilo.ch/eval/WCMS_744068/lang--en/index.htm

beneficiaries. The final random selection of individuals interviewed was undertaken by the evaluators in close cooperation with the evaluation managers and the project teams. Following the data collection of the field work phase mostly in Sinhalese and/or Tamil, the national consultant translated and processed the data into a written report which also provided the main conclusions and any lessons learned/best practices encountered during the field work (see Annex 9). The information analysis and interpretation were subsequently undertaken jointly by the two evaluators.

At the end of the data collection phase the evaluators presented their preliminary findings during an online (Teams) stakeholders' workshop on Monday 14 June 2021; the workshop attendees are listed in Annex 5.

3) Data Analysis and Reporting Phase

This final phase included the data analysis and the preparation of a draft report and a final report incorporating the comments of key stakeholders as per the *ILO Checklist 5: Preparing the Evaluation Report*. A stand-alone evaluation summary is prepared in the ILO EVAL template.

Evaluation Work Plan and Timeline

The present Final Evaluation will be conducted between April and June 2021, and the level of efforts included 28 working days for the team leader and 20 working days for the team member. The detailed work plan is included in Annex 7.

3 Overall Findings

For the Final Joint Independent Evaluation of the project entitled ‘*Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka*’ eight evaluation criteria have been identified in the previous chapter which will be discussed in depth in the present chapter (Sections 3.1 – 3.8). These criteria have been analysed with the help of the 25 Evaluation Questions (listed in Annex 4).

3.1 Relevance

The relevance of the intervention is very high and has been investigated from different angles.

Relevance for the beneficiaries and the country involved

The relevance of the intervention for the beneficiaries is very high in particular because it tries to address several urgent problems of the target groups. Many stakeholders stated that Micro and Small Enterprises (MSEs) were one of the hardest hit groups in society as a result of the first wave of the COVID-19 pandemic. Their cash flow situation worsened rapidly because they generally had no or little reserves. The MSEs in the informal economy were also out of the radar of the stimulus packages installed by the government. This is the more significant because well over 90% of all Sri Lankan establishments are MSEs which are employing a majority (62%) of the total workforce engaged in industry, trade and services, which therefore were also in danger of losing their jobs. Significantly, the beneficiaries themselves also underlined the high relevance of the project (see Annex 9).

In addition, the intervention is very relevant to the mandate and priorities of the Government of Sri Lanka (GoSL). The project’s objectives are aligned to the National Policy Framework of 2019, which identified MSEs as critical to its economic development strategy and vision, as well as to several COVID emergency measures implemented after the first wave, such as a re-financing facility for the enterprise sector and a Presidential Task Force. More specifically, the request made to the ILO for the project came from the Ministry of Labour itself, and that was partly prompted by a survey they had conducted at that time on private sector establishments which raised their concern on the position of MSEs: “COVID-19 & Beyond- The impact on the Labour Market of Sri Lanka” (May 2020). The intervention was further relevant to the Small Enterprises Division (SED) of the Ministry of Youth and Sports as they underlined the importance of the National Policy Framework for Small Medium Enterprise (SME) Development of the Ministry of Industry and Commerce.⁶

Relevance to UN responses to the socio-economic impact of COVID-19

The project also contributes to the UN global framework for the immediate socio-economic response to COVID-19 which identified the socio-economic recovery of MSMEs as one of their **strategic priorities**. The fact that it was funded by the UN Multi Partner Trust Fund (MPTF) *#RecoverBetterTogether* shows that it adhered to their requirements and priorities as well. This Fund was set up at the height of the COVID-19 crisis by the UN Secretary General at the end of March 2020, and it marked the UN’s immediate response to the socioeconomic impact of COVID-19. Within Sri Lanka, the intervention was consistent with the mandate and priorities of the UN

⁶ See: http://www.sed.gov.lk/sedweb/en/wp-content/uploads/2017/03/SME-fram-work_eng.pdf

Country Team (UNCT), in particular to the UN Advisory Paper: Immediate Socio-economic Response to Covid-19 in Sri Lanka (June 2020).

The intervention was further also relevant to the mandate and priorities of both the ILO and UNOPS. For the ILO, this can be further specified with respect to the consistency of the intervention with:

- The Sri Lanka Decent Work Country Programme (DWCP 2018 – 2022), in particular its Priority 1: Creation of sustainable, inclusive and decent employment.
- The ILO Country Programme Outcome LKA 107: Sri Lankan workforce have more and better employment opportunities.

The evaluation further found that *all* stakeholders interviewed underlined the high relevance of the project at this time.

Use of COVID-19 diagnostics and UN assessments in the project design

The PRODOC has used many diagnostics and documents related to COVID-19 and/or produced by UN Agencies. These are extensively discussed in the PRODOC (9-10). Some examples are the following:

- the Strategic Preparedness and Response Plan (SPRP) prepared by the WHO together with the Ministry of Health with inputs from all UN agencies.
- The WHO COVID-19 Strategy Update makes a specific recommendation that workplace preventive measures are put in place to reduce risk, including appropriate directives and capacities to promote and enable standard COVID-19 prevention measures.
- The ILO together with the Ceylon Chamber of Commerce conducted an online survey amongst enterprises on the impact of the COVID-19 crisis and their coping measures with particular focus on employment: 90% of businesses in the sample have shut down (tourism and garments) or drastically reduced operations (apparel and rubber goods) during the lockdown. Over 55% confirmed a freeze on hiring and over 50% are reviewing salaries with a view to across-the-board cuts.
- The ILO identified vulnerable employment groups, based on the available Labour Force Survey data, to focus attention of policymakers (see also next paragraph).
- UNDP, in association with UNICEF and the Resident Coordinator's Office, and with inputs from other UN agencies has prepared a discussion paper on the socio-economic impact of COVID-19.
- UNICEF produced a brief on the social protection impacts of the pandemic. This analysis was to support the Government of Sri Lanka's targeting of cash transfers and essential food distribution that has now almost been completed.
- Finally, the UN RCO has mapped the immediate activities of UN agencies in response to the pandemic, which was the basis for the Humanitarian Country Team's Multi Sector Response Plan.

The selection of vulnerable beneficiaries

The selection of beneficiaries in the PRODOC was based on the above discussed documentation, and in particular, the identification by ILO of vulnerable employment groups, based on the available Labour Force Survey data, to focus attention of policymakers. This showed that the largest **number** of those in vulnerable occupations (with a monthly income under LKR5000 / USD25.85) were in the high population density districts of Colombo, Gampaha, Kurunegala, Kandy and Kalutara. Therefore, the MSE related interventions were focused on the Western

Province (WP) being the hardest-hit in the COVID-19 outbreak (three out of the six most COVID-affected districts are in the Western Province) with targeted interventions in two districts: Kalutara and Gampaha. These districts have all been severely affected by the Covid-19 crisis and also have a high percentage of MSEs. In the end, it turned out that these districts were also the ones with the most COVID-restrictions and the longest periods of lockdown.

The evaluation found that the project did mostly meet its criteria for selecting vulnerable beneficiaries as laid down in the PRODOC, but not *all* target groups were among the most vulnerable in the country. Hereby it is important to realize that the project targeted seven different groups of beneficiaries of which some groups come closer to the most vulnerable than others, as was demonstrated by the findings as follows:

- Most target groups came thus from the target two districts, i.e. Kalutara and Gampaha (or neighbouring districts), because they had the largest numbers and concentrations of vulnerable MSEs, but at the same time it has to be recognized that they do not belong to the poorest or most vulnerable provinces in the country. Nevertheless, the choice to target MSEs in these districts is rational, both from the point of view of the sheer numbers of MSEs present including many vulnerable ones, as well as from the point of view of practical and logistic limitations in an immediate response project to be implemented in a short time.
- For the distribution of Personal Protective Equipment (PPE) and OSH Training, the existing data base of the Small Enterprises Development Division (SED) was used; this was important because if it was not already existing, it could have led to suspicions of political interference. At the outset, the project was required to identify the baseline information of 1100 beneficiaries as per the target indicated in the PRODOC. The officers of SED attached to the district and divisional secretariats were rigorously involved to map the data and select the beneficiaries. The ILO conducted two sessions in August for these officers on the data collection process. The SED officers then selected the beneficiaries, and the ILO validated this selection. However, this database is likely to have an underrepresentation of (unregistered) micro and especially informal enterprises. For example, SED officials assume that only 40% of the micro enterprises and 75% of the small enterprises are registered.
- Female owners of MSEs trained by the Women’s Chamber of Industry and Commerce (WCIC) were mostly selected from the latter’s database which does not include the smaller enterprises, although WCIC also reached out to identify and invite micro and small entrepreneurs using various other channels, and that the group therefore included a number of more vulnerable MSEs as well.
- Psycho-Social Support (PSS) training was for officers from MoL, SED and Banks intended to ultimately enhance the support of these organisations for vulnerable groups.
- Access to Finance (A2F) and Value Chain Financing (VCF) were pilot approaches not specifically directed at the most vulnerable.
- The speed of actions was often an important factor to be taken into account as well in this immediate response project implemented in a relatively short time.
- Several stakeholders, including the Ministry of Labour (MoL) and the Employers’ Federation of Ceylon (EFC), indicated that it might have been good if the project would have had a focus on the worst affected MSEs in *certain sectors* in particular tourism.

Coherence of the final selection of beneficiaries with the initial eligibility and vulnerability criteria jointly defined by all stakeholders

As indicated in the previous section the intervention mostly met its criteria for selecting vulnerable beneficiaries as laid down in the PRODOC. Whether this was further refined in the initial

stakeholders' meetings held at the start of the project cannot in itself be independently verified as these meetings were not documented (no minutes were made and approved). However, most stakeholders indicated during the interviews that these initial meetings were quite important for the project and several examples will be given of its impact (for example on the inclusion of activities not included in the PRODOC such as PSS activities, on gender equality inclusion, etc.).

The degree to which the package of support/assistance provided met the needs expressed and identified by the final recipient/ beneficiaries

The package of the different types of activities implemented during this intervention did indeed meet the needs of the different types of beneficiaries. These needs were identified through research studies and surveys (as discussed in the above) in which the beneficiaries were given the chance to express their challenges and priorities (see in particular Annexes 3 and 9).

This is further analysed in Section 3.3 dealing with the project's effectiveness.

3.2 Coherence and Validity of project design

Validity of Design including Theory of Change (ToC)

The PRODOC includes a clear diagram for the Theory of Change (ToC) following the 'Results Chain' format, and it is reproduced here in Annex 1 (on the third page of the ToR). The top part consists of the outcomes and impact, and on the right-hand side the assumptions/risks are listed. The bottom part consists of the actions and the direct outcomes. In addition, from the bottom upwards on the right-hand side is the gender pathway. This is further developed into the appropriate Results Framework of the PRODOC which was adjusted a few times following the inclusion of additional outputs/activities. The final version was included in the mid-term narrative report and is summarised here in Annex 8.

The design of the intervention was partly determined by the fact that it was a response to a Call for Proposals from the UN MPTF and was thus a competitive bid. The MPTF set up at the end of March 2020 was intended for middle- and low-income countries. Under the first call for proposals MPTF operated in 56 countries with US\$ 1 million per country (except in those countries with more than 100 million inhabitants it was US\$ 2 million). As an immediate response, the implementing organisations were given only a very short time for writing the proposal (about 2 weeks), and the approval procedure was also relatively fast making it possible for the project to start in early July 2020.

Being a UN fund, the decision to submit a competitive bid was discussed at the UN Country Team (UNCT) in Sri Lanka, and there it was decided that ILO should be in the lead for this particular intervention. Since there was only little time to write a PRODOC, a core team at the ILO Country Office led by the Country Director wrote it essentially within one week in April 2020. Consultations on the design with the MoL showed their preference to include some tangible outputs such as PPE kits and the OSH campaign. UNOPS agreed to undertake the procurement and distribution of PPE kits to MSEs. The PRODOC submitted to the MPTF was simultaneously the official Agreement signed by UN-RC, ILO CD and UNOPS Country Manager (a.i.) dated 23 May 2020. A Results Framework was included and will be discussed in the next section (3.3). The Risk Matrix in the PRODOC identified four risks and for each risk a few mitigating measures as follows:

Risks	Mitigating measures
1. SMEs most in need of assistance are not identified (because the registry is severely incomplete), leading to the project failing to deliver the scale of benefits expected and complaints from beneficiaries.	The project will carry out a vulnerability assessment to select the vulnerable SMSEs will be placed as a part of the implementation. The project will establish a grievance handling mechanism within the project to improve the accountability and transparency. The project refers to outreach and publicity.
2. With the upcoming parliamentary elections, the possibility that implementation is much slower than expected, leading to the project failing to deliver all of the promised outputs and outcomes.	Planning and monitoring - Planning assumptions on the level of support they can provide and monitor against the assumptions
3. Unethical business practices by private companies due to vulnerability of beneficiaries.	The project will make sure to establish joint ventures through EFC and the Chamber of Commerce and with the presence of relevant government authorities. Further, the project will facilitate signing of agreements with the private companies to assure proper transferring finance resources and purchasing the product at market price. Disclosure positive contribution of private companies towards empowering SMEs with wider groups with a view appreciating their contribution.
4. A risk of recurrent or elevated COVID 19 infections within Sri Lanka coupled with stringent control measures, including extended curfews and mass quarantines.	OSH intervention can be continued even if there is a continuation or worsening situation while intervention for MSEs' resumption and continuation of operation will be adapted to the evolving COVID situation.

In hindsight, these were indeed the main problems that the project ran into, in particular 2 and 4, and as discussed in the above in part also Risk 1. As a result, the project has been delayed and was not completed on the original end date of 31 December 2021 but several months later.

The design of the project was further discussed in a series of broadly attended stakeholder meetings initiated by the ILO, and there it was, for example, decided to include PSS in the project as different stakeholders underlined that this was a crucial need of many MSEs resulting from the COVID-19 crisis; PSS activities were not included in the original project design (PRODOC), and this demonstrates the flexibility of the stakeholders involved.

Overall, therefore, we can conclude that the validity of design was more than satisfactory also considering the ultra-short time for preparations.

Coherence: Level of compatibility of the intervention with other interventions in the country

As indicated in the above, the intervention was clearly compatible with a series of other interventions and priorities of different UN organisations (external coherence). In terms of internal coherence, the project was firmly embedded within the work of the ILO Country Office; this ranges from the design of the project in which regular staff of other ILO projects was involved, to the weekly meetings chaired by the Country Director and attended by relevant country office staff, to the close contacts with the 'Local Empowerment through Economic Development and Reconciliation' (LEED+) project and the contracting for three months of the Value Chain Expert of this project.

The use of the ILO's four-Pillar policy framework for tackling the economic and social impact of the COVID-19 crisis in the project design

ILO Geneva published a Policy Brief outlining **ILO's four-Pillar policy framework** for tackling the economic and social impact of the COVID-19 crisis in May 2020.⁷ These four pillars are:

- 1) Stimulating the economy and employment,
- 2) Supporting enterprises, jobs and incomes,
- 3) Protecting workers in the workplace, and
- 4) Relying on social dialogue for solutions.

The project design has clearly pursued a coherent response to COVID-19 exploiting the complementarity amongst these four pillars. While the fourth pillar was somewhat neglected in the project design with no role for the trade unions and an advisory role for the EFC, the other three pillars were firmly embedded in the design. The entire project was set up to stimulate the economy and employment; while the project's Objective 1 on OSH measures at the workplace contributes to Pillar 3, Objective 2 fully aligns with Pillar 2.

Capacity-building strategies to tackle the effects of the COVID-19 pandemic

The intervention has used capacity building strategies in combination with other responses to enhance each other's impact. The OSH training together with the distribution of PPE kits is a prime example, as are the training and awareness sessions on PSS. The pilot approaches on the access to government stimulus packages and on value chain financing were, as it were, two sides of the same coin trying to enhance the access to finance of different types of MSEs.

Cross-cutting issues

The design of the intervention is focused squarely on a human-centred recovery from the socio-economic impact of COVID-19 pandemic focusing on MSEs which have been badly hit by this pandemic and trying to keep these enterprises in business and their workers employed, while also trying to do something about the psycho-social and mental health problems of entrepreneurs and workers caused by the pandemic.

International Labour Standards (ILS) or ILO Conventions were not as such discussed in the PRODOC, while for example ILO Convention No. 190 (2019) on Violence and Harassment in the World of Work has a clear relevance here. Similarly, social dialogue did not receive targeted attention with the Trade Union organisations being conspicuously absent; on the other hand, employers' organisations (EFC, WCIC, and others) were involved in a number of activities, such as the initial stakeholder meetings, the selection of MSEs for the OSH training and in the A2F component.

The project design was clearly responsive to gender equality with special attention being paid to the inclusion of women owned MSEs and a dedicated activity was even included for 50 female entrepreneurs. This is further analysed in detail in Section 3.8. With respect to non-discrimination and persons with disability the design did not include any targeted activity, and the same holds true for environmental sustainability concerns.

⁷ See: https://www.ilo.org/wcmsp5/groups/public/%40dgreports/%40dcomm/documents/briefingnote/wcms_745337.pdf

3.3 Effectiveness

Integrated and strategic technical support and dialogue processes for a timely crisis response to COVID-19

The project was a timely crisis response and started with the implementation of the first objective on OSH Training and the distribution of PPEs. Due to delays as a result of the Parliamentary Elections in August 2020 and of the procedures involved to procure the PPE kits, both the training and the PPE distribution could not be completed as scheduled, but it is of more importance that these tasks were indeed fully completed making it still a very timely COVID response. The support provided by the project for access to finance, value chain financing and PSS activities were mainly completed in the first quarter of 2021 which were also timely and just before the third wave of COVID-19 infections hit the country and renewed lockdowns were imposed.

Achievements of the planned outcomes and outputs

The project's Results Framework or Log Frame was defined in the PRODOC and was revised in the Mid-Term Narrative and it has been included here as Annex 8. It includes one Outcome and two Outputs.

The **Outcome** (2.1) is defined as 'Healthy socio-economic recovery of the MSE sector of Sri Lanka' and has two indicators:

- 2.1a: The proportion of MSEs with a loan or line of credit (SDG 9.3), and
- 2.1b: The proportion of MSEs continue employment, disaggregated by sex (modified SDG 8.3).

For the first indicator the planned target was 1,100 MSEs in Gampaha and Kalutara, and this was achieved as the Central Bank of Sri Lanka has agreed to facilitate the credit support for 1,100 MSEs through its specialised loan scheme designed for MSEs, *Saubhagya*. For the second indicator the planned target was 900 MSEs in Gampaha and Kalutara, and this was also achieved: investigations among 1244 MSEs found that 62% of them re-started their enterprises after the initial COVID-lockdown and were at least partly running their business, while a quarter re-started and were even operating on a full scale.

With respect to the **Outputs**, Table 1 below summarizes the achievements made by the project against the two outputs and its indicators of the Results Framework (cf. Annex 8). The data on activities undertaken and beneficiaries reached were compiled on the basis of the initial desk study of the Project Document (PRODOC) and of the two progress reports (Mid-Term Narrative of September 2020 and Annual Report of January 2021) and through discussions with the project team.

The first activity in Table 1 concerns the procurement and distribution of the **Personal Protective Equipment (PPE)** packages or kits (2.1.1a). The standard content of these kits was determined by SED including health officials, and their composition changed a few times upon requests of the MoL and others; the complete listing of the items in such a package is given in Box 1. After the initial 245 kits were distributed the government requested a change in the composition to include more sanitizers and soap which can be used for a longer period. This was included in the second batch of 790 kits distributed by UNOPS. Flexibility with the content of the packages is also needed to adjust it to the size and kind of MSEs. For example, in the last phase of the distribution when ILO procured the last 300 or so packages distributed among others to the VCF participants some items were left out as they were not considered indispensable for them, such as the buckets and the relatively expensive handwashing stations ('sinks', which alone costed LKR 13,450).

Table 1: The Outputs and Activities and the number of male and female beneficiaries reached by the project.

Indicators	Activities undertaken by the project	Beneficiaries reached		
		Total	Men	Women
Output 2.1.1 MSEs apply COVID prevention measures in workplaces				
2.1.1a	PPE Distribution to 1,432 beneficiaries: <ul style="list-style-type: none"> 1035 received PPE from UNOPS 397 received PPE from ILO 	1389 MSEs 43 offices (not disaggregated by sex)	783	606
2.1.1a	Communication Campaign on OSH, A2F and PSS Awareness for MSEs (including on safe return to work)	Nation-wide outreach: 7,311,424 (until 18 June 2021)	n.a.	n.a.
2.1.1b	OSH Training for selected MSEs by NIOSH	200 MSEs	57	143
Output 2.2.1 MSEs have enhanced access to resume and continue operation				
2.2.1a	Participants in Banking Clinics in 2 Districts, and number of MSEs which got access to the government stimulus package (as per CBSL regulations)	1,192 participants in 16 Banking Clinics. 24 already granted and 709 in process.	n.a.	n.a.
2.2.1b	Value Chain Financing (VCF) in Kurunegala District (part of the coir Triangle)	93 MSEs through 4 large buyers	84	9
2.2.1c	'Empowered Woman' Training on Business operations for 50 MSE Women Owners jointly with the WCIC, including one session on PSS	50 female MSEs	0	50
Added later	One-session trainings on PSS by a Consultant to the MSME networking officers at the ground level	90 SED staff 33 Labour Officers 15 Bank Officers	21 19 8	69 14 7
Added later	Business Consultancy Workshop	30 EDTO Officers (SED)	5	25

Sources: The Mid-Term Narrative Report and the Annual Progress Report (cf. Annex 11), as well as updated information provided by the project team.

In the end, PPE kits were distributed to 1,432 beneficiaries partly through UNOPS (1,035) and the rest through ILO (397). After the initial 1035 by UNOPS, the government (MoL) requested 1,000 additional kits because they wanted to reach out to more locations, but UNOPS could not provide more than the 1,035 within the existing budget. ILO was able to provide an additional 397 kits. In total, 1,389 were provided to MSEs, 39 to SED (Head office, Districts and Divisional Secretariats) and four to the large buyers under the VCF component. The reason these were given to SED was that they are the officers exposed to the field especially interacting regularly with MSE's. The full distribution details are given in Table 2 which for example shows that overall, 44% of the MSEs that received PPE kits are female-run.

Table 2: The numbers of PPE kits distributed.

District	No. PPE kits	Beneficiaries		
		Male	Female	Office
Gampaha	668	364	281	23
Kaluthara	667	335	316	16
Kurunegala (VCF)	97	84	9	4
Total	1432	783	606	43

Box 1: Contents of PPE kits

- recordkeeping book
- hand sanitizer
- handwashing station with paddle ('sinks')
- soap
- thermometer
- first aid kit
- paper tissues
- hand wipe towel
- face masks
- gloves
- toilet sanitizer
- removable bin
- bucket
- other.

The cost of a complete kit was LKR 40,000.

Procurement is a process that needs to be done carefully to avoid any kind of interference and that takes time even through an emergency procedure as was approved for this specific immediate response project. UNOPS is a procurement agency and has very thorough procedures

which are sometimes time-consuming; in addition, operational delays occurred mainly due to the lockdowns and to obtaining quotations from potential suppliers of small items such as Bins, Record Registers etc. and to selecting the right vendor as the shops were closed most of the time and items were not available.

A few monitoring activities indicate positive attitudes among the MSEs about the PPE kits. One report found that the quality of kits was considered very good (69%) or good (29%) by those MSEs surveyed by the project (PPE Monitoring Report 2021). There were incidental issues with individual items, such as the low durability of masks, the pungent odour in the sanitizers, dysfunctional paddle of the dustbins and the sinks, but overall, no major issues were recorded. The institute that conducted the OSH training (see below) did a small informal research through phone calls with some of the MSE trainees and found that the kits were very helpful according to them. The positive attitude towards the PPE kits was further underlined by the interviews conducted with a sample of beneficiaries (see Annex 9).

The distribution of the PPE kits was quite an operation involving several actors but, on the whole, went relatively smooth. Distribution started from November 2020 onwards but had to be stopped temporarily during the elections and was slowed down during the second wave of COVID infections. The selection of the specific beneficiaries was done through SED with the support of ILO (with the help of a Mobile app). Most of the MSEs which received PPE kits were home-based enterprises often below 5 employees. The handing over of the kits was done through distribution centres in the Divisional Secretariats (DS), and from there distribution was partly done by requesting the beneficiaries to come to these centres, while another part was distributed house-to-house with the support of UNOPS staff/volunteers and others. There are 13 DS in Gampaha and 14 in Kalutara Districts and beneficiaries were distributed over all these DS. These DS were very helpful and were needed, for example, to provide the permission for the distribution.

Overall, the main achievement of this component was that these PPE kits were indeed procured and delivered to the target group in time despite all the adverse conditions of the pandemic. Understanding the necessity of the use of masks, sanitizers etc, they continue to use it and also replenish their stocks when it was finished.

In collaboration with the Ministry of Labour, Ministry of Health, UNOPS, WHO, and other counterparts, the ILO has developed and rolled out a series of *nationwide* communications products. This **Communication Campaign** focused on OSH, A2F and PSS Awareness for MSEs and is the second activity in Table 1. It was designed for the national level to try to reach a broader audience, and it was conducted in three Languages (English, Sinhala and Tamil). The duration of the campaign varied: OSH (August–November 2020), PSS or Psychosocial and Mental Health Strengthening (October 2020 – May 2021), and A2F (November 2020- May 2021). The different activities that made up the campaign were: 4 TV programmes, 3 Radio Programmes,⁸ 2 Print interviews, 2 Op-Ed articles, a Digital media campaign (96 videos in the three languages),⁹ and the distribution of Posters on OSH to the 1432 MSEs which received the PPE kits. A selection of these products is included in Annex 11. Several of these engagements were prime-time segments that also presented the audience with the opportunity to call-in with queries, and concerns,

⁸ For example, interviews were held for TV/radio with as Commissioner General of Labour- Women and Child Affairs (MoL), the OSH Specialist from EFC, the PSS Consultant, and a Programme Officer and a Field Coordinator from ILO (the web-links are provided in the project's Annual Report 2020).

⁹ For example, the project's Annual Report 2020 provides links to a series of videos created to build awareness on return to work and how the MSEs applied COVID prevention measures in their workplaces; see also Annex 11.

allowing for engaging in two-way communications. The nationwide digital reach of the campaign exceeded 7.3 million views as of mid-June 2021 (well beyond the original target of just 70,000); this is equivalent to approximately one-third of the country's population, and over 80% of Sri Lanka's social media users.

Particularly, being aware of the psychological impact that COVID-19 has had on MSE sector owners and workers, the communication materials were designed to help people recognise negative psychosocial behaviours and their triggers such as job loss, loss of income, change in work routines, and uncertainty in life. This has led to a lack of work-life balance, increased harassment, discrimination and violence for women, work related psychosocial risks posed by COVID-19. The awareness materials did bring to light the psychosocial issues faced by those working in the MSE sector and how they can cope better. Other activities included a very illustrative impact story about one female small-scale batik maker from Kalutara District (see Annual Report 2020; p. 6-7), and the Viwasaya Super Fair held on 27-28 March 2021 and organised by SED (Gampaha) and ILO as a kind of market for MSE entrepreneurs from different economic sectors to sell their products (47 female and 23 male MSEs participated).

With respect to A2F, the ILO in collaboration with the Central Bank of Sri Lanka (CBSL), developed a campaign focused on creating awareness about the financial schemes and loans available to MSE owners, knowledge on how these schemes can be accessed through public and private banks, financial literacy, and the benefits and safety in engaging with the formal financial sector. Radio interviews were specifically held for this purpose with senior staff of the CBSL.

The evaluation found through the interviews with stakeholders that this Communication Campaign was considered successful, and in particular brought out the human element so that MSEs can identify with mental health, OSH and other issues. The substantially enhanced awareness on OSH as a result of this comprehensive communication campaign was an important achievement.

The third activity in Table 1 concerns the **Occupational Safety and Health (OSH) Training**. The National Institute on OSH (NIOSH) under the MoL is the mandatory government organisation on OSH training in the country. The committee responsible for preparing and organising this training was organised by ILO and included UNOPS, WHO, WFP, NIOSH and others. NIOSH was not involved in the selection of MSEs. It was done as described above by ILO and SED.

The training was focused on OSH preparedness including components on COVID-19 health issues, safety, chemical hazards, machinery noise, electrical safety, first aid, financial preparedness, etc. In total 200 MSE entrepreneurs were trained in the two districts of which the majority was female (71.5%). These 200 had also received the PPE kits. Half of the trainees were able to join the online training (through a WhatsApp group); some even borrowed a smartphone for that which was quite unexpected. They received training for 10 days (in the evening 8.30-10.30 pm). The other half got permission from the government to attend a physical training consisting of a one-day training organised by NIOSH expert teams in two districts in six locations (April 2021). A follow-up was scheduled but could not be undertaken due to the COVID-19 crisis. NIOSH further developed a guidebook in Sinhalese and posters on COVID-19/PPE.

NIOSH has extensive experience with the training of medium and large-scale companies and institutions, but this was their first time working with MSEs, which resulted in several constraints and some points for improvement (cf. the project's OSH Monitoring Report 2021): On the one

hand, the trainees did not have a technical background and were not always used to strict classroom/online trainings, and on the other hand, training for MSEs was new for NIOSH and they had to customize the training package to the MSE perspective which will require some improvements in the quality of training as well as in the proper delivery mechanisms. It needs to be mentioned that the period in which the training took place was a very busy time for NIOSH as there was a high demand for their trainings from all over the country. In conclusion, the OSH training by NIOSH to MSEs was in itself an achievement, and it has been a learning process to partner with NIOSH and their delivery method and replication might well be possible (see section 3.7). The trainees interviewed for this evaluation were quite satisfied with the training and have made several changes to ensure workplace safety and prevent accidents (see also Annex 9).

The fourth activity in Table 1 concerns the **Access to Finance (A2F)** component. It was intended to support MSEs to continue doing their business by enhancing A2F provided by the government stimulus package and by increasing financial literacy among MSEs.

The CBSL has a revolving fund for loans of LKR 500,000, but ILO found that people are not aware of this scheme and then jointly with CBSL conducted a campaign through mass media (as discussed in the above) to make it known. After that a substantial increase occurred in the number of loan applications according to the CBSL: so far, there are 17,600 applications from MSEs from all over the country of which 12,600 are accepted and registered by CBSL whereby the administration (i.e. implementation and criteria for selection) occurs through the National Banks. Disbursement was delayed by several banks according to the CBSL.

For the financial literacy component, 16 so-called 'Banking clinics' were organised by SED with the support of ILO and EFC in the two target districts with, in total, 1,192 participants. The purpose was to link private and public banks and MSEs and to exchange views on the problems to access loans (in particular related to no guarantee, no properties/no collateral), and to make MSEs aware of loan schemes and to increase their financial literacy. By June 2021, out of the total of 1192 participants 68% were eligible for a loan, while 20% were rejected and 11% were not interested to apply for a loan at this stage.

This component was successful as the target was to reach 1,100 MSEs but in the end the project reached 1,192 MSEs. SED also underlined that their incidental monitoring indicated that the banking clinics were highly appreciated.

The fifth activity in Table 1 concerns **Value Chain Financing (VCF)**, which means engaging the larger players in the supply chain or the intermediaries (banks, financial institutions, etc.) to support small suppliers to maintain the flow in the supply chain. *Indirect VCF* through banks and other financial institutions was attempted, and the CBSL was very much interested, but not all banks/institutions were readily convinced and there was not sufficient time to bring this further and convince all of them.

Therefore, the project focused on *Direct VCF* through large buyers along the supply chain, and the intention was to convince such buyers to provide loans *from their own funds* to the smaller-scale suppliers in their supply chain. The advantage for the buyer of offering such loans is, in principle, to keep their suppliers functioning despite the pandemic and thus to keep the supply chain functioning. However, the project tried to facilitate the suppliers getting the loans, but this did not work out immediately because the large buyers considered it too risky having no

experience with it. Then the ILO stepped in, and in order to get the big companies' buy-in the project offered to top up the loan with a grant of an equal amount of money as a one-off trial thereby additionally supporting business improvement and business continuation of the MSE suppliers.

Since the ILO Country Office already had experience with the Coconut sector through the LEED+ and other projects, the lead players in this sector were well-known. The Coir Sector Society published in their Facebook account a request for companies that were willing to work with ILO on VCF. The first 4 companies that expressed their interest were contacted by ILO; it was limited to four buyers because of time/budget limitations. Through these four buyers a total of 93 suppliers/MSEs were reached which employed about 1,000 workers of which some 30% were female. These were mainly from North-Western Province (Kurunegala and Puttalam), and a few from Gampaha and Jaffna. In total, US\$ 120,000 was lent by the four buyers and the project provided an equal amount (or about 18% of ILO's budget for this project). Thus, MSEs on average received US\$ 2,580, used in particular for purchase or repair of machinery. In order to receive the actual amount, the suppliers had to submit documents (for example quotations from suppliers of machinery or machinery repair, or for improvement of the business); the project's contribution was disbursed via the buyers. Monitoring was further done by several project staff members who made visits to about 30 % of the 93 MSEs. This attempt worked well, and the four buyers intend to replicate it in other areas albeit *without* the grant provision from the project.

In addition, since the MSEs were very poor in financial management, the large buyers stepped in to train them in keeping their accounts up to date, improve production methods, etc. The input of the buyer is the working capital to improve their workplace, buy required machinery, upgrade machinery, repair machines, renovation/repairs to the building (especially the husk drying area) etc. The project's grant too was utilized to supplement and complement these expenditures. All in all, the evaluation found this approach to be novel and a bit unorthodox; one also wonders about the sustainability of grants or hand-outs supposing one would want to scale up the approach. In addition, these specific beneficiary suppliers are operating in quite established value chains and are thus not the most vulnerable enterprises.

Direct VCF depends on trusted buyers and when, as in the present case, it proceeds successfully, MSEs tend to consider such buyers as their saviour in times of crisis, and hence their relations are substantially improved. Apart from supporting suppliers to continue their business, such a model could well generate additional jobs. The CBSL expressed their desire to explore this model further and is keen to adopt it. This component, while being a pilot approach, was in itself successful with 93 suppliers being provided with potentially enterprise-saving loans, and at the same time acquiring lots of learning-while-doing. More details of the VCF component are provided in Annex 9.

The sixth activity in Table 1 concerns the **“Empowered Woman” Training Program** (*“Diriya Kathakata”*) offered by the WCIC to provide 50 Women-MSE entrepreneurs with Business Development training to be able to continue their business. WCIC selected 50 Women-MSE entrepreneurs who were impacted by COVID mostly from their database in the Western Province but also reached out to recruit vulnerable MSEs using various other channels. The training was a One-Day Programme held in January 2021 in a hotel in Colombo. It was a tailor-made programme designed with support from the ILO, and covered the topics of Marketing; Managing the business; Developing the Personal Brand; and Basic Finance. On the request of the ILO one additional

session was included on PSS but was provided by an external PSS consultant (not by WCIC). According to the internal monitoring review the trainees underlined that the programme was very successful, and even after the training the trainees kept in touch with them (see also Annex 9).

Under the same output another activity was planned by the PRODOC, notably a Joint Analysis with the Ministry of Labour to identify multi-dimensional vulnerabilities faced by female owned MSEs and to inform business continuity support. A survey was set up and from early January to mid-February 2021 the Ministry received over 3,000 responses. However, the analysis could not be completed because the responsible officer at the MoL, the Commissioner General of Labour-Women and Child Affairs, was changed in mid-February 2021, and the replacement started only recently.

The seventh activity in Table 1, **Psycho-Social Support (PSS)** was not included in the original PRODOC and Results Framework but was added later after the initial stakeholder meetings because serious mental and health challenges were reported there as a result of the COVID-19 pandemic. The training in PSS was developed in consultation with experts (including psychologists) from WHO, and also Ministry of Health, SED and EFC, and was focussed on both psycho-social wellbeing and empowerment (enhanced assertiveness). Apart from the 50 women MSEs mentioned under the previous output, the training was provided by the PSS Consultant (a psychologist) through online meetings to service providers and included 90 SED staff who are working at the ground level in the two districts, as well as 33 Labour and 15 Bank officers. The consultant met each group for a 2-hours session (in-person or online) in January/February 2021. For the Bank and Labour officers the training focused also on their attitude towards MSEs which could well be more flexible (at least in part because they always need the consent of their superiors). These officers valued this PSS training very much (cf. Annex 9).

The last activity, which was also not included in the original PRODOC and Results Framework, was a **Business Consultancy Workshop**. As the pandemic continued, foreseeing the need of equipping and upgrading the knowledge of the Entrepreneurship Development Training Officers (EDTOs) of SED on new tools and techniques to keep entrepreneurs build business, a two-day workshop was conducted. In total 30 Entrepreneurship Development Training Officers (EDTO) from SED were trained.

All in all, the project has undertaken quite a large number of diverse activities, but as we have seen in Section 3.1, all these activities were considered relevant and necessary at this time of crisis in order to respond to the diverse immediate needs.

Challenges encountered

A number of challenges were encountered during the implementation of the project.

- 1) The Lockdown at the early stages of the project and the second and third waves of the COVID-19 pandemic resulted in substantial delays and changed many activities to online meetings/trainings. Certain activities do rely more on face-to-face encounters and building up relations (e.g. VCF/A2F), while creating trust is much more difficult online.
- 2) The short implementation period of the project, while for example procurement and training programmes do require substantial preparation times.
- 3) The parliamentary elections in early August 2020 in the initial stages of the project: not only were no activities allowed for fear of political interference, but also all high-ranking officers

were changed resulting in delays and briefings/re-briefings. Nevertheless, the bureaucrats stayed in their positions and remained strongly committed.

- 4) The complexity of the project due to its multi-stakeholder nature and to the two diverging Objectives relating to OSH/PPE versus access to finance.
- 5) Procurement is a time-consuming process, especially during lockdown (e.g. sometimes special permission needed from government for logistics), and at times this was at odds with the short implementation period. The strict UN regulations on procurement procedures sometimes hindered the option to buy “from the beneficiaries for the beneficiaries”.
- 6) Packaging was initially done by UNOPS staff in the office for the first 300 or so kits, but then the office was closed due to the lockdown, so they had to rent a storage facility for one month for the remaining 735 kits which meant an unanticipated cost factor. Transport to the two districts was generally done by lorries.
- 7) The MSE sector has specific problems, e.g. the MSE entrepreneurs are not used to (online) training, do not prefer bank transfers, are reluctant to register fearing tax consequences, while providing registration documents and certificates in time can be challenging for them.

Success factors

Despite the challenges the project has made very good progress as we have seen in the above and this was due to several success factors.

- 1) The commitment of the MOL from the beginning approaching ILO after completing a survey on the impact of COVID-19 on enterprises.
- 2) The leadership of the ILO calling all stakeholders for wider consultations with different ministries, UN organisations, various national associations, etc. and calling and chairing weekly progress meetings with the relevant staff of the involved organisations. This allowed for quick decisions and it has speeded up the process.
- 3) The re-purposing of staff already employed at the ILO and UNOPS Country Offices was crucial for speedy implementation, but also benefited from their experience, good networks and existing trust/mutual understanding with the MoL. The selection by the project team of expert consultants with good networks was also helpful.
- 4) The procurement experience of UNOPS was crucial.
- 5) Overall, the main driver of the successful progress was a combination of huge commitment, mutual understanding and a feeling of urgency among all stakeholders to make the project successful and to provide the benefits properly and timely to the beneficiaries.

Joint Project: Complementarities of efforts by the different partners

The complementarities of efforts by the different partners were clear in this project with ILO in the lead and focusing on training, awareness campaigns and A2F/VCF while UNOPS focused on procurement and distribution, with learning from each other on their mutual competitive advantages as an important component. The MPTF also underlined that the implementation of the project in Sri Lanka was smooth.

Enabling immediate business continuity or resumption, and helping MSEs to better cope with immediate shocks

Business continuity has been enabled by the project through different means as analysed in the above: on the one hand, the access to (low-interest) loans was enhanced in both the A2F and the VCF components, while on the other hand the WCIC provided a training to women owned MSEs on business continuity. MSEs were also supported to better cope with immediate shocks through

the training in financial literacy and through the discussions in banking clinics (A2F); the training by WCIC also included elements of financial literacy.

Mitigation of access issues related to COVID-19 restrictions

The lockdown and the travel restrictions imposed by the government as a result of the COVID-19 pandemic have at times been quite severe especially also for MSEs. The project made sustained efforts to continue the project activities and all communication means were used whenever possible (direct contact, phone, email, etc.). The OSH-training, the distribution of PPE kits and the enhanced access to finance are important examples, and the comprehensive communication campaign described in the above was also an important means to reach a substantial part of the population of Sri Lanka.

Adherence to basic humanitarian principles

In implementing its activities, the project has adhered to the basic humanitarian principles of do no harm, humanity, neutrality, independence and impartiality. This transpired clearly in the interviews both with key stakeholders and with beneficiaries. Such project components as the distribution of PPE kits, the OSH training, and the psycho-social support activities clearly are inspired by humanitarian principles. Although some issue was noted with VCF on impartiality, overall, the intervention when conducting activities to promote the continuity of business such as in the case of A2F and VCF, the project made sure that the principles of neutrality, independence and impartiality were continuously kept in mind.

3.4 Efficiency

The extent to which the project leveraged new or existing financial resources of other ILO/UNOPS projects to mitigate COVID-19 effects

The intervention, being a short-term immediate response project, has leveraged few new financial resources for other projects (in particular, Japanese funding for another MSE project). The activities were firmly embedded in the country programmes of both ILO and UNOPS, and in the case of the ILO there was close cooperation with the LEED+ project as analysed in the above.

The leveraging of partnerships to support constituents while targeting the COVID-19 response

The intervention leveraged a series of partnerships in its response to the pandemic. Of ILO's Tripartite Constituents, the Ministry of Labour has been deeply involved in the intervention and the employers' organisation (EFC) has been supportive in different components, while the trade union organisations were not approached. The intervention further leveraged (relatively) new partnerships with other national organisations, in particular SED, NIOSH, WCIC, CBSL and other banks and MoH. This brought a clear dimension of expertise and a process of the sharing of mutual experiences.

At the international level, several organisations were involved in the intervention. Within the ILO, the Decent Work Team (DWT) in New Delhi provided inputs into the questionnaire and survey of early 2020 and the second round in early 2021 (which is now pending within the MoL), as well as into the draft training programme of NIOSH. However, their involvement was relatively minor compared to many other ILO-projects as it was really a country-led initiative. The same can be said about support from the ILO HQ in Geneva, although in the beginning, especially at the design stage, their support was important to get the project (in time) through the regular technical

appraisal procedure. ILO Training Materials (like SIYB) were useful but needed to be adjusted to the local situation. For UNOPS it was also primarily a country-led initiative, but the regular procedural contacts were maintained with the HQ in Copenhagen.

The intervention also received a substantial degree of support from the WHO which started with their active participation in the stakeholder meetings, and they played a crucial role in the inclusion in the project of the PSS component (which was also stressed by community organisations). The WHO was also involved in the communication campaigns on OSH with both ILO and UNOPS, and on PSS with ILO. This were to some extent new partnerships on these topics in the Sri Lanka context, and it provided an excellent learning experience for all involved which should be extended in future interventions. Lastly, cooperation with the WFP occurred in the early stages of the project during the stakeholder meetings.

Allocation of resources (funds, human resources, time, expertise, etc.)

The Efficiency of resource use was more than satisfactory, especially considering the adverse conditions under which the intervention took place. The two implementing organisations, ILO and UNOPS, maintained separate budgets. The total budget of the donor MPTF was US\$ 1 million, of which about 65% was allocated to ILO and 35% to UNOPS. ILO received the US\$ 1 million from the MPTF-New York in late May 2020, and then transferred the agreed amount to UNOPS.

Because of the urgency of the project, and the relatively short planned time duration of half a year, it was decided at the inception to skip time-consuming staff recruitment procedures, and to re-purpose two existing staff members in each of the two country offices. At ILO, the Country Director was also deeply involved, in the design and through chairing and follow-up of the weekly meetings. In addition, staff members of other projects (e.g. LEED+) were at times deeply involved. An Admin/Finance Assistant was also re-purposed while continuing his other duties in several other projects. Two no-cost extensions were requested, the first one until 31 March 2021, and the second and last one until 31 May 2021 on which date the project was completed.

The Annual Report on 2020 showed a very skewed expenditure pattern with UNOPS having spent by 31 December 2020 already 81 % of their share, while ILO had spent only 22 %. At that time, many activities of the ILO were still being organized as they were delayed due to among others the COVID-19 situation, and the actual expenditures were scheduled for 2021. It was different for UNOPS as their expenditure involved in particular the procurement of PPE packages. Currently expenditures are well over 90% for both (see below).

With respect to the ILO expenditures, it was found that almost 80% was spent on direct project activities, with a substantial degree of variation among the different types of activities: three components received substantial shares (21 – 27%), i.e. OSH, OSH Awareness/PSS and VCF, while this was much lower for the other activities: A2F and especially the female owned MSE training (see Table 3). For project staff the expenditure was with 10% quite modest and the reason for this was that no dedicated, full-time staff was hired. On 31 May 2021 there was still a substantial balance amounting to almost 7% of ILO's total budget but some expenditures are still pending and/or scheduled.

Table 3: The expenditures by ILO by budget item in US\$.

#	Budget item/Activity	Expenditures in US\$	Percentage
1	OSH	164,142	27.0%
2	OSH Awareness & PSS	146,012	24.1%
3	A2F	36,229	6.0%
4	VCF	129,382	21.3%
5	Female owned MSEs	2,636	0.4%
6	Staff costs	63,187	10.4%
7	Operational costs	5,383	0.9%
8	Monitoring & Evaluation	20,800	3.4%
9	Progr. Support Costs	39,119	6.4%
	Total Expenditures	606,890	100.0%
	Total Budget	651,715	
	Balance	44,825	6.9%

Budget as per 31 May 2021, provided by the project.

The expenditures on the communication campaigns discussed in Section 3.3 were quite substantial but they were not distinguished separately in Table 3 because they are included in the first four budget items in the table. The total amount calculated separately by the project for these communication campaigns was about US\$ 174,000 or almost 29% of total expenditures. Another relatively big expenditure category was within the VCF budget: the total amount of the top-ups was over US\$ 118,000 or 91% of the budget for this activity.

With respect to the expenditures by UNOPS, it was found that UNOPS deviated only little from the original budget. The largest expenditure category (two-thirds) was for contractual services, in particular the procurement of PPE kits, followed by the operating costs of distribution, storage, etc. (see Table 4). Only a very small percentage was required for staff costs, partly also because use was made of re-purposed staff and of UNOPS volunteers. There is a small balance of just 2.7%.

Table 4: The expenditures by UNOPS by budget item in US\$.

#	UNOPS Budget line	Expenditure
1	Staff & other personnel costs	7.0%
2	Supplies, equipment & travel	3.2%
3	Contractual service	66.8%
4	General operating costs	16.4%
5	Indirect Fee (7% of subtotal)	6.5%
	Total	100.0%
	Total (US\$)	338,752
	Total Budget (US\$)	348,285
	Balance (US\$)	9,534

Budget as per 31 May 2021, provided by the project.

In conclusion, the efficiency of resource use is more than satisfactory, and overall, the resources have been allocated timely, strategically and efficiently to achieve the expected results. The only question mark that was raised concerned the top-up grants in the VCF-activity but these were part of a one-off trial.

3.5 Effectiveness of management arrangements

The support from the ILO and UNOPS Country Offices

The Management Arrangements for this project were quite effective. Excellent support was provided by the ILO Country Office in Colombo, and also the activities by UNOPS were firmly based in the global "UNOPS Procurement Procedures and Financial Rules and Regulations". This was in the above identified as one of the success factors, and another one was the involvement of experienced staff in the project with good networks. The relations with the Government were maintained mainly by the ILO, and the Commissioner General of Labour nominated focal contacts for that purpose within the Ministry of Labour. All stakeholders underlined the good support and quick communication from the ILO project team. For some it was an excellent learning exercise being the first time to work with ILO (UNOPS, WHO, WCIC, NIOSH).

Financial management and reporting

The original budget was monitored on the basis of the Results Framework in the PRODOC, and two Budget revisions were requested along with the requests for no-cost extensions from the donor and these were granted without any objections.

Reporting followed the contractual conditions and was timely; so far, two reports were submitted and approved by the MPTF:

- Midterm narrative report (June to Aug 2020); and
- Annual narrative report (June–Dec 2020).

One omission was that the MPTF logo was initially not on the annual progress report, but it was rectified. A final report is currently in preparation. As MPTF has projects in 56 countries a 'simple template' was designed, but for the projects the Excel-format was not particularly user friendly. The reporting was done by ILO whereby UNOPS provided their inputs which were mostly included although at times the UNOPS-activities could have been highlighted more (such as the issues with quotations and selection of suppliers, and logistics problems encountered). Another element that could have received more attention is the Project Website: after its initial launch it has not been developed further or updated.

Quality of aid coordination in the Joint Project

Being a Joint Project of ILO and UNOPS, aid coordination was an important element. Despite the differences between the two UN organisations in project implementation procedures and systems, and the delays (see in the above), the coordination worked out well and there was a degree of mutual reinforcement between the PPE procurement/distribution and some of the other project components, in particular the OSH Training and awareness campaigns. There was also generally good communication between the two project teams, including the country directors. The regular meetings on joint activities were mutually appreciated. Experience at ILO Geneva learns that when UN organisations undertake joint projects, there are often major transaction costs involved, but here that has been very moderate. For this it was important that the mutually signed PRODOC was the agreement between these organisations which incorporated an agreed Results Framework for this joint project between ILO and UNOPS (see also Section 3.2).

The Donor, MPTF, maintained contacts only with the lead organisation, ILO, often through the UN-RC office in Colombo. MPTF underlined that the performance of ILO in this project was robust and solid with the institutional back-up from Geneva.

Monitoring plan/mechanism

The project did not have an explicit monitoring plan/mechanism to track the progress of the activities. The delivery was closely monitored at the weekly review meetings going through output by output to measure the progress and to decide on the required follow-up actions to achieve the intended target; however, these review meetings were not documented. External monitoring was done by a consultancy firm through the three monitoring reports mentioned above on OSH, PPE and A2F (see Annex 11).

Encouragement of participation of different groups and communities

The project was strong in encouraging participation of different groups and communities starting with the comprehensive stakeholder meetings in the inception phase inviting all the relevant stakeholders and partners as well as a series of national organisations. During the weekly review meetings at the ILO Country Office relevant organisations were also invited. The selection of MSEs for the various activities tried to be as inclusive as possible given the limited time and resources available using the databases and networks of such organisations as MoL, SED, EFC, WCIC and others.

The only stakeholder not involved was one of ILO's tripartite constituents, namely the Trade Union organisations; admittedly, trade union members are mostly involved in the organised formal sector and unions have thus only very few members in the MSE sector. Nevertheless, many MSEs are small and often even one-person units, and a mechanism is needed to get the TU involved in the MSE sector and bring it into one forum, so that MSEs can speak with one voice enhancing their bargaining power. ILO could play an important mediating role here, and this needs to be considered in any follow-on phase.

In contrast, the EFC has been involved in several elements of the intervention and they have lauded the project for being important to build awareness about MSEs. The EFC has over 700 organisations including large, medium and small ones (but these are 'larger' and better-off than the MSEs involved in the project). In particular, one of their affiliated associations, the WCIC, was involved in training of women MSEs. They also tried to involve the 'Sri Lanka Chamber of Small and Medium Industries' but they were non-responsive (most likely busy as a result of COVID as many SMEs were already closed). For the EFC an important output of the project was the enhanced awareness due to the campaigns; EFC provided the project team with inputs on OSH and supported the dissemination of the messages to their members and to their seven active Regional Chambers in seven districts; over 350 videos were disseminated to SMEs (garages, shops, restaurants). As the MSEs are very hard hit and currently have no affiliations, it would be good to set up a forum for them (with the support of ILO).

3.6 Impact orientation***Contribution to intended outcomes on supporting enterprises, jobs and incomes, and strengthened national social protection systems***

With respect to impact orientation, it is important to keep in mind that the intervention was primarily an immediate response to the COVID-19 pandemic. Nevertheless, one of the most important impacts is that the awareness on OSH/PPE, and indeed the awareness on the position of MSEs have both substantially increased, leading one stakeholder to comment "This project really made a difference for the people." From different stakeholders the evaluation found that the videos developed were effective and that the message got really stuck in people's minds. Even today,

the ILO still gets requests for support on OSH measures and for PPE kits. The OSH awareness campaign reached, as was discussed in Section 3.3 many people well beyond the two districts.

Another type of impact is the use itself of the PPE kits; if they are still being used now, that would be an important impact, and the first signs for that are positive: UNOPS called over 50 MSEs by phone and checked, and about 10 to 15 MSEs were physically visited to get the feedback with very positive results, while the ILO project team visited about 10% of MSEs finding that they were indeed using the kits. The project's PPE Monitoring Report (cf. Annex 11) found that people were mostly using the PPE kits, but that more flexibility with the content of the packages could be useful, especially to adjust it to the size and type of MSEs. The OSH Training is also an important element of impact and the Certificate of course is permanent and a part of the MSE-trainees still contacts NIOSH experts for consultations. The ultimate proof, of course, is to assess in the future whether the trainees are actually still using the new knowledge in their jobs.

With respect to A2F, the partnership with SED had a clear impact, in particular the dialogue between bank officials and MSEs during the Banking Clinics. The impact on the access to the government stimulus package was higher than expected as indicated by the substantial increase in the number of loan applications from MSEs after the Banking Clinics. The VCF component was a pilot project and is considered by the relevant stakeholders as an interesting model perhaps to be replicated. The CBSL (Deputy Governor) has expressed its explicit interest to develop VCF further with the ILO and has requested the ILO Country Director to make a presentation on that at the CBSL. In addition, ILO Geneva has expressed their great interest in VCF as well and they intent to document this interesting model in a paper for further replication.

Relatively less resources went into the activities on empowering women and on PSS, but they were important learning experiences. It was the first time that the WCIS and ILO worked together, and the first time that WCIC worked with MSEs. Now ILO and WCIC are working on another project dealing with women and MSEs. The PSS sessions were added to the intervention later showing the flexibility of the project team; it has enhanced the awareness on psycho-social problems faced by many male and female MSEs among a crucial group of stakeholders: SED staff, Labour Officers and Bank Officers.

The latter part of the evaluation question (EQ 20 in Annex 4), i.e. the contribution of the intervention to strengthening the national social protection systems, is not applicable as this was not one of its objectives.

Contribution to intended outcomes related to help MSEs restart the business in the midst of the COVID19

The element of business continuity was already analysed in Section 3.3, and focused on the impact of enhanced access to cheap loans (A2F and VCF), on enhanced financial literacy and on the WCIC training to women owned MSEs.

Unintended effects beyond the project's outcomes

Several unintended effects were found during the evaluation. As discussed in Section 3.3, some components were added to the project's outcomes only later during the inception phase as a result of the discussions in the stakeholder meetings, such as the PSS component. Another element was added even in a later phase, i.e. the Business Consultancy Workshop. The VCF component was developed as the project went along, first trying the Indirect VCF, then

abandoning that, and focusing on Direct VCF through just four large buyers exclusively in the coconut sector. A different kind of unintended effect was the impact of the intervention on the programme of the Chartered Institute for Personnel Management (CIPM). This institute has just started in March 2021 two diploma courses on OSH and Industrial Relations which include components on PSS, and this can be directly attributed to the present intervention.

3.7 Sustainability

Sustainability and Exit Strategy

The donor called for proposals answering just five core questions to be submitted in record time, which did not include an explicit 'Exit strategy'. However, the intervention has enhanced the sustainability of the results in several ways. Overall, in the joint project ILO and UNOPS have been working closely with national and local Government counterparts, employers' organisations, partners and communities to ensure increased 'Ownership' and thereby the sustainability of the results. Ownership has been high from the beginning among the MoL and also within SED. High-ranking staff from the MoL even joined selected activities, such as the visit by the CGL to Gampaha to be part of the distribution of PPE kits there, and to be a witness to the fact that the beneficiaries were 'very happy' with that.

Ownership was further embedded in a number of national entities and partnerships were forged or strengthened. For example, the partnership with the CBSL was solid, and the attention from the Deputy Governor on both indirect and direct VCF is likely to lead to follow-up activities. The partnership with SED also is likely to continue, and for example the Banking Clinics might be rolled out nationwide. The new partnerships with NIOSH and WCIC both are promising for continued future cooperation, while the long-standing and sustainable partnership with the EFC again proved to be productive in the present intervention.

At the level of ONE-UN activities, and within the framework of the UN Sustainable Development Framework for Sri Lanka (2018 – 2022) the experience gained by ILO, UNOPS, WHO and WFP in working jointly on this project is promising for further collaboration in the future. In particular, it provides important experience to work jointly along the lines of the UN Advisory Paper on Immediate Socio-Economic Response to COVID-19 (June 2020) and their possible contribution to the SDGs. It will be important if the present evaluation will be incorporated by ILO into its planned Global Evaluation of COVID-19 Responses in 2022, as well as by MPTF into the planned evaluation of their global programme *#RecoverBetterTogether* jointly with UNEG also in 2022.

This pilot project provided a good model to support MSEs, and, importantly, the voice of the MSEs has been tabled with different institutions such as CBSL, EFC, WCIC and NIOSH. Several stakeholders also indicated that the project should be replicated at national level and should thereby, in any case, focus more on rural areas and on the most vulnerable groups. Replication is for example likely in the case of the training by NIOSH to MSEs, and ILO in partnership with NIOSH is already working on other projects related to OSH training for plantation sector workers and possibly for return migrant workers who are interested to start a business. In addition, NIOSH is conducting the National level OSH award ceremony annually for medium and large-scale companies, but next year they would like to include the MSE sector in the award ceremony and they have already selected some enterprises eligible for training.

Sustainability was further substantially enhanced through the communication campaigns ingraining an awareness in MSE entrepreneurs as well as stakeholders and partners with respect

to OSH, the use of PPE, financial literacy and access to finance in particular to government stimulus packages. It will be important for sustainability if the scheduled 'Final Knowledge Sharing Workshop' will indeed take place after completion of the present final evaluation.

Main risks for the sustainability of the COVID-19 response and mitigation strategies

The PRODOC had already identified four main risks and the respective mitigating measures which were discussed in Section 3.2. An additional risk is if the new knowledge provided through the different types of trainings is, for some reason, not applied in the job of the trainees. This can have many different reasons, and ideally should be monitored over a longer period of time but this is often impractical or impossible as projects are likely to have ended by then. Another risk is that many items in the PPE kits are designed for a usage of six months only; however, the expectation is that the enhanced awareness of personal safety will make sure that the beneficiaries will continue to use such items even if they have to buy them themselves. Lastly, the VCF model, in general, could run the risk that the suppliers cannot repay the interest-free loan from the large buyers, but in this particular case the evaluation found that the suppliers were very much appreciating the support from the buyers both in terms of loans and the training support and were thus very much committed to repay on time (see Annex 9).

3.8 Gender, disability and non-discrimination

Gender Equality

The project was definitely gender sensitive, but at the same time it was found that the attention and the dedicated resources for gender equality could have been increased. The gender sensitivity was clear from the beginning during the initial stakeholder consultations where the concern to include women MSEs was discussed and women associations were present. All data were also sex-disaggregated, and there was one activity specifically directed at women owned MSEs. The gender perspective was also always included in the visuals (videos, posters, etc.), specifically to avoid having gender stereotypes. Furthermore, Table 5 shows that the percentages of women in activities are quite equal with an overall 48.6%. If anything, the percentage of female-run MSEs who received PPE kits will be higher as the enterprise-registration is often done in the name of the husband purely for registration purposes; however, it is difficult to establish the actual number to which this applies.

Table 5: The percentages of women by type of activities.

Activities	Beneficiaries reached	# of Women	% Women
PPE	1,389 MSEs	606	43.6
OSH Training	200 MSEs	143	71.5
VCF	93 MSEs	9	9.7
WCIC Training	50 female MSEs	50	100.0
PSS awareness raising	90 SED staff	69	76.7
	33 Labour Officers	14	42.4
	15 Bank Officers	7	46.6
Business consultancy workshop	30 EDTO (SED)	25	75.0
OVERALL	1,900	923	48.6

On the other hand, the attention for gender issues could have been higher at times, which was in part also caused by the short-term immediate responses requiring quick decision-making. In addition, the one activity dedicated to female MSEs had a particularly low budget allocation (cf. Table 3, Section 3.4). It was also a pity that the Joint Analysis with the National Institute for Labour Studies (NILS) of the MoL to identify multi-dimensional vulnerabilities faced by female owned

MSEs was postponed after the elections. One problem that the project faced was how to involve the *most* vulnerable women; these were not among the WCIC membership, while involving the Ministry of Women's Affairs would perhaps have solved part of this problem, but it was decided to be too time-consuming to involve yet another Ministry.

At another level, it was perhaps a missed opportunity that relatively little attention was paid to Unpaid Care Work associated to ILO's landmark Women at Work Centenary Initiative and to the ILO Centenary Declaration for the Future of Work (2019). In particular for women entrepreneurs, Unpaid Care Work has increased significantly through COVID-19 (also called "time poverty" as children and spouses are all at home and all require care). Similarly, the incorporation of International Labour Standards (ILS) could have been given more systematic attention, in particular ILO Convention 190 on Violence and Harassment (2019), for example through OSH measures and the identification of risk areas in enterprises, although violence and harassment were indeed included in the project's communication campaigns (videos, posters, etc.) and in some parts of the training programmes by WCIC and NIOSH.

Disability and Non-Discrimination

According to the stakeholders interviewed for the present evaluation, the intervention did not specifically look into disability and non-discrimination. Perhaps the 'Specialized Training and Disability Resource Centre' of the Employers' Federation of Ceylon (EFC) could serve in future as a model and/or a reference point.

4 Conclusions and Recommendations

4.1 Conclusions

The conclusions of the present final independent evaluation are below categorized according to the eight evaluation criteria used throughout this report. The **Relevance** of the intervention was very high for the beneficiaries because it tries to address several urgent problems of Micro and Small Enterprises (MSEs) in Sri Lanka which were particularly badly hit by the COVID-19 pandemic. The intervention is also very relevant to the mandate and priorities of the Government of Sri Lanka (GoSL). The project further contributes to the UN global framework for the immediate socio-economic response to COVID-19 which identified the socio-economic recovery of MSMEs as one of their strategic priorities. The fact that it was funded by the UN Multi Partner Trust Fund (MPTF) *#RecoverBetterTogether* shows that it adhered to their requirements and priorities as well. The intervention was further also relevant to the mandate and priorities of both the ILO and UNOPS and to the UNCT's priorities. Moreover, *all* stakeholders interviewed by the evaluation team underlined the high relevance of the project at this time.

The selection of beneficiaries in the PRODOC was based on the districts which were most affected by the Covid-19 crisis and also have a high percentage of MSEs. In due course it turned out that the selected districts, Gampaha and Kalutara, were also the ones with the most COVID-restrictions and the longest periods of lockdown. The evaluation found that the project did mostly meet its criteria for selecting vulnerable beneficiaries as laid down in the PRODOC, but not *all* target groups were among the most vulnerable in the country.

The **Validity of the Project Design** was overall more than satisfactory also considering the ultra-short time for preparations; the PRODOC includes a clear diagram for the Theory of Change (ToC) following the *'Results Chain'* format (cf. Annex 1) and an appropriate Results Framework adjusted a few times following the inclusion of additional outputs/activities (see Annex 8). The design of the intervention was partly determined by the fact that it was a response to a Call for Proposals from the UN MPTF and was thus a competitive bid. Being a UN fund, the decision to submit a competitive bid was discussed at the UN Country Team (UNCT) in Sri Lanka, and there it was decided that ILO should be in the lead for this particular intervention. Since there was only little time to write a PRODOC, a core team at the ILO Country Office led by the Country Director wrote it essentially within one week in April 2020. Consultations on the design with UNOPS led the signed PRODOC submitted to the MPTF which was simultaneously the official Agreement dated 23 May 2020. The design of the project was further discussed in a series of broadly attended stakeholder meetings initiated by the ILO, and there it was, for example, decided to include PSS in the project.

The intervention was clearly compatible with a series of other interventions and priorities of different UN organisations, **External Coherence**, while in terms of **Internal Coherence**, the project was firmly embedded within the work of the ILO Country Office. In terms of cross-cutting issues, the design of the intervention is focused squarely on a human-centred recovery from the socio-economic impact of COVID-19 pandemic focusing on MSEs which have been badly hit by this pandemic and trying to keep these enterprises in business and their workers employed, while also trying to do something about the psycho-social and mental health problems of entrepreneurs and workers caused by the pandemic. International Labour Standards (ILS) and social dialogue

did not receive targeted attention, and the Trade Union organisations were not involved in this project. The project design was clearly responsive to gender equality, but non-discrimination, disability and environmental sustainability concerns were not included in the design.

In terms of *Effectiveness*, the project was a timely crisis response despite delays as a result of the Parliamentary Elections in August 2020, of the COVID-19 Lockdowns and of the procedures involved to procure the PPE kits. The specific targets for the two indicators of the *Outcome* (cf. Annex 8) were reached: selected MSEs were provided with a loan or line of credit and a majority of targeted MSEs continued their operation after the initial COVID lockdown. The achievements of the intervention with respect to the two *Outputs* are summarized in Table 1. The activities are quite diverse including (but not limited to) procurement/distribution of PPE kits, OSH Training, several communication campaigns, Access to Finance (A2F) support through Banking Clinics and Value Chain Financing (VCF), training of women MSEs entrepreneurs, and Psycho-Social Support (PSS) activities. All these activities were considered relevant and necessary at the time of design and inception which was marked by a time of crisis and was designed in order to respond to the diverse immediate needs of the MSEs which were hit hard by the first wave and lockdown. The different activities are described in detail in Section 3.3.

During the implementation of the intervention a number of *challenges* were encountered, such as the various lockdowns and the parliamentary elections in early August 2020. Other challenges were the short implementation period of the project (originally half a year) and its complexity due to its multi-stakeholder nature and to the two diverging Objectives relating to OSH/PPE versus access to finance. Procurement (of PPE kits) is itself a time-consuming process while packaging and distribution of these kits were affected by the different travel restrictions and/or lockdowns. A further challenge was that the MSE sector has specific problems: MSEs are not used to (online) training, do not prefer bank transfers, are reluctant to register fearing tax consequences, while providing registration documents and certificates in time can be challenging for them.

Despite such challenges the project has made very good progress (cf. Section 3.3) and this was due to several *success factors*. In particular a combination of huge commitment, mutual understanding and a feeling of urgency among all stakeholders to make the project successful and to provide the benefits properly and timely to the beneficiaries. The commitment of the MoL from the beginning approaching ILO for MSE support was another factor, while the leadership of the ILO was crucial calling all stakeholders for wider consultations and organizing and chairing weekly progress meetings with the relevant staff of the involved organisations. The procurement experience of UNOPS was also important. The re-purposing of staff already employed at the ILO and UNOPS Country Offices was crucial for speedy implementation, and benefited from their experience, good networks and existing trust/mutual understanding with the MoL.

In terms of the *Joint Project*, the complementarities of efforts by the different partners were clear in this project with ILO in the lead and focusing on training, awareness campaigns and A2F/VCF while UNOPS focused on procurement and distribution, with learning from each other on their mutual competitive advantages as an important component. The MPTF also underlined that the implementation of the project in Sri Lanka was smooth.

Business continuity has been enabled by the project through different means: on the one hand, the access to (low interest) loans was enhanced in both the A2F and the VCF components, while on the other hand the WCIC provided a training to women owned MSEs on business continuity.

The lockdown and the travel restrictions imposed by the government as a result of the COVID-19 pandemic have at times been quite severe especially also for MSEs. The project made sustained efforts to continue the project activities and all communication means were used whenever possible (direct contact, phone, email, etc.). In implementing its activities, the project has adhered to the basic humanitarian principles of do no harm, humanity, neutrality, independence and impartiality. This transpired clearly in the interviews both with key stakeholders and with beneficiaries.

With respect to the *Efficiency* of the intervention it has leveraged few new financial resources for other projects and has leveraged a series of partnerships in its response to the pandemic (e.g. MoL, SED, EFC, NIOSH, WCIC, CBSL and other banks and MoH). At the international level, the ILO Decent Work Team (DWT) in New Delhi occasionally provided inputs while ILO Geneva's support was important at the design stage. For UNOPS it was also primarily a country-led initiative. The intervention also received a substantial degree of support from the WHO while cooperation with the WFP occurred in the early stages of the project.

The Efficiency of resource use was more than satisfactory, especially considering the adverse conditions under which the intervention took place. The two implementing organisations, ILO and UNOPS, maintained separate budgets. The total budget of the donor MPTF was US\$ 1 million, of which about 65% was allocated to ILO and 35% to UNOPS. Because of the urgency of the project, and the relatively short planned time duration of half a year, it was decided at the inception to skip time-consuming staff recruitment procedures, and to re-purpose two existing staff members in each of the two country offices. Staff costs therefore were also relatively small. Two no-cost extensions were requested, the first one until 31 March 2021, and the second and last one until 31 May 2021 on which date the project was completed. Currently expenditures by both ILO and UNOPS are well over 90%.

With respect to the ILO expenditures, it was found that almost 80% was spent on direct project activities, a substantial part of which was used for the comprehensive communication campaigns. With respect to the UNOPS expenditures, it was found that the largest expenditure category (two-thirds) was for contractual services, in particular the procurement of PPE kits. It was concluded that overall, the resources have been allocated timely, strategically and efficiently to achieve the expected results. The only question mark that was raised concerned the top-up grants in the VCF activity, but these were part of a one-off trial.

The *Management Arrangements* for this project were quite effective. Excellent support was provided by the ILO Country Office in Colombo, and also the activities by UNOPS were firmly based in the global "UNOPS Procurement Procedures and Financial Rules and Regulations". All stakeholders underlined the good support and quick communication from the ILO project team. For some it was an excellent learning exercise being the first time to work with ILO (UNOPS, WHO, WCIC, NIOSH). Reporting followed the contractual conditions and was timely; so far, a mid-term and an annual report (2020) were submitted and approved by the MPTF, while the final report is currently in preparation. As MPTF has projects in 56 countries a 'simple template' was designed, but for the projects the Excel-format was not particularly user friendly. The reporting was done by ILO whereby UNOPS provided their inputs which were mostly included. The Project Website has not been updated since its initial launch.

Being a Joint Project of ILO and UNOPS, aid coordination was an important element. Despite the differences between the two UN organisations in project implementation procedures and systems, and the delays, the coordination worked out well and there was a degree of mutual reinforcement between the PPE procurement/distribution and some of the other project components, in particular the OSH Training and awareness campaigns. There was also generally good communication between the two project teams, including the country directors. The regular meetings on joint activities were mutually appreciated. The Donor, MPTF, maintained contacts only with the lead organisation, ILO, often through the UN-RC office in Colombo. MPTF underlined that the performance of ILO in this project was robust and solid.

The project did not have an explicit monitoring plan/mechanism to track the progress of the activities, but the delivery was closely monitored at the weekly review meetings although these were not documented. The project was strong in encouraging participation of different partners and communities starting with the comprehensive stakeholder meetings in the inception phase and the weekly review meetings. The selection of MSEs for the various activities tried to be as inclusive as possible given the limited time and resources available using the databases and networks of such organisations as MoL, SED, EFC, WCIC and others. The only stakeholder not involved was one of ILO's tripartite constituents, namely the Trade Union organisations. In contrast, the EFC has been involved in several elements of the intervention and they have lauded the project for being important to build awareness about MSEs.

With respect to the *Impact orientation*, it is important to keep in mind that the intervention was primarily an immediate response to the COVID-19 pandemic. Nevertheless, one of the most important impacts is that the awareness on OSH/PPE, and indeed the awareness on the position of MSEs have both substantially increased. Another type of impact is the use itself of the PPE kits which is mostly expected to continue for some time. The OSH Training is also an important element of impact contributing to lasting capacity building. With respect to A2F, the partnership with SED had a clear impact through the dialogue between bank officials and MSEs during the Banking Clinics, and the access to the government stimulus package was clearly increased. The VCF component was a pilot project for which the CBSL has expressed its explicit interest to develop it further with the ILO while also ILO Geneva has expressed interest in documenting the VCF model for further replication. Relatively less resources went into the activities on empowering women and on PSS, but they were important learning experiences. It was the first time that the WCIS and ILO worked together, and the first time that WCIC worked with MSEs. Now ILO and WCIC are working on another project dealing with women and MSEs. The PSS sessions have enhanced the awareness on psycho-social problems faced by many MSEs among a crucial group of stakeholders: SED staff, Labour Officers and Bank Officers.

With respect to *Sustainability*, it was found that no 'Exit strategy' was developed but that the intervention has enhanced the sustainability of the results in several ways. Overall, in the joint project ILO and UNOPS have been working closely with national and local Government counterparts, employers' organisations, partners and communities to ensure increased 'Ownership' and thereby the sustainability of the results. Ownership has been high from the beginning among the MoL and also within SED. Ownership was further embedded in a number of national entities, and partnerships were forged or strengthened (as discussed in the above).

At the level of ONE-UN activities, and within the framework of the UN Sustainable Development Framework for Sri Lanka (2018 – 2022) the experience gained by ILO, UNOPS, WHO and WFP

in working jointly on this project is promising for further collaboration in the future. In particular, it provides important experience to work jointly along the lines of the UN Advisory Paper on Immediate Socio-Economic Response to COVID-19 (June 2020) and their possible contribution to the SDGs. It will be important if the present evaluation will be incorporated by ILO into its planned Global Evaluation of COVID-19 Responses in 2022, as well as by MPTF into the planned evaluation of their global programme jointly with UNEG also in 2022.

This pilot project provided a good model to support MSEs, and, importantly, the voice of the MSEs has been tabled with different institutions such as CBSL, EFC, WCIC and NIOSH. Several stakeholders also indicated that the project should be replicated at national level and should thereby, in any case, focus more on rural areas and on the most vulnerable groups. Replication is for example likely in MSE training by NIOSH in partnership with ILO and in the possible inclusion in the National level OSH award ceremony of the MSE sector. Lastly, sustainability was further substantially enhanced through the communication campaigns ingraining an awareness in MSE entrepreneurs as well as stakeholders and partners with respect to OSH, the use of PPE, financial literacy and access to finance in particular to government stimulus packages.

The project was definitely gender sensitive, but at the same time it was found that the attention and the dedicated resources for *Gender Equality* could have been increased. The gender sensitivity was clear from the beginning during the initial stakeholder consultations where the concern to include women MSEs was discussed and women associations were present. All data were also sex-disaggregated, and there was one activity specifically directed at women owned MSEs, while the gender perspective was always included in the visuals. Moreover, the percentages of women in activities are quite equal with an overall 48.6% of beneficiaries being female (cf. Table 5). On the other hand, the attention for gender issues could have been higher at times, such as the one activity dedicated to female MSEs with a relatively low budget allocation. In addition, it turned out difficult to involve the *most* vulnerable women in the intervention. At another level, it was perhaps a missed opportunity that relatively little attention was paid to Unpaid Care Work which has increased significantly during the COVID-19 pandemic. According to the stakeholders interviewed for the present evaluation, the intervention did not specifically look into *Disability and Non-Discrimination*. Perhaps EFC's 'The Specialized Training and Disability Resource Centre' could serve in future as a model and/or a reference point.

4.2 Recommendations

The recommendations formulated on the basis of the findings of the present final joint independent evaluation are as follows:

- 1. Promote the development of one single comprehensive Online Database of MSEs possibly maintained by the Small Enterprise Development Division (SED) of the Ministry of Youth and Sports.** It is assumed by SED officials that approximately 40% of the micro enterprises and 75% of the small enterprises are registered with different government ministries, however, these organisations maintain unique data sets which are not communicated among them and are thus not coordinated. In order to address the needs of both categories, it is essential to register all the enterprises under one entity and allow access to this database to all government departments/entities according to their requirement. A condition for this is that the registration process for MSEs should be simplified, preferably through mobile data collection, in order to encourage all the MSEs to register themselves; in

order to lower the threshold for MSEs to register, it could be effective to have different levels or layers of registration, with increasing amounts of details and documents to be submitted which could be incremental in time.

Responsible Unit	Priority	Time Implication	Resource Implication
ILO Country Office, SED, MoL, EFC, Trade Unions, Sri Lanka Chamber of Small and Medium Industries, DWT Delhi, ILO HQ	Medium	Design of new projects	Part of new interventions & Part of new planning by SED

2. **In follow-up activities, including the above online database, make sure that there is a clear focus on the most vulnerable groups**, be it vulnerable women/children/disabled, sectors/clusters, rural areas, disadvantaged provinces or remote areas in other provinces as was underlined by many stakeholders interviewed.

Responsible Unit	Priority	Time Implication	Resource Implication
ILO Country Office, SED, MoL, EFC, Trade Unions, Sri Lanka Chamber of SMEs, UNOPS, DWT Delhi, ILO HQ	Medium	Design of new projects	Part of new interventions

3. **Promote the organisation of MSEs into one forum to enhance their bargaining power in social dialogue** and to bring out their voice to claim relevant services and access to other essential supports from government, private sector, and NGOs. Being often at the interface of the memberships of employers' and workers' organisations with many operating as a one-person enterprise, the involvement of both social partners is required (in particular EFC and relevant Trade Unions).

Responsible Unit	Priority	Time Implication	Resource Implication
ILO Country Office, SED, MoL, EFC, Trade Unions, Sri Lanka Chamber of SMEs, DWT Delhi, ILO HQ	Medium	Design of new projects	Part of new interventions & Part of planning by ILO's Tripartite Partners

4. **Investigate the procurement procedures by UNOPS, in particular those intended for emergency or immediate responses, and determine if and how such procedures could be further streamlined** to expedite the procurement and distribution process.

Responsible Unit	Priority	Time Implication	Resource Implication
UNOPS Country Office and UNOPS HQ	Medium	Design of new projects	Part of new interventions

5. **The OSH training of MSEs is recommended to be upscaled and replicated widely (preferably nationwide)** with support of the Ministry of Labour (in particular NIOSH) and the Ministry of Youth and Sports (in particular SED). NIOSH could develop a MSE OSH module as an outcome of the present intervention, and an online learning and teaching platform can be created in different sectors (for example through the websites of MoL/NIOSH and/or SED).

Responsible Unit	Priority	Time Implication	Resource Implication
ILO Country Office, MoL/NIOSH, SED, EFC, Trade Unions, DWTDelhi, ILO HQ	Medium	Design of new projects	Part of new interventions & Part of new planning by MoL/NIOSH and SED

6. Promote the capacity building of relevant government officials dealing with MSEs.

Consultations could be initiated by ILO with MoL, SED, and possibly the Ministry of Women's Affairs, as well as with EFC and Trade unions (and perhaps also the Sri Lanka Chamber of SMEs). Considering the potential of the MSEs for economic growth and employment creation, it is essential to boost the development of the sector in a systematic manner by building the capacity of the relevant government officials who deal with them. This should include explicitly the **Capacity Building of Divisional/District Level Officers** as was learned through the present project implementation at the ground level.

Responsible Unit	Priority	Time Implication	Resource Implication
ILO Country Office, MoL, SED, Ministry of Women's Affairs, EFC, Trade Unions, Sri Lanka Chamber of SMEs, DWT Delhi, ILO HQ	Medium	Design of new projects	Part of new interventions & Part of new planning by MoL, SED and Ministry of Women's Affairs

7. Within the UN-MPTF reporting should be streamlined in order to enhance aid coordination by the joint partners and to further promote One UN.

Once a UN organisation has accepted the role to be in the lead, it also accepts the responsibility to document all activities by all other project partners in full. Preferably a single progress report and a single budget should be presented to the MPTF by the organisation in the lead. In addition, the template for the annual and other progress reporting should be made more user-friendly, and include elements of aid coordination more explicitly, as well as a section on Lessons Learned.

Responsible Unit	Priority	Time Implication	Resource Implication
UN-MPTF, ILO and UNOPS Country Offices, ILO and UNOPS HQ	Medium	Design of new MPTF projects	Part of new MPTF interventions

8. Follow-up on several activities which were in part already planned by ILO and, as far as possible, include thereby the lessons learned from the present project:

- 8.1. Maintain the contacts established through the present intervention with the Central Bank of Sri Lanka (CBSL) in particular on Indirect VCF whereby ILO can make a presentation there.
- 8.2. Cooperate with ILO-Geneva to document the VCF Model piloted during the present project.
- 8.3. Follow-up the planned projects with NIOSH and WCIC on MSEs.
- 8.4. Follow-up the cooperation with SED on Access to Finance (A2F) and explore the roll-out of banking clinics nationwide.

Responsible Unit	Priority	Time Implication	Resource Implication
ILO Country Office, MoL/NIOSH, SED, EFC/WCIC, Trade Unions, CBSL, DWT Delhi, ILO HQ	Medium	Design of new ILO projects	Part of new interventions supported by ILO

9. For any follow-up activity, include an explicit and comprehensive Gender Equality Strategy and pay specific attention to the inclusion of women in each and every project activity, output and outcome **and make sure that dedicated resources are allocated to this strategy**. Pay special attention to Unpaid Care Work especially under COVID-19 pandemic conditions and to the implementation of Convention 190 on Violence and Harassment in the World of Work.

Responsible Unit	Priority	Time Implication	Resource Implication
ILO and UNOPS Country Offices, ILO Tripartite Partners, DWT Delhi, ILO HQ	Medium	Design of new projects	Part of new interventions

5 Lessons Learned and Good Practices

This chapter identifies two lessons learned (LL) and two good practices (GP) from the experience gained by the evaluation in the present report.

Lessons Learned

One of the purposes of evaluations in the ILO is to improve project or programme performance and promote organizational learning. Evaluations are expected to generate lessons that can be applied elsewhere to improve programme or project performance, outcome, or impact. The two identified Lessons Learned (LL) are mentioned below and the full descriptions in the ILO/EVAL Templates are included in Annex 10.

LL1: The project-set-up with a large number of very diverse activities was relevant and effective for a short-term immediate response project with several pilot elements, but follow-up projects should be more targeted.

LL2: Both Direct and Indirect Value Chain Financing (VCF) were found less suitable for an immediate response project with a short implementation time barring the pilot approach employed here.

Good Practices

ILO evaluation sees lessons learned and emerging good practices as part of a continuum, beginning with the objective of assessing what has been learned, and then identifying successful practices from those lessons which are worthy of replication. The two identified Good Practices (GP) are briefly introduced below and the full ILO/EVAL Templates are included in Annex 10.

GP1: The project benefited from particularly effective preparations in the inception period.

GP2: The combination of activities conducted with respect to OSH conditions is an important Good Practice.

Templates in Annex 10

The ILO/EVAL Templates with the full description of these Lessons Learned (LL) and Good Practices (GP) are provided in Annex 10.

Annex 1 Terms of Reference (TOR)

Terms of Reference

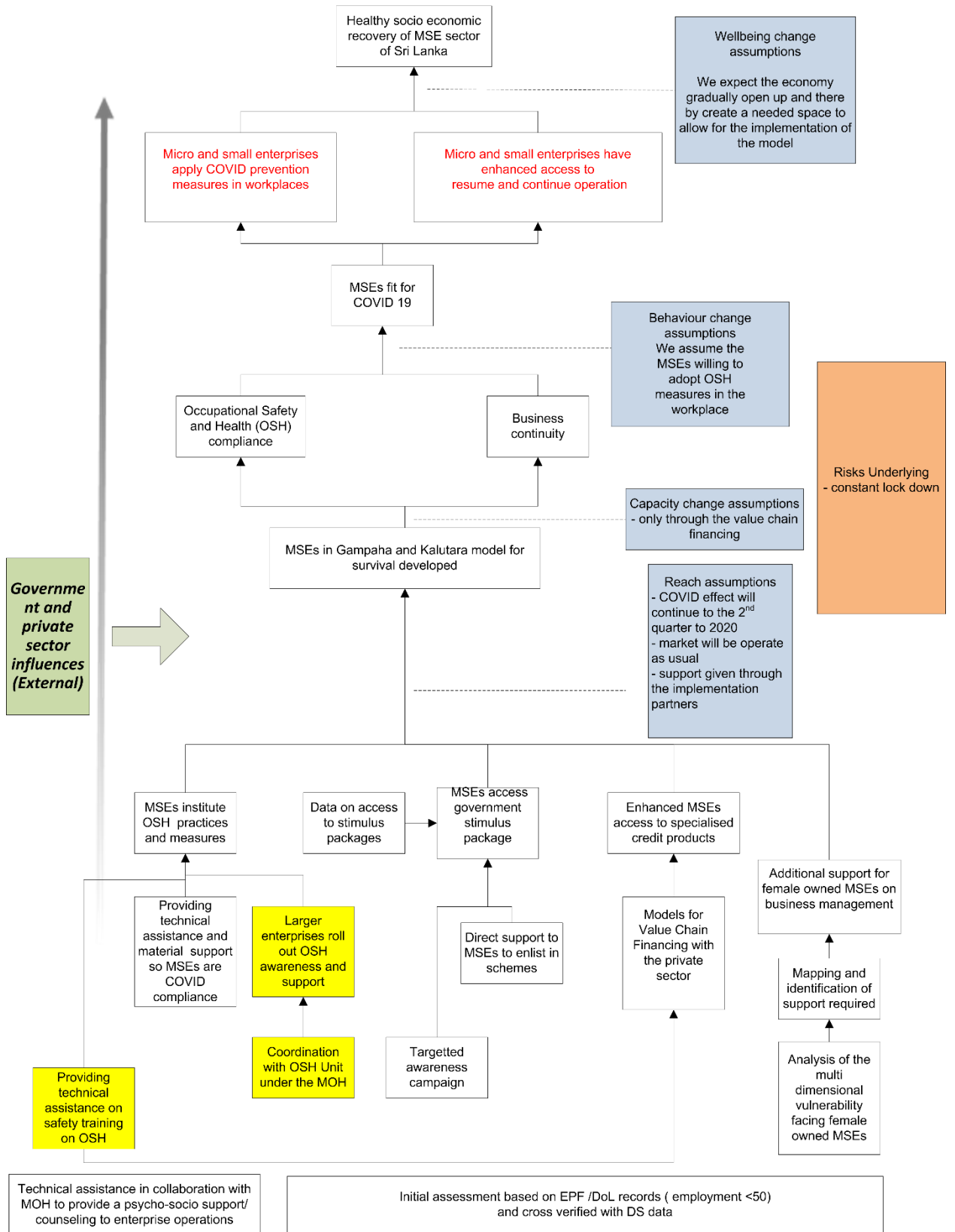
Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka Final (Joint) Independent Evaluation

Title of Project	“Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka
DC CODE	LKA/20/50/UND
Administrative Unit	ILO Country Office for Sri Lanka and the Maldives UNOPS Country Office for Sri Lanka and the Maldives
Technical Backstopping Unit	ILO Decent Work Technical Team New Delhi, Regional Office for Asia and Pacific, ILO Geneva ENTERPRISE Department , Labour Administration and Labour Inspection, Occupational Safety and Health UNOPS
Donor	Multi-Partner Trust Fund (MPTF), UNDP
Project budget	ILO \$651,710 UNOPS \$348,285
Type of Evaluation	Joint Final Independent Evaluation
Timing of Evaluation	Preparation and consultation on the ToR – March 2021 Implementation: 1st April - 30th May 2021
Project duration	9 months (July 2020 – March 2021)
Evaluation Manager	Pamornrat Pringsulaka, Regional Evaluation Officer – ILO Regional Office for Asia and the Pacific UNOPS - Amenthi Jasinghe, Partnerships Development Manager, Sri Lanka

1. Background and Justification

- This terms of reference covers the Final Independent Joint Evaluation of the project on “*Healthy Socio-Economic Recovery of the Micro and Small Enterprise (MSEs) Sector of Sri Lanka*”. The project is implemented by the ILO Country Office for Sri Lanka and the Maldives and the UNOPS Country Office for Sri Lanka and the Maldives.
- The project started in July 2020 and will be completed in March 2021.
- The objectives of the programme are to enhance Occupational Safety and Health (OSH) measures to allow MSEs to operate in a COVID-19 safe environment, while assisting them to access working capital through Government and/or private sector channels to restart/continue their businesses, allowing Sri Lanka to recover faster.
- The project is a COVID immediate response that had two specific but interconnected objectives:
 1. Promote Operational Safety and Health (OSH) measures at enterprise level as well as other spheres affiliated with OSH implementation
 2. Develop a conducive ecosystem for the MSEs sector to resume and continue operation.

Through the “Healthy Socio-Economic Recovery of the Micro and Small Enterprise (MSEs) Sector of Sri Lanka” project, the ILO/UNOPS have undertaken a comprehensive and integrated approach to respond to COVID-19 economic shock. The COVID-19 crisis has hit hard particularly micro and small enterprises (MSEs) in Sri Lanka. Health and safety of those working in these often-congested enterprises is paramount in light of COVID-19. The need is to keep them and the workers they employ financially afloat. The project provided support to MSEs to operate in a COVID-19 safe environment while assisting them to access working capital through Government and/or private sector channels to restart their businesses. The strategy includes MSE support through specific Occupational Safety and Health (OSH) preventative measures and provision of PPE equipment, business continuity planning, entrepreneurship support, manager-worker dialogue and on-line delivery channels and training. This strategy of OSH precautionary measures and access to working capital will help mitigate the adverse health and socio-economic impact on vulnerable enterprises and the workers they employ, allowing Sri Lanka to faster and steady recovery. (See the Theory of Change below). By protecting workers from COVID-19 related health risks in the workplace, this project aimed to contribute to the protection of jobs and incomes, stimulate employment, and ensuring continuity and resilience of businesses



The project also contributes to:

- The UN global framework for the immediate socio-economic response to Covid 19 which identified the socio economic recovery of MSMEs as a strategic priority
- ILO's (1) Sri Lanka Decent Work Country Programme (DWCP 2018 – 2022) Priority 1: Creation of sustainable, inclusive and decent employment , (2) ILO Country Programme Outcome LKA 107; Sri Lankan workforce have more and better employment opportunities and (3) the UN's immediate response to the socioeconomic impact of COVID-19
- **Project Management Arrangements**
Project Management Arrangements: At the national, district and local level the ILO's project is managed and implemented by the CO-Colombo Programme Unit and UNOPS Sri Lanka Country Office and Project Management team..
- Overall Responsibility: At the national level the project is managed and administered by the ILO's Country Director based in the ILO's Country Office (CO) in Colombo and UNOPS Country Manager in Colombo. The ILO's Country Director is supported by the ILO's Senior Programme Officer and a Programme Assistant and receives financial and administrative assistance from the ILO CO's Finance / Administration Officer. The ILO's Country Director is responsible for the overall organisation, administration and financial management of the project; for all communications within the ILO; for the all communications between the ILO and the Ministry of Labour and Trade Union Relation, the ILO's government partner for the project. For UNOPS the Project Management Team headed the overall administrative, procurement and general management of the project together . Internal liaison and insight was led by the Project Manager with the support of technical team, Country Manager and South Asia Hub Director. The PMU Manager was leading the project and the liaison between ILO and UNOPS. The ultimate oversight of the project is under UNOPS's County Manager.
- The ILO Colombo Programme Team and the UNOPS Project Management Team are responsible for day to day operations of their respective project activities as follows :
 - Coordination, liaison and dialogue at national level was led by ILO
 - UNOPS liaised with with all project partners at the local, district and national level only for for operationnal and project implementaiton aspects.
 - UNOPS led the procurement of personal protection equipment, field distributions . The ILO led the process and performance monitoring and reporting on behalf of the partnership for all matters pertaining to sub project administration and the ILO budget. Meanwhile, UNOPS undertook their procurement, distribution and ,administration and finance of their grant allocation.
- Project Location: The project is being implemented in two districts in Sri Lanka, namely Kalutara, and Gampaha. However, the communication campaign may reach wider audiences than those in the two target districts.
- Oversight and Accountability: The project receives technical assistance, management and administrative support, guidance, insight, opinion and recommendations from ILO's Decent Work Team based in New Delhi and from ILO's technical units in Geneva.

- The project is implemented jointly by the International Labour Organization's (ILO) and the United Nations Office for Project Services (UNOPS) in collaboration with the World Health Organization (WHO). The project partnered with
 - Ministry of Labour
 - Ministry of Health
 - Small Enterprise Development Division (SED), Ministry of Youth and Sports
 - Health Promotion Bureau
 - National Institute of Occupational Safety and Health
 - National Craft Council
 - Central Bank of Sri Lanka
 - District Secretariat- Gampaha
 - District Secretariat- Kaluthara

- ILO works with the following Social Partners
 - Employers Federation of Ceylon (EFC)
 - Women's' Chamber of Commerce
 - Chamber of Commerce
 - Sri Lanka Chamber of Small and Medium Enterprises

- Other partners include WFP, various Commercial Banks, the Institute for Mental Health, and the media.

2. Purpose, Scope and Clients

The purposes of the final evaluation are both for accountability to the donor, the government, employers and workers' organizations, beneficiaries and other stakeholders; and for learning among all stakeholders in particular the ILO and UNOPS. The findings will contribute to learning among UNCT to improving the joint programming and similar interventions in the future.

The specific objectives of the evaluation are to:

- Assess the relevance (is the project doing the right things?), coherence (how well the project is compatible with other COVID19 responses in Sri Lanka);
- Assess effectiveness of the project (The extent to which the project has achieved its planned objectives equitably and whether it has contributed to mitigating the immediate needs of MSEs during the time of COVID19 challenges)
- Assess efficiency including the effectiveness of its management arrangement, assess the partnership and collaboration between ILO and UNOPS in delivering this joint project
- Assess the emerging impact of the project (either positive or negative) and identify factors that enable the sustainability of the project's benefit;
- Provide recommendations, and identify lessons learnt, and good practices that can and should be replicated.

The evaluation should adopt a participatory process and will consult with all stakeholders included in the project (MSEs, government agencies, social partners, relevant UN agencies, and other key stakeholders) throughout the evaluation process.

Scope: The evaluation should cover all activities implemented from the start until the end of this project. The evaluation will cover all geographical areas (Kalutara and Gampaha). The core cross-cutting priorities, such as gender equality and non-discrimination (including disability), promotion of international labour standards, tripartite processes and constituent capacity development should be considered in this evaluation. In particular, gender dimension

will be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation.

- **Client:** Primary users are ILO and UNOPS Country Office in Colombo. Secondary clients are the, the ILO constituents, other government agencies, and other ILO, UNOPS units directly involved in the project (relevant UNOPS technical unit, UNOPS Sri Lanka Partnership Development Unit:
 - The Constituents (Ministry of Labour and Trade Union, Relations, Sri Lankan Government, Employers' and Workers' Organisations);
 - The implementing partners
 - ILO Country Office for Sri Lanka and the Maldives;
 - DWT-New Delhi;
 - ILO RO-Bangkok and
 - Relevant ILO technical unit at HQ
 - UNCT Sri Lanka

3. Evaluation Criteria and Key Questions

The main project components to be assessed, and the related evaluation criteria, issues and evaluation questions are summarized below:

Criteria	Specific Questions
Relevance	<ul style="list-style-type: none"> ● The extent that the project responds to the need of the beneficiaries, and whether it is consistent with UN responses to the socio-economic impact of COVID-19 ● To what extent has the intervention been designed based on results from COVID-19 diagnostics, UN socio-economic assessments and guidance, ILO decent work national diagnostics, CCA, or similar comprehensive tools? ● Has the project met its criteria for selecting vulnerable beneficiaries? Was the final selection of beneficiaries coherent with the initial eligibility and vulnerability criteria jointly defined by all stakeholders? ● Was the package of support/assistance provided met needs expressed and identified by the final recipient/ beneficiaires?
Coherence	<ul style="list-style-type: none"> ● To what extent is the COVID-19 response intervention built upon a robust TOC for an integrated and harmonized action with existing ILO and UNOPS operations at country level? ● To what extent has the project design pursued a coherent response to COVID-19 exploiting the complementarity amongst the four ILO policy response pillars? ● Has the COVID-19 response intervention planned and implemented capacity-building strategies alongside other structural response actions to tackle the effects of the COVID-19 pandemic in a holistic manner? ● Does the intervention include logical and coherent results and monitoring frameworks for a human-centred recovery from the socio-economic impact of COVID-19 pandemic, drawing on international labour standards and social dialogue and responsive to gender equality and non-discrimination and environmental sustainability concerns?
Effectiveness	<ul style="list-style-type: none"> ● To what extent have the ILO and UNOPS fostered integrated and strategic technical support and dialogue processes through the intervention at country level for a timely crisis response to COVID-19? ● To what extent the project has achieved its planned outcomes and outputs in a qualitative and quantitative manner? E.g. the MSE sector is equipped and trained to restart businesses amidst the ongoing COVID pandemic? Was the nature of safety

Criteria	Specific Questions
	<p>equipment and training received effectively applied? What are the areas for improvement?</p> <ul style="list-style-type: none"> ● To what extent has the project enabled immediate business continuity or resumption and helped MSEs to better cope with immediate shocks? ● To what extent has the project mitigated access issues related to Covid 19 restrictions? ● The extent that the project has adhered to basic humanitarian principles in implementing its activities i.e. principles of do no harm, humanity, neutrality, independence and impartiality?
Efficiency	<ul style="list-style-type: none"> ● To what extent has the project leveraged new or existing financial resources of both other ILO/ UNOPS projects to mitigate COVID-19 effects in a balanced manner? Does the leveraging of resources take into account the sustainability of results? ● To what extent has the intervention leveraged partnerships (with constituents, national institutions, IFIs and UN/development agencies) to support constituents while targeting the COVID-19 response? ● Have resources (funds, human resources, time, expertise, etc.) been timely allocated strategically and efficiently to achieve the expected result?
Effectiveness of management arrangements	<ul style="list-style-type: none"> ● Did the project receive adequate and timely technical support from ILO and UNOPS administrative/management teams from the Country Office? If not, how could that be improved? How well did the projects manage their finances? This should include budget forecasts, delivery monitoring, actions taken for improving the delivery, budget revision and financial reporting. ● Does the project have an effective internal and external monitoring plan/mechanism to track the progress of the project? ● To what extent the project encouraged meaningful participation of different groups and communities it worked with. The extent that the project has made particular reference to the opinions of women business owner - throughout the program cycle and identifying areas for improvement including in: effectively communicating with communities, encouraging and using feedback and complaint mechanisms, supporting community decision making and responding to the priorities, needs and culture of the communities and groups?
Impact orientation	<ul style="list-style-type: none"> ● Has the ILO/UNOPS COVID-19 response action contributed / is likely to contribute to intended outcomes on supporting enterprises, jobs and incomes, and strengthened national social protection systems? ● Has the ILO/UNOPS COVID-19 response action contributed / is likely to contribute to intended outcomes related to help MSEs restart the business in the midst of the COVID19 ? What are the significant changes observed? ● What are the direct and indirect contributions or unintended effects beyond the project's outcomes?
Sustainability	<ul style="list-style-type: none"> ● How likely will the project lead to results that will be sustained or integrated in other post-pandemic responses over time? Has the project developed a sustainability strategy and worked with beneficiaries and other national counterparts to sustain results during the emergency stage? ● What are the main risks for the sustainability of the COVID-19 response and what mitigation strategies should the projects partners implement?

Criteria	Specific Questions
Gender, disability, and non-discrimination	<ul style="list-style-type: none"> Has the project integrated gender equality, disability, and non-discrimination as a cross-cutting concern throughout its deliverables, including periodic reports?

The evaluator may adapt the evaluation criteria and questions, but any fundamental changes should be agreed upon between the ILO and the UNOPS team and the external evaluation team.

4. Evaluation Methodology

- The evaluation will comply with UNEG evaluation norms, standards and follow ethical safeguards, as specified in ILO's evaluation procedures. The evaluation should address OECD/DAC and UNEG evaluation criteria and concerns, i.e. relevance, coherence, effectiveness, efficiency, sustainability and impact. The evaluator may adapt the evaluation criteria and questions, but any fundamental changes should be agreed between the evaluation managers.
- The evaluators should review data and information that is disaggregated by sex and assess the relevance and effectiveness of gender-related strategies and outcomes to improve the lives of women and men. Furthermore the evaluation should follow non-discriminating factors that allow for a balanced view of the project's performances. All this information should be accurately included in the inception report and evaluation report. To the extent possible, data collection and analysis should be disaggregated by sex as described in the ILO Evaluation Policy Guidelines and relevant Guidance Notes (Annex 5).
- Both qualitative and quantitative evaluation approaches should be considered for this evaluation. Proposed methods of data collection: -
 - review of secondary data
 - review of project support document including correspondence, distribution reports
 - interviews/FGDs with key informants
 - stakeholders consultation workshop
 - field visits and beneficiaries and community engagement FGDs
- A detailed methodology will be elaborated on the basis of this TOR. The detailed methodology should include key and sub-question(s), detailed methods, data collection instruments, and data analysis plans. It's expected that the evaluator(s) will refine evaluations after the initial desk review of relevant documents and propose evaluation tools that include multiple levels and types of respondents/informants, with appropriate statistical and quantitative data analysis methods for each evaluation question as deemed appropriate.
- Attempts should be made to collect data from different sources by different methods for each evaluation question and findings be triangulated to draw valid and reliable conclusions. Data shall be disaggregated by sex where possible and appropriate.
- Source of information
 - [ILO's policy framework for tackling the economic and social impact of the COVID-19 crisis](#)

- [DWCP Sri Lanka 2018-2022](#)
 - MPTF Theory of change
 - UN Advisory Paper on Immediate Socio-Economic Response to COVID-19
 - UN Sri Lanka MPTF COVID19 document
 - Midterm narrative report (June to Aug 2020)
 - Annual narrative report (June – Dec 2020)
 - final report
- The methodology for collection of evidences should be implemented in three phases: (1) an inception phase based on a review of existing documents; (2) a fieldwork phase to collect and analyse primary data; and (3) a data analysis and reporting phase to produce the final evaluation report.

5. Main Deliverables

- The evaluator will provide the following deliverables and tasks:

Deliverable 1: Inception report Upon reviewing the available documents and an initial discussion with the ILO and UNOPS. The evaluator will prepare an inception report as per the ILO Checklist 3: Writing the inception report.

Deliverable 2: Debriefing and Stakeholder workshop Preliminary findings to be shared with the ILO/ UNOPS and then presented to all stakeholder at the end of evaluation mission. Evaluation findings that are based on facts, evidence and data. This precludes relying exclusively upon anecdotes, hearsay and unverified opinions. Findings should be specific, concise and supported by triangulation of quantitative and qualitative information derived from various sources to ensure reliability, validity and generalizability.

Deliverable 3: First draft evaluation report Evaluation report should include action-oriented, practical and specific recommendations assigning or designating audiences/implementers/users. The draft evaluation report should be prepared as per the ILO Checklist 5: Preparing the Evaluation Report which will be provided to the evaluator. The first draft evaluation report will be improved by incorporating Evaluation manager's comments and inputs.

Deliverable 4: Final evaluation report with evaluation summary The evaluator will incorporate comments received from ILO, UNOPS and other key stakeholders into the final report. The report should be finalised as per the ILO Checklist 5: Preparing the Evaluation Report which are annexed in this TOR. The quality of the report and evaluation summary will be assessed against the ILO Checklists 5, 6, 7 and 8 which will be provided to the Evaluator.

The report and all other outputs of the evaluation must be produced in English. All drafts and the final report including other supporting documents, analytical reports and raw data should be provided in electronic version compatible with WORD for windows. The evaluation report should not be more than 35 pages excluding annexes. Ownership of the data from the evaluation rests jointly between ILO/UNOPS. The copy rights of the evaluation report rests exclusively with the project partners. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

6. Management arrangement and work plan

Evaluation Management – Role and responsibilities

An ILO Regional Evaluation Officer (REO)—Ms. Pamornrat Pringsulaka, of the ILO Regional Office for Asia and the Pacific, Bangkok, Thailand; and the UNOPS Partnership Development Manager (PDM), Ms. Amenthi Jasinghe, of UNOPS Sri Lanka Office will co-manage the evaluation process. The co-managers responsibilities include managing the respective contract with the evaluation consultants, consulting on methodological issues and facilitating access to primary and secondary data. They will be also responsible for the following tasks:

- prepare the TOR and ensure consultation with all key stakeholders before TOR is finalized
- facilitate and recruit independent evaluator(s);
- ensure proper stakeholder involvement;
- approve the inception report;
- review and circulate draft and consolidate comments from key stakeholders
- review and submit the final report to ILO Evaluation Office for approval;
- dissemination of final report

ILO Evaluation Office, at ILO HQ will approve the final report. The evaluation report will be considered final only when it is approved by ILO Evaluation Office.

The management response to the recommendations of the evaluation will be developed jointly. However, the specific recommendations that each agency will be responsible for carrying forward will be clearly specified in the evaluation report. The ILO and UNOPS will utilize their respective management response approach and tracking systems for the specific recommendations/actions for which they are responsible.

Role and responsibility of the project team

The responsible staff of ILO Country Office for Sri Lanka and Maldives and UNOPS Sri Lanka and the Maldives will handle all arrangements with the chosen evaluator and provide any logistical and other assistance as required. The project management team will be responsible for the following tasks:

- Provide project background materials;
- Prepare a list of recommended interviewees;
- Obtain relevant approvals and consent from key stakeholders to undertake evaluations and interviews
- Schedule meetings for field visit and coordinating in-country logistical arrangements;
- Be interviewed and provided inputs as requested by the evaluator during the evaluation process;
- Review and provide comments on the draft evaluation reports;
- Provide logistical and administrative support to the evaluator, including travel arrangements (e.g. plane and hotel reservations, purchasing plane tickets, providing per diem) and all materials needed to provide all deliverables.

Evaluation team

The evaluation will be conducted by a team of two evaluators (a team leader and a team member) who will be recruited by ILO and UNOPS, respectively. The evaluators report to Evaluation Manager of ILO and UNOPS, respectively. The evaluators will be an external independent person or entity. The evaluation team leader will be responsible for all deliverables mentioned above.

The responsibilities and profile of the “evaluation team” can be found below.

Responsibilities of evaluation team leader (to be recruited by ILO)

- Provide guiding and define role and task in this evaluation
- throughout the evaluation phases and ensuring quality control and adherence to ethical guidelines;
- Defining the methodological approach
- Drafting the inception report (including all data collection tools), producing the preliminary findings presentation, draft reports and drafting and presenting a final report;
- Providing any technical and methodological advice necessary for this evaluation;
- Ensuring the quality of data (validity, reliability, consistency and accuracy) throughout the analytical and reporting phases.
- Ensuring the evaluation is conducted per TORs and timeline, including following ILO and UNEG guidelines, methodology and formatting requirements and adheres to evaluation report quality standards: as referred to above.
- Liaising with the evaluation managers
- Facilitate meetings with stakeholders (debriefing and/or stakeholders' workshop);
- Contributing to the report dissemination and communication(if any) by participating in webinars and
- supporting or providing inputs to evaluation communication products.

Responsibility of evaluation team member (to be recruited by UNOPS)

The evaluation team member will work with and support the evaluation team leader to deliver all the deliverables. Specific tasks for the team member are:

- Work with evaluation team leader cohesively
- Support the team leader to conduct a participatory and inclusive evaluation
- Actively engage in collecting necessary background information and preparing a summary as required;
- Contribute to a desk review of relevant project and non-project documents;
- Provide inputs to the inception report as appropriate;
- Take part in the data collection e.g. meeting with stakeholders, interviews /FGD/ survey with key stakeholders, or conduct other data collection methods as required and agreed with the team leader
- Ensuring the quality of data (validity, reliability, consistency and accuracy) throughout the analytical and reporting phases.
- Ensuring the evaluation is conducted per TORs and timeline, including following ILO and UNEG guidelines, methodology and formatting requirements and adheres to evaluation report quality standards: as referred to above
- contribute to the main report, maybe requested to write certain sections in the draft report as requested by the team leader
- participate in and jointly facilitate the debriefing/ stakeholders workshop

Desired competency and qualification of the evaluators

Team leader profile (ILO to recruit)	Team member Profile (UNOPS to recruit)
<ul style="list-style-type: none"> - No prior involvement in the project - Post graduate degree in a field of relevance for the evaluation (Economics, Political Science, Anthropology or other Social Science degree), and relevant experience in development programmes - At least 7 years experience in evaluations of the UN and multi-lateral agencies with experience as evaluation team leader; 	<ul style="list-style-type: none"> - No prior involvement in the project. - University degree and relevant experience in development programmes - Relevant background in social and/or economic development in Sri Lanka - Relevant background in community engagement projects - At least 5 years experience in conducting evaluations of projects/programmes of UN/Multi-lateral agencies

Team leader profile (ILO to recruit)	Team member Profile (UNOPS to recruit)
<ul style="list-style-type: none"> - Contextual knowledge of the UN and ILO - Experience in qualitative and quantitative evaluation methods and an understanding of issue related to validity and reliability; - Knowledge in gender and non-discrimination, and understanding of ILO ILS, tripartism, social dialogue will be advantage - Adequate technical specialisation – demonstrate knowledge and expertise in enterprise development projects - Fluency in spoken and written English. - Previous work experience in Sri Lanka will be an advantage - Based in Sri Lanka will be an advantage 	<ul style="list-style-type: none"> - A clear understanding of the issues caused by the COVID 19 pandemic socially and economically. - Experience in qualitative and quantitative data collection and analysis and research and survey design; - Adequate technical specialisation – demonstrate knowledge and expertise in enterprise development projects - Fluency in English. Understanding of Sinhala and Tamil will be advantage - Previous work experience in Sri Lanka will be an advantage - Preferably Sri Lanka national and based in Sri Lanka

Estimated level of efforts - approximately 28 working days for the team leaders and 24 working days for a team member. The duration of work of the evaluators will be required within the period of 2 months (April to May 2021).

Tasks/Responsibilities	Team leader (ILO to recruit)	Team member (UNOPS to recruit)
Desk review of project documents and relevant materials; Briefing with Evaluation Manager; and with ILO and UNOPS project team to get initial inputs for the inception report Prepare an inception report and submit to evaluation manager	5 days	4 days
Data collection e.g. conduct interviews focus group discussions/survey etc. with selected stakeholders and project staff, donor; beneficiaries and community ILO and UNOPS team in Sri Lanka will provide support in contacting key stakeholders	12 days	12 days
Initial analysis and debrief –ILO and UNOPS on the preliminary findings	1 day	1 day
Data analysis and drafting report for the submission to evaluation manager	8 days	6 days
Finalisation of report	2 days	1 day

Indicative time frame and responsibilities

Tasks/ Responsibilities	Responsible person	Time frame (by end)
Preparation of the TOR –draft	Evaluation manager	5 th March 2021
Preparation of list of stakeholders with E-mail addresses and contact numbers	ILO CO-Colombo and UNOPS	15 th March 2021
Finalization of the TOR	Evaluation manager ILO and UNOPS	23 th March 2021

Tasks/ Responsibilities	Responsible person	Time frame (by end)
Call for EOIs	UNOPS, ILO	15 th -22 th March 2021
Draft data collection itinerary for the evaluator and the list of key stakeholders to be interviewed	ILO/UNOPS Project Managers	by end of March 2021
Selection of Evaluator	Evaluation Manager ILO and UNOPS	by 24 th March 2021
Contracting Evaluator	Project team - ILO and UNOPS	By 26 th March 2021
Brief evaluators	Evaluation manager ILO and UNOPS	1 April 2021
Inception report submitted to Evaluation Representatives from ILO/UNOPS	Evaluators	9 April 2021
Data collection and debriefing to ILO and UNOPS	Evaluators	12-27 April 2021 -date to be confirm on the debriefing
Draft report submitted to Evaluation manager from ILO/UNOPS	Evaluators	10 May 2021
Quality check and review of the draft report	Evaluation Manager ILO and UNOPS	11-12 May 2021
Sharing the draft report with all concerned stakeholders for comments	Evaluators	14 May 2021 (2 weeks)
Consolidated comments on the draft report, send to the evaluator	Evaluation Manager ILO and UNOPS	31 May 2021
Finalisation of the report and submission to Evaluation Manager	Evaluators	4 June 2021
Quality Review of the final report	Evaluation manager ILO and UNOPS	8-10 June 2021
Submission of the final report to ILO Evaluation Office	Evaluation Manager ILO and UNOPS	11 June 2021
Approval of the final evaluation report	ILO Evaluation Office	Mid June 2021

Resources

Funding will come from the Project (both ILO and UNOPS), estimated resource requirements at this point:

- Team leader: professional fee and travel cost to the project target areas and DSA (where relevant) as per the ILO rules and regulations
- Team member: professional fee and travel cost to the project target area and DSA (where relevant) as per UNOPS rules and regulations
- Actual communication cost (in case of virtual meeting e.g. telephone or skype calls if needed)

7. Legal and ethical matters

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

Evaluators should have personal and professional integrity and abide by the [UNEG Ethical Guidelines](#) for evaluation and the Code of Conduct for Evaluation in the UN system to ensure that the rights of individuals involved in an evaluation are respected. Evaluators must act with cultural sensitivity and pay particular attention to protocols, codes and recommendations that may be relevant to their interactions with women. Evaluators will be expected to sign the respective ILO Code of Conduct to show that they have read and understood the UNEG Code of Conduct for Evaluation in the UN System process.

Ownership of data from the evaluation rests jointly with the ILO/UNOPS and the consultant. The copyright of the evaluation report will rest exclusively with the ILO and UNOPS. The use of data for publication and other presentations can only be made with written agreement of the ILO and UNOPS. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

8. Annexes

- Annex1: Project performance plan/log frame (to be provided by the CO-Colombo)
- Annex2: Tentative mission schedule
- Annex3: List of documents to be reviewed (to be provided by the CO-Colombo)
- Annex4: List of ILO staff and key stakeholders to be interviewed (CO-Colombo)
- Annex5: All relevant UNEG and ILO evaluation guidelines and standard templates
 - [ILO Policy Guidelines ILO policy guidelines for results-based evaluation: Principles, rationale, planning and managing for evaluations, 4th ed](https://www.ilo.org/eval/Evaluationpolicy/WCMS_571339/lang--en/index.htm)
https://www.ilo.org/eval/Evaluationpolicy/WCMS_571339/lang--en/index.htm
 - [Protocol on collecting evaluative evidence on the ILO's COVID-19 Response measures through project and programme evaluations](https://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang--en/index.htm)
 - Code of conduct form (To be signed by the evaluators)
http://www.ilo.org/eval/Evaluationguidance/WCMS_206205/lang--en/index.htm
 - Checklist No. 3 Writing the inception report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165972/lang--en/index.htm
 - Checklist 5 preparing the evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165967/lang--en/index.htm
 - Checklist 6 rating the quality of evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang--en/index.htm
 - UNEG Quality Checklist for Evaluation Report
<http://www.unevaluation.org/document/detail/607>
 - Template for lessons learnt and Emerging Good Practices
http://www.ilo.org/eval/Evaluationguidance/WCMS_206158/lang--en/index.htm
http://www.ilo.org/eval/Evaluationguidance/WCMS_206159/lang--en/index.htm
 - Guidance note 7 Stakeholders participation in the ILO evaluation
http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm
 - Guidance note 4 Integrating gender equality in M&E of projects
http://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm
 - Template for evaluation title page
http://www.ilo.org/eval/Evaluationguidance/WCMS_166357/lang--en/index.htm
 - Template for evaluation summary:
<http://www.ilo.org/legacy/english/edmas/eval/template-summary-en.doc>

Annex 2 List of Stakeholders Interviewed

S/N	Organisation	Consultation type	Key contacts	Designation
01	Ministry of Labour	Government - Group	Mr. M P D U K Mapa Pathirana	Secretary, Ministry of Labour
			Mr. B.K.Prabath Chandrakeerthi	Commissioner General of Labour, Dept. of Labour
02	Ministry of Labour		Ms. Madhavi Gunawardena	Former Commissioner of Labour – Women and Child Affairs
03	Small Enterprise Division (SED) – Min. of Youth and Sports	Government-Group	Ms. Janaki Wijesiri	Assistant Director
04	Small Enterprise Division- Gampaha District	Government-Individual	Ms. Damitha Narasingha	Assistant Director
05	National Institute of Occupational Safety and Health (NIOSH) – Ministry of Labour	Government-Individual	Dr. Champika Amarasinghe	Director General
06	Central Bank of Sri Lanka (CBSL), Colombo	Government-Group	Mr. Chathura Ariyadasa Mr. Keerthi Dunuthilaka	Additional Dir., Reg. Dev. Dept. Reg. Dev. Dept
07	Employers Federation of Ceylon (EFC)	Private- Group	Mr. Kanishka Weerasinghe	Former Director General
			Ms. Gaya Kariyawasam and Ms. Lakshika Siriwardena	
08	Trade Union	Private	Mr. P. Ranawakaarachchi,	National Trade Union Front (NTUF)
09	WHO	UN- Group	Ms. Sadani Chandrarathne and Ms. Sahani Rajapaksha	PSS Officer Communication Officer
10	UNMPTF-UNDP, New York	Donor-Individual	Ms. Olga Aleshina Piyoo Kochar	Head of the Secretariat
11	UNOPS	UN- Group	Ms. Ramani Rathnayake and Suranga Mallawarachchi	Project Manager
12	ILO-Colombo	UN Individual	Ms. Simrin Singh	Country director
13	ILO-Colombo	UN-Group	Asitha, Sriyani & Khairul, Prasantha	Project Team
14	ILO-DWT-New Delhi	UN Individual	Kawakami, Tsuyoshi	Senior Technical Specialist, OSH
15	ILO-DWT/CO-New Delhi,		Mr. Kelvin Sergeant Mr. Peter Buwembo Ms. Matsuura, Aya	Sustain. Enterprise Dev. Spec. Labour Statistician Spec. Gender Spec.
16	ILO-HQ-Geneva ENTERPRISE	UN Group or Individual	Dragan Radic Merten Sievers	Unit Head, Small Enterprise, SME Global Coordinator, Value Chains and Entrepreneurship, SME
17	Women Chamber	External - Group	Ms. Tusitha Kumarakulasingam Ms. Chathuri Ranasingha	tusithakum@gmail.com

19	National Consultant PSS		Dr. Ranasingha	External Consultant
20	National Consultant PPE/OSH/A2F	Individual	Mr. Samantha Pathirana	National Consultant
21	Beneficiaries	Group 1- FGD	Ms. Damitha Narasinghe	Assistant Director-SED
22	Beneficiaries	Group 2- FGD	Mr. Pathirana	Assistant Director, SED
23	Beneficiaries- Value Chain Financing (VCF)	Group - FGD	Mr. Mahesh	Focal person Tropicoir Lanka Pvt Ltd
24	Beneficiaries- Value Chain Financing (VCF)	Group-FGD	Mr. Brian	Focal person Cey Coir Substrates pvt ltd
25	Company Managers- VCF	Group	Mr. Chamara	Focal person Dasa Trade Center

Annex 3 List of Beneficiaries Interviewed

The following table includes the Categories of beneficiaries, the kinds of Activities, the Numbers in each activity, and the Numbers of those beneficiaries interviewed:

Category of Beneficiaries	Activity	Number of Beneficiaries			Number Interviewed		
		M	F	Total	M	F	Total
MSEs	PPE + OSH-Training & PPE only	783	606	1389	3	5	8
MSEs – A2F	CB Stimulus Package	n.a.	n.a.	1192	2	2	4
Large buyer in Coir (coconut) sector	Value Chain Financing	04	-	04	2	-	2
MSEs in coir (coconut) sector- Supplier	Value Chain Financing	84	09	93	2	2	4
MSEs	Capacity Building jointly with WCIC	-	50	50	-	3	3
SED officials	PSS	21	69	90	2	2	4
Department of Labor	PSS	19	14	33	2	2	4
Bank officials	PSS	08	07	15	1	2	3
Entrepreneurship Development Training Officers (EDTO) - SED	Business Consultancy workshop	5	25	30	-	2	2
TOTAL					14	20	34

Annex 4 Data Collection Worksheet

Below is the Data Collection Worksheet specifying the Evaluation Criteria and Questions, as well as the sources of data, stakeholder interviews and specific methods used in the present final independent evaluation.

Evaluation Criteria and Questions	Sources of Data	Stakeholder Interviews	Specific Methods
A. Relevance			
1) The extent that the project responds to the need of the beneficiaries, and whether it is consistent with UN responses to the socio-economic impact of COVID-19?	Policies of Government & of Social Partners, UN global response framework to COVID-19, ILO-DWCP, CPO & P&B, UNOPS-policy, MPTF-ToC & COVID-19 Document, SDGs, UNSDF 2018–22, CCA, PRODOC, Progress Reports	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), WHO, UNCT	Documents review & Stakeholder Interviews
2) To what extent has the intervention been developed based on results from COVID-19 diagnostics, UN socio-economic assessments and guidance, ILO decent work national diagnostics, CCA, or similar comprehensive tools?	UN global response framework to COVID-19, ILO-DWCP, CPO & P&B, UNOPS-policy, MPTF-ToC & COVID-19 Document, SDGs, UNSDF 2018–22, CCA, PRODOC, Progress Reports	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), WHO, UNCT	Documents review & Stakeholder Interviews
3) Has the project met its criteria for selecting vulnerable beneficiaries? Was the final selection of beneficiaries coherent with the initial eligibility and vulnerability criteria jointly defined by all stakeholders?	Policies of Government & of Social Partners, PRODOC, Progress Reports	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices	Documents review & Stakeholder Interviews
4) Did the package of support/assistance provided meet the needs expressed and identified by the final recipient/ beneficiaries?	Policies of Government & of Social Partners, PRODOC, Progress Reports	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices	Documents review & Stakeholder Interviews
B. Coherence (and Validity of project design)			
5) To what extent is the COVID-19 response intervention built upon a robust TOC for an integrated and harmonized action with existing ILO and UNOPS operations at country level? Coherence (Internal and external): What is the level of compatibility of the intervention with other interventions in a country, sector or institution?	PRODOC, UN global response framework to COVID-19, ILO-DWCP, UNOPS-policy, MPTF-ToC & COVID-19 Document, UNSDF 2018–22	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), WHO, UNCT	Documents review & Stakeholder Interviews
6) To what extent has the project design pursued a coherent response to COVID-19 exploiting the complementarity amongst the four ILO policy response pillars?	ILO Policy Brief of the 4-Pillar framework, PRODOC	Project Team, ILO Colombo offices, Relevant ILO technical units (regional & HQ)	Documents review & Stakeholder Interviews
7) Has the COVID-19 response intervention planned and implemented capacity-building strategies alongside other structural	PRODOC, Progress Reports	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS	Documents review & Stakeholder Interviews

response actions to tackle the effects of the COVID-19 pandemic in a holistic manner?		technical units (regional & HQ)	
8) Cross-cutting issues: Does the <i>design</i> of the intervention include logical and coherent results and monitoring frameworks for a human-centred recovery from the socio-economic impact of COVID-19 pandemic, drawing on international labour standards and social dialogue and responsive to gender equality and non-discrimination and environmental sustainability concerns?	PRODOC, Progress Reports	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), Tripartite Constituents	Documents review & Stakeholder Interviews
C. Effectiveness			
9) To what extent have the ILO and UNOPS fostered integrated and strategic technical support and dialogue processes through the intervention at country level for a timely crisis response to COVID-19? Specific for Joint Evaluations: Explore the complementarities of efforts by the different partners. ¹⁰	Progress Reports, PRODOC, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), Tripartite Constituents, WHO, UNCT	Documents review & Stakeholder Interviews & Field Visits
10) To what extent the project has achieved its planned outcomes and outputs in a qualitative and quantitative manner? E.g. the MSE sector is equipped and trained to restart businesses amidst the ongoing COVID pandemic? Was the nature of safety equipment and training received effectively applied? What are the areas for improvement?	Progress Reports, PRODOC, Work Plans, Reports produced, Field visit reports	Tripartite Constituents, Local Governments (of 2 Districts), Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews & Field Visits
11) To what extent has the project enabled immediate business continuity or resumption and helped MSEs to better cope with immediate shocks? This question is in part also an element of Sustainability.	Progress Reports, PRODOC, Work Plans, Reports produced, Field visit reports	Tripartite Constituents, Local Governments (of 2 Districts), Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews & Field Visits
12) To what extent has the project mitigated access issues related to Covid 19 restrictions?	Progress Reports, PRODOC, Work Plans, Reports produced, Field visit reports	Tripartite Constituents, Local Governments (of 2 Districts), Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews & Field Visits
13) The extent that the project has adhered to basic humanitarian principles in implementing its activities i.e. principles of do no harm, humanity, neutrality, independence and impartiality?	Progress Reports, PRODOC, Work Plans, Reports produced, Field visit reports	Nat. Government, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), UNCT	Documents review & Stakeholder Interviews & Field Visits
D. Efficiency			
14) To what extent has the project leveraged new or existing financial resources of both other ILO/ UNOPS projects to mitigate COVID-19 effects	Financial Reports, Progress Reports, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional &	Review of Financial and Progress Reports;

¹⁰ Source: ILO-EVAL's New Guidelines 2020 (p. 24-25): See Footnote 1 above.

in a balanced manner? Does the leveraging of resources take into account the sustainability of results?		HQ), WHO, UNCT, Tripartite Constituents	Stakeholder Interviews
15) To what extent has the intervention leveraged partnerships (with constituents, national institutions, IFIs and UN/development agencies) to support constituents while targeting the COVID-19 response?	Financial Reports, Progress Reports, Work Plans, Reports produced	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), WHO, UNCT,	Review of Financial and Progress Reports; Stakeholder Interviews
16) Have resources (funds, human resources, time, expertise, etc.) been timely allocated strategically and efficiently to achieve the expected result?	Financial Reports, Progress Reports, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), WHO, UNCT, Tripartite Constituents	Review of Financial and Progress Reports; Stakeholder Interviews
E. Effectiveness of management arrangements			
17) Did the project receive adequate and timely technical support from ILO and UNOPS administrative/management teams from the Country Office? If not, how could that be improved? How well did the projects manage their finances? This should include budget forecasts, delivery monitoring, actions taken for improving the delivery, budget revision and financial reporting. Specific for Joint Evaluations (cf. Footnote 4): Analyse quality of aid coordination.	Progress Reports, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), UNCT	Documents review & Stakeholder Interviews
18) Does the project have an effective internal and external monitoring plan/mechanism to track the progress of the project?	Progress Reports, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews
19) To what extent the project encouraged meaningful participation of different groups and communities it worked with. The extent that the project has made particular reference to the opinions of women business owner - throughout the program cycle and identifying areas for improvement including in: effectively communicating with communities, encouraging and using feedback and complaint mechanisms, supporting community decision making and responding to the priorities, needs and culture of the communities and groups?	Progress Reports, Work Plans, Reports produced, Project Website, Communication materials	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews
F. Impact orientation			
20) Has the ILO/UNOPS COVID-19 response action contributed / is likely to contribute to intended outcomes on supporting enterprises, jobs and incomes, and strengthened national social protection systems?	Progress Reports, Work Plans, Reports produced	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews & Field Visits
21) Has the ILO/UNOPS COVID-19 response action contributed / is likely to contribute to intended outcomes related to help MSEs restart the business in the midst of the COVID19? What are the significant changes observed?	Progress Reports, Work Plans, Reports produced	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews & Field Visits

22) What are the direct and indirect contributions or unintended effects beyond the project's outcomes?	Progress Reports, Work Plans, Reports produced	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ)	Documents review & Stakeholder Interviews
G. Sustainability			
23) How likely will the project lead to results that will be sustained or integrated in other post-pandemic responses over time? Has the project developed a sustainability strategy (an 'exit strategy') and worked with beneficiaries and other national counterparts to sustain results during the emergency stage?	Progress Reports, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), Tripartite Constituents	Documents review & Stakeholder Interviews
24) What are the main risks for the sustainability of the COVID-19 response and what mitigation strategies should the projects partners implement?	Progress Reports, Work Plans, Reports produced	Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), Tripartite Constituents	Documents review & Stakeholder Interviews
H. Gender, disability and non-discrimination			
25) Has the project integrated gender equality, disability, and non-discrimination as a cross-cutting concern throughout its deliverables, including periodic reports?	Progress Reports, Work Plans, Reports produced	Tripartite Constituents, Project Team, ILO and UNOPS Colombo offices, Relevant ILO & UNOPS technical units (regional & HQ), WHO, UNCT	Documents review & Stakeholder Interviews & Field Visits

Annex 5 Attendees at stakeholder workshop

The stakeholder was held virtually via Teams on Monday 14 June 2021 from 13.30 Sri Lanka time. The international and national consultants presented their preliminary findings, after which a general discussion was moderated by the ILO Evaluation Manager. The attendees were:

Full Name	Email
1) Pringsulaka, Pamornrat	pamornrat@ilo.org – ILO Evaluation Manager
2) Amenthijasinghe	UNOPS Evaluation Manager
3) Asitha	ILO
4) Tusitha (Guest)	
5) RamaniR (Guest)	
6) Rachel (Guest)	
7) Rachel Perera (Guest)	National consultant admin@SmallEnterprisesDevelopm788.onmicrosoft.com
8) Janaki Wijesiri	
9) Suranga Mallawa (Guest)	
10) Nadarajah, Nishanthan	nadarajah@ilo.org
11) Semarasa, Vasudev	vasudev@ilo.org
12) Mudiyansele, Sriyani	mudiyansele@ilo.org
13) Kathireson, Kaushalya	kathireson@ilo.org
14) Jerusha Dabare	Jerusha.23588@ladiescollege.edu.lk
15) Gaya Kariyawasam (Guest)	
16) Dissanayake, Erandika	dissanayake@ilo.org
17) Devagiri, Nihal	nihal@ilo.org
18) Brian Fernando (Guest)	Cey Coir Substrates (Pvt) Ltd
19) Theo van der Loop	International consultant
20) Senarathge, Prasantha	senarathge@ilo.org
21) ISLAM, MOHAMMAD	khairulislam@ilo.org
22) Singh, Simrin	singhs@ilo.org
23) Kring, Thomas	kring@ilo.org
24) Skanthakumar, Balasingham	skanthakumar@ilo.org
25) Ratwatte, Lihini	ratwatte@ilo.org
26) Kanthalingam, Thirukumaran	kanthalingam@ilo.org
27) Lakshika (Guest)	
28) Dr Champika Amarasinghe (Guest)	
29) Musthafa, Asmi	musthafa@ilo.org
30) RASARATNAM, JEYALD	rasaratnam@ilo.org
31) Samantha Pathirathna PASSAsia (Guest)	
32) Shamantha Damunupola	shamantha.damunupola@rileys.hayleys.com
33) narasinha (Guest)	
34) Lovell, Rukshan	rukshan@ilo.org
35) Abdul Razzak, Farzan	razzak@ilo.org
36) Warnasooriya, Nishantha	warnasooriya@ilo.org
37) Sabeswaran, Mehala	sabeswaran@ilo.org
38) Weerasesera, Pramo	pramo@ilo.org

Annex 6 List of Guiding Questions for Interviews with MSE Beneficiaries

Questionnaire – MSE Beneficiaries Sri Lanka MSE Sector May 2021

Brief Description of the SME:

- 1) What business, where it is located (home or rent, town or rural), how many workers.
- 2) In which sector do you operate (tourism, coir industry, agriculture, garments, etc.)?

Relevance:

- 3) To what extent are your needs met by the project?
- 4) Can you explain how you came to know about the project? How did you get selected as a beneficiary?
- 5) What is the package of assistance received (PPE, OSH, CB stimulus package or any other, PPS)? How useful was it?

Effectiveness / Impact / Sustainability:

- 6) Was the assistance sufficient to restart business amidst Covid pandemic?
- 7) Do you feel that you can continue in the future as well?
- 8) If the business cannot continue under present circumstances, what are your suggestions to sustain it?
- 9) Did the PPE equipment and training given to you, provided sufficient protection against the pandemic?
- 10) Have you retained the same number of workers in your SME as before Covid?
- 11) Is your income less, same as before or more now?
- 12) What is your banking practice?

Effectiveness of management arrangements:

- 13) How did the project team distributing the PPE & conducting OSH training communicate with you?
- 14) Did they give any telephone numbers or contact information to get in touch in case of any clarification regarding PPE or OSH training or to make any complaints?
- 15) Are you using the PPE and/or are you practicing what was taught in the OSH training? (feedback).
- 16) How will you rate the communication from the start (from the start of the activities) until the end (PPE & OSH training & use of it)
1. V. poor 2. Poor 3. Average 4. Good 5. V. good
- 17) Overall are you satisfied with the intervention? If not, how could it be further improved?

Disability inclusion:

- 18) Are you aware of any differently abled person in your area or adjoining areas who is running a SME and had not been included in the project?

Bank Clinic participants

- 19) How useful was the bank clinic? What was the outcome of it?

VCF SMEs (some of these may not be in the 1035 SMEs)

- 20) What was the situation of your business during Covid?
- 21) What is the package of assistance given to you from the project?
- 22) What is the package of assistance given to you from the government (stimulus package)? How much?
- 23) What are the terms and conditions of the partnership with the Buyer? Have you signed an agreement?
- 24) Are you able to make sufficient profit to pay the instalments for the loan and also continue the business? Is your business turnover more than pre-covid?
- 25) What improvements have you done to your business (hygiene practices, financial management, financial record keeping, banking relationship, marketing, saving etc.) after the partnership?
- 26) What do you see as the future of this relationship?

PSS – Psycho-Social Support

- 27) How were you selected as a participant for the PSS training?
- 28) What did you learn from the training? Was the PSS training useful? If yes, in what way?
- 29) Do you have any suggestions to improve it (content, methodology, etc.)?
- 30) After the training, did anyone follow-up with you to find out how you are coping with the situation?

VCF - Company

- 31) How did you get to know about ILO and the project?
- 32) What is your overall assessment of the SMEs in your chain/What was their status when your partnership started?
- 33) What was your criteria for selecting the SMEs in your chain? Are they located in Kalutara or Gampaha?
- 34) How many SMEs are in your chain? What is your input/assistance (working capital financing, basic financial literacy, marketing, product development, workplace improvement etc.) to these SMEs?
- 35) Have you signed an agreement with the SME? What is the content of it?
- 36) How does the financing work? What mechanism is used to monitor their financial performance?
- 37) Has this arrangement helped SMEs to increase their production and also settle their bank commitments in a timely manner?
- 38) What are the benefits you got from this partnership for your company?

Annex 7 Evaluation Work Plan

Tasks/Responsibilities	Team Leader	Team Member	Proposed timeline 2021
1) Inception phase			
Start contract Team Leader			1 April
Start contract Team Member			10 May
Briefing with ILO Evaluation Manager and with ILO project team to get initial inputs for the inception report			21 April
Desk review of project documents and relevant materials, and Prepare an inception report and submit to evaluation manager	5	2	19 April – 7 May
2) Fieldwork phase			
Data collection e.g. conduct interviews focus group discussions/survey etc. with selected stakeholders and project staff, donor, beneficiaries and community	12	12	10 May – 3 June
Stakeholder Workshop presenting the preliminary findings	1	1	Monday 14 June
3) Data analysis and reporting phase			
Data analysis and drafting report for the submission to evaluation manager	8	4	4 – 25 June
Quality check and review of the draft report by Evaluation Manager ILO and UNOPS			29 - 30 June
Sharing the draft report with all concerned stakeholders for comments			30 June – 12 July
Finalisation of report and submission to Evaluation Manager	2	1	12 - 13 July
Quality Review of the final report by Evaluation manager ILO and UNOPS			14 - 15 July
Submission of the final report to ILO Evaluation Office by Evaluation Manager ILO and UNOPS			15 July
Approval of the final evaluation report ILO Evaluation Office			30 July
TOTAL (Number of Days)	28	20	

Annex 8 Results Framework

Results Framework/Log Frame: Outcome, Outputs and their Indicators and Targets.

Outcome/ Output Indicators	Target
Outcome 2.1 Healthy socio-economic recovery of the MSE sector of Sri Lanka	
Outcome-Indicator 2.1 a The proportion of MSEs with a loan or line of credit (SDG 9.3)	1,100 MSEs in Gampaha And Kalutara
Outcome Indicator 2.1b The proportion of MSEs continue employment, disaggregated by sex (modified SDG 8.3)	900 MSEs in Gampaha and Kalutara
Output 2.1.1 Micro and small enterprises apply COVID prevention measures in workplaces	
Output-Indicator 2.1.1a # of MSEs receive training a) Nationwide b) in Gampaha and Kalutara (participants disaggregated by Sex)	a) 70,000 MSEs b) 5,000 MSEs in Gampaha and Kalutara
Output-Indicator 2.1.1b # of MSEs upgraded enterprises with COVID prevention measures in Gampaha and Kalutara (disaggregated by ownership Male/Fem.)	200 MSEs in Gampaha and Kalutara
Output 2.2.1 Micro and small enterprises have enhanced access to resume and continue operation	
Output-Indicator 2.2.1a # of MSEs access to stimulus packages, disaggregated by ownership (Male/Female)	200 MSEs in Gampaha and Kalutara
Output-Indicator 2.2.1b # of MSEs access to specialized VCF products, disaggregated by ownership (Male/Female)	100 -150 MSEs in Gampaha and Kalutara
Output-Indicator 2.2.1c # of female owned MSEs continue their business process – One-day Empowered Woman MSE training Conduct an analysis jointly with Dept. of Labour to identify multi-dimensional vulnerabilities and to inform business continuity support.	50 female owned MSEs
Additional Output Indicator Provide psycho-social support (PSS) # of officers who are facilitating to MSME's to provide a psycho-socio support/counselling to enterprise operations	50 women entrepreneurs in both districts; Government and bank officers

Sources: PRODOC, Mid-Term Narrative Report and Annual Progress Report (cf. Annex 11).

Annex 9 Report of Interviews with Beneficiaries

For the present evaluation, the national consultant conducted interviews with 34 Beneficiaries (14 male and 20 female) and the numbers by types of beneficiaries are included in **Annex 3**. The following is the report of the interviews with these beneficiaries.

Relevance

Capacity Building – Womens' Chamber

50 Participants were chosen through the Womens' Chambers (WC) for the capacity building workshop and they were mainly from Colombo. Some of the participants were from WC membership and others were identified through their networks and partnerships with other associations. WC's membership consists of medium scale enterprises and larger ones. After the joint activity with ILO, WC understands the importance of MSEs and intends to reach out to them in the future.

The MSEs which participated in the capacity building workshop were involved in different types of business such as wood working/furniture making, ornamental plants/landscaping, running small boutiques/shops, catering, restaurants, grocery shops, dress making, bridal dressing, costume jewellery. Three participants – one WC member (Medium scale enterprise) and two other MSEs were interviewed and all of them expressed that the content of the training to improve their business – business management, product development and quality control, costing, packaging, marketing, stock taking, bookkeeping, savings and banking & maintaining relationship with the bank, calculating tax etc., were very valuable and relevant. This was the first time that they have had the opportunity to follow a training of this sort. The one engaged in wood working had the skill but did not know how to cost their produce and also mark their profits. One of them was keen to know more about bookkeeping/managing the business and taking the business operations to a higher level.

PPE & OSH

Four MSEs were contacted – three females and one male. Their selection as a beneficiary was through SED. They were home-based and were involved in apparel industry, desserts making and making cordials, jam & fruit juice. The provision of PPEs was extremely useful. When the first wave hit Sri Lanka, most of them were still able to carry on their economic activities using the items. 2-7 workers were employed by them and the protection gear / items helped them to protect themselves and their workers from infection. Some of their expressions were:

“This is the very first time we got something like this. It is very useful”

“There are no words to explain how grateful we are. We made good use of it”

“When the package was given, I thanked the Divisional Secretariat officials, but didn't know which organization actually gave it. I am happy for the opportunity to express my gratitude for this useful package”

“The sink is very useful, all of us have got into the habit of washing our hands often and also get the workers and visitors to wash their hands”.

The OSH training by NIOSH opened the eyes of the participants on the safety aspects in their workplace. All four MSEs interviewed expressed that it was very useful since they learnt the defects/risks in their workplace which could lead to fire and other accidents. They valued the first aid training for its usefulness at workplace and other places. One example given was what needs

to be done in the event of a person getting a heart attack. NIOSH officials were very helpful and shared their contact details to get in touch with them for advice, clarification, and obtaining certifications etc.

Psycho-social (PS) training

PS training was offered to many government and bank officials who were directly and indirectly dealing with MSEs.

Three bank officials were contacted and all of them expressed that the content was appropriate and gave them a good understanding of the plight of the MSE customers who were struggling to service their loans with the bank and those who are unable to access the loan facilities available with the bank. On the other hand, the bank also had to ascertain the customers' ability to repay loan. Bank had difficulty to ascertain MSEs cash flow by getting them to show their accounts book or proof of cash flow by showing bills and receipts or by showing their banking records with another bank.

Another bank official conveyed that it is useful for field level officers who are operationally dealing with the enterprises. On his part he has already shared the learnings with the cluster level marketing officers. The Assistant Commissioners of Labor attached to DoL also felt that the training was useful for them to understand the plight of the MSEs but felt that it would be more useful for Labor officers attached to various Divisional Secretariats.

SED and the DoL officers who were dealing directly with the MSEs at ground level valued this training very much. It was appropriate and timely. It taught them the importance of listening, understanding the situation of entrepreneurs, building relationship, making them feel at ease, helping them to identify the problem and find solutions. They felt that it will also contribute to identifying the persons in need for psychological assistance and referral.

Business Consultancy Workshop

As the pandemic continued, foreseeing the need of equipping and upgrading the knowledge of the Entrepreneurship Development Training Officers (EDTOs) of SED on new tools and techniques to keep entrepreneurs build business, a two-day workshop was conducted. The EDTOs expressed that the learning was very appropriate and gave them a good insight into business models, bench marking, strategic planning for business, financial management, balance sheet, cash flow statement, kinds of ratios, Profit and loss, balance sheet, analysis, digital marketing, e-commerce. They informed that this knowledge will be useful to develop the MSEs.

Value Chain Financing

Most of the MSEs indicated that they depended on daily/weekly earnings to stay afloat. They had to scale down their operations or shut it down for a period of time owing to lockdown which resulted in serious financial crunch. They could not approach the banks for loan for many reasons – defaulting loan payments, irregular or no banking relationship, guarantors, high interest rates for insecure loans etc. At such a time, the MSEs in the coir industry felt that the introduction of value chain financing helped them to jump start their business or helped them to stay afloat or scale up their operations.

Central Bank Stimulus Package

MSEs which had received the stimulus package were involved with mushroom cultivation, garment, handloom bags and selling dry fish. Their loan size varied from Rs.200,000 – 750,000 with an interest of 4-5%. One of them had taken two loans. SED officials had been very helpful to get these loans. Low interest loans helped them out to buy necessary raw materials, machinery,

vehicles etc to scale up their business activities. They managed the year 2020 well. But the imposition of lock-down in 2021 affected them in production and marketing.

Effectiveness

PPE Kit

The MSEs were not consulted about their requirement, but the PPEs were very appropriate and helped them to protect themselves, their family members, workers and the customers who had contact with them. Initially SED officials visited their workplace to do a survey. After a few weeks they contacted and asked them to come to the Divisional Secretariat to receive the PPE kit. The event was organized taking into consideration health guidelines (maintaining distance, sanitizing and ensuring wearing of masks, checking temperature etc.). The entire operation of ensuring the delivery of PPE kits to MSEs was the responsibility of the SED officials at Divisional Secretariat, whose contact information was available with all the beneficiary organizations. The SED officials were in touch with the MSEs who were registered with the Divisional Secretariat.

Appreciation was expressed by all those interviewed for the timeliness of the PPE kit. They articulated:

“We and our workplaces were protected because of this package”.

“Corona hit us so sudden and we did not know where to get items such as thermometer and gloves. It was not available in the market. We were happy to see them included in the package. It was timely”.

“Most of the items in the package are finished now. I continue to buy sanitizers and masks. The sink and thermometer are still used”.

Most of them are staying protected. A MSEs family in Kalutara district was tested positive, subsequent to spread of covid in their area. They were quarantined at home and even after one month of their recovery, people of the area were not willing to buy their dessert products and they felt stigmatized and some of the villagers referred to their house as “Corona house”.

Most of 2020 and in early 2021 the MSEs were able to carry on with their business. But thereafter with the imposition of lockdown they had to scale it down to 50% or less or temporarily shut down owing to lack of raw materials, marketing problems, restricted transportation, financial hurdles, reduction of workers etc. Most of them had to stop employing workers and as much as possible got the help of their own family members.

The OSH training taught the MSE participants many things that they did not know. The fire drill was useful. One of them had followed the physical training and the others followed the on-line training. One male interviewee indicated that he got all his workers to watch the program which was from 8.30-10.00 pm. He has made several electrical improvements in the workplace including changing plugs ensuring proper electrical wiring etc. The others also did improvements such as safety in fireplace (gas cylinders, gas connections).

Value Chain Financing

The MSEs in the coir industry were confident of continuing their business activities despite lockdown owing to the timely cash injection (interest free working capital loan), an equal amount to it which came as a grant from ILO and the partnership with the buyer who had the capacity to buy all their produce for a decent price. All of them expressed that the grant from ILO was “God sent” and helped them to get out of their immediate financial problems, do repairs to their

workplace and buy additional cutting machines. The MSEs felt that the buyers were committed and dedicated to see them develop as an entrepreneur and they were willing to learn good practices such as up-to-date book keeping, developing and maintaining banking relationship, improving product quality etc., from the buyer. From time-to-time cash advances from them for buying raw materials helped them to maintain stocks. The buyers too benefitted from the partnership by ensuring that their export targets are met in a timely manner. It was a win-win situation for both parties.

Central Bank Stimulus Package:

Many SMEs had got CB's concessionary/subsidized loans. Those who were interviewed indicated that they got the loan information from the SED officials, who were always helpful in advising them about marketing and development of their business. The interest rates of CB loan were mostly ranging from 4-5% unlike the other loans which were more than 10-12%. When they were struggling for finances the soft loan from CB helped them to get the much-needed cash injection and they were also able to buy raw materials, equipment to scale up business activities (eg. additional sewing machines, refrigerator to store food etc).

Table- Type of business, loan/lease particulars & profit of SMEs who obtained CB stimulus package

MSE	M/F	Type of Business	Loan/Leasing & payment details	Approximate profit	Comments
MSE 1	M	Mushroom cultivation	1) Rural Development Bank (RDB) – 250,000 @ 5.5% interest. Instalment 5,000. Paid for a year. 150,000 to be paid. 2) RDB – 200,000 @4% interest. Instalment 12,000. Paid for 6 months. <i>Bank loan not paid for 2 months.</i>	100,000 or more. He was saving at least 25,000 a month. He has withdrawn all savings now owing to lack of business now.	He has another loan with Hatton National Bank, the interest of which is being taken care from the interest earnings of a fixed deposit. He is confident that banks will lend because of his account maintenance. Right now, he is not able to prepare for the next cycle to plant owing to difficulties in getting wood shavings & polythene. He has a ready market for the mushrooms, but the problem is in getting the necessary raw materials.
MSE 2	F	Sewing frocks	1)RDB-250,000 @ 5% interest. Instalment 5,800. Loan repayment up to 2025. <i>Unable to pay April, May 2021 instalments.</i> 2) Van lease Jan 2020 – CDB. Instalment 43,000. Lease up to Dec 2022. <i>May, June 2021 lease amount not paid.</i>	30,000-40,000 off season. During season 100,000. Since May 2021 no income	She with her daughter is sewing. Unable to supply to shops because of lockdown.
MSE 3	M	Dry fish selling	1)RDB-200,000 @ 4% interest, commenced May 2020. Instalment 6,600. Loan repayment up to 2025. Paid up to May 2021. 2)Finance for van for 3 years from July 2020. Instalment 23,000. Paid for June 2021.	Generally, 200,000-300,000. March & April 2021, 100,000-150,000. Dropped to 70,000 in May 2021	He has the market and is making good profit. With the import of dry fish halted, the price of local dry fish has soared high. He supplies to super markets/shops which cater to middle class families who have reduced their purchase of dry fish owing to price increase. His export to Australia and Haiti continues.
MSE 4	F	Vegetables, fruits & sweet items	1)RDB – 250,000, 3-year loan. Instalment 8,000. Start Jan 2020. Paid instalment up to May 2021. <i>Intend to</i>	Before covid 100,000 – 110.000	No business after mid-April 2021. Gets small orders from neighbors. Gets a few export orders from Australia.

			<i>inform Bank about inability to pay for June.</i>		Made use of the loan to buy a cycle, fridge & blender. Confident that he can make up for days lost, once lock-down is relaxed.
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Continued lock down affected the MSEs in different ways. They either had difficulties in obtaining the raw materials or their markets failed and hence could not produce & sell during this time. SMEs making food items or involved in selling food items were able to operate partially. All of them had stopped the workers who were employed on casual basis and depended on family members for small orders. Except for one all the others had difficulty with loan repayments. Though the government announced that there will be relief for those who have borrowed, especially the entrepreneurs, the banks gave a grace period, but added the missed instalments during this period to the capital and recalculated the instalment, thereby further increasing the burden of the borrowers. This has resulted in some of them not being able to service their loans for the past 1-3 months.

Impact

The MSEs have learnt the importance of protection gear and health habits and even after finishing the different items in the PPE kit they are continuing to purchase masks, sanitizers etc., and are using them to stay protected.

Following the OSH training some MSEs learnt to appreciate the role played by their workers and was aspired to making a decent working environment for them. Knowledge gained through these training sessions on safety and health aspects will help them to arrest workplace accidents and hazards. In fact two of them mentioned that they want to start contributing for Employment Provident Fund (EPF) & Employees Trust Fund (ETF) for their employees.

After going through OSH training two MSEs indicated that they are in touch with NIOSH to get their certification (Good Manufacturing Practice) to improve and ensure safety of their workplace. This will also enable them to connect to markets which require this certification. One of them is also intending to do further improvements to the workplace to get SLS certification so that his product (Aloe vera drinks, jams etc.) can be supplied to supermarket chains in the country.

Value chain financing has helped to keep the linked MSEs in the coir industry resume and run their operations to a satisfactory level. Few of them have obtained bank loans at high interest rates and hence servicing them has become a burden for the entrepreneur. In the case of one MSE, the buyer has intervened and is discussing with the bank, making request to reduce the interest rate taking into consideration the COVID pandemic. Overall, despite lockdown and challenges these MSEs are able to make a profit. Similarly, the large buyers too have experienced an increase of 10-20% in their export volume and the relationship between both have become stronger.

Sustainability

With the pandemic not being over yet, the health habits have become more habitual and MSEs see its importance and are likely to follow it in the future.

There seems to be equal interest in both MSEs and NIOSH being linked through this project to have long term association. NIOSH reaching out to more micro and small enterprises and these entities in turn seeking NIOSH's assistance to ensure workplace safety and health and to maintain their communication with the Institute to be on par with the standards established by it. Customized training packages developed by NIOSH exclusively for MSEs through this project intervention will benefit MSEs spread throughout the country.

The role played by SED officials was repeatedly mentioned by the MSEs in giving them ideas, market information, and helping them to find solutions for their problems. The knowledge gained by the SED officials through the PSS training and business consultancy could be used to help the MSEs to grow further.

With lockdown continuing from the month of May 2021, most of the MSEs had to close their business operations and were facing difficulties without any avenues of income. But the MSEs in coir industry linked through value chain financing seem to be doing better in economic terms compared to other MSEs interviewed. The success could be attributed to timely cash injection by way of grant from ILO and the interest free working capital loan from buyer, continuous capacity building carried out by the buyer to help MSEs to adopt good practices such as accurate/timely bookkeeping, developing banking relationship, improving product quality, ensure proper storage facilities, workplace improvement and using their influence to obtain permission for work-related movement during lockdown.

Disability inclusion:

Discussion with the MSEs revealed that there was no small enterprise run by a differently abled person in their neighbourhood or area, who had been omitted from provision of PPE, OSH training etc.

Additional information on Value Chain Financing (VCF)

Interviewed two of the four companies in the supply chain and two of the MSEs in each chain.

Tropicoir Lanka Private Limited has partnered with ILO'S LEED+ project. They have 150-200 MSEs that supply their product to them out of which 30 are linked to this supply chain. (Vavuniya-2, Puttalam – 1, Gampaha – 1, Kurunegala-26). Most of them were dedicated suppliers. DASA Trade Centre, the other buyer is a new entrant and had 50 MSEs connected, out of which 20 (Jaffna – 1, rest from Kurunegala) were linked to the project. The criteria for selection of the MSEs was mostly loyalty and commitment in supplying raw materials and earmarked the MSEs which will come out of their difficult situation with financial injection & related support.

Overall picture of these MSEs is that they had basic education level, have business ideas, mostly unregistered and not formalized business, did not have working capital, cash flow problems, unpaid bank loans/legal issues with the bank, did not have proper machinery or it was under repairs, had shortcomings in their buildings they needed drying yards and the biggest problem was there was no concrete yard. The raw materials got contaminated with sand and they were forced to sell for low prices. After monitoring/assessing them, buyers came up with solutions for their inadequacies. The 30 MSEs with Tropicare were given a working capital ranging from Rs.200,000-300,000 on loan basis with no interest for a period of 2 years. An agreement was signed between the buyer and the MSE. DASA's loan amount was Rs.185,000 for five main suppliers and Rs.37,000 for small ones with a repayment period of one year. It is through recovery of a fixed amount from the payment for products, which is mostly banked, except during emergencies when cash is requested. The working capital was used to buy or repair machines, make renovations to existing building or make concrete yard for drying. Target for supply is set according to their capacity and there are no issues when it is not met. Apart from this the MSEs were also given cash advances to purchase husks, in order to maintain stock of raw materials, taking into account the rainy season when drying of husks takes longer time. ILO gave an amount equal to the working capital loan given by buyer, as grant to the MSE, which was credited to a bank. Most of the MSEs which had legal issues with banks opted to open an account with another

bank for the money transfer. Continuous monitoring was done by the field team of one buyer which visits the workplace regularly and teach them to maintain accounts, maintaining relationship with bank, machine maintenance and ensure quality of material. The other buyer was intending to conduct financial book keeping, but could not commence owing to lockdown. Generally, when tax collectors come, they see huge amounts of money being banked, and had demanded to pay more amounts as tax, since their expenses were not tabulated regularly. With the financial education, they are doing proper accounting and maintaining their books on a daily basis.

The biggest challenge faced by the buyers is to collect raw materials. The project intervention has helped the buyers to get a 10-20% increase of raw material supply, in an industry where the volume of raw material was more or less stable, but new buyers keep entering into the market. Another positive aspect is that the relationship between the buyer and supplier has become stronger.

Interviewed 2 male and 2 female MSEs supplying coco peat to Tropicair Private Ltd and Dasa Trade Centre. Home-based business. They were introduced to the project by the buyers. Before covid 4-10 or more workers were employed; two maintained same number, one reduced by half and in one case stopped all workers. Their spouse and children help with the processing. Two of them were paying EPF/ETF for 3 workers. One of the unregistered MSE was helped by the buyer to initiate the process of registration.

Most of them had to close their business for many days in May 2021 owing to lockdown. During this time the suppliers facilitated permissions with law enforcers to carry on their business activities.

The PPE kit was delivered to them personally by the buyer and taught them how to use it. It is very useful and helped them to protect themselves and their workers. All the workers are following health guidelines – wearing masks, washing hands and also maintaining distance. The first aid box was very useful at the workplace. Some items have finished but others are put to good use.

The buyer maintains close communication with the MSEs. The MSEs have been taught to improve their business practices, and also improve the quality of the product. They were grateful to them for the advice and also the advances of Rs.500,000 – 1,000,000 given to maintain stocks of raw materials. On a daily basis their expenses are written and financial records are kept up to date. They remembered the days when they were selling to middlemen who gave them a low price. They are happy with the partnership with the buyer and appreciate their commitment to uplift their small business.

Interest-free Working Capital from buyer, ILO's contribution (LKR) and the usage of it

MSE	Working capital loan/Usage	ILO's grant /usage
Supplier 1	200,000 – used to buy tin sheets to replace leaky roof of building used for husk storage	200,000 – used for labor cost, repair of the building used for husk storage
Supplier 2	300,000 – used to make concrete area for drying husks and coir.	300,000 – used to finish the concrete area for drying husks/coir
Supplier 3	185,000 – buyer bought a new cutting machine for MSE	185,000 – fixed conveyor belt and carried out some safety measures
Supplier 4	180,000 – buyer bought new chip machine for MSE	180,000 – banked and not used yet. Intend to buy another chip machine

Annex 10 Lessons Learned (LL) and Good Practices (GP)

This Annex provides the full description of two Lessons Learned (LL) and two Good Practices (GP) in the ILO Templates as follows:

LL1: *The project-set-up with a large number of very diverse activities was relevant and effective for a short-term immediate response project with several pilot elements, but follow-up projects should be more targeted.*

ILO Lesson Learned Template

Project Title: Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka

Project TC/SYMBOL: LKA/20/50/UND

Name of Evaluator: Theo van der Loop and Rachel C. Perera

Date: 16 July 2021

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

LL Element	Text
Brief description of lesson learned (link to specific action or task)	<i>The project-set-up with a large number of very diverse activities was relevant and effective for a short-term immediate response project with several pilot elements, but follow-up projects should be more targeted.</i>
Context and any related preconditions	<i>The project conducted a large number of quite different activities, including (but not limited to) procurement/distribution of PPE kits, OSH Training, several communication campaigns, Access to Finance (A2F) support through Banking Clinics and Value Chain Financing (VCF), training of women MSEs entrepreneurs, and Psycho-Social Support (PSS) activities.</i>
Targeted users / Beneficiaries	<i>UN-MPTF, ILO and UNOPS Country Offices, ILO DWT and HQ, and UNOPS HQ, ILO EVAL, UNEG.</i>
Challenges /negative lessons - Causal factors	<i>Too many different activities will spread the resources (human and financial) too thinly. In the specific case of the PSS support, the evaluation is not convinced that PSS is within the domain of ILO's core comparative expertise, and therefore this should perhaps be left to organisations having more sustained experience with such issues.</i>
Success / Positive Issues - Causal factors	<i>Follow-up projects focused on either one of those subjects mentioned above would benefit from a targeted approach and specialized expertise.</i>
ILO Administrative Issues (staff, resources, design, implementation)	<i>Re-purposed staff worked well in the present intervention, but it depends on the availability of staff as well as on the sources of financing of the assigned staff positions.</i>

LL2: Both Direct and Indirect Value Chain Financing (VCF) was found less suitable for an immediate response project with a short implementation time barring the pilot approach employed here.

ILO Lesson Learned Template

Project Title: Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka

Project TC/SYMBOL: LKA/20/50/UND

Name of Evaluator: Theo van der Loop and Rachel C. Perera

Date: 16 July 2021

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

LL Element	Text
Brief description of lesson learned (link to specific action or task)	<i>Both Direct and Indirect Value Chain Financing (VCF) was found less suitable for an immediate response project with a short implementation time barring the pilot approach employed here. The project attempted to follow-up indirect VCF but was not successful as it would have taken too much time to convince the banks and other financial institutions to become directly involved. The same can be said of the direct VCF approach employed in the project on a pilot basis: it also took time to convince the large buyers to become really involved and make available their own funds for loans to MSE suppliers to make sure that they continue their work and that the value chain kept on functioning.</i>
Context and any related preconditions	<i>The delay in convincing the large buyers to provide loans to their suppliers triggered the project to top up the loan to MSEs with a grant of the same amount. Subsequently four buyers were found willing to invest.</i>
Targeted users / Beneficiaries	<i>ILO Country Office, ILO DWT and HQ, and ILO EVAL.</i>
Challenges /negative lessons - Causal factors	<i>Such a grant from the project is neither sustainable, nor adhering to the principle of impartiality. It is not sustainable, because in the present intervention a grant was provided to 93 MSEs (already amounting to 18% of IO's project resources), but to upscale this activity would require large amounts of funds. The principle of impartiality is at stake because the grants are provided to MSEs operating in well-established value chains, while other more vulnerable MSEs are left out.</i>
Success / Positive Issues - Causal factors	<i>Apart from supporting suppliers to continue their business, such a model could well generate additional jobs. The CBSL expressed their desire to explore this model further and is keen to adopt it. This component, while being a pilot approach, was in itself successful with 93 suppliers being provided with potentially enterprise-saving loans, and at the same time acquiring lots of learning-while-doing. Replication could well be possible if it could be implemented without the project grant.</i>
ILO Administrative Issues (staff, resources, design, implementation)	<i>More details on the VCF component from the Beneficiaries' point of view are provided in Annex 9.</i>

GP1: The project benefited from very effective preparations in the inception period.

ILO Emerging Good Practice Template

Project Title: Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka

Project TC/SYMBOL: LKA/20/50/UND

Name of Evaluator: Theo van der Loop and Rachel C. Perera

Date: 16 July 2021

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

GP Element	Text
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	<i>The project benefited from very effective preparations in the inception period.</i>
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	<i>The initial, comprehensive stakeholder meetings involving a large number of partners, the weekly review meetings at the ILO Country Office and several initial assessments were crucial for the progress that the project was able to make in later stages as well as for the development of several very solid partnerships.</i>
Establish a clear cause-effect relationship	<i>The leadership of the ILO calling all stakeholders for wider consultations with different ministries, UN organisations, various national associations, etc. and calling and chairing weekly progress meetings with the relevant staff of the involved organisations.</i>
Indicate measurable impact and targeted beneficiaries	<i>This allowed for quick decisions and it has speeded up the process, and it has allowed for other partners to bring in adjustments to the project, such as the inclusion of PSS activities, the increase in the number of PPE kits to be distributed, etc.</i>
Potential for replication and by whom	<i>This Good Practice can be replicated in similar types of interventions as long as the same high level of commitment can be reached by all stakeholders and partners involved; this was now possible because of the immediate response nature of the project.</i>
Upward links to higher ILO Goals (DWCPs, Country Program Outcomes or ILO's Strategic Program Framework)	<ul style="list-style-type: none"> • <i>ILO Programme and Budget (P&B) 2020 – 2021: Outcome 4 (Sustainable enterprises), Outcome 6 (Gender equality), and Outcome 7 (Adequate and effective protection at work for all).</i> • <i>The Sri Lanka Decent Work Country Programme (DWCP 2018 – 2022), in particular its Priority 1: Creation of sustainable, inclusive and decent employment.</i> • <i>The ILO Country Programme Outcome LKA 107: Sri Lankan workforce have more and better employment opportunities</i>
Other documents or relevant comments	<i>The weekly meetings should for purposes of monitoring and evaluation have been documented with written and approved minutes (as is usually done in Project Steering Committee meetings).</i>

GP2: The combination of activities conducted with respect to OSH conditions is an important Good Practice.

ILO Emerging Good Practice Template

Project Title: Healthy Socio-Economic Recovery of the Micro and Small Enterprise Sector of Sri Lanka

Project TC/SYMBOL: LKA/20/50/UND

Name of Evaluator: Theo van der Loop and Rachel C. Perera

Date: 16 July 2021

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

GP Element	Text
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	<i>The combination of activities conducted with respect to OSH conditions is an important Good Practice.</i>
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	<i>The distribution to almost 1,400 MSEs of Personal Protection Equipment (PPE) kits as well as the OSH Training for 200 MSEs in combination with the comprehensive, nationwide OSH awareness campaign have had various mutually reinforcing elements.</i>
Establish a clear cause-effect relationship	<i>The combination of related activities resulted in these elements to become mutually reinforcing.</i>
Indicate measurable impact and targeted beneficiaries	<i>The Beneficiaries were the MSEs in the two targeted districts of Gampaha and Kalutara, while those of the awareness campaigns were much broader (often nationwide).</i>
Potential for replication and by whom	<i>This combination of several related activities in this Good Practice can be replicated in similar types of interventions. More flexibility with the contents of the PPE kits could be effective, especially to adjust it to the size and kind of MSEs (three to five options concerning the contents of the kits were advised by several stakeholders).</i>
Upward links to higher ILO Goals (DWCPs, Country Program Outcomes or ILO's Strategic Program Framework)	<ul style="list-style-type: none"> <i>ILO Programme and Budget (P&B) 2020 – 2021: Outcome 4 (Sustainable enterprises), Outcome 6 (Gender equality), and Outcome 7 (Adequate and effective protection at work for all).</i> <i>The Sri Lanka Decent Work Country Programme (DWCP 2018 – 2022), in particular its Priority 1: Creation of sustainable, inclusive and decent employment.</i> <i>The ILO Country Programme Outcome LKA 107: Sri Lankan workforce have more and better employment opportunities</i>
Other documents or relevant comments	<i>See the PPE Monitoring Report (2021) and the OSH Monitoring Report (2021) contracted by the project.</i>

Annex 11 List of Documents Consulted

- Terms of Reference (ToR) for the present Final Independent Evaluation dated 5 March 2021 (see Annex 1).
- Project Document (PRODOC), including Logframe, budget, work plan, etc.
- DWCP Sri Lanka 2018-2022.
- Multi-partner trust fund (MPTF) Theory of change
- UN Advisory Paper on Immediate Socio-Economic Response to COVID-19, June 2020.
- UN Sri Lanka MPTF COVID19 document.
- MoL, Department of Labour-DoL (2020): COVID 19 & Beyond- The Impact On The Labour Market Of Sri Lanka: Survey Report Of The E-Survey Conducted On Private Sector Establishments. Colombo: May 2020, A. Wimalaweera, Sri Lanka.
- Progress Reports:
 - Midterm narrative report (June to Aug 2020)
 - Annual narrative report (June – Dec 2020)
- United Nations Sustainable Development Framework UNSDF (2018): Sri Lanka 2018-2022. Colombo.
- Women’s Chamber of Industry and Commerce WCIC (2021): Newsletter Volume 1 - January – April 2021 - *Engage - Empower – Enrich*. Colombo.
- UN Multi-Partner Trust Fund Office, 2020 Annual Report. The UN Center of Expertise on pooled financing instruments for the Sustainable Development Goals.
- Project report (2021): OSH Monitoring Report. Colombo: April 2021.
- Project report (2021): A2F Monitoring Report. Colombo: March 2021.
- Project report (2021): PPE Monitoring Report. Colombo: April 2021.
- Relevant ILO’s P&B’s, and Centenary Initiatives.
- Research and studies conducted by the Project
- Missions reports
- Financial information
- Websites, including those of the project.
- ILO EVAL: Evaluation Policy Guidelines, including ILO policy guidelines for results-based evaluation: Principles, rationale, planning and managing for evaluations 3rd edition 2017.
- ILO (2020) Policy Guidelines for Results-Based Evaluation (4th edition). ILO-EVAL, Geneva: November 2020. See: https://www.ilo.org/eval/Evaluationpolicy/WCMS_571339/lang--en/index.htm
- ILO (3030): Policy Brief outlining ILO’s four-Pillar policy framework for tackling the economic and social impact of the COVID-19 crisis. Geneva; May 2020. See: https://www.ilo.org/wcmsp5/groups/public/%40dgreports/%40dcomm/documents/briefingnote/wcms_745337.pdf
- EVAL (2020): Implications of COVID-19 on evaluations in the ILO: An internal guide on adapting to the situation. Geneva:
 - http://www.ilo.ch/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_741206.pdf and
 - www.ilo.ch/eval/WCMS_744068/lang--en/index.htm
- OECD/DAC Network on Development Evaluation (2019): Better Criteria for Better Evaluation; Revised Evaluation Criteria Definitions and Principles for Use. December 2019.

- Other documents/materials/publications that were produced through the project or by relevant stakeholders.

Videos:

The following videos were created to build awareness on return to work and how the Micro and Small Enterprises (MSEs) applied COVID prevention measures in their workplaces:

- <https://youtu.be/YWLkFPCMUZg>
- <https://youtu.be/spVAbhSMvLI>
- <https://fb.watch/3hdOO468yV/>
- <https://fb.watch/3hdRGcbbPW/>
- <https://www.youtube.com/watch?v=ULKanJUD79w>
- <https://fb.watch/3h3INtSx-E/>
- <https://twitter.com/UNOPS/status/1352556423352365056?s=20>

Interviews:

- <https://www.facebook.com/nethfmbalumgala/videos/458368005203758/?sfnsn=wa>
- https://globalappsportal-my.sharepoint.com/:f/g/personal/dinali_ruhunuhewa_gpr_lk/Eukn9QY3-7tLpofBhI5kLBcBR5M86E9IhznImc7xqfSedA?e=h7LGBU
- https://globalappsportal-my.sharepoint.com/:f/g/personal/dinali_ruhunuhewa_gpr_lk/Eukn9QY3-7tLpofBhI5kLBcBR5M86E9IhznImc7xqfSedA?e=h7LGBU
- Nugasewana | 2020-12-04 | සුළු කර්මාන්තකරුවන් නගා සිටුවීමට වැඩිපිළිවෙලක් ... – YouTube
- https://globalappsportal-my.sharepoint.com/:v/g/personal/sheranga_rajasureiya_gpr_lk/EYTrE34lam5luGJPI3_XLnkBI_rectXccYQk75hUxHVJIw?e=vNaCGg (password protected)