

Internal Mid-term evaluation of the ILO's Road to Decent Jobs for All Afghans

November 30, 2021

Name of Project	A Road to Decent Jobs for All Afghans
Project TC Code	AFG/20/01/USA
Donor	Bureau of Population, Refugees, and Migration
Dates of Project Implementation	1 September 2020 to 31 August 2021
Administrative unit:	ILO Office in Kabul
ILO Responsible Official:	Tonderai Manoto (Project Manager)
Technical Backstopping Unit:	ENTERPRISES SME
Collaborating ILO Units:	ROAP, DWT-New Delhi
Target group	Refugee Returnees, IDPs and their host communities.
Implementing Partners	MOLSA, Provincial Department of Economy, Employers Organization, Workers Organization and Provincial Department of Women Affairs.
Geographic focus	Mazar-e-Sharif, Balkh Province, Afghanistan
Timing of evaluation	10 October 2021 up to 30 November 2021
Type of Evaluation	Internal Mid-term evaluation
Name of Project	A Road to Decent Jobs for All Afghans
Project TC Code	AFG/20/01/USA

EXECUTIVE SUMMARY

The Road to Decent Jobs for All Afghans (R2DJ4ALL) project is a two-year project implemented by the International Labour Organization (ILO) in Balkh Province with funding from the U.S. Department of States (USDoS). The first year of implementation funding from 1 September 2020 to 31 August 2021 was USD \$967,817. The project designed partnerships with local businesses run by and/or employed returnee refugees in opportunity-driven value chains. Following good practice in an MSD project, a monitoring and results measurement (MRM) system was established based on the Donor Conference on Enterprise Development (DCED) principles to support measuring performance and inform key decisions.

The project was guided by two objectives:

Objective 1: More Afghan refugee returnees have accessed income-earning opportunities in high-potential economic sectors

Objective 2: Afghans, especially women, refugee returnees and IDPs are in safe and dignifying employment in competitive and resilient value chains.

It targeted returnees, internally displaced persons (IDPs) and their host communities in and around Mazar-I-Sharif with the intention of supporting them secure their livelihoods by accessing decent employment opportunities.

Present Situation of the Project

In Afghanistan, the project team is comprised of the Project Manager, and MRM Officer, a Local Economic Development (LED) Coordinator, an Administration and Finance Assistant as well as a Security Assistant working under the supervision of the ILO Senior Coordinator for Afghanistan. From the decent work team (DWT) in New Delhi, backstopping support was provided by an Occupation Safety and Health (OSH) Specialist and Child Labour Specialist. While the technical backstopping from headquarters small and medium enterprises division was provided by the Global Coordinator and a Technical Officer.

The project engaged several stakeholders at different levels, including the Department of Labour and Social Affairs (DoLSA), Department of Women's Affairs (DOWA), Department of Commerce and Industry (DoCI), Afghanistan Women's Chamber of Commerce and Industry (AWCCI), Balkh Chamber of Commerce and Industry (BCCI) and the National Union of Afghanistan Workers and Employees (NUAWE). These were part of the year one Project Advisory Committee (PAC).

The members of the PAC played an important role in the shortlisting and selection of enterprises that were supported by the project. The PAC was presented with fifty business proposals to review from the private sector that would be considered for support and using a set of criteria, and they selected eleven. The businesses were selected from critical value chains following a rapid market appraisal (RMA) conducted in the project's first three months, which made up the inception phase. These value chains included carpet weaving, wool spinning, handicrafts, soap making, poultry rearing, confectionary, mobile phone repairs and financial services.

Purpose, scope and clients of the evaluation

The evaluation was conducted as part of an exercise in understanding the relevance of the project, its interventions and approach in achieving the stated objectives. The evaluation was conducted as an action research activity intended to inform intervention design for the second year of programming. It identified challenges and opportunities for future interventions that would lead to building more resilient value chains in the wake of the changing political and economic landscape.

It leveraged project staff and an external evaluation team that did not have prior involvement in the implementation of the project to provide an insider and outsider perspective to reflect on second-year programming. Throughout the evaluation process, the evaluation team conferred with key stakeholders, including tripartite constituents, implementing partners, the funding partner, private sector partners, and the ILO Office in Kabul. Given the operating context, the evaluation was conducted virtually with an in-person team member in Afghanistan who provided translation and local knowledge support.

Methodology of evaluation

The evaluation methodology followed a four-phase structure to the analysis and learning process. Following contract finalization with the ILO, the team provided the steps below for the rollout of the assignment. Then, following an endorsement from the ILO team, the work commenced.

The assignment started with a meeting with the ILO Kabul team to establish consensus on the methodology, scope of work, timeline, framework for analysis and assessment of project interventions designed to generate valid, generalizable lessons for the R2DJ4All and its partners. The desk research was conducted using materials provided by the project staff. The documentation included the project proposal, the inception report, quarterly reports, markets systems analysis for the carpet value chain, rapid market appraisal report, the DWCP, intervention guides, the MRM manual and the project's baseline report, among others.

The desk review was followed by primary data collection through a series of interviews with key project stakeholders, including project staff, beneficiaries, members of the PAC, the donor and implementing partners. This included key informant interviews with 13 stakeholders and a focus group discussion with 10 SMEs who were among the key beneficiaries. The interviews were conducted virtually over Zoom, Whatsapp and Google meet. The evaluation paid attention to gender considerations and cultural sensitivity in arranging the interviews as well as interactions with interviewees. The interviews with market actors and other project stakeholders led the evaluation team to generate and triangulate an understanding of the context, constraints, and opportunities for further programming.

The analysis of the findings used the lens of the five evaluation principles of the ILO, that emphasize understanding relevance, validity of the project design, effectiveness, efficiency and sustainability of the project.

Main Findings & Conclusions

Relevance: All key stakeholders indicated general satisfaction with the project's design and performance. Members of the PAC indicated that the project addresses important issues in private sector development and employment promotion in Balkh province. The donor expressed satisfaction with the performance of the project in meeting the needs of the beneficiaries. The approach to targeting women returnees and IDPs in high potential value chains received wide support from stakeholders as carpet weaving and handicrafts, for example, are considered growth sectors in the country. The value chains supported by the project saw an increase in employment opportunities and the training provided improved working conditions among the SMEs.

Validity of the project design: The project design requires some revision to make it more coherent through improvements in elaborating the theory of change (ToC). The ToC indicated several 'push' and 'pull' interventions, but the causal relationship is not entirely clear. For example, how does working with carpet weavers lead to improved enterprise performance changes. While the logic might be easy for the project team, the illustration must include more detail for other stakeholders to follow the logic. Additional detail is essential to illustrate how specific actions will lead to expected changes at the enterprise and market level required to achieve systemic change.

Moving into year two of implementation, the project must review the ToC to determine if the logic and assumptions followed in year one still apply and what changes in approach are required to adapt to the new economic and political reality.

Effectiveness: One key achievement of the project was that it successfully put in place a PAC that is inclusive of key stakeholders and has a good representation of women. The project has succeeded in gaining support and commitment from key stakeholders, especially those in the PAC. However, there is a potential moral hazard because some members of the PAC are also implementing partners which could undermine their oversight role.

Implementation of interventions under Objective 1 of the project is largely on track. Three of the outputs that include the tripartite-based sector selection and training in entrepreneurship and technical skills development outputs are on course to being achieved. The promotion of collective entrepreneurship and social cohesion between refugee returnees and host communities' output is yet to be implemented. It is doubtful if this output will be implemented considering that not all the returnees and IDPs have a host community since a number of the settlements are practically new.

The project has effectively delivered some of the planned outputs under Objective 2. A rapid market appraisal was conducted during the inception phase that led to the identification of priority sectors. Fifty business proposals were received and eleven were selected to receive support, which exceeded the target to support seven SMEs. Stakeholder feedback is that implementation is on track to reach completion by the end of year two as long as the security and economic situation improve and become more predictable.

Efficiency: Despite the lean team and the challenges posed by the Covid-19 pandemic and the armed conflict that led up to the change in governance on 20 August, the project was able to deliver on its key objectives by working with implementing partners such as the ACCI, BCCI, AWCCI, DoWA and Behtar company and outsourcing monitoring to SIYB Afghanistan. Through building partnership and capacity in local partners and service providers, the project demonstrated its commitment to taking a facilitative approach required in an MSD project. The partners were often able to exceed targets by reaching even more beneficiaries than planned.

The selection of sectors by the project focused on value chains that traditionally enjoy high women's participation and have high growth potential. In most cases, women made up more than 90 percent of beneficiaries, which indicates resources being targeted at them to meet objectives. The funding appears to have been sufficient considering that the project often surpassed expectations regarding year one targets which might not have been possible if funds had been insufficient.

Sustainability: The facilitative approach taken by the project ensured that capacity was built among stakeholders to deliver key services to beneficiaries. This could be seen in the work of ACCI in facilitating ISO standards, the work of BCCI in adapting training materials on OSH and training trainers. Another example is the capacity of SIYB Afghanistan that supported MRM activities and has become familiar with key aspects of results measurement in an MSD approach. Therefore, these partners will have the capacity to deliver key services and support to the enterprises in Mazar-i-Sharif even after the end of the project.

However, following the change in governance, the country has also experienced a mass migration of several key partners who had their capacity built, including BDS providers and coaches who have an essential role in

supporting local SMEs. This situation has compromised the project's sustainability and requires an assessment to determine the skills gaps and training needs to rebuild the needed capacity.

Businesses are putting on hold any decisions requiring a significant investment of resources, including spending money on services to expand or grow their businesses, because they are not sure what new policy changes will be introduced by the de-facto government. This concern is particularly serious among women business owners who have already started to see some restrictions introduced that limit their ability to interact with other market players freely. Therefore, sustainability has become difficult to determine until the political and economic situation stabilizes.

Recommendations

Main recommendations and follow-up

The findings articulated in the evaluation led to the following recommendations:

- Given the country governance situation, ILO should enhance the PAC membership by reducing it to six members and refine their role in raising awareness of the project approach and incentivize them with the reimbursement of administrative and logistical support costs
- Maintain effective adaptive management practices and produce brief practice notes for sharing with the donor and within the ILO
- Conduct a rapid re-assessment of BDS providers to determine which ones are still available and have the right capacity to continue with capacity support to SMEs in Year 2.
- Continue to support SMEs to reach domestic and export markets through digital trade capabilities enhancement (websites, e-commerce support, digital trade events, etc)
- Re-engage financial services providers to identify short and medium-term solutions that would allow SMEs to access funds to meet their operational requirements
- Consider creating a derisking financial facility to serve as a first loss mechanisms to incentive financial services providers to provide financial products to the SMEs
- Continue to support the female participants to have their voices elevated in the project and in the PAC
- Enhance utilization of digital platforms to enhance anonymized female participation in events and project activities

Contents

Executive Summary.....	1
1. Description of the project.....	7
2. Purpose of the evaluation.....	8
2.1 Clients of the evaluation.....	8
2.2 Scope	9
3. Methodology	9
3.1 Project phases and deliverables	9
3.1.1 Inception and literature review.....	9
3.1.2 Interactions with Market Actors and Project Stakeholders for 'deep dive' analysis.....	10
3.1.3 Co-creation with Project Team and Other	10
3.1.4 Report with recommendations	10
3.2 Observations.....	11
3.3 Limitations	11
4. Evaluation Findings	11
4.1 Relevance	11
4.2 Validity of the project design.....	13
4.3 Effectiveness.....	14
4.4 Efficiency of delivery mechanisms.....	16
4.5 Sustainability	19
5. Conclusions and lessons learned	20
6. Recommendations	21

Acronyms

Afghanistan Chamber of Commerce and Industry	ACCI
Afghanistan Women's Chamber of Commerce and Industry	AWCCI
Balkh Chamber of Commerce and Industry	BCCI
Business development service providers	BDS
Decent work country programme	DWCP
Decent work team	DWT
Department of Commerce and Industry	DoCI
Department of Labour and Social Affairs	DoLSA
Department of Women's Affairs	DoWA
Donor Conference on Enterprise Development	DCED
Internally displaced persons	IDPs
International Labour Organization	ILO
International Labour Standards	ILS
International Office of Migration	IOM
Local economic development	LED
Logical framework analysis	LFA
Market systems development	MSD
Monitoring and results measurement	MRM
Occupation safety and health	OSH
Project Advisory Committee	PAC
Rapid market appraisal	RMA
Road to Decent Jobs for All Afghans	R2DJ4ALL
Road to Jobs Project	R2J
Start and improve your business	SIYB
Small and medium enterprises	SME
Theory of change	ToC
United Nations Development Program	UNDP
United Nations High Commission for Refugees	UNHCR
United States Department of State	USDoS

1. DESCRIPTION OF THE PROJECT

The Road to Decent Jobs for All Afghans (R2DJ4ALL) is a two-year project implemented by the International Labour Organization (ILO) in Balkh Province with funding from the US Department of States (USDoS). The first year of implementation was from 1 September 2020 to 31 August 2021, with funding of USD \$967,817. The design and implementation of the project leveraged on the networks, knowledge and successes of the just-completed Road to Jobs (R2J) project also implemented in Balkh province by the ILO, albeit with a focus on different sectors and target groups. The R2DJ4ALL was designed to follow a market systems development (MSD) approach similar to its predecessor. The project developed partnerships with local businesses run by and/or employing returnee refugees and internally displaced persons (IDPs) in opportunity-driven value chains. Following good practice in an MSD project, a monitoring and results measurement (MRM) system was established based on the Donor Conference on Enterprise Development (DCED) principles to support performance measurement and inform key decisions and adaptive management practices.

The project was guided by two objectives:

Objective 1: More Afghan refugee returnees have accessed income-earning opportunities in high-potential economic sectors

Objective 2: Afghans, especially women, refugee returnees and IDPs are in safe and dignifying employment in competitive and resilient value chains.

A particular focus of the project was to target returnees, internally displaced persons (IDPs) and their host communities in and around Mazar-I-Sharif with the intention of supporting them secure their livelihoods by accessing decent employment opportunities.

In Afghanistan, the project team is comprised of the Project Manager, and MRM Officer, a Local Economic Development (LED) Coordinator, an Administration and Finance Assistant as well as a Security Assistant under the supervision of the ILO Senior Coordinator for Afghanistan. From the decent work team (DWT) in New Delhi, backstopping support was provided by an Occupation Safety and Health (OSH) Specialist and Child Labour Specialist. The ILO headquarters' small and medium enterprises (SME) division provided additional technical backstopping through its Global Coordinator and a Technical Officer.

The project engaged several stakeholders at different levels, including the Department of Labour and Social Affairs (DoLSA), Department of Women's Affairs (DOWA), Department of Commerce and Industry (DoCI), Afghanistan Women's Chamber of Commerce and Industry (AWCCI), Balkh Chamber of Commerce and Industry (BCCI) and the National Union of Afghanistan Workers and Employees (NUAWE). These were part of the year one Project Advisory Committee (PAC).

The members of the PAC played an important role in the shortlisting and selection of enterprises that were supported by the project. Following an initial enterprise selection exercise initiated by the project, the PAC insisted on being more fully engaged in project implementation. As a result, they convened on multiple occasions to determine the businesses that would benefit from the economic empowerment and advocacy interventions. Members of the PAC also provided input into the design of the OSH component of the project

that empowered businesses and workers to adapt and protect themselves from the effects of Covid-19 in the workplace.

The PAC was presented with fifty private sector business proposals and selected eleven enterprises using a set of criteria. As part of the project's three months inception phase, eleven businesses were selected from priority value chains following a rapid market appraisal (RMA). These value chains included carpet weaving, wool spinning, handicrafts, soap making, poultry rearing, confectionary, mobile phone repairs and financial services.

2. PURPOSE OF THE EVALUATION

The internal mid-term evaluation followed the guidelines provided in the ILO's evaluation policy with the following two purposes:

- i. Give an assessment of progress to date of the project across all outcomes; assessing performance as per the foreseen targets and indicators of achievements; strategies and implementation modalities chosen; partnership arrangements, constraints and opportunities; and
- ii. Provide strategic and operational recommendations as well as highlight lessons to improve performance and delivery of project results for the second year.

Further, the evaluation team enquired after several other objectives required under the evaluation:

- Assess the relevance and coherence of project's design.
- Assess to what extent the stated objectives and outputs are being achieved and provide an estimate of the status of completion of results (achieved, in progress, pending) and percentage of progress per category (objective, output, activities).
- Assess the external and internal challenges and opportunities for the timely implementation of the project.
- Assess the impacts of COVID-19 and the security situation in the implementation of the project.
- Review the efficiency and effectiveness of the project implementation framework and management arrangements.
- Assess the project's relevance in regard to country needs and how the project is perceived and valued by the target groups.
- Provide recommendations on how to build on the achievements of the project and ensure that the relevant stakeholders sustain it.
- Review and provide recommendations regarding the project's sustainability strategy for the remaining period and suggest avenues for additional activities.
- Document lessons learned and good practices to maximize the experience gained.

2.1 Clients of the evaluation

The primary intended users of the evaluation are ILO Project office in Mazar-e-Sharif, ILO Liaison office for Afghanistan, Government of Afghanistan, Workers' and Employers' organizations, ILO HQ and DWT-New Delhi, PRM, USDOS and ILO Regional Office for Asia and Pacific (ROAP). The evaluation also targets other project stakeholders and partners working to reduce poverty and improve livelihoods, particularly those who are interested in doing so using the market systems approach. Secondary clients include other project

stakeholders (key Ministries, UN agencies, NGO, embassies, etc.) and other units within the ILO that may indirectly benefit from the knowledge generated by the evaluation.

2.2 Scope

This evaluation was conducted as an action research activity intended to inform second-year project intervention design. It leveraged project staff and an external evaluation team that did not have prior involvement in the implementation of the project to provide an insider and outsider perspective to reflect on second-year programming. Throughout the evaluation process, the evaluation team conferred with key stakeholders, including tripartite constituents, implementing partners, the funding partner, private sector partners, and the ILO Office in Kabul. Given the operating context, the evaluation was conducted virtually with an in-person team member in Afghanistan who provided interpretation and local knowledge support.

Given the evolving operating context, the evaluation aimed to support the project team in designing the following year's activities through a co-creation action research process. It also sought to provide clear recommendations on which activities from the year under review can be carried over and built upon to ensure sustainable empowerment of women and what adaptive management measures need to be considered for the next year of the project.

The evaluation was conducted in adherence with the ILO's Evaluation Framework and Strategy, the ILO Guidelines, the UN System Evaluation Standards and Norms, and the OECD/DAC Evaluation Quality Standard. It sought to address the overall ILO evaluation criteria of: (i) relevance, (ii) validity of the project's design (iii) effectiveness, (iv) efficiency, (v) impact orientation, and (vi) sustainability. The evaluation team paid careful attention to the operating context to avoid taking a dogmatic approach about the evaluation guidelines but rather an adaptive and pragmatic approach that considered the dynamic and challenging project operating context to generate meaningful and grounded recommendations.

3. METHODOLOGY

3.1 Project phases and deliverables

The evaluation methodology followed a four-phase structure to the analysis and learning process. Once the team was in place, the approach was shared with the ILO outlining steps below for the rollout of the assignment. Following an endorsement from the ILO team, the work commenced.

3.1.1 Inception and literature review

The assignment started with a meeting with the ILO Kabul team to establish consensus on the methodology, scope of work, timeline, framework for analysis and assessment of project interventions designed to generate valid, generalizable lessons for the R2DJ4AII and its partners. The desk research was conducted using materials provided by the project staff. The documentation included the project proposal, the project inception report, quarterly progress reports, markets systems analysis report for the carpet value chain, rapid market appraisal report, the DWCP, intervention guides, the MRM manual and the project's baseline report, among others.

Deliverable:

- An inception report shared with the project team through a PowerPoint slide deck
- Interview guides for the different stakeholder groups were also shared

3.1.2 Interactions with Market Actors and Project Stakeholders for 'deep dive' analysis

The desk review was followed by primary data collection through a series of interviews with key project stakeholders, including project staff, beneficiaries, members of the PAC, the donor and implementing partners. A full list of people interviewed is contained in Annex I. The interviews were conducted virtually over Zoom, WhatsApp and Googlemeet. The interviews were primarily conducted as key informant interviews using approved interview guides with most project stakeholders for methodological consistency. To gain more in-depth insights on the enterprises, a focus group discussion was conducted with the owners of the private companies supported by the project. The interview tools are included under Annex II. The evaluation team paid attention to gender considerations and cultural sensitivity in arranging the interviews and interactions with interviewees. The interviews with market actors and other project stakeholders led the evaluation team to generate and triangulate an understanding of the context, constraints, and opportunities for further programming in year two.

The analysis of the findings followed the five evaluation principles of the ILO:

- Relevance
- Validity of the project design
- Effectiveness
- Efficiency
- Sustainability

Deliverable

- Preliminary findings and recommendations shared through a PowerPoint slide deck.

3.1.3 Co-creation with Project Team and Other

Following the submission of preliminary findings and recommendations, the evaluation and project teams met for a co-creation session to stress test the preliminary findings and to gauge the evaluation team's grasp of the issues and their contextual relevance. The co-creation session exercise facilitated a discussion of findings and recommendations to explore alternative pathways to sustainable interventions for year two while refining the preliminary recommendations for contextual relevance given the changing operating context. Through the exercise, the evaluation team also obtained several clarifications and additional insights that informed the revision and updating of the findings and recommendations.

Deliverable

- Revised recommendations

3.1.4 Report with recommendations

A detailed report with the recommendations and suggestions for year two programming is now prepared for consideration by the project team and stakeholders. The report contains an executive summary and a detailed report with the findings and recommendations of the evaluation and follows the ILO guidelines for midterm evaluations. It is accompanied by a PowerPoint slide deck for quick reference and use by the project team.

Deliverable

- Evaluation report with recommendations for year two programming

3.2 Observations

In undertaking the internal evaluation, we noted that the ILO project staff were very responsive to requests for documentation and set aside time for interviews. This responsiveness allowed the evaluation team to proceed with the internal evaluation without any major delays and effectively enabled the evaluation to be conducted within a teleworking arrangement. Similarly, members of the PAC, including implementing partners, were also collaborative to requests for interviews and provided valuable insights into the project's operations. The enterprises supported by the project were equally responsive and eager to share their experiences despite the lengthy focus group session. The interview with the donor indicated their willingness to continue supporting the project in meeting its objectives, acknowledgment of the challenging operating context and an appreciation of how the project team remained adaptive and relevant.

3.3 Limitations

As with any evaluation exercise, there will always be limitations. The R2DJ4ALL is no exception. Due to recent political developments in the country, several stakeholders were no longer available for interviews, either because they had left the country or province and, in some cases, were no longer reachable on the numbers saved on the project database. Some stakeholders were unavailable for an interview because of the tight timeframe allocated to conducting interviews. The evaluation team had to strike a balance between reaching all stakeholders and data saturation. It is our considered view that we obtained data saturation from the key informants we covered as the data we were obtaining was becoming repetitive with every subsequent key informant. All in all, we completed all interviews save for one where the interviewee had to leave abruptly for another meeting. Further attempts to follow up on the remaining questions were unsuccessful. In one other case, internet connectivity was an issue that resulted in some information loss during the interview and required flexibility to switch to alternative means of communication depending on which signal was stronger.

4. EVALUATION FINDINGS

This chapter presents the evaluation findings that respond directly to the key evaluation scope, objectives and questions detailed in Chapter 5 of this report. As explained in the methodology chapter, the sources of these findings include the interviews with the donor representatives, ILO staff, other key project stakeholders and a review of key project documents.

4.1 Relevance

The project was found to be relevant vis-à-vis the current and long-term development goals and needs of Afghanistan. The Afghanistan National Peace and Development Framework II (ANPDF II) of 2020 outlines the current and long-term development needs of the country, including the needs and priorities of returnees, IDPs, and the host communities. The ANPDF II's overall guiding principles are set to promote the processes of peacebuilding, state-building and market-building as instruments of nation-building. The R2DJ4All project with its market systems development approach is clearly aligned with the market-building processes of the ANPDF II. In addition, by focusing on facilitating the growth of resilient and adaptive markets, which are, by nature, stakeholder-focused and broad-based, the project is mutually contributing to collaboration and peacebuilding in northern Afghanistan and beyond.

The project's relevance is further confirmed and also evidenced in the project's governance structures, the project's inception and development process, and by its engagements with the targeted beneficiaries. Fragile

contexts always need to be integrative to ensure that interventions do not create tensions amongst key stakeholders and there are no winners and losers introduced by the project. The project entrenched the ILO's tripartite constituents' principles. ILO's participatory tripartite approach included the Ministry of Labour and Social Affairs (MoLSA) and the National Union of Afghanistan Workers and Employees (NUAWE) and the Afghanistan Chamber of Commerce and Investment (ACCI) reflects the socio-economic relevance of its projects, including the R2DJ4All project. Both the NUAWE and the ACCI, representing the workers and employers respectively, are active members of the Project Advisory Committee (PAC). The PAC has taken ownership of the project, from its very onset, to provide strategic guidance and positioning, to such an extent that the project is increasingly playing its rightful role as a facilitator of crowding in the key market actors.

This project is building on the successes and lessons learned of the previous SIDA-funded Road to Jobs project (R2J) project, which confirms the relevance of its objectives among the donor community and the targeted beneficiaries. In this same regard, the evaluation team noted that the project is collaborating with other UN agencies such as the International Office of Migration (IOM), United Nations Development Program (UNDP) and the United Nations High Commission for Refugees (UNHCR). The nature of this collaboration signals a recognition of the potential of the R2DJ4All project's approach to trigger the widespread inclusion of returnees into high-potential economic sectors. The project is in negotiations with the UNDP to undertake further market systems analysis across other economic sectors to explore additional programming possibilities.

The State Department Bureau of Population, Refugees and Migration (PRM) as the project donor, is very supportive of the project as it is aligned to its mission to provide protection, ease suffering, and resolve the plight of persecuted and forcibly displaced people around the world. The plight of the returnees and IDPs in Afghanistan is a priority concern and the PRM is therefore keen on building partnerships and promoting best practices to respond to this situation.

The project was found to be relevant vis-à-vis ILO Afghanistan's DWCP. The DWCP priority 1 explicitly articulates that sustainable livelihoods, incomes and decent work remain among the highest priorities for all Afghans, including returnees, IDPs, and other migrant populations. Outcome 1 of this priority area is about entrepreneurship and enterprise development promotion, while outcome 2 is concerned with skills development. Both these outcomes are focus areas for the R2DJ4All project.

The ubiquitous nature of markets, even in fragile contexts, requires a programming approach that is flexible and adaptable when needed. The MSD approach, as applied in the R2DJ4All project, demonstrated the ILO's flexibility, adaptability and responsiveness to the fragile context and even to the emergent COVID -19 context. The project team, for example, was able to relocate to Kabul and even work remotely when the arising security situation and COVID – 19 health guidelines demanded such. Another example of flexibility and adaptability was the use of external data collectors and the provision of training subsidies through trainers. While the appropriateness of the MSD approach in such fragile or COVID – 19 contexts is proven by the ILO, the norm amongst other implementing organizations is still conventional programming which could undermine the long-term sustainability of the gains made by the ILO. The project, therefore, has an added responsibility to influence other implementers and even donors to consider critical MSD programming principles.

One further area requiring attention is the incorporation of the ACCI. As an umbrella body of all chambers of commerce, the expressed dissatisfaction of the ACCI concerning their assigned project role indicates their limited involvement in project design, which could undermine project relevance for employer organizations,

particularly with such high informality. We recommend a recalibration of the relationship between the project team and the ACCI to enhance the latter's contribution to the project in year 2.

Going into year 2, the question of engaging the new de-facto government is an important one to address as it will have implications on project design adaptation which requires a more considered approach going forward. The fact that the United Nations system has yet to come to a decision on how the officially engage with the de-facto government will impact the project's ability to implement year two activities effectively. By working with social partners and other key stakeholders, solutions could be identified to continue delivery through existing social structures. We recommend that the project continue to engage with the key stakeholders as guided by the UN Country Team.

Key Messages:

- Relevant project design aligned to the Afghanistan's National Peace and Development Framework II (ANPDF II) of 2020
- Tripartism principles integrated into the project design and governance structures
- Building on previous ILO investment in Afghanistan
- Consider the increased involvement of the ACCI to enhance buy in and sustainability
- Country Governance: take the lead from the UNCT to inform engagement with the de-facto government

4.2 Validity of the project design

The evaluation team concluded that the R2DJ4All project design was valid but with some qualifications on the approach. The project was a follow-up to the R2J project which had worked in the carpet sub-sector but not specifically targeted at the returnees or IDPs. The project had therefore reasoned after a rapid market assessment (RMA) that a market system analysis (MSA) study would be necessary to clarify the feasibility of returnees and IDP's participating in the carpet value chain. Considering the knowledge and experiential learning gained by the project team during the R2J project, conducting an MSA study may have been unnecessary and could have saved limited time and resources. Instead, profiling the new target group would have sufficed to design interventions that increased the chances of inclusion of the returnees and IDPs.

The evaluation team noted that the project interventions were somewhat fully defined (e.g. push interventions) even before undertaking the MSA which underscores the point made above on the relevance of the MSA. The MSA itself did not provide new insights to influence changes in the project design. However, additional inquiries pointed out that the R2DJ4All project shifted away from agro-focused sectors to include more craft-related value chains, making undertaking the RMA and MSA necessary. They allowed the project team to validate assumptions and confirm a course of action, which was presented to the new donor and stakeholders to support more evidence-based decision-making.

The project document has a Theory of Change (TOC) but not a fully fleshed Logical Framework Analysis (LFA) matrix. Tracking of progress in the quarterly reports, therefore, follows the key outputs and indicators, but the measurement and reporting of indicators is not fully linked to outputs. Therefore, a review of the LFA matrix will be important to link results to key outputs. In addition, the logic of the causal relationships between elements in the TOC is neither clear nor coherent and the phrasing is inadequate. For example, on the link between the poverty goal and enterprise performance changes needs to be elaborated more. The market system changes are instead phrased as interventions, while the interventions themselves are somewhat vague. A number of the interventions indicated in the TOC have not been implemented such as

‘Technical and vocational skills for self-employment through existing tertiary institutions including local universities, but also with the support of existing MSMEs collaborating with the project’, and ‘Enhancing operations of an existing market-driven agricultural extension service by helping the service reach new clients’. Considering that changes have occurred in the operating assumptions, the team is encouraged to update the results chains to reflect the most practical implementation pathways it is pursuing.

The absence of a detailed measurement plan corresponding with the TOC or a LFA undermines the project design since key design elements such as assumptions and risks could not be evaluated. It is difficult to determine sustainability issues when the project design and strategy require more clarity. Discussions with the project team revealed that they have a clear logic of the design. What may be missing is updates to the intervention logic in the project documentation. The fact that the project team understands the project logic is positive.

The project design should be updated starting with the review of the TOC, especially in light of the changing political economy, the emergent COVID – 19 context and findings of this evaluation. The successes and lessons learned in the first year regarding the most promising interventions and sectors will be critical in this review. The TOC can therefore be more clearly elaborated and explained while the individual interventions can be separately elaborated further, and their results chains and measurement plans developed.

Key Messages:

- A review of the theory of change and logical framework matrix will be essential to link results to key outputs
- Updates are required to the intervention logic in the project documentation in light of the changing political economy, the emergent COVID – 19 context and findings of this evaluation
- The results chains should be updated to reflect the most relevant interventions and those that are no longer practical should be dropped
- Discussions with the project team revealed that they have a clear logic of the design which will be used to make required updates

4.3 Effectiveness

This section reviews project effectiveness, including the effectiveness of project management: the extent to which the outputs have contributed to the immediate objective/outcome. The project has three key objectives that include a project management objective (outcome 0) even if it is not clearly phrased as such. Outcome 0 is not clearly defined in the project document but appears as such in the reports.

A key positive output of outcome 0 was the establishment of the PAC at project inception stage. Additionally, the project has succeeded in gaining support and commitment from key stakeholders, especially those in the PAC. There is a potential moral hazard, however, when PAC members are also project implementers as this double dipping could undermine their oversight role or alternatively create perverse incentives to make decisions that favor their roles as implementers.

There is genuine enthusiasm by all stakeholders towards a successful second year despite the social and political-economy challenges, which is very commendable and demonstrates good stakeholder management by the project and also the relevance of the project. A number of stakeholders engaged, who are anxious about the changing political economy, see the project and especially the ACCI as an avenue for engagement with the authorities regarding the future of their enterprises. The ACCI themselves seem aware of these expectations but would perhaps benefit from more focused capacity support to represent their members' expectations.

The R2DJ4All project is like a glass of water in the desert. It can give hope to the people in times like these.

Hassan Ansari, BCCI

Objective 1: More Afghan refugee returnees have accessed income-earning opportunities in high-potential economic sectors.

This objective aims to improve the capacities of the target population to engage in activities that would guarantee their sustainable livelihoods. The evaluation's assessment is that the project was effective in delivering most of the four planned outputs under this objective.

Three of the outputs include the tripartite-based sector selection, entrepreneurship training and technical skills development are on course to being achieved. Seven sectors were selected (poultry, soap making, confectionery, handicrafts, carpets, wool spinning and mobile phone repairs) through a process of stakeholder engagement that prioritized the sectors with the most programming feasibility and income opportunities for returnees and IDP's. Skills and entrepreneurship training were embedded in a number of the private sector partnerships that were signed by the project. In addition, the project signed partnership agreements with the AWCCI and the BCCI through which entrepreneurship training and OSH training were undertaken.

The project recorded 261 (200 females) beneficiaries who were trained in entrepreneurship by June 2021 against a year 1 target of 300. The year 2 target is to train 600 persons. Based on the systems put in place, it is the evaluation team's considered view that the project will reach the entrepreneurship training targets for both years. 458 (410 females) beneficiaries started their businesses by June 2021 against a year 1 target of 210 and year 2 target of 480. The evaluation team expects the project to reach the project targets for creation of new businesses. 767 (718 females) beneficiaries have been reported to have increased their income earnings by the end of June 2021 against a year 1 target of 1000 beneficiaries. 1, 600 beneficiaries are expected to increase their income in year 2. The evaluation team expects the project to reach its targets of increased incomes targets for both years. A qualification needs to be made that the operating context continues to present challenges. There is a need to focus more on the resilience of the enterprises in addition to increases in income.

The output on promotion of collective entrepreneurship and social cohesion between refugee returnees and host communities is yet to achieve meaningful results. It remains doubtful if this output will be implemented considering that not all the returnees and IDP's have a host community since a number of the settlements are practically new. We recommend the revision of this activity to reflect the unique set of circumstances some IDPs and returnees face in the north of the country.

Objective 2: Afghans, especially women, refugee returnees and IDPs are in safe and dignifying employment in competitive and resilient value chains

This objective aims to improve the availability of opportunities for the target population to ensure sustainable livelihoods, using market-based strategies. The evaluation's assessment is that the project has been partially effective in delivering on the two planned outputs of this objective

The output on participatory local economic development analyses was meant to improve the competitiveness of local firms and attract inward investment. This output is on track with the project is already supporting inclusive businesses and building their capacity to exploit identified market opportunities. Being that sector selection and associated analysis is an output under objective 1, the project undertook an RMA and MSA in its inception phase to understand the market opportunities and high potential value chains. The attraction of inward investment is yet to be achieved and will probably become more difficult following the changes in the political and economic environment. Rather, the project should consider investing in technology and services as building blocks for future investment.

The second output under objective 2 of the project; market facilitation to ensure better opportunities of the target group in priority sectors is well underway and a number of stakeholders felt that this will be fully achieved on condition that the security situation does not escalate to unbearable levels. A total of 50 proposals for partnerships were received out of which 13 were selected and 11 were negotiated, agreed and are being implemented. Seven partnerships were targeted in year one and another 10 in year 2, implying that the project has surpassed the target of business partnerships in year one. It is estimated that 767 jobs have been created from these 11 partnership agreements. This achievement is against a year one target of 700 jobs. The project targets to create 1, 200 jobs by the end of implementation in year two. The high number of applications indicates that there is a high demand for the services offered by the project and its partners.

In addition, the project has recorded a number OSH trainings, with 273 workers benefiting by the end of July 2021. More workers are expected to be reached by the end of the project. Careful consideration will need to be applied in reaching women workers who have constrained public participation in project-facing activities under the new political order.

The evaluation team holds that while the project will be successful in meeting most of the quantitative targets for the outputs under this objective such as numbers of partnership agreements with the private sector, and safe and dignified jobs, the objective might only be partially achieved. The on-going project activities that seem more closely aligned to this objective, such as the work with the DoWA, AWCCI, BCCI and ACCI have not been clearly explained especially at a strategic level. Perhaps a separate intervention covering these works would help to situate and bring more focus to these activities.

Key Messages:

- The project was effective in delivering most of the four planned outputs under the two objectives
- Following the changes in the political and economic environment, the attraction of inward investment is yet to be achieved and will probably become more difficult where the financial sector is becoming more constrained
- Careful consideration will need to be applied in reaching women workers who have constrained public participation in project-facing activities under the new political order.

4.4 Efficiency of delivery mechanisms

Despite the lean team and the challenges posed by the Covid-19 situation and the armed conflict that led up to the change in governance on 20 August 2021, the project was able to deliver on its key objectives by

working with implementing partners such as the ACCI and Behtar company and outsourcing monitoring to a local company. ACCI is one of the tripartite partners of the ILO and the project leveraged its knowledge of the private sector and its networks to facilitate market linkages in the carpet value chain. ACCI facilitated training in ISO certification for six enterprises that the PAC selected to receive support. The training was provided by an Afghan consultancy identified through a call for proposals. The training served to enhance productivity among the carpet producers, including upgrading quality standards and improvements in operational efficiency. Companies that were able to implement changes and reach compliance with ISO standards would qualify to export carpets to high-value markets. Therefore, ACCI facilitated linkages for these companies to a large exporter called Afghan Bazaar, with access to clients in Europe and the US.

Behtar Company is a financial services provider that partnered with the project to provide access to financial services for project beneficiaries. The company specializes in facilitating direct cash transfers and mobile money transactions for different clients from the private, public and development sectors. As a partner of the R2DJ4All project, Behtar company received a grant to provide project beneficiaries with business and financial literacy training. Up to 614 IDPs and returnees received business training and 220 were trained in financial literacy. In addition, 15 beneficiaries were trained using the ILO's start and improve your business (SIYB) package and 15 received business coaching.

The project also worked with BCCI to improve OSH in the workplace following the spread of the Covid-19 pandemic to Afghanistan. BCCI developed OSH training materials in one of the local languages, Dari, with the support of the ILO's Regional Specialist. The training materials were used to train 16 master trainers who went on to train 25 trainers in local businesses. Eighteen local businesses passed on this knowledge by training up to 300 workers. They received financial support to build the capacity of between 500 to 900 companies, including those owned by and employing women IDPs and returnees, in OSH to keep the work environment safe and protect workers from Covid-19. The training also included awareness of children's rights and the importance of eliminating child labour in the value chains.

A partnership with the AWCCI was struck to train 50 women returnees and IDPs and their host communities in entrepreneurship, financial literacy, and business coaching. Once the 50 entrepreneurs were trained, they were ready to access business start-up support grants.

Other partners in implementation were DoWA which was engaged to conduct a campaign to create awareness among men and women on Afghan women's legal, economic, social, political, and civic rights, including their right to be free from all forms of violence and discrimination. DoWA reached 1, 050 people, including 954 women from nine different communities hosting returned and IDPs.

The project engaged a local consulting company, SIYB Afghanistan, to support MRM activities by going into the field to monitor the implementation of agreed activities by the eleven private sector partners. This initiative was an important adaptive management strategy the project took due to the spread of the Covid-19 pandemic and the deteriorating security situation that limited in-person interactions and travel in the field. The company also provided support in other areas, including identifying adaptations required to improve project delivery, keeping track of compliance with Covid-19 protocols, and collecting data against project targets. Delivering through partners appeared to have been cost-effective, with many of these partners exceeding targets in their delivery of services.

Despite the tight timeframe and the added challenges of the Covid-19 pandemic and deteriorating security situation, the project recorded several notable wins. Some achievements and updates on the project are contained in the table below.

Indicators	Target (end-of-project total)	Status
Objective 1. More Afghan refugee returnees have accessed income-earning opportunities in high-potential economic sectors		
Number of enterprises, including farmers, receiving business development or financial services from PRM assistance.	Year 1: 300 Year 2: 600	By the end of June 2021, the project was on track to meet year 1 targets, having trained 250 enterprises, of which 200 were female-owned
Number and percentage of beneficiaries who started their own businesses.	Year 1: 210 (70%) Year 2: 480 (80%)	By June 2021, the project had already exceeded the target of 210 but reached 458 beneficiaries, of which 410 were female.
Number and percentage of program participants, disaggregated by gender and population (refugee, national) who self-report increased income by the end of program period as compared to the pre-program baseline assessment.	Year 1: 1,000 (80%) Year 2: 1,600 (160%)	By July 2021, the project had 767 beneficiaries, of whom 718 were women that reported increased income.
Change in beneficiary income.	Year 1: +15% Year 2: +20%	By June 2021, the project reported that 100% of beneficiaries had experienced an increase in income as many were unemployed before or working in very low-paying jobs. Beneficiaries' income is reported to have increased by \$20 per month on average
Objective 2. Afghans, especially women, refugee returnees and IDPs are in safe and dignifying employment in competitive and resilient value chains		
Number of private sector business partnerships created.	<u>Year 1</u> : 7 <u>Year 2</u> : 10	The project exceeded the target of creating 7 partnerships by reaching 11 instead
Number and percentage of beneficiaries who gained safe and dignifying waged and/or self-employment as a result of R2DJ4All/PRM assistance and private sector business partnerships created.	<u>Year 1</u> : 700 (70%) <u>Year 2</u> : 1,200 (85%)	The project created 950 jobs against, exceeding the 700 planned for year one. This number includes 922 women, of whom 891 were self-employed
Percentage of beneficiaries who report an improved sense of safety and well-being at the end of the program, disaggregated by age and gender.	<u>Year 1</u> : 80% <u>Year 2</u> : 90%	273 workers, among them 243 women received OSH training by June 2021. The percentage is yet to be determined.
Number and percentage of beneficiaries who remain in quality employment for more than 12 months.	<u>Year 1</u> : 600 (60%) <u>Year 2</u> : 1,400 (70%)	It is still early to determine this as the project implementation only started in earnest after the inception phase, therefore, data collection at the end of the 12 months is not available

These results demonstrate that women were the main focus of interventions. The selection of sectors by the project focused on value chains that traditionally enjoy high women's participation and have high growth potential. Therefore, the project is on track to meet its gender-related objectives. In most cases, women made up more than 90 percent of beneficiaries, which indicates resources being targeted at them to meet objectives.

The funding allocated to these activities appears to have been sufficient considering that the project often surpassed expectations regarding year one targets which might not have been possible if funds had been inadequate. The timeframes at first seemed very ambitious, considering the delayed start of implementation following a three-month inception phase. However, by working with several partners who implemented several components of the project, the project team demonstrated ingenuity to leverage market actors to deliver in a tight timeframe.

Key Messages:

- Delivering through partners appeared to have been cost-effective, with many of these partners exceeding targets in their delivery of services.
- The results achieved so far demonstrate that the project was able to create inclusive spaces for women returned and IDPs to participate in the economic life of their communities
- Engaging a service provider to support monitoring activities was an important adaptive management strategy the project took due to the spread of the Covid-19 pandemic and the deteriorating security situation that limited in-person interactions and travel in the field.

4.5 Sustainability

The facilitative approach taken by the project ensured that capacity was built among stakeholders to deliver key services to beneficiaries. This approach could be seen in the work of ACCI in facilitating ISO standards, the work of BCCI in adapting training materials on OSH and training trainers. Another example is the capacity of SIYB Afghanistan that supported MRM activities and has become familiar with key aspects of results measurement in an MSD approach. Therefore, these partners will have the capacity to deliver key services and support to the enterprises in Mazar-i-Sharif even after the end of the project.

The initial response among project beneficiaries is also positive as there were reports of high demand for the services of the business development service providers (BDS). What remains to be seen is the capacity of beneficiaries to pay for services without the support of the project as this will be a key part of determining sustainability. Services should not only be available and in demand but also perceived to be essential enough for businesses to spend their own funds to access them. In stating the sustainability imperatives, we also bear in mind the disadvantaged starting point of the project beneficiaries and contend that two years may too short to reach the sustainability objective.

However, following the change in governance, the country has also experienced a mass migration of several key partners who had their capacity built, including BDS providers and coaches who have an essential role in

supporting local SMEs. This situation has compromised the project's sustainability and requires an assessment to determine the skills gaps and training needs to rebuild the needed capacity.

Further, the new political and economic environment has led to an increase in risk aversion among businesses which makes it difficult to determine how sustainable the interventions will be going forward. Businesses are putting on hold any decisions requiring a significant investment in resources, including spending money on services to expand or grow their businesses, because they are not sure what new policy changes will be introduced by the de-facto government. This concern is particularly serious among women business owners who have already started to see some restrictions introduced that limit their ability to interact with other market players freely. The uncertainty and concerns for security resulted in many businesses suspending operations for several weeks and many reported only resuming operations at the beginning of November 2020.

Discussions with SME owners supported by the project revealed that there are some outputs that might be sustainable even with the current challenges. Female-operated SMEs in handicraft and carpet weaving have had to adapt to home-based working arrangements to allow production to continue. However, operations are constrained by the number of equipment such as looms and weaving frames available in each business. Previously, the women worked from the business premises of the weavers where they were able to work together on the same piece of equipment. However, the new work-from-home arrangements require each woman to receive equipment to allow them to work from home with the assistance of family members.

Many businesses are constrained by the new banking restriction that only permits the withdrawal of not more than 5 percent of funds in their accounts and are therefore unable to access funds to purchase additional equipment. The lack of access to own funds but also the need for further investment in additional equipment is a key area for the project to look into going into year two. If this were to be addressed, businesses would be able to continue meeting their production quotas and supplying carpets to the international market.

Key Messages:

- The facilitative approach taken by the project ensured that capacity was built among stakeholders to deliver key services to beneficiaries
- The initial response among project beneficiaries is also positive as there were reports of high demand for the services of the business development service providers
- The capacity of beneficiaries to pay for services without the support of the project will be a key part of determining sustainability
- The new political and economic environment has led to an increase in risk aversion among businesses which makes it difficult to determine how sustainable the interventions will be going forward

5. CONCLUSIONS AND LESSONS LEARNED

The evaluation team concluded that, overall, the R2DJ4All project, after being in operation for almost one year at the time of the evaluation, has enabled more Afghan refugee returnees to access income-earning opportunities in high potential economic activities. It is also on its way to ensuring that Afghans, especially women, refugee returnees, IDPs are in safe and dignifying self/employment in competitive and resilient value chains. It is acknowledged as a very important and relevant project by stakeholders interviewed, especially with the changing political economy. Most implementing partners are looking forward to continued and, if

possible, deepened engagement as the project relevance is amply demonstrated by the changing operating context. The changing political economy, while posing a threat to the project, calls for even more flexibility, adaptability and a facilitative approach that relies more on local actors.

These are identified as lessons learned and good practices.

5.1 Relevance of the MSD Approach in Fragile Contexts

The MSD approach is appropriate even in fragile contexts such as the Balkh province in Afghanistan. In such contexts, the norm has been to have a conventional approach to programming and yet, this context requires a more flexible approach that is adaptive and responsive to changes. The fact that the project has continued to be implemented amidst security issues, the political economy changes and the COVID – 19 emergence testifies to this. On the other hand, the work that the project is doing with the DoWA, AWCCI, BCCI and ACCI concerning that Afghans, especially women, work in safe and dignifying employment may not strictly adhere to a pure MSD approach, yet it is critical work in this context and must continue being done. ILO has been innovative in tackling a different market quadrant of the most fragile target group, in a fragile context, and applying MSD while integrating decent work principles.

5.2 Importance of Project Inception Phase

Project planning is a critical process and a number of projects are overly ambitious at the planning stage. However, the inception phase is an opportunity to review the project plans and ensure that it is realistic and feasible as the project transitions into implementation. While this is not a new lesson, the ILO has been effective in using the inception phase to build on previous investments and also to customize the project design to suit the target group and implementing partners. This has been identified as a good project management practice.

5.3 Building Tripartism Principles in MSD

The projects establishment of the Project Advisory Committee (PAC) at the very beginning of the project and the expansion of the PAC Terms of Reference (TOR) to respond to the context and ensure project ownership has been critical to the success of the project even when amidst the deteriorating security and changing political economy. Further, the PAC's added role to review and recommend business proposals to be supported by the project enabled the project to reconcile the ILO's requirement for competitive bidding principles in contracting such private sector partnerships while entrenching tripartism in MSD. The ILO is advised to adopt such a practice as a standard operating procedure (SOP) for MSD projects that have at times struggled to meet the competitive bidding principle.

6. RECOMMENDATIONS

In view of the evidence presented above and our interactions with the stakeholders, we advance the following recommendations for the project team's consideration.

6.1 Continue with the project design with some adjustments

As articulated before, the evaluation team has assessed the project to be on course to achieve its objectives. The changing political economy context, emergent COVID -19 context and the lessons learned from year one should, however, be factored into year 2 to guarantee the project's continued success.

We recommend that the R2J4ALL should:

- Review of the project theory of change to clarify the strategic objectives at all levels, translation of the theory of change and market system changes into key intervention areas. This clarification of objectives should consider the feasibility of such objectives in light of the changing political economy, the security situation, COVID – 19 contexts and the lessons learned from year 1.
- The activities of the DoWA, AWCCI, BCCI and ACCI may need to be reviewed and possibly re-structured as a separate intervention contributing to objective 2 of the project.
- The project should continue to focus on the most promising economic sectors bearing the lessons learned from year 1 to ensure efficiency in resource use

6.2 Continue and sustain project awareness amongst key stakeholders

Going into Year 2, the project needs to adapt to the new political context as it has an impact on tripartism and the project's ability to deliver. A PAC member, ACCI, indicated an interest for greater involvement in the project design and implementation. In a fast-changing operating context, it is important to overcommunicate to ensure the alignment of objectives and have as many communication outlets as possible to avoid being misunderstood.

We recommend that the R2J4ALL should:

- Continue engaging project stakeholders in the community to avoid misunderstandings of the project and to promote acceptance of the wider approach
- Given the country governance situation, ILO should enhance the PAC membership by reducing it to six members
- Enhance the PAC members' role in raising awareness of the project approach for them to advocate the project approach with their constituencies
- Incentivize the PAC members with the reimbursement of administrative and logistical support costs to acknowledge the value of their services and sustain their efforts
- Reconsider the tripartite partners' roles to enhance ownership and sustainability. This approach may mean going over the mandate of the tripartite members on the project, recalibration of expectations and roles and responsibilities going forward.

6.3 Maintain donor relations management and fundraise for project expansion in view of expanded needs

The donor was happy with the manner in which the ILO team was transparent and communicative about the project realities and alternative mechanisms for solving emerging challenges. We recommend that the R2J4ALL should:

- Maintain its effective communication with the client
- Maintain its effective adaptive management practices and produce brief practice notes for sharing with the donor and within the ILO as learning pieces for consideration in other fragile contexts.

6.4 Re-asses BDS provider market to determine which ones are still available to continue with capacity building activities in Year 2.

Following the changes in the operating context, it is not clear which BDS market actors are still active in the market and if they have the requisite capacity to service the SMEs requirements.

The evaluation team recommends that the R2J4ALL should:

- Conduct a rapid re-assessment of BDS providers to determine which ones are still available and have the right capacity to continue with capacity support to SMEs in Year 2.

- Where there are BDS providers requiring additional capacity, the project should facilitate this capacity development
- New innovative approaches to keep women engaged in their enterprise activities are required. One such approach is to create a two-tier training system focusing on female owners and another focusing on males by supporting them to adapt to the changing modus operandi in the country
- Continue to support the SMEs with domestic and export marketing efforts through digital trade capabilities enhancement (websites, e-commerce support, digital trade events, etc)

6.5 Enhance SMEs Access to finance

The collapse of the financial system has created uncertainty and risk aversion on the supply and demand side alike. Access to finance has therefore become limited.

We recommend that the R2J4ALL should:

- Re-engage financial services providers to identify short and medium-term solutions that would allow SMEs to access funds to meet their operational requirements
- Consider creating a derisking financial facility to serve as a first loss mechanism to incentivize financial services providers to provide financial products to the SMEs

6.6 Adopt a deliberate women's participation approach

Some notable achievements were scored by the project, with regards to female participation, in year one of implementation, with some targets being surpassed in the delivery of activities. However, the changing political and economic environment will require several changes to the approach in year two. The evaluation team recommends that the R2J4ALL should:

- Continue to support the female stakeholders to have their voices elevated in the project and in the PAC. Some considerations can be given to:
 - Having proxy representations and running of co-creation consultation sessions with female participants ahead of key meetings/decisions
 - Creating parallel structures where women deliberate on issues and feed them to the project team
 - Enhancing the utilization of digital platforms to enhance anonymized female participation in events and project activities

6.7 Scale up the project to other parts of the country where the MSD approach has yet to be introduced

Several project stakeholders considered this project relevant for the rest of the country. Repeated requests were made to the evaluation team from several project stakeholders who believe that the project and its predecessor has generated significant evidence to justify expanding the implementation of interventions to other parts of the country where high potential value chains can lead to employment creation. The evaluation team recommends that the R2J4ALL should:

- Make a case with donors to provide additional funds to roll out the project to other provinces
- Engage development partners in other provinces developing or implementing livelihoods and economic recovery programmes to encourage them to adopt the MSD approach

6.8 Re-engage in proactive stakeholder's communication, including the new Governor of Balkh Province

We cautiously advance this recommendation and suggest that any further action on it should be under the guidance of the UNCT in Afghanistan. Considering that year two of the project has received the green light from the donor, there is a need to start to engage the de-facto government to understand their position on several aspects of governance and policy that will affect project implementation. Gaining an understanding of their priorities for the province and the role of the private sector in economic recovery will allow the project to identify areas where the approach to implementation should adapt to the new environment. Further, the project can also be used as a platform for dialogue in the spirit of tripartism. As a project that targets improving access to decent employment for women in the labour market, it will be crucial to get a clear position from the de-facto government on what is permissible for women to do as they conduct their businesses. Getting a firm position will be reassuring to the women to continue running their businesses and plan for future investments.