



# Evaluation Summaries

## Evaluation: Local Economic Recovery: Rebuilding Livelihoods & Employment Opportunities

### Quick Facts

**Countries:** Indonesia

**Mid-Term Evaluation:** October 2006

**Mode of Evaluation:** Independent

**Technical Area:** Employment creation,  
business development

**Evaluation Management:** Asia

**Evaluation Team:** Lotta Nycander and Lily  
Puspasari

**Project Start:** February 2005

**Project End:** February 2008

**Project Code:** INS/05/07/FIN

**Donor:** Finland (2,400,000 US\$)

### Background & Context

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

In February 2005, the ILO commenced an emergency employment service programme in Banda Aceh. Subsequently, short cycle skills training for both bricks layers and debris-removal supervisors, specific activities targeting young people, labour-based infrastructure rehabilitation, basic crash-courses in English, and other skills training and enterprise development support programmes including micro finance were conducted until August 2005. Gradually, from a range of separate projects funded by different donors, the Aceh Programme became a more fully integrated programme.

The overall objective states: “Acehnese women and men in specific communities in

the areas more severely affected recover sustainable livelihoods”.

The immediate objectives were to identify strategic economic sectors and gaps in value chain through SWOT analysis, and to outline measures to improve economic competitiveness and efficiency of the main sectors in the frame of economic recovery/development in 3 areas; to execute a local economic recovery project in the tsunami affected areas; and to strengthen the cooperation of the ILO and the Kecamatan Development Programme (KDP) of the World Bank (WB) in Aceh.

#### Present situation of project

Currently, the project consists of six technical components: employment services, vocational training, enterprise development and micro finance services, local resource-based rural infrastructure rehabilitation, prevention of child labour, and local economic development.

#### Purpose, scope and objectives of the evaluation

The evaluation was conducted in order to determine achievements and problems of the project; as well as activities and outcomes of the Local Economic Recovery/Development (LER/LED) Project. The project design and logical framework elements and the LED project framework, the project’s utilisation of funds and delivery rates were also subject to review and discussion, as well as the perceived functioning of the Programme Management Unit (PMU) in Aceh.

## Methodology of evaluation

The evaluation reviewed project documents, reports and correspondence and applied a mix of in-depth interviews with individuals and focus groups discussions with project primary and secondary beneficiaries, such as NGO community facilitators and trainees of various training events; ILO staff and consultants and representatives of partner organisations (government, private sector and civil society). A questionnaire was designed to gauge the staff's perception on the PMU's functioning in Aceh.

## Main Findings & Conclusions

A key challenge of the project is to strengthen local capacity for medium- and longer-term economic development. Since the ILO established that economic aid could only be given to the people who already had their basic needs recovered, and that effective economic recovery at the community level would require intermediary organisations with certain level of institutional capacity and expertise. Such local organisations were few in Aceh and received many requests for partnerships, making it difficult to determine the amount of funding they were able to manage.

**Quality of outputs:** 8 project outputs were formulated, of which five are either too broad, phrased as vague objectives, or as activities.

**Indicators of achievement:** No indicators were found in the Project Steering Document (Concept Note), or in the two LER/LED Work Plans.

**Assumptions:** No assumptions have been formulated. For a project implemented in Aceh, risks to a successful implementation would be particularly important to define.

**Job creation in six villages:** The LER component at village level has addressed the needs to recover economic activities, improve the livelihoods of men and women and recreate a social dialogue among local stakeholders. The project has availed direct support in the form of grants (in kind) combined with "start and improve your business" (SIYB) training. The project

management informed that 2.4 jobs on average were created for every grant delivered. This support has provided opportunities for income generation and imparted skills and knowledge.

**Gender concerns:** While addressing women's concerns, the project does not have an explicit gender strategy.

**Determining poverty levels/status:** 'Income' has been used as a determining factor regarding socio-economic status as well as participatory mapping exercises in the villages to determine socio-economic categorisation and eligibility for project support. However, no documents describe the process or result of the poverty mapping.

**Application of LER/LED approaches:** Training approaches have been applied in a sound way in workshops using expertise on LED training methodologies. These workshops managed to engage the designated stakeholders from public, private sectors and civil society. Training at the Turin training centre, and in several workshops, was highly appreciated and will serve as a motivating factor to continue engagement on LED in Aceh. The project has been less successful so far in following up what has been started.

**Local Economic Recovery (LER) – direct support in six villages:** The project has made efforts to engage in a participatory community process, provide grants and SIYB training. It concentrates on people who operated a small enterprise before the tsunami, enabling them to reach at least their former socio-economic level. The nomination/selection of persons to receive training is directed directly by the "communities".

**Integrated support and cooperation with others:** The ideal integrated ILO-LED approach does not come across strongly in the project to date. In Nias, some difficulties were reported to have been encountered in the ILO's collaboration with the Food and Agriculture Organization (FAO).

**Cooperation with the KDP and WB:** The KDP is willing to stick with the Memorandum of Understanding (MoU) drawn up with the ILO/LED, but there are signs of confusion

about the exact product, quality level, purpose and target audience.

**Meuraxa Home Based Improvements Units:**

The evaluation found that the basic idea to assist returnees to tsunami hit areas in starting up their small businesses through provision of tailor-made economic units (attachments to their newly built houses) is a good idea since it could prove to be the very incentive that brings people back from the shelters. There could, thus, be great potential for replication of these ideas in other post crisis areas and interventions. The evaluation has expressed its concern about the link to micro finance.

**Programme Management Unit (PMU):** The introduction of a PMU into Aceh has greatly enhanced the effectiveness of programme administration. As a consequence, the ability of technical staff to perform their tasks has been facilitated. Concerns regard the following:

The PM's area of responsibility and workload are substantial, there is a multitude of tasks undertaken by the PM. The majority of the staff members do not have previous experience from working with the ILO, thus a lot of knowledge sharing is required with regard to administrative rules and regulation, and procedures to the staff. At the same time, pressing issues do not allow for making necessary administrative investments.

There seemed to be a lack of clear division of task between the PM and the LED project manager.

**Applying a LED strategy in Aceh:** There are many pieces of good work and efforts initiated by the project staff, such as workshops, community mobilisation and discussions to trigger economic growth, using participatory methodologies and developing links to micro finance.

**Sustainability:** In a post-crisis situation/environment, distribution of handouts is probably unavoidable. But for the medium term, a strategy to sustain activities needs to be developed.

## Recommendations & Lessons Learned

Training on comparative economic advantages is useful and should be used in all relevant contexts and should incorporate socio-cultural and gender concerns.

The ILO needs to maintain and strengthen its own comparative advantage in employment/job related areas, and its vast institutional knowledge base on the formal and informal economy, as well as on gender dynamics and strategies. Additional to SIYB, other successful training packages can be used for actors in the informal economy, such as "Get Ahead for Women Entrepreneurs" and "Women's Entrepreneurship Development and Gender Equality" materials.

The ILO should:

- Facilitate direct links between partner organisations
- Facilitate for local partners to cooperate after projects end
- Build partnerships across borders, especially public and private partnerships. The traditional ILO social partners need to be part of the framework.
- Replicate/adapt "models" from the LED project

The "Meuraxa Home Based Economic Development Unit" is an interesting participatory and inter-agency approach, which should be replicated in recovery or post-crisis circumstances. Important learning elements can be used in different development contexts.

**Gender concerns:** An explicit gender strategy should be developed using some of the gender tools developed by the ILO.

**Determining poverty levels/status:** It is important that mechanisms, criteria, and results from participatory exercises are documented and available for learning, transparency and accountability.

**Application of LER/LED approaches:** The project needs to consider that activities for which the end cannot easily be envisaged within February- March 2007 should not be started; unless it is clear that they will be

completed by others and to ensure a certain level of sustainability.

**Local Economic Recovery (LER):** Training and grants delivery should be completed and closed before the end of the year. This should be communicated clearly with local facilitators in order to ensure that what has been learnt in the training is not lost once the grants have come through for business development.

**Integrated support and cooperation with others:** More efforts need to be made to share strategies and plans, and to coordinate activities and gender expertise need to be brought in.

**Applying a LED strategy in Aceh:** A clear strategy for the remainder of the project period of LED is required on how to glue the project pieces together and link the different partners.

**Cooperation with KDP – World Bank:** It needs to be clearly identified what the contents of the cooperation with the KDP should be for the remaining period of LED, also *beyond* the production of manuals and the training to be part of the component.

**Meuraxa Home Based Improvements Units:** More needs to be done to further clarify division of roles and tasks, e.g. how far PM's role stretches and where the LED Project Manager's decision-making, in this case, takes over.

**Documentation & reporting:** It is recommended that the project devotes more efforts in compiling and analysing gender data. This should facilitate the work for the final evaluation but also help the project to reach its own conclusions on accomplishments and gaps.

**Sustainability:** For the LED activities in Aceh, it may be useful to distinguish between sustainability of benefits of an activity and sustainability of the activity itself. The project should be clear in determining what participation really entails and maintain and strengthen ILO's comparative advantage.