



Evaluation Summary



International
Labour
Office

Evaluation
Office

The Lab Phase II – Final independent evaluation

Quick Facts

Countries:	<i>Global</i>
Final Evaluation:	<i>30th October 2020</i>
Evaluation Mode:	<i>Independent</i>
Administrative Office:	<i>ENT/SME</i>
Technical Office:	<i>ENT/SME</i>
Evaluation Manager:	<i>Matilda Dahlquist</i>
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Project Code:	<i>GLO/17/06/CHE</i>
Donor(s) & Budget:	<i>SECO (CHF 2,000,000)</i>
Keywords:	<i>Decent work, market systems development, value chain development</i>

Background & Context

Summary of the project purpose, logic and structure

The purpose of Lab 2 is to institutionalise and mainstream a market systems approach to decent work, both inside and outside the ILO. The rationale for this is that by working to improve market systems, development projects will be able to deliver more and better jobs, more sustainably.

The Lab is a global project whose objectives are to generate, disseminate and institutionalise knowledge that plugs key gaps, and to show through its work with project partners, how sustainable market systems solutions can be delivered to improve working conditions.

The Lab targets three key beneficiary communities with research findings and support to apply a market systems approach to decent work: the ILO, SECO and the wider market systems development (MSD) community.

Present Situation of the Project

The project began implementation of its second and final phase in October 2017 and it is due to finish in December 2020.

Purpose, scope and clients of the evaluation

The dual goals of this evaluation are accountability and learning. The evaluation covers the whole period of Lab 2, from its design in early 2017 through to the present. The primary clients are SECO and the ILO, including the Lab project team and the wider ENTERPRISES department.

Methodology of evaluation

Information was collected using four methods: a self-assessment exercise, a review of the project documents, website and MRM data, an anonymous online survey, and remote semi-structured interviews. These methods were chosen to address the evaluation questions in a way that captured a wide range of perspectives, allowed for both anonymous and situated responses, and enabled triangulation between sources, methods and types of data (e.g. qualitative and quantitative). Questions relating to gender equality and other cross-cutting themes were addressed through questions on the survey and in interviews.

Main Findings & Conclusions

Relevance and strategic fit

Lab 2's objectives were found to be highly relevant to the ILO. Its objectives contribute directly to SDG 8 and to the ILO's Programme and Budget Outcome 4. The Lab's efforts to promote sustainability, scale, analysis-driven intervention design, adaptive management, and rigorous measurement are important for meeting donors' expectations and achieving programme objectives in the ILO.

The Lab was also found to have both leveraged and built the ILO's comparative advantage by uniquely positioning itself to leverage the ILO's credibility, networks and technical knowledge about decent work whilst simultaneously drawing on the MSD community's expertise on systems development. Through its relationships in the MSD community, the Lab built the ILO's credibility in arenas where it has not traditionally had a strong presence. In doing so it positioned the ILO as the sole multilateral with MSD competency – a point that is of notable importance to funders who want to increase their MSD programming.

The Lab's niche focus on the application of market systems approaches to decent work also made it highly relevant to the wider MSD community, where increasing interest in systemic approaches to development and a growing emphasis on decent work in donor agendas have led to demand for knowledge about this.

The Lab's objectives were found to be consistent with SECO's needs but had less relevance to non-MSD SECO-funded project partners.

Objectives and strategy

A key finding with respect to Lab 2's objectives is that the feasibility of sustainably embedding the Lab's methods and knowledge in the ILO was constrained by incentives and capacity in the organisation. Lab 2 showed that it is possible to have an influence by generating, disseminating and supporting the application of knowledge about MSD, but given the institutional context it

was unrealistic to expect that Lab 2 could mainstream or institutionalise the approach across the ILO within a timeframe of three years. More rigorous communication between the ILO and SECO during the design phase about the Lab's objectives would have been valuable. The original project strategy would also have benefited from a more clearly articulated Theory of Change (ToC) that showed the expected pathways of change, a narrower set of objectives, and a more explicit vision for sustainability.

Progress and effectiveness

Lab 2 has performed very well against its logframe indicators. Its achievements represent a remarkable level of productivity relative to resources, particularly given that the Lab built a reputation for a high-level of technical expertise, for producing well-written, accessible publications and for running dynamic, engaging and relevant in-person events and trainings. Across thirty-six interviews, there was near unanimous praise for the exceptional quality of the Lab's work.

Although most respondents assessed Lab 2 to have low visibility across the ILO, relative to its size, resources, and institutional influence it achieved a fair level of visibility. This is growing thanks to a revitalised communication strategy in the second half of Lab 2 which has proved effective.

The Lab has had an impact in the ILO. There is increasing awareness of the market systems approach in the ILO, and in parts of the organisation, the level of knowledge about and interest in market systems approaches has grown significantly. There are early signs of ownership within these 'pockets' of interest and capacity.

Tracing the Lab's 'success stories' shows that the most meaningful examples of influence have come through relationships with individuals for whom the market systems approach can solve a problem or add value to their agenda, rather than through formal institutional agreements. It also shows that building these relationships, supporting the adoption and adaptation of the approach needed to foster independent ownership and investment,

and facilitating the organic spread of the approach takes time. Lab 2 has been most effective when it has adapted its strategy to accommodate these realities.

The Lab has added significant value to debates on how a systems approach can be used to address decent work deficits both within and beyond the ILO. It has built a strong reputation and good visibility in the donor community. Strong relationships between Lab 2 and the DCED MSD Working Group have led to fruitful partnerships.

Lab 2 has achieved all three objectives for its work with SECO – publishing a measurement toolkit online, publishing five replicable business models, and providing technical assistance to SECO-funded projects. However, outcomes have not been as impactful as expected. One exception is notable: SECO's standard indicators for the next 4-5-year period are strongly influenced by the Lab's research and will be supported by a how-to guide on measuring job quality.

Lab 2's research and measurement practice was gender-sensitive, but the Lab could have done more to mainstream gender in its work, particularly towards the beginning of Lab 2. More recently, the Lab team have recognised this and addressed it effectively.

One obstacle to progress for Lab 2 was that identifying and managing appropriate project partners was resource intensive. Furthermore, working through partners often involved trying to integrate parts of MSD into non-MSD projects. A successful exception was its work with Road to Jobs. Nonetheless, the Lab has lacked a compelling 'big win' that demonstrates the effectiveness of the approach empirically.

Lab 2 also faced institutional barriers to progress including resistance to their influencing agenda. Strategic responsive pivots based on learning from these obstacles were effective and led to growing momentum in the Lab's visibility and influence within the ILO in the second half of Lab 2.

Impact orientation and sustainability

The Lab has been influential within the ILO by contributing to growing interest and competence in an area which is of direct relevance to the ILO's strategic priorities and of interest to its funders. The active internal ILO-MSD network now has over 100 members and there are multiple examples of practical application of components of MSD across the ILO, especially but not exclusively within the ENTERPRISES department. However, this impact has yet to reach scale or sustainability. Without an ongoing presence and resource like the Lab in the ILO the sustainability of what has been achieved to date is at risk.

In SECO Headquarters there is a growing appetite for incorporating systems thinking in future development programming, as evidenced by SECO's enthusiasm for the Lab's involvement in the future 'Productivity Ecosystem' project. SECO's standard indicators for measuring job quality, built on Lab research, are likely to affect measurement for at least the next 4-5 years. However, as many of the SECO-funded projects that the Lab worked with were not MSD projects, there is minimal evidence of sustainable impact among them.

The Lab has contributed to an improved knowledge base in the wider MSD community on when and how a market systems approach can be used for decent work and has added significant value to debates in the field. This is likely to be sustained, as key players will continue researching and investing in a market systems approach to decent work. But without the Lab's presence and promotion, visibility and the aspects of the ILO's comparative advantage built by the Lab will diminish.

Effectiveness of management arrangements

The quality of the Lab's work is very high and the team themselves are exceptionally well regarded. Collaborators, clients, donor representatives and colleagues alike describe Lab 2 team members as competent, efficient, motivated, dynamic, collaborative, responsive, and good at managing complex sets of relationships well. The team's

technical expertise outstripped their understanding of the ILO as an institution, but this was complemented by the support of colleagues in ENTERPRISES department management. Both technical and institutional knowledge provided critical to Lab 2's progress and effectiveness.

The resources available to the Lab were appropriate relative to its objectives, except that to have a significantly scaled and sustainable influence on the ILO would have required considerably more than three years.

Lab 2's MRM was adequate and supported by good records, but as it was focused on logframe targets, strategic decisions were driven more by the targets themselves than by a theory of change. The team reviewed progress regularly and consistently and in the second half of the project adaptive management led to strategic pivots that have shown early signs of being effective. (The disruption caused by high staff turnover towards the end of the first year is one reason strategic pivots were not made earlier.)

The Lab team adapted well to the COVID-19 pandemic. It did affect progress, but the team pivoted to use the opportunity for knowledge synthesis and dissemination and have been remarkably productive despite the disruption.

Efficiency

Despite the challenges it faced in identifying appropriate partners, Lab 2 was very successful in soliciting co-funding to support project implementation. The vast majority of Lab 2's partners contributed resources to shared activities, amounting to approximately 1.3 million USD – an additional 65% - of project funds. This meant the Lab was able to effectively double its human resources. The project was efficient at using the available resources to deliver quality outputs and the budget was well-managed, which has enabled a three-month no-cost extension.

The biggest mitigation to the question of whether the Lab represents good value for money is the fact that without further investment, many of the results are unlikely to be sustained. This reflects issues of feasibility and strategy rather than efficiency.

Recommendations

Main recommendations and follow-up

- *Recommendation 1: ILO - demonstrate internal ownership of and support for the Lab to donors (high priority)*
- *Recommendation 2: SECO (and other potential donors) - invest funding to retain the Lab in the ILO for the long-term (high priority)*
- *Recommendation 3: Design any future project on a deeper understanding of what is feasible (high priority)*
- *Recommendation 4: Build a detailed Theory of Change into the design of any future project and use it as the basis for adaptive management (high priority)*
- *Recommendation 5: Build on the strategies and tactics that Lab 2 has developed, testing and adapting them where necessary (high priority)*
- *Recommendation 6: Prioritise funds for demonstration (medium priority)*
- *Recommendation 7: Improve recruitment of technical officers for MSD projects (medium priority)*