



## Inclusive Economic Recovery through Sustainable Enterprises in the Informal Economies of Fiji, Palau, Tonga, and Vanuatu

### QUICK FACTS

**Countries:** Fiji, Palau, Tonga and Vanuatu

**Evaluation date:** 31 May 2022

**Evaluation type:** Joint

**Evaluation timing:** Final

**Administrative Office:** ILO-Suva

**Technical Office:** DWT-Bangkok

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**DC Symbol:** RAS/20/53/UND

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**Key Words:** COVID-19, inclusive economic recovery, informal sector, sustainable enterprises, women, youth

## BACKGROUND & CONTEXT

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

The project has three immediate objectives:

- Immediate Objective 1: Improve the institutional capacities of national service providers to deliver innovative and sustainable and COVID-19 safe business development services (BDS) and social security/pension options to vulnerable groups to support recovery and income generation
- Immediate Objective 2: Improve productivity and spur innovation in the creative and agricultural sectors
- Immediate Objective 3: Monitor, document and evaluate progress, share lessons learned and contribute to recovery policy development and review

### Present situation of the project

The project activities have ended. However, activities implemented by IFAD are continuing. Limited achievement in organizing entities in the informal sector calls for additional targeted support in capacity development along with access to finance and technology.

### Purpose, scope and clients of the evaluation

The specific objectives of the evaluation are the following:

- Review the institutional set-up, the capacity for project implementation, coordination mechanisms and the use and usefulness of management tools including the project monitoring tools and work plans in order to understand the project implementation efficiency, and its effectiveness in achieving the stated results.
- Analyse the planned implementation strategies of the project and the ones adopted as a reaction to the COVID-19 pandemic with regard to their potential effectiveness in achieving the project objectives; including unexpected results and factors affecting project implementation (positively and negatively/intended and unintended).
- Identify lessons and potential good practices for the users of the evaluation to improve the project implementation.
- Provide strategic recommendations for the different users of the evaluation to understand the project development and implementation.

### Methodology of evaluation

Evaluation is based on a mixed-method approach and it is consistent with UNEG Norms and Guidelines as well as ILO Evaluation Policy and Guidelines. It had three phases – inception, data collection, and reporting. The evaluator interviewed 38 individual key informants from Fiji, Palau, Tonga and Vanuatu and conducted two focus group discussions with stakeholders in Fiji. The interviewees included representatives from partner UN agencies (ILO,

UNESCO, UNDP and IFAD) as well as government agencies and project implementing organizations. Field visit for data collection was not feasible due to COVID-19 restriction and hence all interviews were held virtually. Efforts was made to cross-corroborate/triangulate information from more than one source where possible. A stakeholders' workshop was organized on 19 May 2022 with an active participation of relevant stakeholder groups.

## MAIN FINDINGS & CONCLUSIONS

The project had been relevant for all four project countries, and it has lifted the profile of the informal economy at the national level. Overall, the project is assessed as relevant, coherent, less than efficient, modestly effective, with some impact, likely sustainable, and satisfactory in addressing cross-cutting issues except for persons with disabilities.

Key factors that contributed to the achievement of outcomes and outputs included:

- (i) The commitment of the staff from IFAD, ILO, UNDP, and UNESCO in ensuring strong coordination during the COVID-19 period characterized by lockdowns and movement restrictions helped to streamline coordination across agencies and partners. The technical committee and steering committee comprising representatives from all four UN agencies actively participated in the discussions.
- (ii) The clarity in roles and responsibilities of the partner agencies facilitated their work plan implementation smoothly.
- (iii) Flexibility in project design permitted engagement of both public-private BDS providers so that training could be delivered as planned. Also, it was helpful to organize activities around changing situations on the ground due to COVID-19 as well as natural disasters.
- (iv) Access to the BDS providers for the training participants outside the formal training period helped them to remain engaged and improve their MSME performance.
- (v) Access to ILO and UNESCO tools and training materials supported the execution of project activities.
- (vi) Guidance on COVID-19 compliance for MSMEs (particularly home-based micro) facilitated conducting business/income generating

activities safely and without being subjected to fines and imprisonment.

- (vii) The national coordinators fielded by UNESCO in each of the four countries contributed to the contextualization of the project in each country for UNESCO's activities.

Key challenges confronting the project implementation and achievement included:

- (i) Loss of time due to a significant delay in recruiting and fielding project staff and mobilizing implementation partners in a short duration (13 month) project;
- (ii) The unpredictability of COVID-19 positive cases and three waves of the virus in Fiji along with uncertainties surrounding the imposition of curfews, lockdowns, and movement restrictions;
- (iii) The undersea volcanic eruption and subsequent tsunami limited the conduct of project activities in Tonga;
- (iv) Inadequate due diligence was conducted at the project design stage, including a question on the feasibility of the electronic commerce platform as it required a strong alliance with banks and financial institutions;
- (v) The limited pool of experts in the Pacific resulted in lengthy re-advertisement periods and contracting experts from abroad that required more guidance on contextualization;
- (vi) Limited availability of national consultants particularly for technical training;
- (vii) Expected IFAD financial resources for agricultural entrepreneurship training activities not coming through; and
- (viii) The geographical spread of project countries and potential beneficiaries within the countries coupled with travel restrictions limited the undertaking of activities that required human interaction.

## RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

### Main findings & Conclusions

The evaluation offers six recommendations:

**Recommendation #1** (addressed to all relevant partner UN agencies): Address the challenges holistically faced by the informal sector. Project finance and technology need to be an integral part of the support structure. Informality should be treated as a common agenda for joint programming by UN agencies based on operational flexibility.

**Recommendation #2** (addressed to ILO Office for Pacific Island Countries): Conduct rigorous due diligence at the time of project preparation and ensure that all requirements are met before approval.

**Recommendation #3** (addressed to ILO Office for Pacific Island Countries): Take stock of business development services (BDS) and technical training providers in each country and introduce a rating matrix based on their experience and competencies.

**Recommendation #4** (addressed to ILO Office for Pacific Island Countries): Continue to remain engaged with relevant government agencies and continue to influence national employment policy and social protection policy by ensuring support for the informal sector and the formalization of the informal sector.

**Recommendation #5** (addressed to all relevant partner UN agencies): Prepare project documents based on firm financial commitments from partner agencies to ensure timely execution of project activities. Project planning based on predictable resources helps to keep beneficiaries' and stakeholders' expectations realistic and does not create false hope.

**Recommendation #6** (addressed to all relevant partner UN agencies): Strengthen monitoring and evaluation in projects to ensure timely flow of information for decision-making and ensure of data for evaluation.

### Main lessons learned and good practices

**Lesson #1:** Flexibility in project delivery is essential if and when uncertainties occur.

**Lesson #2:** It is important to have a project design based on the latest facts and figures

**Lesson #3:** Training, mentoring, and advisory services are necessary but not sufficient for MSMEs' development. These need to be complemented by access to finance and technology.

**Emerging good practice:** It is essential that the project partners (and stakeholders) define and agree on their respective roles and responsibilities for efficient project outcomes.

