



Evaluation Summary



International
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“Increased progress in attaining SDGs through the promotion of Decent Work and inclusive economic growth in rural and urban areas in Azerbaijan”

Independent Final Evaluation

Quick Facts

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| Countries: | <i>Azerbaijan</i> |
| Midterm Evaluation: | <i>November 2019</i> |
| Evaluation Mode: | <i>Independent</i> |
| Administrative Office: | <i>ILO DWT/CO Moscow</i> |
| Technical Office: | MULTILATERALS |
| Evaluation Manager: | <i>Irina Sinelina</i> |
| Evaluation Consultant(s): | <i>Ms Leyla Shamchiyeva</i> |
| Project Code: | <i>AZE/16/02/RBS</i> |
| Donor(s) & Budget: | <i>RBSA USD 857,100</i> |
| Keywords: | <i>Decent work, SDGs entrepreneurship promotion</i> |

Background & Context

Summary of the project purpose, logic and structure

The purpose of the project was to assist Azerbaijan in its progress towards the decent work-related Sustainable Development Goals (SDGs). Azerbaijan has committed to achieving the SDGs and established the National Coordination Council for Sustainable Development. To date country has accomplished tangible progress towards the

SDGs, particularly in the area of poverty reduction, sustained economic growth and development and global partnership for sustainable development.

The project benefited from and contributed to programmes in the ILO's wider country and regional portfolio in the framework of the ILO Programme & Budget 2018-2019 and the Decent Work Country Programme 2016-2020. The ILO partnered closely with other UN agencies in Azerbaijan (UNDP and FAO) to jointly promote the SDG agenda and deliver awareness raising and capacity building. This project was one of the key mechanisms to deliver this assistance to constituents in Azerbaijan. Its main objectives were to:

1. Develop capacities of constituents to design and implement policies, programmes and strategies in the realm of youth employment and formalization as the main SDGs accelerators in Azerbaijan.
2. Provide policy advice to strengthen the analytical and reporting capacities of the government to identify the progress and gaps in areas related to decent work agenda and SDG 8.
3. Support the Azerbaijani constituents to actively engage in collaborative mechanisms and partnerships with national and international actors to exchange knowledge and improve the

coordination of the activities aimed at achieving the SDGs.

The project was administered by the ILO Decent Work Team and Country Office for Eastern Europe and Central Asia (DWT/CO Moscow). The technical backstopping and overall management of the project was provided by a Senior Technical Officer based in Baku. The project benefited from part-time secretarial support in Baku and administrative and financial management support from Moscow. The project was implemented in close collaboration with the International Labour Office (ILO) Geneva and International Training Centre (ITC) in Turin.

Present Situation of the Project

The project was completed in November 2019.

Purpose, scope and clients of the evaluation

The purpose of the evaluation was to ensure accountability and support organizational learning. However, two years is not a sufficient timeframe to record any significant outcome-level changes such as the effects of capacity building or policy advice interventions. This limits the level of insight that an evaluation exercise can provide into outcomes achieved or contributed to as a result of RBSA-funded activities and outputs.

The scope of this independent evaluation was review of the action to achieve the Country Programme Outcome (CPO) AZE 101 “Increased progress in attaining SDGs through the promotion of Decent Work and inclusive economic growth in rural and urban areas in Azerbaijan” (referred to as the project) and all its components and throughout the whole duration of the project. This project was funded from the unearmarked voluntary contributions by development partners (RBSA). RBSA is a flexible funding mechanism that is well suited to fund activities that contribute to ILO’s ongoing technical support in the country.

The main clients of this analysis are the ILO management, technical specialists, staff and tripartite constituents.

An independent evaluation of the RBSA project was carried out between October and November

2019 in line with the accountability requirements for RBSA projects with a budget over \$750,000.

The evaluation covered all aspects of project design and implementation, as well as organisational and management arrangements.

The evaluation applied the OECD/DAC evaluation criteria of relevance, efficiency, effectiveness, sustainability and impact potential.

Main Findings & Conclusions

Relevance.

The evaluation found that the activities and results under the CPO AZE101 Increased progress in attaining SDGs through the promotion of Decent Work and inclusive economic growth in rural and urban areas in Azerbaijan (2017-19) were highly relevant to the stated needs of the tripartite constituents in Azerbaijan. The Government was pleased that the project directly responded to the country’s needs and priorities and expressed interest in continued capacity building support and more targeted and tailored programmes in the future.

The project was linked to the ILO P&B Enabling Outcome A Effective knowledge management for the promotion of decent work, and funded through the RBSA funding mechanism. The project proposal was designed by the DWT/CO Moscow and elaborated in consultations with ENTERPRISES, MULTILATERALS, STATISTICS, PARDEV, EMPLAB, RO/EUROPE, ACTRAV, ACT/EMP, and ITC-ILO. The project was further developed in close collaboration with the Government and social partners and fully aligned with the national development framework. The project document specifically refers to “Azerbaijan 2020: Vision into the Future” development concept, “The State Programme on Social and Economic Development of the Regions for 2014-2018” and the National Employment Strategy 2017-2030.

Furthermore, the evidence of the relevance of project activities included explicit requests by, and active involvement of, the intended direct beneficiaries of the project’s activities. The Government requested ILO’s support with

employment promotion activities aimed at youth, women and vulnerable categories of population, development of social protection and labour inspection systems and the ratification of international labour standards. The Employers' Organization requested ILO support to improve its institutional capacity to better serve its members and in the area of sustainable enterprise promotion. The Trade Unions requested the ILO support with the monitoring of progress towards SDG achievement.

Effectiveness. The evaluation found that significant progress was made towards achieving the project's stated objectives:

1. The development of constituents' capacity to support the development of policy framework in the realm of youth employment and formalization:

The project provided extensive support for the Government's agenda on transition to formality, piloted a national self-employment programme and strengthened the public employment services' (PES) capacity to manage and implement rural youth entrepreneurship promotion activities in line with C88.

The project engaged the constituents in several capacity building and knowledge sharing activities around youth employment and formalization strategies, which the interviewed tripartite stakeholders found to be enriching and useful. A tripartite conference on international labour standards jointly organized by ILO and the Government of Azerbaijan emphasised the role of international labour standards in combating informality and realisation of the SDGs.

The ILO produced a research paper on Supporting the Transition from the Informal to Formal Economy in Azerbaijan. The paper generated great interest among the stakeholders and received much feedback.

A tripartite round table was held on compliance strategy for informal economy and formalization in Azerbaijan as a part of a larger event on the ILO approach to strategic compliance planning.

Particularly popular was the ILO-offered Start and Improve Your Business training programme, which in Azerbaijan was targeted at rural youth.

One of the objectives of this training programme was to educate young entrepreneurs on business regulation as a means of curbing informality. The capacity development aspect of SIYB training of trainers (ToT) was regarded as especially promising, though there are still issues with consistency in quality of training delivered by trainers. The programme is at an early stage of implementation with new trainers not yet ready to be certified as formal SIYB service providers. The main recipients of the ToT were the employers' organization staff and consultants who will eventually provide SIYB training services to the Government in the framework of state entrepreneurship promotion programme.

The project's concerted activities aimed at improving the constituents' capacity to support the development of policy framework on youth employment and formalization are therefore highly likely to be successful and lead to lasting impact.

2. The development of Government's capacity to identify the progress and gaps in areas related to the Decent Work agenda and SDGs:

It is difficult to conduct an evidence-based assessment of the Government's capacity to analyse progress towards decent work agenda and the SDGs, considering the short lifespan of the RBSA project. In the interviews, MLSPP expressed confidence that the ILO-provided training that the Ministry's staff received was beneficial and strengthened the Government's ability to conduct quality progress assessments but that there is a need in continued technical support in the area of international labour standards.

ILO helped the Government identify gaps between national policy and international labour standards and invited the Government to commit to strengthening and expanding social protection system in the country. The project shared knowledge on the ILO Social Protection Floor and key areas of social protection.

MLSPP expressed readiness to play a more active role in the South-South cooperation and share its expertise and best practice with peer countries with regard to youth employment and

entrepreneurship promotion, and especially social dialogue.

The Government's ability to determine areas of improvement in the business enabling environment was further strengthened by ILO's EESE analysis results and the continuous consultations with social partners.

3. Strengthening constituents' engagement in collaborative mechanisms and partnerships with national and international actors, exchange of knowledge and coordination of the activities aimed at achieving the SDGs:

The project contributed towards this objective by investing in social dialogue mechanisms and building the capacity of trade unions and employers' organizations to carry out SDG progress monitoring and analysis process using the ILO SDG web platform and other tools. Achievement of this objective is evident in the fact that the ILO constituents submitted recommendations to the Government based on the Second SDG Voluntary Report.

The recommendations will shape future collaboration with the Government and the UN in the area of SDGs. As a testimony to their commitment to participating in the SDG-related processes, the ILO constituents will continue engaging on SDG-related issues in the framework of the UN Sustainable Development Cooperation Framework Steering Committee and Advisory Group to continue the dialogue around SDG monitoring and evaluation results.

Efficiency. The RBSA resources were efficiently utilised, capitalising on synergies with activities delivered through other financial mechanisms. The project team was very small with only one full-time technical staff and two part-time support staff. This meant that most of the funds were channelled directly into output delivery. The project heavily relied on existing ILO methodologies, tools and training courses, including SIYB, EESE, CRM and ILS training courses.

A number of outputs were funded from the second phase of the ILO/LUKOIL project "Partnerships for youth employment in the CIS (2018-2022),

namely outputs 2.2, 3.3, and 4.1. The objective of these synergies was to harmonize the efforts and resources in actions aimed at establishing partnerships with the private sector and informing the design and development of policies and programmes to create jobs in rural areas, linking these efforts to the achievement of the relevant SDGs.

The project's finances were managed well owing to the efficient support from the DWC/CO Moscow and the project team's diligent programme management. The project team showed a high degree of integrity in financial management, appropriately following ILO processes to procure services at market rates through competitive bidding. At the same time, the project's autonomy to channel funds towards specific outputs without having to undergo a lengthy process of justifying reallocation of funds to different budget lines allowed the project to be agile and responsive to the constituents' needs.

Sustainability and Impact potential. The project outputs directly contributed to the priority areas of cooperation between ILO and Azerbaijan. ILO's capacity building efforts in the areas of labour standards, labour inspection and employment policy, entrepreneurship promotion, social protection and social dialogue have been well received and carry lasting benefits to the social partners.

Furthermore, targeted technical assistance to ASK in particular will likely lead to sustainable positive impact. Following ILO's support with internal reorganization of ASK, a working group was put in place to monitor implementation of selected recommendations and ASK strategic plan developed with ILO's help. The project directly contributed to ASK's increased capacity to serve their existing members and further grow their membership. ASK is better equipped to partner with the Government to deliver training services for Public Employment Services as a part of the state self-employment promotion programme.

Technical assistance provided to the Government is highly likely to result in new policies, laws and regulations contributing to further progress in the

areas tackled by the project. The project encouraged social dialogue around the newly adopted Government bill to increase the minimum wages and subsistence minimum which had benefited from ILO advice. The ILO assistance in the area of labour inspection is likely to influence policy making, given that the moratorium on labour inspections in the country is due to come to an end in 2021.

ILO's work on entrepreneurship promotion through Start and Improve Your Business training programme, to which the project contributed, enjoys a high degree of buy-in among the Government and social partners. The project organized a Training of Trainers on ILO's SIYB methodology. The ILO-trained trainers have been engaged in the Government's entrepreneurship promotion programmes, namely in the joint Ministry of Agriculture-FAO Agriculture Employment Enhancement Project (AMAL) and MLSPP in the State Self-Employment Programme).

Another important area of the project's technical assistance, Enabling Environment for Sustainable Enterprises, is also likely to have impact beyond the life of the project. ASK requested for ILO's support with this survey methodology having first learned about it during an ILO in ITC Turin.

The project contributed to a greater awareness of the SDG related processes among the constituents and their role in monitoring and analysis through social dialogue and the use of ILO knowledge products, ILO web platform on SDGs and other tools. This awareness spread to Azerbaijan's regions and will continue to grow through dissemination of translated materials on SDGs and decent work agenda to the local representatives of the Government, ATUC and ASK in the regions of Azerbaijan.

Finally, the project achievements are highly likely to be sustainable due to continued support of DWT/CO Moscow to the national partners in Azerbaijan.

Recommendations

Main recommendations and follow-up

Recommendation 1. Continue knowledge sharing and capacity building efforts

To the extent possible, ILO capacity building interventions should be interactive, encouraging individual participation and critical thinking. Participation in the capacity building activities should be inclusive of the constituents in rural areas and empower them to represent the vulnerable groups they serve at the national policy level.

Recommendation 2. A more deliberate approach to gender and non-discrimination

Gender and non-discrimination considerations should be mainstreamed in all ILO interventions and adapted to Azerbaijan's context. Programmes in rural areas must be designed in a way that is considerate of the needs of women and persons with disabilities. Focus group discussion can be used for preliminary assessment to decide on the most appropriate ways to accommodate the needs of women and persons with disabilities to enable them to effectively participate and benefit from entrepreneurship promotion courses..

Recommendation 3. Encourage and facilitate Azerbaijan's greater participation in the South-South development cooperation

The South-South development cooperation is a good vehicle to encourage and inspire positive change. Peer-to-peer exchange of best practices in a range of subjects traditionally seen as artificially imposed and thus infeasible can be highly effective. This includes approach to environmental sustainability, gender and non-discrimination but also the wider SDG agenda.

Recommendation 4. Greater priority to environmental sustainability

Future projects should give a greater prominence to the issue of environmental sustainability and mainstream it in all ILO interventions. Interactive seminars, workshops, blended learning and peer-learning can be a good tool of grounding environmental sustainability principles in the context of Azerbaijan, both in urban and rural areas.