



# STRENGTHEN2: Employment impact assessment to maximize job creation in Africa

## Independent Midterm evaluation

### Quick Facts

<b>Countries:</b>	Regional Africa
<b>Mid-Term Evaluation:</b>	Nov.2022-April 2023
<b>Evaluation Mode:</b>	Independent
<b>Administrative Office:</b>	DEVINVEST
<b>Technical Office:</b>	DEVINVEST
<b>Evaluation Manager:</b>	Drew Gardiner
<b>Evaluation Consultant(s):</b>	Urs Zollinger, Zurich
<b>Project Code:</b>	GLO/20/19/EUR
<b>Donor(s) &amp; Budget:</b>	European Commission (DG INTPA) (EUR 6,420,000)
<b>Keywords:</b>	Employment impact assessment, Africa

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

STRENGTHEN2 (S2) is a joint initiative of the European Union (EU) and the International Labour Organization (ILO). Launched in August 2020, the project is a strategic partnership with the overall goal of leveraging employment impact assessments (EmpIA) to promote the creation of more and better jobs in countries of Sub-Saharan Africa (SSA).

S2 is helping the EC and its partners to:

- better measure the employment impact of EU investment-support actions by working with the EC itself, with stakeholders in beneficiary countries and with international finance institutions (IFIs) partnering with the EC; and
- identify opportunities for employment generation by analysing specific sectors, value chains, investment projects and initiatives, with an emphasis on the agricultural sector.

Key activities are:

### Background & Context

- at the global level: develop an EmPIA estimation tool, prepare multi-country EmPIA reports, facilitate a methodological exchange on EmPIA among stakeholders;
- at the country level: conduct in-depth project and sector assessments, build EmPIA capacities building and provide policy advice.

The project structure consists of a main office at the ILO headquarters in Geneva and a local office at the ILO regional office in Abidjan. Most team members are based in Geneva. The project duration is four years which ends in July 2024.

### **Present Situation of the Project**

By January 2023 the project had expenditures of USD 2,393,219 (EUR 2,211,238). This reflects a financial delivery rate of 37%. Currently, S2 has activities in eight countries: Cameroon, Côte d'Ivoire, Kenya, Malawi, Namibia, Rwanda, Senegal and Zambia. The S2 team has 11 team members at the moment.

### **Purpose, scope and clients of the evaluation**

The main purpose of this evaluation is to learn from the implementation of S2 until now in order to inform decision making on the further implementation of the project. The main objectives of the MTE are to assess (1) the validity of the project design, (2) the internal and external coherence of S2, (3) progress in achieving planned results, (4) to what extent ILO constituents have benefited from S2, (5) the partnership approach of S2 between ILO and the EC and EUDs, and (6) the strategic relevance of S2 for ILO beyond the project.

The subject of this independent MTE is the project STRENGTHEN2. The evaluation covers the duration of the project since its start in August 2020 until the end of 2022. The evaluation assesses the full geographic coverage at headquarters, regional and country levels.

### **Methodology of evaluation**

In order to assess the project's country-level activities, a country portfolio analysis - based on documents and interviews - was conducted. In addition, three countries were selected for a more in-depth assessment (Malawi, Senegal and Zambia) with additional interviews. In order to assess the project's global and regional-level activities, a document analysis was conducted which was supplemented by interviews with key stakeholders. In order to capture the views of the project team on the global/regional-level activities, a focus group discussion (FGD) was conducted. In order to assess the original and the revised ToCs and the logframe, a comparative analysis of the two versions was conducted.

Arranging interviews in the three countries selected for a more in-depth analysis was a challenge, in particular in Zambia and to some extent in Senegal. This was partly due to the fact that the original data collection phase took place between 12 December 2022 and 13 January 2023, which included the Christmas holiday season.

### **Main Findings & Conclusions**

**Relevance to ILO, the EC and EUDs:** S2 is highly relevant for ILO because it (a) allows ILO to be part of the methodological discussion about Employment Impact Assessments (EmPIA) at the global level; (b) allows ILO to influence the thinking and decision making within the EC, EUDs and International Finance Institutions (IFIs); (c) allows ILO to engage in evidence-based policy dialogue with constituents, in particular national governments; (d) contributes to the institutional capacity building of ILO itself; and (e) has a number of synergies with other ILO activities reflecting also internal coherence. While S2 is highly relevant for the EC, it is of secondary priority for the EUDs. (summary finding 1).

**Logframe and theory of change:** While the revised ToC and logframe are an improvement compared with the original ToC and logframe, they also have shortcomings. It is still difficult to measure outcomes and impact. Moreover, the distinction between the two outcomes (revised version) are not clear-cut as both are set at global and country levels and both outcomes include methodological work. An additional weakness of the S2 design is that it is not clear to what extent the project is expected to cover the entire portfolio of EU-supported investment operations in SSA countries. Finally, both ToC visuals are - for different reasons - not satisfactory and while the narrative of the revised ToC is an improvement, it is still rather complex. (summary finding 2)

**Global level activities:** S2 is making good progress in implementing planned activities at the global level. Progress is particularly visible with regard to the methodological notes; the S2 estimation tool and the facilitation of the exchange among stakeholders on EmPIAs (platform function). Some activities may however not be fully implemented during the duration of the project, i.e., some EmPIA reports and work on the EC monitoring system. (summary finding 3)

**S2 estimation tool:** The work on the S2 estimation tool is seen by all stakeholders as very important. To capture quality dimensions of employment is seen as a key result of S2 and very relevant in the context of ILO's decent work agenda. The availability of ILO labour data to enhance the standard input-output model is seen as a comparative advantage of ILO. However, the tool faces several challenges related to methodology, application, user-friendliness, and competing tools. (summary finding 4).

**Platform function:** The two events organised by S2 at the global level are appreciated by stakeholders. A good dialogue with the IFIs was

established, which is seen as a key achievement of S2. The platform provided by S2 has contributed to an enhanced common understanding of EmPIA. However, while focussing on methodology, the two events had very little focus on SSA as the methodological debate is at the global level. Moreover, other fora to discuss EmPIA exist and the added value of the platform provided by S2 must be demonstrated continuously in order to remain relevant. (summary finding 5).

**Country-level activities:** The S2 project design did not establish in which countries S2 would be operating or in how many countries. Currently, S2 has activities in eight countries. A second cohort of countries - as envisaged in the original design - is not anticipated. Activities are unevenly distributed among countries and more than half are taking place in three countries. While there is progress in terms of the delivery of country-level outputs, they are lagging behind compared with global-level activities. (summary finding 6).

**In-depth assessment, capacity building and policy advice:** The in-depth project EmPIAs and the in-depth sectoral studies are key country-level outputs. They take a substantial share of the S2 team's time. The in-depth EmPIAs are important for S2 as they also allow for testing of different methodologies, but data collection at the country level is a major challenge and takes a lot of time. As of now, trainings on EmPIA conducted in two countries triggered a lot of interest. Stakeholders have different views regarding the role of S2 in policy dialogue. While some see an increasing role for S2, others are more cautious because the dialogue on national employment policies is more seen as ILO's standard role in interacting with ILO constituents. (summary finding 7)

**Engagement of stakeholders and ILO constituents:** The engagement and ownership of stakeholders at the country level varies

significantly and is overall rather limited. Of the ILO constituents, national governments are more involved than social partners. The EUDs' engagement is overall very limited which is a major challenge for the implementation of S2. (summary finding 8)

**Project implementation:** While several factors have affected the timely implementation of S2, the project team have managed to accelerate implementation. However, the well-funded project is still behind in terms of financial delivery. The S2 budget is organised by types of cost of which two thirds are allocated to human resources. Intentionally, there are no budget allocations by country. The project management arrangements are overall assessed favourably, apart from the weak country presence. Performance monitoring is viewed as satisfactory by stakeholders, although there is no monitoring at the outcome level yet. (summary finding 9)

**Gender:** Gender is a central criterion in the S2 EmplIA for both data collection and data analysis. To date, S2 research results show a clear bias towards male employment. (summary finding 10)

**Sustainability:** It is very likely that ILO will continue using EmplIA beyond the project duration. In order for the EC to benefit from S2 beyond the current project lifetime, work on the EC monitoring system needs to start soon and the S2 estimation tool ought to be made available to the EC. It seems rather unlikely that S2 will have a lasting effect on the EUDs in SSA. S2 is, however, likely to have a lasting effect on the methodologies used by some IFIs. Whether national stakeholders will benefit from S2 beyond the project duration is uncertain at this point and will be limited to a few countries. (summary finding 11)

**Main Conclusions:** Overall, S2 is a highly relevant project. The lack of jobs in SSA, in particular for the young, is one of the major challenges of our

times. In order to make the right investment choices, national governments, IFIs, development agencies and companies need evidence. Ex-ante and ex-post employment impact assessments of investments or the assessment of sector employment potential are therefore crucial. ILO is well positioned to engage in EmplIAs. ILO's mandate to promote decent work, the methodological competences with regard to EmplIA and ILO labour statistics provide ILO a comparative advantage. Moreover, as a public, non-profit organization, the work done by S2 is beneficial to ILO constituents globally.

S2 is on the right track and has already achieved a number of valuable results. S2 has the potential to influence the design of investment projects financed by the EC and the EIB which would have a large-scale effect.

S2 faces three main challenges:

- At the global level: It is not clear at this point in time if the EC will be in a position to apply the advanced EmplIA methodologies by the end of the project by July 2024.
- At the country level: The EmplIA capacity building of governments, social partners and EUDs has until now only reached a limited number of stakeholders in few countries.
- At the regional level: The S2 intervention logic does not clearly show how to scale up S2 activities at the regional level - i.e., at the level of SSA.

## Recommendations

### Main recommendations and follow-up

Recommendation 1: Advance the work on the S2 estimation tool and make it available to EC through user-friendly interface.

Recommendation 2: Strengthen the collection of employment data within the EC by improving the

EC monitoring system and by making data collection in investment projects mandatory.

Recommendation 3: Focus on few countries (e.g., three) and make S2 activities in these countries good examples (or even success stories). Clarify S2's role in policy dialogue at the country level.

Recommendation 4: Strengthen the regional dimension of the project. Conduct at least one more portfolio assessment. Consider EmplIA as a topic in the margin of regional events like the EU-Africa Forum.

Recommendation 5: Continue the methodological exchange with the EC and IFIs. Emphasise ILO's comparative advantage by enhancing the standard input-output model with the ILO labour data (ILOSTAT).

Recommendation 6: Use new ToC and logframe and improve the indicators to measure impact and outcomes.

Recommendation 7: Further explore – in the final evaluation of S2 - the difference between the S2 modality (i.e., service provision to a donor) and the other ILO technical cooperation projects.