

# ILO EVALUATION

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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office

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## LIST OF ACRONYMS

<b>ABMMC</b>	Afghan Besim Mobile Money Company
<b>ACTED</b>	Agency for Technical Cooperation and Development
<b>ANPDF II</b>	Afghanistan National Peace and Development Framework II
<b>APF</b>	Afghanistan Partnership Framework
<b>AWCCI</b>	Afghanistan Women Chamber of Commerce and Industry
<b>BCCI</b>	Balkh Chamber of Commerce and Industries
<b>COVID-19</b>	Coronavirus Disease 2019
<b>DAIL</b>	Directorate of Agriculture, Irrigation and Livestock
<b>DCED</b>	Donor Committee for Enterprise Development
<b>DoLSA</b>	Directorate of Labour and Social Affairs
<b>DoWA</b>	Department of Women Affairs
<b>GAP</b>	Good Agricultural Practices
<b>GIZ</b>	German Development Agency
<b>HDPN</b>	Humanitarian-Development-Peace Nexus
<b>ICARDA</b>	International Centre for Agricultural Research in the Dry Areas
<b>IDP</b>	Internally Displaced Person
<b>ILO</b>	International Labour Organization
<b>KII</b>	Key Informant Interview
<b>MAIL</b>	Ministry of Agriculture, Irrigation and Livestock
<b>MEAL</b>	Monitoring, Evaluation, Accountability and Learning
<b>MRM</b>	Monitoring and Results Measurement
<b>MSA</b>	Market Systems Analysis
<b>MSD</b>	Market Systems Development
<b>NPP</b>	National Priority Programme
<b>NRC</b>	Norwegian Refugee Council
<b>NUAWE</b>	National Union of Afghanistan Workers and Employees
<b>OECD-DAC</b>	Organisation for Economic Cooperation and Development-Donor Assistance Committee
<b>PAC</b>	Project Advisory Committee
<b>PACA</b>	Participatory Appraisal of Competitive Advantage
<b>R2J</b>	Road to Jobs
<b>RMA</b>	Rapid Market Appraisals
<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>SIYB</b>	Start and Improve Your Business
<b>SSI</b>	Semi-Structured Interview
<b>UNAMA</b>	United Nations Assistance Mission in Afghanistan
<b>UNDP</b>	United Nations Development Programme
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>USAID-RADP North</b>	United States Agency for International Development- Regional Agriculture Development Programme North

# EXECUTIVE SUMMARY

## Project background

The International Labour Organization (ILO) carried out the Road to Jobs (R2J) project between 2015 and 2020 with the aim to create more and better jobs in two provinces of Northern Afghanistan, Balkh and Samangan.

R2J targets poor and vulnerable rural households and income earners, who work either in rural communities, or in urban centers and other major centers of employment. The project also aims at addressing the underlying causes of poor market systems performance in selected agricultural sub-sectors, elaborated as expected outcomes 1-3 below:

- Outcome 1: Collaboration and coordination among local stakeholders for local economic development is improved.
- Outcome 2: The position of poor and disadvantaged groups within selected sub-sectors is improved; and
- Outcome 3: Access to and utilization of financial services by the farmers and disadvantaged groups improved.

The project adopted a market systems development (MSD) approach to identify, address and remove the constraints that thwart the growth of more inclusive markets in the region. Its aim was to expand employment opportunities in key sub-sectors - Almonds, Grapes and Raisins, Dairy, Poultry, Sheep and Goats, Cotton, and Carpets – through sustainable and systemic change in the markets. The ILO reports that more than 60,000 people have recorded positive changes in their working conditions and/or income and approximately 120,000 beneficiaries from disadvantaged groups have been reached throughout the project's lifespan. Around USD 14 million have been generated over five years for poor-income earners and targeted MSMEs.

## Evaluation background

As the project came to completion in December 2020, Samuel Hall was commissioned by the ILO to conduct the final independent evaluation of R2J and assess its achievements on market systems and local communities. **Despite limited resources and scant access to primary data, the final evaluation's added value lies in its ability to examine the impact of a five-year multisectoral project in challenging times both on the political and health fronts.** The evaluation aims to foster accountability and learning across relevant ILO departments and project stakeholders. The findings are intended to inform the ILO's future interventions in Afghanistan and in similar conflict-driven contexts.

## Evaluation methodology

The evaluation was guided by the ILO evaluation questions and used a **mixed-methods approach**, combining quantitative and qualitative data, as well as a rigorous examination of project documents. It used the OECD-DAC criteria to examine the project's relevance, coherence, effectiveness, efficiency, impact and sustainability in a holistic manner. The evaluators conducted 25 key informant interviews with government actors, employers' and workers' organisations, support institutions, collaborating agencies and the ILO; 25 semi-structured interviews with employers in Balkh and Kabul; and 262 phone surveys with end-beneficiaries in Balkh and Samangan. **As no baseline data was available to render a more objective assessment of the R2J project, the report's main conclusions are largely based on the triangulation of project documents and the primary data collected.** The findings of this evaluation should be regarded in light of two main limitations: i) the limited resources allocated to this evaluation, which have reduced the breadth of the primary data collected and ii) the absence of a baseline assessment, which restricts the capacity to objectively attribute observed changes to the project.

## Main findings and conclusions

**1. Implementing the R2J project and its market systems development (MSD) approach in a conflict-affected setting does not always guarantee the intended positive results.** However, despite rolling out the project in challenging local conditions characterised by volatility, administrative hurdles, and ongoing political struggles, the outcomes and impacts achieved after five years of implementation are promising. 51 collaboration mechanisms were created resulting in improved dialogue among local stakeholders, more than 60,000 people recorded positive changes in their working conditions and/or income situation (14% are women and 86% are men), and more than 5,500 jobs were created and sustained as a result of the programme (77% benefiting women and 23% benefiting men). This indicates the potential of the MSD approach to foster private sector growth and enhance local economic development in politically unstable settings.

**2. The project has contributed to the growth of the region's two main economic sectors - agriculture and manufacturing.** It was able to do so by increasing the productivity of farmers and suppliers of raw products through skills development, by strengthening linkages along value chains, notably between suppliers and processing companies in the grapes, dairy, cotton and poultry value chain, and by fostering an entrepreneurship ecosystem through the capacity-building of local business development services (BDS) providers, associations and professional organisations, as well as through efforts to improve financial literacy and access to finance.

**3. The project demonstrated good collaboration with local stakeholders overall.** While the project strived to be clear on its private sector driven approach, mentalities within the public sector on how development projects should work take time to evolve, as some government actors expressed the desire to be more involved in the project. Gaining the trust of business partners was not an easy task in an aid-dominated environment where companies continue to expect "freebies". Yet, systemic change is underway as businesses in targeted provinces and beyond express the desire to replicate successful models.

**4. Phone surveys with end-beneficiaries reveal that R2J participants consider themselves to be in a better economic position than non-R2J participants.** Women carpet weavers who define themselves as waged employees manage to generate steady earnings in normal economic times but are less resilient than men working on their own account in times of economic hardship.

**5. While the jobs created thanks to the project’s support are associated with appeased employer-employee relationships and high employee treatment standards, they still lag behind on decent work indicators that require efforts at the policy level.** However, this needs to be examined in the light of the political instability and ineffective labour markets that prevail in Afghanistan.

**6. Interventions to expand mobile and media extension services increased farmers’ access to accurate, relevant and timely information, and have the potential to boost their economic self-reliance.** Farmers and poor income-earners were not very receptive to financial inclusion interventions, namely mobile money and loan-based schemes, due to their limited financial literacy.

The visual below summarises the main findings and conclusions obtained by assessing the project against the OECD-DAC evaluation criteria.

<p><b>RELEVANCE</b></p> <ul style="list-style-type: none"> <li>- Contribution to Afghanistan’s National Development Agenda and ONE UN Model through self-reliance, private sector development and inclusive growth and poverty reduction</li> <li>- Meeting the needs of local communities through market assessments and collaboration with market payers</li> <li>- However, greater participation of businesses in project monitoring could be achieved</li> </ul>	<p><b>COHERENCE</b></p> <ul style="list-style-type: none"> <li>- Strong coherence with other interventions on the ground, fostering the One UN Model and the HDPN</li> <li>- Overall good collaboration with ILO’s tripartite constituents which act as project advisors and strong adaptation capacity to COVID-19 crisis</li> <li>- However, government expectations on its involvement remain high and not aligned with the project’s market-driven ethos</li> </ul>	<p><b>EFFECTIVENESS</b></p> <ul style="list-style-type: none"> <li>- Strong effectiveness in addressing market constraints and creating income-generating jobs, but stronger focus on working condition is needed</li> <li>- Robust MRM system and learning by doing approach, but more qualitative evidence and formalised community participation could be useful</li> <li>- Collaborative donor-agency relationship, despite high turnover</li> </ul>
<p><b>EFFICIENCY</b></p> <ul style="list-style-type: none"> <li>- R2J’s decentralised approach allowed the project to be cost-effective and use resources in an efficient manner</li> <li>- However, lengthy administrative processes and inadequate timeframe undermined implementation and project outcomes</li> <li>- Resources allocation in line with gender objectives and donor agenda</li> </ul>	<p><b>IMPACT</b></p> <ul style="list-style-type: none"> <li>- Partner companies and disadvantaged groups benefited from the project, notably with the introduction of inclusive recruitment and production models (e.g. carpet industry)</li> <li>- Male workers still tend to gain more from the project than female workers and are more resilient</li> <li>- Impact on financial inclusion remains nuanced and reveals a stronger need for financial literacy</li> </ul>	<p><b>SUSTAINABILITY</b></p> <ul style="list-style-type: none"> <li>- Thanks to market facilitation, the project generated impacts that are likely to be sustained over time</li> <li>- Cases of systemic change have been recorded with businesses wanting to test successful models</li> <li>- Volatile security could undermine sustainability but should not mask the behavioural changes that are slowly taking shape</li> </ul>

## Recommendations

1	In light of the project’s contribution to market systems and local communities in a fragile environment, as well as its value for money, <b>a second phase of the project could be warranted for long-term impacts.</b>
2	<b>Stronger donor engagement is needed, especially by investing in a well-thought Monitoring, Evaluation, Accountability and Learning system.</b> This will allow the donor to accumulate knowledge, track progress, and judge the project’s impact in an evidenced-based manner, while guaranteeing a shared understanding of the project’s approach and sustaining a long-term donor-agency relationship despite turnover and other contextual impediments.
3	<b>A comprehensive implementation strategy</b> can be designed for each value chain, as an intermediary step between market assessments and implementation. The strategy anticipates linkages between interventions for a single value chain and includes a cost-benefit analysis for each intervention to identify exogenous factors that could affect implementation.
4	<b>A communications strategy can be designed based on a rapid political economy analysis</b> to 1) map out local stakeholders, understand political dynamics and clarify the role government representatives and social partners ought to play in the project; and 2) communicate better on the fundamental principles of the MSD approach to prevent misalignment.
5	<b>The current MRM system can be complemented with a participatory dimension.</b> Partner companies and poor income-earners should be regarded as active participants in the monitoring process. Feedback loops for each intervention can be formalised to allow R2J beneficiaries to engage with and react to the monitoring results to make them their own.
6	<b>Information-sharing events, such as bi-annual business fairs, could be multiplied and tailored to specific economic sectors.</b> While the project collaborated with BCCI to provide networking opportunities to businesses, some pointed out working in silos and stated the desire to meet other businesses, suggesting a need to expand such opportunities.

7	<b>Adopting a gendered lens could allow the project to better assess and address the sociocultural barriers women face in the local labour market.</b> Specific measures that increase their bargaining power and render them more resilient, such as bringing them together in savings groups or cooperatives, can help ensure they equally benefit from interventions.
8	To communicate on the project's success while remaining "invisible", a few businesses that were positively impacted could be selected to act as local MSD ambassadors. This can also be important in the event of programme replication or scaling-up.
9	<b>Financial literacy could be strengthened through</b> 1) awareness-raising on digital finance tools; 2) capacitating a higher number of financial education trainers, notably women; and 3) adapting the programme to the needs of disadvantaged groups. With the launch of the National Financial Inclusion Strategy in 2020, the project could harness this window of opportunity for collaborative action.
10	<b>A field officer could be appointed at the country level to oversee internal processes and ensure swifter approval thanks to contextualised knowledge of practical issues.</b> This could contribute to aligning internal procedures with project expectations and narrow the gap between the project's two separate components – informal negotiations in the field and formalised agreements at HQ.

## Lessons learned

1	<b>Carefully planned MSD interventions do not always produce positive outcomes</b> in a conflict-affected country and business partners may experience the failure of business models, which could have worked in a more predictable setting.
2	While the project's monitoring and results measurement system is sufficiently robust, thanks to systematic data collection and a solid attribution strategy, <b>it is not completely aligned with the project's ethos and community-based approach.</b> In the shift from beneficiaries to partners, businesses could also be involved to a greater extent in the monitoring process. So far, they can voice their concerns during regular progress meetings, but have not been able to engage and react to the results identified through monitoring activities.
3	With the MSD approach's proven potential for social inclusion, <b>the project could place a stronger focus on disadvantaged groups</b> and design interventions that are more mindful of their social, economic and cultural situation.
4	While the project's efforts to engage with social partners should be examined in light of local conditions, notably political instability, <b>decent work outcomes that require greater policy advocacy cannot be achieved without workers' and employers' organisations active participation</b> in the conceptualisation and design of key interventions.
5	Due to lengthy internal procedures and administrative delays, the project was not always capable of following the blueprint it set out for itself and ensuring a timely implementation of project activities. This led the project to <b>evolve at a two-paced speed:</b> a fast pace characterising private sector engagement, which implies swift decision-making when brokering agreements with business partners, and a slower pace once private sector deals move from the realm of informal talks to that of bureaucratic processes.
6	Behavioural change, a primary objective of MSD programming, is a long process that requires <b>appropriate adjustment of budget and timeframe</b> , as well as <b>donors' commitment to a strong MEAL approach.</b>
7	The success of an MSD intervention in a fragile context like Northern Afghanistan <b>does not only depend on how rigorously market assessments and interventions have been carried out</b> , but also on more contextual factors that may significantly affect project outcomes.
8	So far, R2J's interventions in agricultural value chains sought to create more and better work opportunities for the poor but <b>omitted examining how such interventions could build a buffer against climate change or, conversely, aggravate environmental impacts.</b>

# I. INTRODUCTION

## A. Background

Over the past decades, Afghanistan's economy and labour market have been hampered by conflict, political instability, corruption, and inadequate infrastructure. With the current COVID-19 crisis, the economy is only expected to grow by 1% in 2021.<sup>1</sup> The country still largely relies on grant inflows and has a trade deficit of 31% of its GDP.<sup>2</sup> The US administration's \$1

<sup>1</sup> World Bank, 'Afghanistan Development Update, January 2020: Navigating a Sea of Uncertainty' (Washington, DC: World Bank, 2020).

<sup>2</sup> World Bank, 'The World Bank in Afghanistan', 1 October 2020

billion aid cut in March 2020,<sup>3</sup> and a drop of \$3 billion in pledged aid from the latest donor conference for Afghanistan in November 2020 are likely to exacerbate existing inequalities.<sup>4</sup> To address the dysfunctions in the Afghan economy, donors and development actors have tended to favour short-term humanitarian projects and the direct delivery of aid.<sup>5</sup> Meanwhile, interventions aimed at private sector development have been rare.<sup>6</sup> This has undermined sustainability and distorted local markets by encouraging businesses to rely on “free money” for their survival.

Against this backdrop, the International Labour Organization (ILO) carried out the Road to Jobs (R2J) Project from 2015 to 2020 in two northern provinces of Afghanistan - Samangan and Balkh - to create decent and inclusive employment through a [sustainable private sector development approach](#) led by key market players. The project was planned for a three-year duration until end of 2017 and was granted a no-cost extension until end of 2019, followed by a costed extension until end of 2020. The project adopted a [market systems development \(MSD\)](#) approach, which seeks to identify, address and remove constraints that inhibit the growth of more inclusive markets.<sup>7</sup>

R2J targets poor and vulnerable rural households and income earners, who work either in rural communities, or in urban centers and other major centers of employment. The project also aims at addressing the underlying causes of poor market systems performance in selected agricultural sub-sectors, elaborated as expected outcomes 1-3 below:

Outcome 1: Collaboration and coordination among local stakeholders for local economic development is improved

Outcome 2: The position of poor and disadvantaged groups within selected sub-sectors is improved

Outcome 3: Access to and utilization of financial services by the farmers and disadvantaged groups improved

**Its aim** was to create more and better jobs for farmers and poor income-earners in several sub-sectors: Almonds, Grapes and Raisins, Dairy, Poultry, Sheep and Goats, Cotton, and finally Carpets which was selected at a later stage with a focus on women economic empowerment. Building on a scoring matrix, the Cotton, Poultry, and Grapes and Raisins sectors were chosen to benefit from a more in-depth market systems analysis, while “quick-win” interventions were rolled-out for the remaining sub-sectors for more rapid results. Cross-cutting interventions were also designed for specific vulnerable groups, namely women and youth, to enhance financial inclusion as well as combat child labour. In addition to improving working conditions and economic prospects, the project contributed to the expansion of an entrepreneurship ecosystem in Northern Afghanistan. Ultimately, R2J intended to generate sustained and scalable impacts, by engaging with local stakeholders and moving away from traditional humanitarian interventions.

As the R2J project came to completion in December 2020, **Samuel Hall was commissioned by the ILO to conduct the project’s final independent evaluation.** Based on empirical research and in-depth qualitative data, the evaluation set out to review the project’s achievements on market systems and local communities. Using the OECD-DAC criteria, the project’s relevance, coherence, effectiveness, efficiency, impact and sustainability were assessed in a holistic manner.

## Scope, purpose and audience

The main purpose of the final evaluation is to **foster accountability and learning across relevant ILO departments and stakeholders associated with this project.** The evaluation covers the Northern provinces of Afghanistan - Balkh and Samangan – and aims to provide contextual insights on the relevance and effectiveness of the MSD approach in politically challenging regions. More specifically, the evaluation looks at the structural outcomes of the project, notably in terms of local-level collaboration mechanisms and addressing market constraints, and at local outcomes, notably in terms of the economic and psychosocial integration of different population groups, including female workers and farmers.

This evaluation is all the more timely that the Government of Afghanistan and the international community, including the European Union, signed in November 2020 the Afghanistan Partnership Framework (APF), setting out the conditions necessary for continued international support and reaffirming the partners’ commitment to inclusive, private-sector driven growth and poverty reduction.<sup>8</sup> Resonating with the APF’s principles of effective development cooperation,<sup>9</sup> **the findings are intended to improve the design and implementation of similar interventions in Afghanistan, and of MSD projects more broadly, should they be implemented in fragile or conflict-affected areas.** They should also encourage evidence-based decision-making when considering the generalisation or replication of this project.

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3 Mujib Mashal, ‘For Afghanistan Already on Brink, U.S. Aid Cut Is a Big Shove’, *The New York Times*, 24 March 2020, sec. World.

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6 Elisa Mandelli and Steve Hartrich, ‘Doing More Business and Less Aid: The Journey of a Market System Development Project in Afghanistan’ (ILO, December 2019).

7 Mandelli and Hartrich.

8 ‘Afghanistan Partnership Framework’, November 2020. The APF was agreed upon at the 2020 Afghanistan Conference, which was held virtually but hosted by the United Nations Office in Geneva on November 23 and 24.

9 The principles are country ownership, a focus on results, inclusive partnerships involving the full diversity of actors in the country, and transparency and accountability to citizens.



Finally, the **primary intended users** of this evaluation are the following:

- The donor: the Swedish International Development Cooperation Agency (Sida)
- The implementing agency: ILO HQ, ILO Regional Office for Asia and Pacific (ROAP), ILO DWT-New Delhi, ILO Liaison Office for Afghanistan, ILO Project Office in Kabul
- Local stakeholders: the Government of Afghanistan, Workers' and Employers' Organisations

## B. Setting the scene: challenges and opportunities in Northern Afghanistan

With a growth rate of 7.5% in 2019 and providing jobs for 60% of the labour force, **Afghanistan's agricultural sector** has the potential to contribute to the country's economic development.<sup>10 11</sup> While Afghanistan served as a regional leader on agriculture until the 1970s,<sup>12</sup> ongoing conflict has impacted the agrarian sector which relies predominantly on external assistance for its development.<sup>13</sup> Meanwhile, **Afghanistan's manufacturing sector** is growing slowly, at an average rate of 2%, mostly fuelled by agribusiness and agro-processing.<sup>14</sup> The manufacturing sector is likely to be hit hard by lockdown impositions and a global economic recession.<sup>15</sup>

**How does the market function?** Several obstacles prevent the Afghan market from functioning in the interest of businesses and poor communities, including the ease to start a business, corruption, unreliable and expensive service delivery, and a weak judicial system to protect investors and enforce contracts.<sup>16</sup> Private sector confidence remains weak due to strong uncertainties around elections, peace talks as well as the future of international support. While the economy is to some degree unregulated, it is dominated by informal social rules that restrict free competition and favour clientelism as well as monopolistic behaviours.<sup>17 18</sup>

**State of employment.** The Afghan economy is characterised by a high unemployment rate estimated at 24% in 2016-17,<sup>19</sup> significant youth unemployment estimated at 17.5%,<sup>20</sup> and an underutilised female labour force with only 16% of working-age women engaged in an economic activity.<sup>21</sup> In general, individuals who secure employment often face poor working conditions in the informal sector, with insufficient pay, long working hours and temporary work arrangements. Workers in the informal sector, which account for about 80% of economic activity,<sup>22</sup> are likely to be deprived of social and legal protections. Latest national data suggests that 80% of Afghanistan's labour force is in vulnerable employment, and only 13% carry out a decent job.<sup>23</sup> The most vulnerable groups, who are often excluded from the formal labour market, are women, internally displaced persons (IDPs) and returnees.

### Challenges in Northern Afghanistan

- **Exogenous factors.** Ongoing conflict and violence from non-state armed groups continue to hamper private sector development and investor confidence.<sup>24</sup> In addition to security challenges, the COVID-19 crisis is also taking a toll on Afghanistan's economy, which is expected to lose 12.5% in real GDP by 2024 in the absence of a well-designed recovery plan according to the UNDP.<sup>25</sup> The pandemic may particularly affect regions that are well connected to foreign markets, such as Northern Afghanistan.
- **Forced displacement.** In 2015, 26% of Balkh's and 12.5% of Samangan's total population had resided elsewhere for at least six months (either in another district within the province, or in another province, or abroad).<sup>26 27</sup> While host communities tend to view returnees and internally displaced persons (IDPs) positively, weak labour markets can strain relationships and create tensions over available resources.<sup>28</sup> IDPs and returnees face skills gaps and legal restrictions limiting their economic participation.

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10 World Bank, 'Afghanistan Development Update, January 2020: Navigating a Sea of Uncertainty'.

11 Ahmad Jawid Muradi and Ismet Boz, 'The Contribution of Agriculture Sector in the Economy of Afghanistan', *International Journal of Scientific Research and Management* 6, no. 10 (10 October 2018): EM-2018-750-755, <https://doi.org/10.18535/ijsrcm/v6i10.em04>.

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- **Environmental considerations.** With Balkh and Samangan being mostly arid, climate change is negatively impacting the agricultural sector, the livelihoods and food security of many people. In recent years, recurring natural disasters and extreme weather conditions have destroyed vast amounts of arable land, notably due to the lack of adequate irrigation infrastructure.<sup>29</sup> In Balkh, studies project that climate change will likely impact water and irrigation requirements for major crops, including wheat and cotton.<sup>30</sup>
- **Labour market characteristics.** With a median age of 17 years in Balkh and Samangan, high youth unemployment is a major challenge. Women are also particularly disadvantaged due to social restrictions resulting in low literacy rates, education levels and labour market participation.<sup>31,32</sup> Studies have shown that women and youth tend to engage in the agricultural sector as voluntary family workers because of the hardships to find paid jobs in the non-farm sector.<sup>33</sup>

## Opportunities in Northern Afghanistan

The agricultural sector in Northern Afghanistan can tap into various opportunities for its development. Weather conditions are generally favourable to a variety of crops.<sup>34</sup> Investments in market infrastructure,<sup>35</sup> including irrigation systems and post-harvest technology, can help the region cope with the challenges of climate change and increase regional economic integration. This can boost the agrarian economy by improving sales within and outside the country.<sup>36</sup> Finally, with Balkh having the second-highest urbanisation rate in the country, and relatively high education levels, there is a strong potential for rural diversification and developing both the manufacturing industry and the services sector. This would allow the region to move away from an aid-dependent economy.<sup>37</sup>

## C. What is Road to Jobs and how does it stand out?

### A business-oriented and systemic mindset

By viewing businesses as equal partners rather than “beneficiaries” of aid, the R2J project took a conceptual and operational shift that distinguishes it from other employment creation programmes. Its market systems development (MSD) approach was carried out in a context-specific way and activities tailored to the needs of local markets. Humanitarian and development interventions are often designed without beneficiaries’ involvement and implementing actors tend to be more accountable towards their donors rather than the people whose lives they aim to improve.<sup>38</sup> In recent years, donor-funded initiatives aimed at promoting private sector development in Afghanistan mostly took a conventional value chain approach. They looked at the challenges the private sector was facing solely from the standpoint of businesses, leading to quick-win interventions focused on skills development, instead of adopting a more systemic lens that questions the way local markets function. The MSD approach R2J pioneered in Afghanistan places businesses in a broader environment, which consists of supporting functions and rules and regulations.<sup>39</sup> It seeks to remove the constraints that prevent markets from being inclusive while incentivising market actors to test pro-poor innovations.

Sub-sectors that would benefit from R2J’s support were selected based on three key criteria: i) their relevance to target groups (farmers and low-income workers); ii) the opportunities they present for inclusive growth; iii) and their potential to trigger systemic change.<sup>40</sup> A strong evidence-based approach was used, and three types of market assessment tools were deployed, looking more specifically at agriculture and manufacturing.

- Participatory Appraisal of Competitive Advantage (PACA) exercises led by local facilitators from key stakeholder organisations, in close collaboration with ILO project staff. PACAs were centred around consultations with market actors to create ownership of project activities.
- [Six Rapid Market Appraisals \(RMAs\)](#) of the Cotton, Grapes and Raisins, Poultry, Livestock, Almonds and Dairy sectors which used a robust analytical framework and relied on expert knowledge.

29 Michael J. Jacobs, Catherine A. Schloeder, and Philip D. Tanimoto, ‘Dryland Agriculture and Rangeland Restoration Priorities in Afghanistan’, *Journal of Arid Land* 7, no. 3 (June 2015): 391–402, <https://doi.org/10.1007/s40333-015-0002-7>.

30 Abdullah Jami et al., ‘Evaluation of the Effects of Climate Change on Field-Water Demands Using Limited Ground Information: A Case Study in Balkh Province, Afghanistan’, *Irrigation Science* 37, no. 5 (September 2019): 583–95, <https://doi.org/10.1007/s00271-019-00638-2>.

31 Central Statistics Organisation, ‘Socio-Demographic and Economic Survey 2015: Balkh’.

32 Central Statistics Organisation, ‘Socio-Demographic and Economic Survey: Samangan’.

33 Izabela Leao, Mansur Ahmed, and Anuja Kar, *Jobs from Agriculture in Afghanistan* (Washington, DC: World Bank, 2018), <https://doi.org/10.1596/978-1-4648-1265-1>.

34 Samangan’s agricultural sector is primarily made up of wheat, pistachio, almonds, caraway, potatoes, melons, onions, and tomatoes, as well as sheep and goats as household livestock. Balkh is known for the production of cashmere, wool, cereals, potatoes, cotton, sesame, tobacco and wheat, melons, tomatoes, onion, eggplant, and alfalfa. Central Statistics Organisation, ‘Socio-Demographic and Economic Survey: Samangan’.

Central Statistics Organisation, ‘Socio-Demographic and Economic Survey 2015: Balkh’.

35 Giacomo Zanello, Bhavani Shankar, and Nigel Poole, ‘Buy or Make? Agricultural Production Diversity, Markets and Dietary Diversity in Afghanistan’, *Food Policy* 87 (1 August 2019): 101731, <https://doi.org/10.1016/j.foodpol.2019.101731>.

36 Jami et al., ‘Evaluation of the Effects of Climate Change on Field-Water Demands Using Limited Ground Information’.

37 CSO, ‘Afghanistan Living Condition Survey 2013-2014 National Risk and Vulnerability Assessment’ (Kabul, Afghanistan, 2016).

38 Ramin Asgary and Ronald J Waldman, ‘The Elephant in the Room: Toward a More Ethical Approach with Accountability toward Intended Beneficiaries in Humanitarian Aid’, *International Health* 9, no. 6 (1 November 2017): 343–48, <https://doi.org/10.1093/inthealth/ihx033>.

39 Mandelli and Hartrich, ‘Doing More Business and Less Aid: The Journey of a Market System Development Project in Afghanistan’.

40 ILO, ‘Selecting the Road to More and Better Jobs: Sector Selection Report of the Road Jo Jobs and Project in the Northern Afghanistan’, August 2015.

- [In-depth Market Systems Analyses](#) of the Grapes and Cotton sectors, which needed further investigation in order to develop the right implementation strategy.

### A light touch method

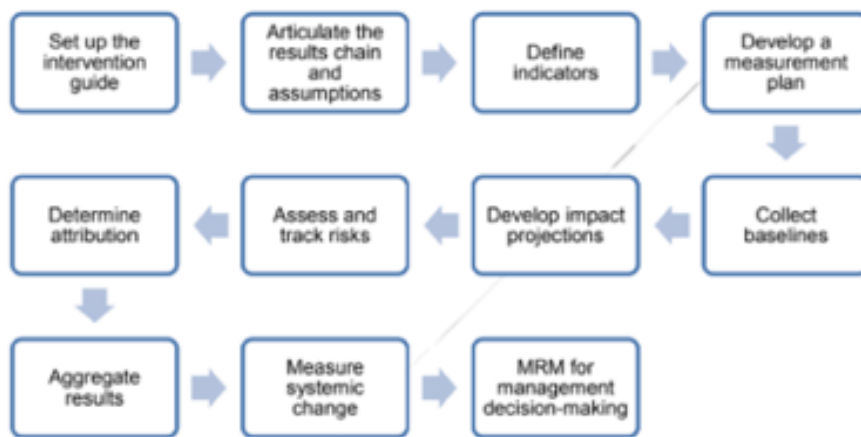
R2J has had an impact on two types of market actors – large and medium companies and their suppliers and/or employees – using light touch interventions that encourage businesses to adopt inclusive models while creating market linkages. This method can be defined as market facilitation or the ability to incentivise market players to work together for lasting changes.<sup>41</sup> It can go from ‘hard tactics’ like financial cost-sharing to softer tactics like brokering relationships. More sustainable outcomes are likely produced when an implementing agency acts as a temporary catalyst of change, as market actors develop a sense of ownership that motivates them to pursue the innovation once the project leaves. Supporting companies generates systemic change while creating an impact that trickles down locally and offers decent work opportunities for marginalised groups.<sup>42</sup>

### A learning by doing approach

MSD is an iterative process that involves a wide range of market actors, requires a continuous assessment of contextual elements and includes a trial-and-error approach.<sup>43</sup> With this in mind, R2J developed a monitoring and results measurement (MRM) system to inform project implementation.<sup>44</sup> It was based on the Donor Committee for Enterprise Development (DCED) Standard for Measuring Results in Private Sector Development with a twofold objective: to improve project performance by generating timely, relevant and useful information; and to provide credible estimates of achievements for reporting purposes.<sup>45</sup> Each intervention follows the MRM process (see Fig. 2) to ensure that it is made relevant to the market realities on the ground.

Beyond monitoring and results measurement, the project has worked in close collaboration with [The Lab](#), a global initiative funded by the Swiss State Secretariat for Economic Affairs (SECO) and implemented by the ILO to generate and apply knowledge on MSD for decent work.<sup>46</sup> It promotes a systemic lens to value chain development and encourages the use of the DCED Standard for Results Measurement. It has supported R2J through technical assistance and guidance on market systems and has co-invested in research opportunities. The project’s collaboration with the Lab has enabled the creation and publication of numerous knowledge products, centralising evidence on the project’s outcomes and providing lessons to adjust its design and implementation accordingly.

Figure 1: R2J's MRM process<sup>47</sup>



## D. Methodology

This evaluation assesses the project’s achievements and determines areas for improvement for future project design and implementation. The evaluation was guided by questions (Table 1) and used a mixed-methods approach (Table 2). The first

41 The ILO outlines six principles of effective facilitation: low visibility; project ownership; making a clear offer to partners; no free lunches; working with influence points; and drawing lines in the sand. For more details, see: ILO, ‘Market Systems Facilitation: How Good Are You?’, 2017.

42 The R2J project encourages projects that adopt the MSD approach to apply the Adopt-Adapt-Expand-Respond (AAER) framework, which “helps to unpack systemic change and determine whether the innovation actually generated impact.” For more details, see: The Springfield Centre, ‘Adopt-Adapt-Expand-Respond: A Framework for Managing and Measuring Systemic Change Processes’, 2014.

43 ILO, ‘Market Systems Facilitation: How Good Are You?’

44 ILO, ‘Road to Jobs Monitoring and Results Measurement Manual’, February 2016.

45 DCED, ‘The 2018 Reader on Results Measurement’, June 2018.

46 ILO, ‘What Is the Lab?’, n.d.

47 ILO, ‘Road to Jobs Monitoring and Results Measurement Manual’.

analytical section builds a narrative around the voices and perspectives of market actors and local communities. It sheds light on the project's structural outcomes - its contribution to market systems in Northern Afghanistan - and local outcomes - its contribution to people and communities and attempts to showcase the added value of the MSD approach for conflict-affected countries. Then, the project's impacts and achievements are examined against the OECD-DAC criteria, which provide a solid evaluation benchmark.<sup>48</sup> The evaluation complied with the United National Evaluation Group (UNEG)'s Evaluation Norms and Standards and it adhered to the UNEG ethical guidelines.

**Table 1: Evaluation questions**

Evaluation questions shared by the ILO
<b>Relevance:</b> Is the intervention doing the right things?
<ol style="list-style-type: none"> <li>1. Did the project contribute to current and long-term development in Afghanistan, the needs and priorities of beneficiaries, tripartite constituents and policies of partners and the donors? Does the project coordinate and collaborate with relevant public bodies in line with the Government's policies and operations?</li> <li>2. Is the project perceived by the government, workers' and employers' associations, as an effort to support employment generation in Samangan and Balkh?</li> <li>3. Did the project contribute to the implementation of the One UN Model in Afghanistan?</li> <li>4. Was the scale and scope of the project sufficient to achieve system level impacts?</li> <li>5. How did the project contribute to the Afghanistan national development goals?</li> </ol>
<b>Coherence:</b> How well does the intervention fit?
<ol style="list-style-type: none"> <li>6. Is the R2J project design (objectives, outcomes, outputs, activities) in coherence with the situation on the ground and its underlying theory of change, risk analysis, and context analysis coherent with country priorities/needs?</li> <li>7. Is the market systems development approach appropriate for use in conflict contexts like Afghanistan? How did the project adjust its strategy to address the identified challenges?</li> <li>8. Did the COVID-19 pandemic affect the market systems approach? Did the project adapt or respond to this crisis?</li> <li>9. How could the project design be improved to achieve more systemic change?</li> <li>10. In what ways can the sustainability component be well planned at the end-stage of the project's strategy and be improved?</li> <li>11. Did other agencies' interventions and policies support the project interventions and vice versa?</li> <li>12. Were synergies and interlinkages created between the interventions and other interventions carried out by ILO Kabul, government and social partners? What are the challenges and lessons learned on coordination and collaboration?</li> </ol>
<b>Effectiveness:</b> Is the intervention achieving its objectives?
<ol style="list-style-type: none"> <li>13. How effective has the project been in achieving its immediate objectives? Is the project contributing to achieving the objectives of the government on employment generation?               <ol style="list-style-type: none"> <li>a. Are there significant changes in the market systems targeted by the project? How effective has the project been in addressing the constraints identified in the market systems? What transformations in the structure or dynamics of the system have led to actual systemic changes, and how can these be attributed to the project? What causal links can be identified between the project achievements and systemic changes?</li> <li>b. How effective has the project been in achieving large-scale job creation?</li> </ol> </li> <li>14. Is the project's methodology for measuring job creation, job improvement, and job sustainment accurate and relevant?</li> <li>15. Do the findings of its monitoring and results measurement system and mid-term evaluation reflect the project's progress, results and impact? To what extent have lessons learned been used to improve and adjust project implementation?</li> <li>16. How effectively has the project facilitated stakeholders to change the way they operate to deliver benefits to the target groups? Has the introduction of new working procedures and labour standards been adopted by the affected enterprises?</li> <li>17. Have public and private stakeholders, incl. workers' and employers' organisations been involved in implementation?</li> <li>18. Was Sida's management, contribution and interaction with ILO done in a manner that best contributed to results and if not, what lessons could be learned?</li> </ol>
<b>Efficiency:</b> How well are resources being used?
<ol style="list-style-type: none"> <li>19. How efficiently have resources been allocated and used to provide the necessary support and achieve project objectives?</li> <li>20. Were the team structure and set-up appropriate for the project design?</li> <li>21. Were the funding and timeframes sufficient to achieve the intended outcomes?</li> <li>22. Were resources allocated strategically to achieve gender-related objectives?</li> </ol>
<b>Impact:</b> What difference does the intervention make?
<ol style="list-style-type: none"> <li>23. Did the project make a contribution to a broader and longer-term response to decent work objectives in Afghanistan?</li> <li>24. What changes have been observed in relation to the objectives of the intervention? To what extent can observed changes be attributed to the intervention? How have the changes affected men and women? Are there any systematic differences in the impact of the project for men and women, and if so, why?</li> <li>25. What interventions and approaches delivered the impact or scale? What are key contextual features for these?</li> <li>26. Is the scale of impact appropriate for the context and project size?</li> <li>27. Have the project initiatives made a difference to specific higher goals to which they are linked? If so, how has the intervention made a difference so far?</li> </ol>
<b>Sustainability:</b> Will the benefits last?
<ol style="list-style-type: none"> <li>28. Do the project strategies and interventions, including the sustainability plan at the level of individuals, enterprises and systemic change at market system level? What actions might the project take to help ensure sustainability of key outputs and outcomes in a possible second phase?</li> </ol>

<sup>48</sup> OECD, 'Better Criteria for Better Evaluation. Revised Evaluations Criteria Definitions and Principles for Use. OECD/DAC Network on Development Evaluation.', 2019.

29. Do key institutions and partners organisations have the capacity and resources to sustain project activities? What challenges exist to doing so?
30. What are the outputs and outcomes that are most likely to be sustained?
31. Are there any difference between male and female actors to the extent outcomes will likely be sustained?
32. To what extent can systemic changes be observed? Do these changes benefit male and female market actors in the same way or are their differences as to how women and men will be able to benefit from these changes?

**Table 2: Summary of data collection tools**

Tool	No.	Distribution by actor and location
KIs	25	6 <b>Government</b> <ul style="list-style-type: none"> <li>Balkh Directorate of Economy</li> <li>Balkh Directorate of Industry and Commerce</li> <li>Balkh Directorate of Labour and Social Affairs (DoLSA)</li> <li>Department of Women Affairs (DoWA)</li> <li>Ministry of Agriculture, Irrigation and Livestock (MAIL)</li> <li>Samangan Directorate of Agriculture, Irrigation and Livestock (DAIL)</li> </ul>
		4 <b>Employers' organisations</b> <ul style="list-style-type: none"> <li>Afghanistan Women Chamber of Commerce and Industry (AWCCI)</li> <li>Balkh Chamber of Agriculture</li> <li>Balkh Chamber of Commerce and Industries (BCCI)</li> <li>Women Traders Association</li> </ul>
		2 <b>Workers' organisations</b> <ul style="list-style-type: none"> <li>National Union of Afghanistan Workers and Employees (NUAWE)</li> </ul>
		2 <b>Support institutions</b> <ul style="list-style-type: none"> <li>International Centre for Agricultural Research in the Dry Areas (ICARDA)</li> <li>Start and Improve Your Business (SIYB) Afghanistan</li> </ul>
		7 <b>Collaborating agencies</b> <ul style="list-style-type: none"> <li>Agency for Technical Cooperation and Development (ACTED)</li> <li>German Development Agency (GIZ)</li> <li>Norwegian Refugee Council (NRC)</li> <li>United Nations Assistance Mission in Afghanistan (UNAMA)</li> <li>United Nations Development Programme (UNDP)</li> <li>United Nations High Commissioner for Refugees (UNHCR)</li> <li>United States Agency for International Development (USAID)</li> </ul>
		4 <b>Inception KIs</b> <ul style="list-style-type: none"> <li>International Labour Organization (ILO)</li> </ul>
SSIs	25	18 <b>Employers in Balkh</b>
		7 <b>Employers in Kabul/remote</b>
Phone surveys	262	203 <b>End-beneficiaries in Balkh</b>
		59 <b>End-beneficiaries in Samangan</b>

### Key informant interviews (KIs)

25 KIs were conducted with government entities, employers' and workers' organisations, support institutions and collaboration agencies on the basis of a preliminary list shared by the ILO. Because of the rapid turnover in many organisations in Afghanistan, some informants could not be directly contacted. Field researchers were able to overcome this hurdle through ongoing communication with the ILO Country Office and relevant organisations.

### Semi-structured interviews (SSIs)

25 semi-structured interviews with partner companies in Mazar-e-Sharif (Balkh) and Kabul, gathered insights on employers' experiences working with the R2J project.

### Rapid phone surveys with end-beneficiaries<sup>49</sup>

A rapid questionnaire for end-beneficiaries gathered data on 262 respondents - 203 in Balkh and 59 in Samangan (Table 3). These include farmers, workers and employees who indirectly benefited from the project. The questionnaire assessed the extent to which the interventions' impacts trickled down locally by improving individuals' economic situation, work standards, social/financial inclusion and resilience capacities. The sample is composed of 64% of men and 36% of women. Women are more likely to be internally displaced than men with proportions of 80% for female respondents (75 out of 94) and 15% for male respondents (25 out of 168).

### Stakeholder workshop

<sup>49</sup> The term end-beneficiaries will be used throughout this report to refer to the farmers, own-account workers and employees that have indirectly benefited from the project by working with R2J partner companies.

A stakeholder workshop was held in February with the donor, Sida, and the ILO R2J team. The objective of this discussion was to present the donor with the main evaluation findings and address any pending concerns or requests for clarification the donor had. One of the donor's major concerns was the limited evidence on the impact of the project on end-beneficiaries and on behavioural change. This can be explained by i) the absence of a baseline against which the evaluation team could compare end-line results, and ii) a small sample size that does not allow to draw conclusive statements on whether the project led to long-term and sustained change in the behaviour of farmers and vulnerable groups. The evaluation team nonetheless highlighted the added-value of the project from a conceptual and process point of view, as it succeeded in fostering collaboration among diverse stakeholders in a politically unstable country where public-private dialogue remains weak. Final revisions have been made to this report based on the stakeholder workshop.

**Table 3: Summary table of survey respondent characteristics**

Value chains:	Carpet weaving	Cotton processing	Grapes and raisins	Mobile money agents	Wool washing	Others	Total
Company name	Merhaba Zarin	Haji Mohammed	ANDHO & Mehran Guzargah	Afghan wireless	Abdul Qadir	Paravets (AVA) Dairy (Pakiza) Jewellery (Torque) Entrepreneurship training (SIYB)	N/A
Demographic characteristics	Female	Male	Male (1 Female)	Male	Female	22 Female 19 Male	94 Female 168 Male
Employment status							
Non-regular	0	6	13	0	4	2	25
Waged employment	24	2	12	3	12	3	56
Working on own account	1	34	55	15	0	24	129
Unemployed	17	3	5	2	13	12	52
Total	42	45	85	20	29	41	262
Empl. rate	60%	93%	94%	90%	55%	71%	80%

## Biases and limitations

- No baseline assessment nor comparison groups.** The final evaluation was conducted without access to a baseline assessment nor to data on potential comparison groups. This means that the data collected through qualitative and quantitative primary research at the project's completion cannot be examined in light of data collected before the project began nor be compared to data from non-beneficiaries. This limits the evaluators' capacity to attribute changes observed in the socioeconomic conditions of businesses and individuals to the project per se. The absence of a proper baseline assessment also points to learning gaps that could be bridge with the design and implementation of a solid MEAL system.
- Limited breadth of primary data, explained by the following factors:**
  - As the resources allocated to this evaluation were limited, the quantitative component could not be sufficiently explored - only 262 phone surveys were conducted with end-beneficiaries. In addition, the contact list was put together using the contact details shared by the project staff and partner companies, which some companies were reluctant to share.
  - Due to the project's design and approach, which presumes that end-beneficiaries are not aware of the project's presence and activities, no qualitative data was collected from end-beneficiaries. Absence of qualitative insights prevented the depiction of a more comprehensive and potentially nuanced picture of the project's contribution to people and local communities. In addition, no focus group discussions were carried out, upon request of the ILO, as bringing businesses – competitors – together would have contradicted the project's rationale.
- Unclear definitions and typologies.** Another limitation is that female end-beneficiaries, mainly operating in the carpet industry, define themselves as waged employees (as per Table 3), while many are self-employed and paid per output produced. This can be explained by several factors. While these women have been trained by carpet production companies, they were then offered to choose between being hired and working at the factory, being hired and working from home, being self-employed but maintaining a privileged work relationship with the company. For many, these different options imply the same work relationship with the company. The fact that carpet production companies are particularly mindful of their workers' and suppliers' wellbeing can exacerbate this work status confusion. Finally, the fact

that self-employed female carpet weavers continue to sell their products to a sole buyer entertains the idea that they “belong” to a certain company and downplays their economic empowerment.

4. **Turnover, institutional memory and access to the right information.** The large turnover in Afghanistan’s key institutions, notably within government departments, made it hard to gather relevant information on the project. The institutional memory is not always transmitted from one representative to another, which means that important insights on the project’s inception phase and on the relationship between local stakeholders and the project staff may have not always been effectively recorded.

## II. OVERALL PROGRAMME OUTCOMES

To assess the project in a holistic manner, overall outcomes at both structural and local levels were examined. Looking at the project’s contribution to market systems offered insights into its capacity to stimulate systemic change in a region still highly dependent on humanitarian aid, and characterised by political instability, thin markets and economic unpredictability. Despite the circumstances in which the project operated, it managed to remove the constraints that inhibited the development of a functional private sector by incentivising market actors to trial new business approaches, building local capacities and attempting to foster a business conducive environment. Structuring market systems also allowed the project to improve the lives and working conditions of local communities. Working through businesses contributed to generating positive spillover effects that were captured by disadvantaged groups, notably women, the forcibly displaced and smallholder farmers. By lifting social, cultural and informational barriers that hinder access to labour markets, the project allowed marginalised groups to feel empowered and better integrated in communities and markets.

### A. STRUCTURAL OUTCOMES: Contribution to market systems

#### Key messages

- The project **addressed market constraints** and **shifted mentalities** around private sector development in conflict-affected areas.
- To contribute to the growth of key sectors, the project resorted to three types of interventions:
  - Through market facilitation, it **strengthened linkages** along agricultural value chains and improved **farmers’ selling position** on the market
  - Through **skills development**, it achieved its dual objective of increasing the supply base of partner companies while allowing farmers and workers to become more productive
  - The project **fostered an entrepreneurship ecosystem** through various activities from business training to networking events, and a close partnership with the Balkh Chamber of Commerce and Industry.
- To **gain the trust** of local stakeholders and business partners, the project led collaboration and coordination initiatives. However, it could have benefited from developing a better understanding of political dynamics and designing a communications strategy that formalises its engagement with the public sector. A formalised participation of businesses in monitoring activities could also increase local ownership.

#### Addressing market systems constraints in a conflict-affected environment

The project’s main contribution to market systems has been to challenge common perceptions of private sector development in an atypical business environment.<sup>50</sup> The project adopted a participatory approach that encouraged local stakeholders to take the lead in identifying the sub-sectors that would benefit from R2J’s support.<sup>51</sup> Consultative workshops were carried out, and working groups were formed to champion the implementation of interventions. In addition, a project advisory committee (PAC) made up of representatives from key ministries, workers’ and employers’ organisations was formed at the regional level to involve local stakeholders in reviewing the project’s progress and ensuring alignment with government priorities.<sup>52</sup> The project also worked directly with enterprises to trigger a mentality shift from “aid” to “business development”. Companies that want to participate in the project were required to submit a business proposal explicitly stating how the business model they want to trial will impact disadvantaged groups. (KII, ILO, Geneva) Business proposals served as a basis for further negotiation with the project staff and for the elaboration of the pilot intervention. Right from the onset, the project adopted a business-oriented approach evaluating enterprises’ eligibility to participate in R2J.

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50 Minoia and Schrade, ‘No More Standard Programming: Economic Development in Fragile Settings. Lessons from Afghanistan’. Based on research localised in Afghanistan, the authors offer suggestions on what development agencies should take into account when undertaking economic development in fragile settings. According to them, development actors need to i) accept that Afghanistan’s economy works according to different rules; ii) understand how local markets work in practice; iii) develop programmatic approaches that address constraints rooted in social norms, obligations and relationships of trust. It can be assumed that, through the MSD approach, R2J managed to align its interventions with these recommendations.

51 ILO, ‘2015 R2J Technical Progress Report’, 2015.

52 ILO.

While the project proves that a different approach to private sector development is possible in Afghanistan, three types of contextual factors - insecurity, administrative hurdles and internal political struggles - negatively affected the outcomes of certain interventions and undermined their sustainability.

**Insecurity:** The volatile security environment has been one of the major impediments to private sector development in Northern Afghanistan.<sup>53</sup> The political uncertainty has also prevented businesses to fully reap the benefits of R2J's intervention. Efforts to support business development in a conflict-affected country can sometimes turn out vain or be jeopardised by constant security challenges: *"We supported a small business-owner to create a new production line, and he succeeded, but soon after, he was not able to promote his products anymore because of extortion by non-state armed groups."* (KII, Collaborating Agency, Kabul)

Similarly, innovative business models could not be pursued because of unpredictable changes to the security environment. The case of the Pakiza Dairy Company exemplifies the obstacles businesses must overcome to ensure their survival. Through the diversification of its production, it had initially generated such positive outcomes that it encouraged another dairy firm, Sultan Taza, to establish itself in Mazar-e-Sharif and build on the same model. Yet, when interviewed, the owner of Pakiza depicted a different reality: *"When we started working with the ILO, our number of employees increased to 36 people, but we have downsized to 12 people again. We have milk, but there is no market for it. The markets are down due to the insecurity. When there is war in Kunduz and Faryab, it impacts on our sales in the market."* (SSI, Pakiza Dairy Company, Balkh) This shows that efforts to encourage free competition between market players and structure better functioning market systems can sometimes clash with exogenous factors that are out of the project's control, undermining the sustainability of the impacts produced.

**Administrative hurdles:** By preventing the growth of a reliable and competitive private sector, administrative hurdles also render the outcomes of R2J's interventions relatively uncertain.<sup>54</sup> One social partner contended that *"administrative hurdles do not allow to identify skilled people"* (KII, Social Partner, Balkh) or, in other words, recruitments in both the public and private sectors are based on personal ties rather than qualifications or skills. This can undermine the project's efforts to establish well-functioning market systems as it calls into question the effectiveness of skills development in a business environment dominated by informal norms.

In addition, government support to companies may sometimes be contingent upon favouritism and clientelist behaviour, which hinders the creation of a level playing field where enterprises operate on the same principles.<sup>55</sup> For instance, clientelism played out to the detriment of the Durukshan Poultry Production company when obtaining the license necessary for the production of its organic fertiliser from the government: *"it took us one year to obtain the license, and our work was stopped."*

**Lack of coordination and internal political struggles:** Competition among government agencies has also affected the project's ability to shape rules and regulations in favour of a more prosperous business environment. According to a government representative, *"political instability and co-option can also be a challenge in the northern areas. For instance, government authorities capture development projects and politicise them, and then they compete against each other to take programmes for themselves instead of offering them to capable companies."* (KII, Government, Balkh) The lack of policy and legal coordination among government agencies can also prevent the change of unsuitable rules and the government's incapacity to practically implement already existing legal provisions: *"Unfortunately, the ILO [...] did not bring positive changes in labour market rules. One reason is that the law already stipulates progressive rules, but none of these rules are translated into practice. [...] Another reason might be that the government has the full authority on setting the rules and regulation and it does not accept changes easily."* (KII, Social Partner, Balkh) While R2J made efforts to foster multi-stakeholder discussions, ongoing political struggles may prevent the adoption of rules that favour sustainable private sector growth and alignment with decent work objectives.

### Box 1. Is the MSD approach fit for purpose in conflict settings?

In conflict-affected regions, carefully planned MSD interventions may not always produce positive outcomes and business models that may have worked in a more predictable setting can fail. In Northern Afghanistan, this was due to three major factors, as indicated above: insecurity, administrative hurdles, lack of coordination and internal political struggles. However, to do the MSD approach justice in a challenging environment, it is important to undertake a more holistic assessment – one that does not exclusively look at empirical figures and numbers (i.e., number of jobs created), as results may not always be forthcoming, but examines processes and interactions. For instance, the MSD approach opened up a window for collaboration and multi-stakeholder dialogue through instruments such as the Project Advisory Committee and business fairs. This contributed to the propagation of a private sector mentality in a context where humanitarian aid tends to prevail and to progressive resilience-building in provinces that are usually shaken by political events.

53 Asian Development Bank, 'Afghanistan's Economic Growth to Remain Sluggish Amid Challenges', 3 April 2020.

54 According to the Asia Foundation 2019 survey, 81.5% of survey respondents say corruption is a major problem in Afghanistan as a whole. The Asia Foundation, 'A Survey of the Afghan People: Afghanistan in 2019', 2019.

55 Ghiasy, Zhou, and Hallgren, 'Afghanistan's Private Sector: Status and Way Forward'.



## Contributions to agriculture and manufacturing in Northern Afghanistan

**Table 4. Summary table of market systems constraints in Northern Afghanistan and ways in which they were addressed**

Market systems constraints	How they were addressed
Unskilled labour force, leading to low outputs/yields	Skills development was provided across value chains with a focus on women empowerment in several sectors. In some cases, R2J partnered with professional organisations to deliver training such as the Afghanistan National Horticulture Development Organisation (ANDHO) which trained 30 people on GAP, <sup>56</sup> and the Afghan Veterinary Association which trained 18 paravets on animal health. <sup>57</sup> The Hajji Mohammed cotton company pioneered a new model where 50 Lead Farmers were trained in cotton cultivation, and were subsequently equipped to themselves train at least 10 farmers each. <sup>58</sup> In the carpet sector, Afghan Bazar and Merhaba Zarin established vocational training centres and offered trained female carpet weavers either to be recruited by the companies or to work on their own account while still maintaining a privileged business relationship with the companies. <sup>59</sup>
Weak value chains	R2J partnered with businesses in the grapes and dairy sectors to strengthen the respective value chains. In the grapes sector, Miran Shamal Logistics was founded with the support of R2J to improve the post-harvest management of fruit and vegetables. In the dairy industry, Pakiza Dairy company established milk collection facilities to reduce milk spoilage, increase farmers' sales and improve milk supplies (see Box 5).
Weak entrepreneurship mindset and ecosystem	The project strengthened the region's entrepreneurship ecosystem through business management training, financial education training, mentoring and coaching, as well as bi-annual networking opportunities.
Lack of trust between suppliers and businesses	Value chain development also played a critical role in reinforcing the trust relationship between farmers and processing companies. In the cotton industry, 1,500 trained farmers were contracted by and sold their cotton to the Hajji Mohammed cotton company in 2018 as a result of improved cotton cultivation practices. In the dairy sector, additional farmers expressed their interest in participating in Pakiza's milk collection model.
Lack of access to inputs	In the cotton sector, Hajji Mohammed company provided inputs to cotton producers on loan. In the poultry sector, the Durukshan poultry company pioneered the production of organic fertiliser from chicken litter.
Lack of access to finance	The project trialled mobile money and alternative financial models (e.g., companies providing loans to their suppliers) to increase farmers' access to finance.
Lack of access to information	R2J partnered with local and international companies to roll-out mobile and media extension services aimed at increasing farmers' access to crucial information that would help them increase their yields.

### Introduction of new and/or improved ways of working

At the core of R2J is the introduction of inclusive business models with the dual objective of sustainably changing business practices and increasing beneficiaries' access to decent work opportunities. The idea is to encourage market players to adapt their behaviour in response to the innovation introduced, leading to the generalised adoption of inclusive ways of working.<sup>60</sup> Notable business models have been introduced in the poultry industry, with the poultry buyback system and the conversion of chicken litter to organic fertiliser, the grapes industry with the improvement of cold storage facilities, and in the dairy industry with the improvement of milk collection facilities, among others, combining market facilitation, technical and financial support.

The facilitation of market linkages between processing firms and farmers has led local stakeholders to qualify R2J's programmatic work as post-harvest management. While limiting R2J to post-harvest management may conceal the trust and

<sup>56</sup> ILO, 'Beneficiary Monitoring of "Grape Extension Services Intervention" to Measure the Results', August 2017.

<sup>57</sup> Tanin Consulting Service Company, 'Paravet Intervention Assessment Report', January 2020.

<sup>58</sup> ILO, 'Beneficiary Monitoring of "Extension Services to Cotton Farmers" to Measure the Results', January 2018.

<sup>59</sup> Marhaba Zarin Handicraft Company, 'Building the Capacity of Women in Modern Carpet Design and Creating Employment', Final Report, November 2019.

<sup>60</sup> This is what the ILO refers to a systemic change which takes place when market players change their behaviour and are committed to sustaining innovations without the project's support. The Adopt-Adapt-Expand-Respond (AAER) framework is used to disaggregate systemic change and measure it against three questions: 1. Are new business models adopted and institutionalised without external support? 2. Are the benefits from the innovation being generalised to more people? 3. Are other actors throughout the system changing their behaviour in response to the innovation introduced?

two-way relationship the project seeks to build between farmers and companies, it shows how the project managed to remain almost invisible while facilitating interactions between market players.

*“In my view, Road to Jobs focuses on developing the very last stages of a given value chain. Compared to other projects that are aimed at improving the working conditions of farmers through the direct delivery of inputs and finance, ILO works with businesses to change their mind and their habits for higher productivity. R2J is not an emergency project that gives farmers seeds or free material, its objective is to capacitate them instead.” (KII, Government, Balkh)*

Insights can be drawn from the case of Mehran Guzargah, a cold storage facility for fruits and vegetables, which received technical support to improve its storage capacity. The benefits were two-fold: while increasing the productivity of the partner company, it also promoted the livelihoods of farmers who *“were not forced to send their fruits to Pakistan anymore”* (SSI, Mehran Guzargah, Balkh) and could sell them on local markets at a higher price during the off-season. Aligned to the market systems development ethos, the project also supported the creation of linkages along the grape value chain. With the ILO’s support, three cold storage companies joined forces to create Miran Shamal Logistics, a logistics company that secures cold chain facilities and vehicles in the northern region to ensure the transportation of grapes along the supply chain and increase their shelf life.<sup>61</sup>

## Skills development

Skills development was used to increase the supply base of partner companies and to allow farmers and workers to become more productive, increasing their income. The project adopted a decentralised approach: it relied on local organisations, support institutions and companies themselves to deliver training to end-beneficiaries. Phone surveys indicate that 85% of total respondents (262) received training in the past years. Among those, 46% received training in good agricultural practices (they predominantly operate in the grapes and raisins and cotton industries), 39% received vocational training (they predominantly operate in the carpet weaving, wool washing and dairy industries), and only 5% received entrepreneurship training. Overall, enterprises stressed the importance of training in upgrading the skills of beneficiaries and recognised their sustainable impact. Among others, the Hajji Mohammed cotton production company stated that despite some of the interventions’ weaknesses, *“farmers have benefited from training on cotton cultivation, and these are skills they will keep with them forever.”* (SSI, Hajji Mohammed Company, Balkh) Table 4 summarises some of the skills development interventions where partner companies have taken responsibility over training their workforce and/or suppliers for better outcomes.

### Box 2. The case of Aryana Balkh

Aryana Balkh has been operating in the textile industry since 2014 and started collaborating with the R2J project in 2016 for two years for skills development and employee training. Employees were trained in-house and abroad. As the company was only producing yarn and thread since its creation, it was encouraged to diversify its activities and employees were trained on the production of more specific goods, such as handbags. The project’s support allowed the company to almost double its workforce from 35 to 63 employees. In addition, the company increased its production and was able to sell its products in other provinces than Balkh, including Kabul, Herat and Jalalabad. Aryana Balkh’s owner also insisted that their company was able to gain more visibility thanks to the bi-annual business fairs organised by the project.

## Building a strong entrepreneurship ecosystem

Beyond skills development, the project fostered a strong entrepreneurship ecosystem in Northern Afghanistan. Using a multiplier strategy, it trained and certified local stakeholders on two business development training packages and one financial literacy package.<sup>62</sup> This helped build local ownership of training programmes and ensure that business enabling services would continue to be delivered even after the project’s completion. In addition, the project trained coaches and mentors and partnered with the Balkh Chamber of Commerce and Industry (BCCI) on the organisation of bi-annual business fairs as a networking opportunity.

Business development training was delivered to two specific target groups: newly established entrepreneurs and women business-owners.<sup>63</sup> The Start and Improve Your Business (SIYB) package was delivered to enhance the entrepreneurial skills and mindset of business-owners for more productive employment and the GET Ahead package was intended to address the needs of low-income women entrepreneurs.<sup>64</sup> Since 2016, the project trained 58 trainers on SIYB (36 men and 22 women) and 36 trainers on GET Ahead (32 women and 4 men) with the aim to bolster local business development capacities. Through its collaboration with international organisations and local partners, it trained 3,378 entrepreneurs in SIYB (1,948 women

61 Miran Shamal Logistic Services Company, ‘Improving the Income Earnings for Farmers and Cold Storage Companies through Access and Usage of Cold Chain Transport Facilities’, Final Report, 2019.

62 Eva Majurin, ‘Start and Improve Your Business: Implementation Guide’ (ILO, 21 October 2014).

63 The term entrepreneur is here used to refer to self-employed individuals who run their own income-generating activity. The entrepreneurs who received business management training own small-scale economic units and should not be confused with the project’s business partners.

64 ILO, ‘SIYB and GET Ahead Impact Assessment Report’, n.d.

and 1,430 men) and 1,274 entrepreneurs on GET Ahead (1,129 women and 145 men), expanding its outreach to other provinces. Box 4 testifies to the success of the SIYB training programme and the viability of its decentralised implementation.

Key to the creation of an entrepreneurship ecosystem, financial education training was delivered with a dual purpose: to equip future trainers with knowledge and skills so they can help training beneficiaries make informed financial decisions, and to strengthen the behaviour of training beneficiaries, especially women, on budget planning, savings, prudent spending, wise borrowing and appropriate risk management decisions.<sup>65</sup> The project trained 19 trainers (14 women and 5 men) and provided training to 96 entrepreneurs (76 women and 20 men).<sup>66</sup>

### Box 3. The success of the SIYB business management training

The R2J project initially collaborated with USAID RADP-North to promote farmers cooperatives in the region. This resulted in the training of USAID staff on the SIYB business management programme and the subsequent launch of the SIYB Afghanistan Company with unprecedented outreach of business development services across the country. The fact that SIYB activities have been able to reach entrepreneurs across the country attests to the project's efficient utilisation of resources and long-lasting impact. The excerpt below shows how SIYB Afghanistan was founded:

*"I was supposed to build the capacity of some 50 farmer organisations. The SIYB training material I was introduced allowed me to complete my deliverable in less than three years instead of five. Then, I ended my contract at RADP-North and established my own business: SIYB Afghanistan. This year marks the 3rd anniversary of my business and so far, it has reached six main regions across the country."* (KII, Training Institution, Kabul)

### Box 4. Partnering with the Balkh Chamber of Commerce and Industry

One of the project's main partners was the Balkh Chamber of Commerce and Industry (BCCI). R2J relied on BCCI's ability to promote private sector development and built its capacity to offer quality business development services. BCCI acted as a focal point for private sector-led initiatives, was involved in the project since the inception phase and was responsible for linking up the project staff with local businesses in need of support. Below are some of the outcomes of the R2J-BCCI partnership.

- **Exhibitions and business fairs.** R2J collaborated with BCCI to organise bi-annual business fairs where local businesses could display their products, meet other businesses and potential investors and exchange good business practices.
- **Business management training.** BCCI was involved in the provision of training in terms of both administrative support and training delivery. The Chamber informed and registered participants, prepared training spaces and covered logistics. It also conducted training on marketing, accounting and business plans.
- **Awareness-raising on COVID-19.** BCCI played an important role in raising awareness on COVID-19 and provided training to local businesses on health precautionary measures.

## Gaining the trust of local stakeholders and business partners

### Local stakeholders

To gain the trust of local stakeholders and generate sustainable impacts, the project collaborated with various actors on the ground: government entities through the design and implementation of project interventions; social partners through advocacy work; implementing agencies from the development, humanitarian and peace-building spheres through capacity-building.

Insights from different stakeholders confirm the project's strong collaboration efforts, overall. One UN agency notably recognised the importance of having R2J's market system experts on the ground to help them fulfil their mandate. The respondent explained that the agency's collaboration with R2J is inscribed in a global agreement formalised several years ago. He also added that the presence of the R2J project staff as market systems ambassadors in the region helped the UN agency fast-track the design and implementation of market-based interventions for forcibly displaced people and avoid effort duplication. Meanwhile, a development agency whose staff was trained on the SIYB business management programme confirmed the project's capacity to forge ties with other organisations in a decentralised way: *"The ILO is not directly involved in SIYB training or activities. It only gives the copyright to SIYB and promotes SIYB in this way."* (KII, Collaborating Agency, Kabul) A representative from another UN agency also explained that by seeing the project's impact with his own eyes, he was encouraged to build synergies with the project and its donors: *"I was so interested that I was really asking and advocating for support from the appropriate donors because I saw how the ILO's work impacted people's lives here."* (KII, Collaborating Agency, Balkh) These different accounts provide evidence to the project's successful adoption of an integrated approach that connects organisations from the development, humanitarian and peace-building fields and prevents them from working in silos. Similarly, tripartite constituents recognised the project's capacity to build synergies with them: *"The ILO has a good*

65 ILO's programme on Financial Education

66 ILO, 'Addendum to 2019 Technical Report', 2019.

engagement with us, and it has built a good relationship with the government, other NGOs and the private sector.” (KII, Government, Balkh) One employers’ organisation also described itself as the project’s “middleman”, linking R2J staff with local businesses through technical and logistical support, notably for the organisation of training workshops: “For training, we were informing participants, registering them, inviting them, providing training spaces and logistical support. Basically, all the management was done by our office in Balkh.” (KII, Employers’ Organisation, Balkh)

However, several government agencies expressed the willingness to be more involved in the project’s design, implementation and monitoring. Two representatives contended that, while they were involved in the project at an advisory level, through their participation in the PAC, they could have been more present. One stated that “it would be better for ILO to come to us from the very beginning, such as from the proposal writing stage [...]. Right now, if we suggest them to consider a value chain during the project, they won’t accept to do so because it is not in their proposal” while the other considered that “the biggest gap was that they were not involved in the monitoring process” and proposing the creation of a monitoring and evaluation committee that would encompass government representatives. A third directorate highlighted its insufficient involvement in project implementation, while also pointing out the absence of engagement with the Balkh Development Committee (BDC), regarded as the province’s coordinator of development projects: “BDC is the connector of NGOs, government and society and we should be briefed in all development projects. All UN agencies come to us to present the projects they want to implement in Balkh, but we have never seen ILO come to us to brief us on its operation.” (KII, Government, Balkh) **Despite the project’s efforts to clarify the public sector’s role, expectations for participation continue to be high and mentalities still aligned with traditional programming.**

## Business partners

Engaging with business partners is a key ingredient to building trust and local ownership. The conceptual shift R2J has operated from “beneficiaries” to “partners” was not without challenges in a humanitarian environment where private sector actors are accustomed to receiving financial aid with no strings attached. In the project’s beginning phase, this has translated into instances of misalignment: business partners’ expectations regarding the support they would receive diverged from what the project could actually deliver. For instance, a jewellery production company explained that it was supported to establish an office in Mazar-e-Sharif and train around 40 women on apparel styling and jewellery design but did not receive the additional funding promised to launch an online retail platform (SSI, Torque Force Company, Balkh). While the project explained that R2J tends to interrupt its support once it considers it to be unnecessary for business growth, this example demonstrates insufficient communication and clarity on the project’s objectives and modus operandi. During the inception phase, companies that express an interest in experiencing with new business models are actually risk-takers, and do not have a guarantee that the model will produce the intended outcomes. The implications of the trial-and-error approach should be made clear from the onset, while agreements are still being brokered, to avoid any overpromising. With time, and as the project advanced, issues of misalignment have tended to wane, signalling a potential for sustainable changes in the market.

### Box 5. Pakiza and Sultan Taza dairy companies: a success story of systemic change

To build stronger linkages along the milk value chain, R2J teamed up with Pakiza Dairy Company for the creation of three milk collection centres covering a total of 23 villages. The intervention allowed farmers to sell their fresh milk on a daily basis to the milk collectors and increased Pakiza’s dairy production by improving the quantity and quality of its milk supply. 2,250 women farmers have been trained on cattle management and now get paid for their milk. Hearing about this success story, additional farmers also expressed their interest in participating. Recently, Pakiza diversified its activities to chocolate, cheese and yoghurt production. This allowed the company to improve its returns and increase its production from 500 litres to 5,500 litres per day.

When entering into this partnership agreement, the project had to ensure that both parties’ expectations were aligned. Yet, the more recent partnership with dairy competitor Sultan Taza tells another story. The company reached out to the ILO on its own initiative and requested R2J’s technical assistance to better position itself in the dairy value chain. Exemplifying a successful case of systemic change, Sultan Taza wanted to build on the same business model as Pakiza and tap into the same supplier base. This also signals a shift towards a more business-oriented mindset as the company demonstrated a better understanding of R2J’s role from the start.

The monitoring system used to track progress plays a considerable role in gaining the trust of local businesses. While methodologically robust, the MRM system was not participatory enough, insofar as it did not create the necessary platforms for business partners to respond to the data and results collected. The majority of enterprises interviewed during fieldwork stressed that their participation in the project’s monitoring system was limited. Many explained that, while project staff visited their office and workplace to gather evidence on the intervention’s progress, they did not have additional information on how the evidence was used nor were they able to exchange with the project staff on their findings. While the project made it a point to organise regular progress meetings with business partners, feedback loops were not sufficiently formalised, leading to a discrepancy between the project’s approach and the way it materialised in practice. Complementing the current monitoring system with a community-based approach could help anticipate the unintended outcomes of certain interventions and design collaborative solutions to address the challenges companies are facing.

Other contextual factors related to local market dynamics also undermined business partners’ trust in the project and sense of ownership. Some business partners indicated that the project did not benefit them or allow them to grow further. This is the case of a juice production company, which experienced business failure after adopting a new business model. It had received technical assistance to convert part of its business operations to the production of grape juice only to realise that there was no market for its product. While the project used robust market assessment tools to inform its interventions, the context can influence market dynamics and jeopardise the success of interventions. The project design could include a more comprehensive implementation strategy for each target value chain and running a cost-benefit analysis before launching a specific intervention to anticipate market system changes that can undermine roll-out.

## B. LOCAL OUTCOMES: Contributions to people and local communities

### Key messages

- **R2J participants ranked their economic situation better than non-participants.** Results varied between female and male respondents. Internally displaced women (i.e., IDP women) in the carpet industry had steady earnings in normal times but were less resilient than men own-account workers in the face of the economic crisis.
- The project was successful in creating **productive employment** opportunities that offered end-beneficiaries higher income and translated into harmonious work relationships. While inclusive ways of working were adopted by partner companies, political factors and inefficient labour markets prevented the project from addressing **decent work deficits** at the policy level.
- Mobile and media extension services increased farmers' **access to information** and have the potential to improve their **economic self-reliance**. Financial inclusion interventions - mobile money and loan-based schemes - produced more nuanced outcomes notably due to **low financial literacy rates**.

### Job quality and productive employment for disadvantaged groups

Part of creating quality jobs is assessing whether these jobs are productive enough to yield an income that allows workers to be economically self-reliant and live above the poverty line.<sup>67</sup> Table 5 below sheds light on how the quality of jobs created played out for men, more likely to be own-account workers especially in the grapes sector, and women, predominantly carpet weavers and defining themselves as waged employees.

**Table 5: Summary table of income evolutions disaggregated by gender**

Income evolution in the past 12 months					
	<i>Very negative</i>	<i>Somewhat negative</i>	<i>Stagnation</i>	<i>Somewhat positive</i>	<i>Very positive</i>
Men (n=168)	4%	41%	27%	21%	0%
Women (n=94)	2%	35%	42%	21%	7%
TOTAL (n=262)	3%	39%	32%	21%	5%
Income evolution because of COVID-19					
	<i>Overall, negative</i>		<i>Stagnation</i>	<i>Overall, positive</i>	
Men (n=168)	40%		48%	12%	
Women (n=94)	85%		15%	0%	
TOTAL (n=262)	56%		36%	8%	
Income evolution compared to other income-earners in the community					

<sup>67</sup> The ILO defines productive employment as “employment yielding sufficient returns to labour to permit a worker and his/her dependents a level of consumption above the poverty line.” Examining the availability of productive employment can help understand how the target group’s poverty situation is evolving and serves as an indicator of a project’s alignment with SDG 8.3 on decent work and economic growth.

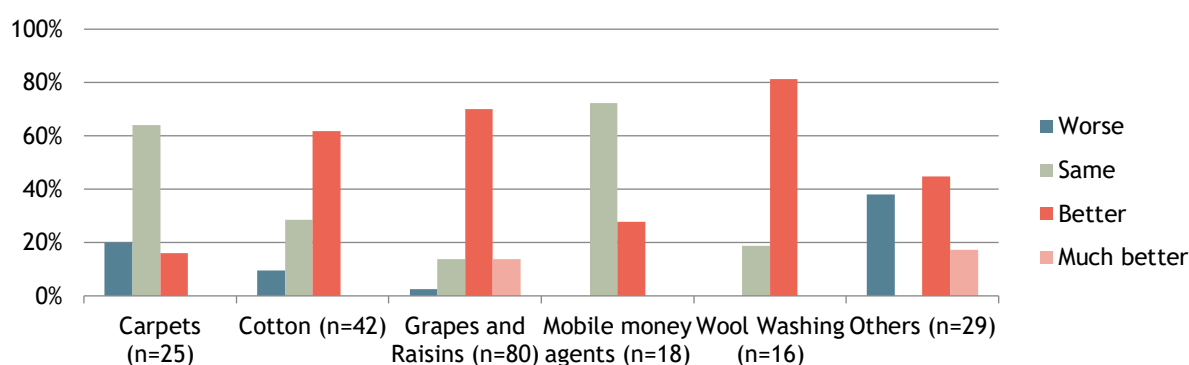
	<i>Very negative</i>	<i>Somewhat negative</i>	<i>Stagnation</i>	<i>Somewhat positive</i>	<i>Very positive</i>
Men (n=168)	0%	14%	49%	34%	4%
Women (n=94)	1%	29%	63%	7%	0%
TOTAL (n=262)	1%	19%	54%	24%	2%
<b>Income evolution compared to individuals who did not participate in training</b>					
	<i>Very negative</i>	<i>Somewhat negative</i>	<i>Stagnation</i>	<i>Somewhat positive</i>	<i>Very positive</i>
Men (n=168)	0%	5%	30%	57%	7%
Women (n=94)	0%	8%	46%	43%	3%
TOTAL (n=262)	0%	6%	36%	52%	6%

The findings suggest that, while IDP women are more likely to generate steady earnings in normal times, probably thanks to their higher propensity to work for a wage, they are also the first to be affected by economic shocks and may easily lose their jobs and their income. Men, who largely work as own-account workers, were more likely to see their income decrease compared to women with proportions of 41% vs. 35%. The results for women indicate their higher propensity to have a steady income at 42% against 27% for men. Women who operate in the carpet industry can either be self-employed or work directly for carpet production companies. While in reality they are more likely to be self-employed and paid by output produced, female respondents in the present sample defined themselves as waged employees, a perception bias that can be explained by the sense of belonging they have developed for the carpet industry. This translates into a certain level of economic stability for women workers in *normal times*.

However, when asked how the coronavirus pandemic affected their income, 85% of women stated that their income decreased compared to 40% of men, although overall respondents were more likely to claim that their income decreased independently of their gender. This can also be crossed with a higher number of unemployed women in the carpet industry, compared to other sectors. Due to gender norms and labour market restrictions, it is more culturally acceptable for women to work in certain sectors with specific work arrangements (here a close work relationship with the company). This can play out to their disadvantage in times of crisis and render them less resilient to economic shocks as employers may be forced to reduce their labour force as well as resort to salary cuts for employees. This is not the case for men who work on their own account and have more leeway to adapt to circumstances, as indicated by only 12% of men who saw their income increase despite COVID-19.

The survey also asked respondents to compare their economic situation to that of other income-earners, and especially that of individuals who did not receive any training (as a proxy for non-participation in R2J). Although they rely on the subjective point of view of respondents, these benchmarks offer a sense of whether changes in end-beneficiaries' economic situation and income can be attributed to the project, and more specifically its training component. Overall, the majority of respondents claim that their economic situation is similar to that of other income-earners. The data however reveals gendered disparities with 34% of men claiming to earn better than other community members compared to only 7% of women, confirming unequal resilience capacities between men and women in the face of external shocks. The majority of respondents (52%) claimed that they were faring better than non-R2J participants, **signalling the positive impacts of R2J interventions**. Despite the caveat of small sample sizes, data disaggregated by value chain (Figure 2) implies that beneficiaries working in the grapes and cotton sectors were more likely to compare themselves positively to non-R2J participants than beneficiaries working in the carpets sector. This confirms the idea that male own-account workers are more capable of reaping the benefits of project interventions in the corresponding sectors than women who are more affected by sudden economic changes due to their work arrangements.

Figure 2: Respondents' economic situation compared to non-R2J participants by value chain



### Decent work and IDP women empowerment

Table 6 summarises 81 answers from respondents who identified themselves as waged employees and daily labourers, and who shared their perception of decent work in their workplace. They mainly work in the carpet industry and in the grapes and raisins sector to a smaller extent. A traffic light system was used to rate the results: green for positive results, yellow for outcomes to be improved, and red for indicators that showed weak results.

Table 6: Survey respondents' perception of decent work

Decent work indicators	Results
My current employer is open to dialogue	Large majority somewhat or strongly agrees (93%)
The relationship employee/employer is appeased	Large majority somewhat or strongly agrees (94%)
Employees in the workplace are treated equally	Almost all respondents agree, and no one disagrees
My employer respects my rights as a worker	Large consensus with 91% of respondents who agree
My job is stable	The consensus is a bit weaker than for previous indicators with 75% of respondents who agree with this statement
Child labour is common	A fair majority claim that they have never witnessed child labour (77%) while 7 respondents stated "sometimes" and 4 respondents stated "frequently". Out of the 11 respondents who have witnessed some form of child labour, 7 operate in the grapes and raisins sector.
Health and safety at my workplace are not ensured	41% of respondents agree with this statement
I have limited access to social protection	83% of respondents agree with this statement
I do not have access to a workers' organisation	75% of respondents agree, and 70% strongly agree

The results indicate that the majority of respondents, predominantly IDP women working in carpet production, feel safe in their workplace and are positively treated by their employer. This suggests that enterprises operating in the carpet industry contributed to improving the economic situation and working conditions of IDP women.

Qualitative interviews with two carpet production companies, Merhaba Zarin and Afghan Bazar, reveal the adoption of inclusive recruitment policies and ways of working that help women overcome the sociocultural barriers they face to enter the labour market and change mentalities around the employment of women and forcibly displaced people. Both enterprises stressed their commitment to integrating IDP women in the carpet production value chain and ensuring their greater inclusion within society. They adopted a business model that offers women carpet weavers who receive skills development training three types of work arrangements to accommodate their personal situation: being employed and working at the factory, being employed and working from home, and being self-employed and paid per output produced. While the majority opted for self-employment, the respondents interviewed regard themselves as waged employees – a perception bias that confirms the positive decent work indicators and points to a high level of trust and harmonious work relationships.

Both enterprises improved working conditions for their employees. Merhaba Zarin's female business-owner was dedicated to promoting gender equality at work. She claims that the project encouraged her to rethink the meaning of employment and introduce operational methods that are more mindful of employees' wellbeing. She now serves as a role model for women who continue to shy away from employment opportunities. "Previously, women in the rug industry were not satisfied. It was boring for them - they used to work 16 hours straight on carpet weaving and it exhausted them. But now, I provide them with

entertainment opportunities. We picnic together once a week, they also get 1-2 hours of break and can use a music player.” (SSI, Merhaba Zarin, Balkh)

Meanwhile, Afghan Bazar is addressing the multifaceted obstacles that prevent women from working and provides women the conditions to reconcile their care responsibilities with work outside the home: “We have kindergarten for the children. In the next semester, we want to provide courses for carpet weavers’ children. Our centre is located within the community. Our company provides them with health services as well.” (SSI, Afghan Bazar, Balkh)

By fostering greater economic integration and laying the grounds for more prosperous working conditions, these initiatives have translated into more concrete societal integration outcomes. People working for a wage, mostly IDP women, are more likely (92%) to feel confident about the future than own-account workers (85%). Moreover, only one salaried employee never or rarely participated in social activities in the community, whereas this is the case for 20% of own-account workers.

In line with the local labour market and political conditions, indicators which require more advocacy work and policymaking support (i.e., occupational safety and health, social protection and access to trade unions) showed weaker results. **These indicators should be assessed in light of contextual factors, notably political instability and inefficient labour markets where high informality prevails, that make decent work objectives hard to achieve.** 55% of surveyed waged employees carry out their economic activities based on a written contract, while 45% work under an oral agreement. The type of employment respondents have translates into different perceptions on occupational safety and health: 46% of respondents working with an oral agreement think that health and safety are not ensured in the workplace compared to 32% of respondents working with a written contract. Breaking down answers on social protection by contract type, 77% of respondents with an oral agreement claimed that they have limited access to it compared to 91% with a written contract. This confirms the ongoing precariousness of labour, independent of the type of contract people have. While the project concentrated some of its efforts on improving working conditions, the informality that dominates local markets in Afghanistan, and influences the norms that govern them, may explain the limited contribution to specific decent work outcomes.

While efforts have been made to bring social partners onboard (some of them sit on the PAC), they have not entirely come to fruition after five years. Particularly, more could have been done to build the capacity of social partners: “When we signed the contract with ILO, its goal was to build and develop the capacities of social partners, but we have not witnessed such changes in our capacities.” (KII, Social Partner, Balkh). While political factors hindered the project’s attempts to engage social partners, addressing decent work deficits requires more collaboration with employers’ and workers’ organisations at national and provincial levels. Their participation is key to creating more and better jobs for vulnerable individuals.

### Community empowerment through access to information and finance

#### Access to information and farmers’ empowerment: mobile and media extension services

The project collaborated with two enterprises - Viamo and Radio Azad - to implement mobile and media extension services, and ultimately improve smallholder farmers’ access to timely, accurate and relevant information on farming practices. An agreement was signed with Radio Azad, an independent private-held radio station established in 2014, to introduce the Farmer’s Voice, a radio programme on good agricultural practices (GAP), to the provinces of Balkh and Samangan.<sup>68</sup> An innovative business model was used for this purpose highlighting the triple benefits of the intervention: 1) Radio Azad provides agriculture information to farmers through its radio programme and agri-extension messages; 2) agri-input companies sponsor the radio programme by buying space to advertise their products on-air; and 3) farmers become more knowledgeable and can increase their yields by having access to the right information and products for their farming activities.<sup>69</sup>

Figure 3: Building the business case for agriculture radio programming<sup>70</sup>

68 ILO, ‘Beneficiary Monitoring of “Radio Azad Extension Services Intervention” to Measure the Results’, August 2017.

69 ILO, ‘Commercialising Extension Services in Afghanistan’, n.d.

70 ILO.





The programme was intended for grape farmers, but the high demand urged Radio Azad to expand the scope of its programme and cover other farmers' concerns. An agricultural expert ran the programme and would invite specialists to speak on specific topics such as "food value chains, food diseases and agriculture disasters for which farmers are not able to find solutions." (SSI, Radio Azad, Balkh) A Memorandum of Understanding was signed with DAIL to formalise the participation of government extension staff in the programme. According to the respondent, "1,500 farmers tuned in from the districts of Balkh, Dawlat Abad and Feroznakhchar." As of August 2017, Radio Azad had sent farmers 3,500 short text messages on farming practices and grape production.

This intervention also led to the capacity-building of Radio Azad, as its staff were trained on business management and received mentoring and coaching from R2J. This programme – a first in Northern Afghanistan – has opened up opportunities for additional awareness-raising programmes targeting farmers, as testified by the partnership which ensued between Radio Azad and RADP-North for the New Agriculture radio programme.

Viamo, an international company specialised in mobile phone extension services, cooperated with R2J to create a toll-free hotline that provides pre-recorded responses on two priority content areas - agriculture and financial literacy - and uses an interactive voice response system (SSI, Viamo). R2J helped Viamo to customise the content of these responses and to tailor it to the needs of smallholder farmers, notably by reaching out to MAIL for its technical expertise on agriculture: "they conducted three workshops with MAIL where we were able to identify the main challenges farmers face to tailor the tool's content." (KII, MAIL, Balkh)

Not only did this intervention empower smallholder farmers by granting them access to knowledge that improved their yields and income, but it also allowed Viamo to gain a foothold in Afghanistan: "[the project] opened doors for us. Through ILO, we were able to have more connections with different stakeholders in Afghanistan and start relationships with them." (SSI, Viamo) Viamo has since created additional contents, covering thematic areas such as news, health information, and COVID-19 awareness, and outgrowing the initial objectives of its partnership with R2J by expanding its scope and outreach. Viamo's regional programme manager estimated the number of callers for 2020 at 255,000 and the number of information request messages received at 1.5 million.

The collaboration between Viamo and R2J was also innovative in terms of monitoring. Metadata was collected during the calls, including demographic information on the caller (location, gender and age) and monthly reports were shared with the ILO. This helped both parties assess the service's relevance and outreach and ensure that it continuously matches farmers' needs.

## Access to finance and financial inclusion

The project collaborated with Afghan Besim Mobile Money Company (ABMMC) to provide unbanked populations mobile money services and encouraged business partners to adopt loan schemes to farmers. While the initiatives to enhance financial inclusion in the region should be recognised, quantitative and qualitative data show that such efforts did not produce the intended outcomes.<sup>71</sup> Not only are the project's efforts hindered by populations' limited access to financial

71 To combat financial exclusion, the Government of Afghanistan in partnership with the World Bank launched the National Financial Inclusion Strategy in September 2019. The strategy aims to: i) improve access to financial services for individuals, MSME, ii) develop agriculture finance, iii) increase consumer protection and financial literacy, and iv) develop payment and digital financial services. As its implementation was planned for early 2020, it can be expected that it still did not produce the intended outcomes, notably on financial literacy and the mainstreaming of digital financial tools. Source: International Monetary Fund, 'Islamic Republic of Afghanistan', IMF Country Report, December 2019.

services,<sup>72</sup> but they also need to be assessed in light of the country's low levels of financial literacy<sup>73</sup> that limit people's capacity to embrace new financial services and schemes.<sup>74</sup>

Owning and operating a mobile money network called My Money, ABMMC signed an intervention agreement with R2J to meet the needs of unbanked populations in Northern Afghanistan and ensure the sustainable delivery of mobile money services once the project ends. While the ABMMC described a positive experience in expanding mobile money across the two target provinces, observations gathered during the phone survey phase depicted a different reality, nuancing the success of this financial inclusion initiative. With the support of R2J, ABMMC recruited and trained local mobile money agents that would champion mobile money through awareness-raising on its benefits. A pilot mobile payments system was carried out defining a profitable commercial rate of commission for the recruited agents. However, mobile money agents (a total of 18) explained during fieldwork that this business was not profitable because they had a very limited number of customers. Despite training people on the use of mobile money, many remained unequipped to effectively use this new system. Some even expressed the need to raise awareness and advertise mobile money on television.

Qualitative findings show the limits of business models that imply selling products to farmers on loan. The poultry buy-back system<sup>75</sup> did not produce the intended outcomes. This system intended to sell chickens to farmers - both male and female breeders - on loan, linking them with reliable microfinance institutions to this end, and buy back the chickens a few months later with the expectation that farmers would reimburse their loans: *"Some people who were sold the poultry on loan didn't pay their debts, and the company didn't distribute the poultry on loan the next year which caused the buy-back system to fail."* (SSI, Habib Poultry, Balkh) Toyer Balkh also explained that *"out of the 140 beneficiaries who participated in the buy-back system, the majority are not working because they want [the company] to distribute the chickens for free to them."* The failure of the loan-based scheme confirms the need to improve financial literacy before implementing interventions that require acquaintance with financial instruments, as well as a shift towards a business-oriented mindset. Moreover, the high women drop-out experienced by the buy-back system can also be explained by the gender barriers that prevented women from accessing credit once the scheme was running on its own.<sup>76</sup> Given women's - and other disadvantaged groups' - higher propensity to work in the informal sector, informal devices such as Savings and Credit Cooperatives (SACCOs) and Rotating Savings and Credit Associations (ROSCAs) could be further explored as more adapted ways to encourage financial-related behaviours such as saving, borrowing and lending.

Beyond the constraints to access finance that reflect more structural labour market issues, the limited impact of the aforementioned initiatives - mobile money and loan-based schemes - signals a discrepancy between the project's financial inclusion interventions and the financial literacy needs on the ground. In line with national statistics that rank Afghanistan as one of the countries with the lowest rate of financial inclusion worldwide and compared to other low incomes countries, survey results indicate that 68% of respondents do not own a bank account and the majority claimed that the main reason is that they do not have enough money to open one. Among those who own a bank account, one quarter does not make use of it. The data reflect national gender disparities as women tend to be more financially excluded than men: 39% of men own a bank account and 85% use it compared to 18% and 53% of women. Importantly, 17 out of the 65 respondents who use their bank account said their use decreased moderately and 34 claimed that it remained the same, which means that 78% of bank users have not been affected positively by the project's interventions on access to finance.

The low and even decreasing use of bank accounts is indicative of people's financial literacy levels. It helps put into perspective the project's achievements on this front: local population's limited understanding of financial concepts explain why initiatives such as the expansion of mobile payments and the mainstreaming of loan schemes among market players have not been as successful as intended. Financial literacy is the bedrock of activities that seek to promote access and utilisation of financial services. When financial literacy is sparse, it can be assumed that any type of financial inclusion activity will not deliver the intended results. The project's financial literacy component could be further strengthened and complemented by stronger awareness-raising on digital finance tools.

### III. OECD-DAC EVALUATION FINDINGS

This third section evaluates R2J against the six OECD-DAC evaluation criteria: relevance, coherence, effectiveness, efficiency, impact and sustainability. It builds on the previous examination of the project's outcomes.

**Figure 4: Assessment against OECD-DAC evaluation criteria**

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72 Financial exclusion in Afghanistan is one of the highest in the world, nearly 85% of the adult population does not own a bank account. Wahidullah Noshier, 'A Pathway to Financial Inclusion in Afghanistan', World Bank Blogs, 19 February 2020.

73 Financial literacy is a "a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing." OECD, 'OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion', May 2018.

74 The literacy rate in Afghanistan is at 43% as of 2020 (UNESCO Institute for Statistics). Financial literacy outcomes should also be examined.

75 The poultry buy-back system consists in distributing chicks to farmers with a proven record and interest in poultry farming and training them on how to rear chicken. Farmers are put in contact with a microfinance institution as they are expected to buy the chicks, inputs and equipment on credit. The company which initially provides the chicks buys them back a few months later and sells them on the market.

76 ILO, 'Case Study: Balkh Poultry Company', June 2018.

<p><b>RELEVANCE</b></p> <ul style="list-style-type: none"> <li>- Contribution to Afghanistan's National Development Agenda and ONE UN Model through self-reliance, private sector development and inclusive growth and poverty reduction</li> <li>- Meeting the needs of local communities through market assessments and collaboration with market payers</li> <li>- However, greater participation of businesses in project monitoring could be achieved</li> </ul>	<p><b>COHERENCE</b></p> <ul style="list-style-type: none"> <li>- Strong coherence with other interventions on the ground, fostering the One UN Model and the HDPN</li> <li>- Overall good collaboration with ILO's tripartite constituents which act as project advisors and strong adaptation capacity to COVID-19 crisis</li> <li>- However, government expectations on its involvement remain high and not aligned with the project's market-driven ethos</li> </ul>	<p><b>EFFECTIVENESS</b></p> <ul style="list-style-type: none"> <li>- Strong effectiveness in addressing market constraints and creating income-generating jobs, but stronger focus on working condition is needed</li> <li>- Robust MRM system and learning by doing approach, but more qualitative evidence and formalised community participation could be useful</li> <li>- Collaborative donor-agency relationship, despite high turnover</li> </ul>
<p><b>EFFICIENCY</b></p> <ul style="list-style-type: none"> <li>- R2J's decentralised approach allowed the project to be cost-effective and use resources in an efficient manner</li> <li>- However, lengthy administrative processes and inadequate timeframe undermined implementation and project outcomes</li> <li>- Resources allocation in line with gender objectives and donor agenda</li> </ul>	<p><b>IMPACT</b></p> <ul style="list-style-type: none"> <li>- Partner companies and disadvantaged groups benefited from the project, notably with the introduction of inclusive recruitment and production models (e.g. carpet industry)</li> <li>- Male workers still tend to gain more from the project than female workers and are more resilient</li> <li>- Impact on financial inclusion remains nuanced and reveals a stronger need for financial literacy</li> </ul>	<p><b>SUSTAINABILITY</b></p> <ul style="list-style-type: none"> <li>- Thanks to market facilitation, the project generated impacts that are likely to be sustained over time</li> <li>- Cases of systemic change have been recorded with businesses wanting to test successful models</li> <li>- Volatile security could undermine sustainability but should not mask the behavioural changes that are slowly taking shape</li> </ul>

## A. Relevance: Is the intervention doing the right things in this context?

### Links to Afghanistan's National Development Agenda and the One UN Model

The R2J project is directly aligned with:

- the government's national priority programmes (NPPs) such as the Women's Economic Empowerment programme, the National Comprehensive Agriculture Development Priority Programme and the Private Sector Development Programme,
- the One UN Model's focus on "strengthening value chains for jobs and improving access to markets for farmers and entrepreneurs"<sup>77</sup> through market-based programming.

Thanks to its market- and private sector-driven approach, the project distinguished itself from other employment creation schemes and has contributed to Afghanistan's development agenda as stated in the Afghanistan National Peace and Development Framework II (ANPDF II), of which one of the pillars is market building, and the focus on markets reiterated in late 2020 through the Afghanistan Partnership Framework.

1. **Self-reliance.** The R2J project increased the economic self-reliance of different market players, namely local businesses and poor income-earners. It established 51 collaboration mechanisms with both private and public market actors, among which 21 focus on women's socioeconomic integration. The market facilitation method it used to broker agreements with businesses enabled business growth with limited external support and is intended to change the way market players behave sustainably. The project introduced inclusive business models in several industries: the poultry buyback system and the conversion of chicken litter to organic fertiliser in the poultry industry, the improvement of cold storage facilities in the grapes industry, the improvement of milk collection facilities in the dairy industry, to cite a few. This limited aid dependency and ensure private sector-driven models are sustained once the project ends.
2. **Private sector development.** The R2J project challenged common perceptions on the private sector in conflict-affected countries and contributed to shifting mentalities around business creation and growth. Efforts were made to expand business development services and other support functions, such as Para veterinary services, notably through capacity-building.
3. **Inclusive growth and poverty reduction.** The partnerships concluded with businesses have had positive spillover effects on poor farmers and workers. The project was able to meet the needs of end-beneficiaries by encouraging companies to test new and more inclusive ways of working, which created more than 5,500 employment opportunities for local communities. It also designed interventions intended to train farmers on good agricultural

77 UNAMA, Afghanistan "One UN – One Programme" [https://en.unesco.org/sites/default/files/one\\_un\\_afghanistan.pdf](https://en.unesco.org/sites/default/files/one_un_afghanistan.pdf)

practices, as well as increase their access to information, inputs (fertilisers and improved seeds) and finance. In the carpet industry, female workers had access to skills development opportunities and are becoming more economically empowered.

### Meeting needs of local communities

Three key features allowed the project to align national agendas with the local perceptions and needs, tailoring its interventions to farmers and poor income earners throughout their implementation.

1. Robust market assessment tools were deployed to select the sub-sectors that would benefit from the project's support: Participatory Appraisals of Competitive Advantage to have an overall assessment of different sub-sectors, Rapid Market Appraisals to determine high-potential sectors, and Market Systems Analyses for sub-sectors that required further investigation. Relevance to target groups was among the three key criteria that guided the selection process.
2. Formalised engagement with local stakeholders, through a project advisory committee and ad-hoc meetings, ensured that government actors, as well as social partners, contributed to the project's oversight and guidance. While interactions with relevant stakeholders allowed the project to meet local needs, the terms, scope and purpose of these consultations could have been made more explicit right from the onset to avoid misalignment (see Coherence).
3. Collaboration with business partners enabled the project to foster local trust in its activities. An intervention guide was set up for each intervention to track progress, record and monitor results on a regular basis. These intervention guides were complemented by regular progress meetings so that business partners could continuously share their doubts and challenges. While these different devices led to several relevant interventions, some interventions could not produce the intended outcomes due to contextual factors, namely the region's security and political challenges. Meanwhile, business partners reported insufficient involvement in the project's monitoring and results measurement process as they were not offered the opportunity to engage with data and results collected on the interventions they carried out. While the project's approach is to act "invisible", this participatory aspect could be crucial to increase local ownership of the project, build long-term trust, and provide grassroots evidence that ensures interventions remain relevant as local conditions are altered.

## B. Coherence: How well does the intervention fit with other local initiatives?

### Synergies with stakeholders and programmes

Overall, the project's interventions were coherent with other interventions on the ground. This allowed the project to contribute to the implementation of the One UN Model in Afghanistan while fostering the humanitarian-development-peace nexus.<sup>78</sup> However, some local stakeholders, more particularly government actors, reported its engagement with the public sector to be insufficient. This shows that government actors' expectations regarding the extent of their participation in the project are not aligned with the project's modus operandi. Table 7 summarises how the project collaborated with implementing partners throughout its duration to ensure alignment with other interventions and pool existing resources together for more efficient outcomes.

**Table 7: Instances of collaboration between R2J and other implementing agencies**

Collaboration with development and humanitarian partners	
UNHCR	The collaboration with the UNHCR was the product of a global agreement and the UNHCR benefited from R2J's presence in Northern Afghanistan, as it was able to harness its expertise on MSD to design its own market-based livelihood interventions for forcibly displaced people. This allowed the UNHCR to reduce operational costs and optimise the utilisation of local resources for cost-effective interventions.
UNAMA	UNAMA was not directly involved in the implementation of the R2J project, but the Head of Office in Balkh took part in various field visits and witnessed the project's local impacts. To support R2J, the Head of Office liaised between the project staff and local stakeholders.
USAID	The ILO initially collaborated with the USAID RADP-North programme to promote and capacitate farmers' cooperatives. This resulted in the training of USAID staff on the SIYB business management programme and the subsequent launch of the SIYB Afghanistan company by a former USAID staff.
GIZ	The project trained and certified GIZ staff members on the SIYB business management programme.
NRC	NRC was one of the project's major partners. Both NRC and the ILO targeted the same textile company, Aryana Balkh, to scale up its production and create more employment. Moreover, NRC offered cash grants to SIYB training beneficiaries to help them start their business.

### Project design and integration of local and regional lenses

<sup>78</sup> According to Oxfam, humanitarian relief, development programmes and peacebuilding go hand-in-hand in fragile environments. The nexus was developed to coherently address people's vulnerability before, during and after crisis. See: Oxfam, 'The Humanitarian-Development-Peace Nexus: What Does It Mean for Multi-Mandated Organizations?', Oxfam Discussion Paper, June 2019.

The project also engaged with the ILO's tripartite constituents – government agencies, workers' and employers' organisations. A PAC composed of 15 government and social partners representatives was established as a platform for the organisation of quarterly meetings where project activities were discussed. Although this institutionalised collaboration mechanism allowed local stakeholders to voice their concerns and offer guidance on the way forward, several government agencies expressed their desire to be more involved in the project's design, implementation and monitoring. Right from the onset, it is important to align the government's expectations with the project's ethos and private sector-driven approach. **Future iterations of the project could map out relevant local stakeholders and understand political dynamics at play in the region, before designing a more robust communications strategy that clarifies the scope of government participation.**

### COVID-19: Assessing project adaptation and agility

The project managed to adapt its operations on the ground and encouraged partner companies to establish coping mechanisms in the face of the COVID-19 crisis. The project demonstrated its capacity to continue innovating during the pandemic. Companies operating in the carpet industry were incentivised to adapt their operational methods rather than to close down temporarily. As their employees – women carpet weavers – could not commute to the factory anymore due to mobility restrictions, the project suggested the distribution of looms and raw materials to women who would continue working from home. The trust relationship previously built between companies and women carpet weavers enabled the effective implementation of this strategy and allowed women to keep generating income by selling their carpets to the companies. Similarly, the project collaborated with BCCI to raise awareness on the health effects of COVID-19 and generalise precautionary measures in the workplace. The project's flexibility and continuous support contributed to minimising the effects of the crisis. While women were disproportionately affected – 85% of female respondents saw their income decrease due to COVID-19, respectively 48% and 12% of men claimed that their income remained the same or increased despite the crisis.

## C. Effectiveness: Is the intervention achieving its objectives?

Evaluating the project against the effectiveness criterion requires the examination of two components: whether the project was capable of creating decent job opportunities and whether it was capable of generating systemic change. While the project successfully carried out interventions to address market constraints and alter market systems in a sustainable way, its capacity to improve working conditions for farmers and poor workers has been limited, notably due to political resistance and an uncondusive regulatory environment. This section will also be inward facing – assessing whether the project's methodology, M&E, and donor relations were best designed to contribute to project outcomes.

### Addressing market constraints to generate systemic change

The project was capable of addressing market constraints in the region's main economics sectors – agriculture and manufacturing – by working directly with business partners and placing them on an equal footing. Three types of interventions were used to change market players' behaviour and business practices in a way that can be sustained in the long run and improve the economic situation of disadvantaged groups.

1. The project encouraged business partners to adopt innovative and inclusive ways of working that could benefit disadvantaged groups. Business partners adhered to the project's approach with time and were able to grow and create more jobs by experimenting with new business models. Market facilitation has also allowed the project to shift mentalities around donor-funded interventions in an environment where private sector actors have been accustomed to receiving in-kind and cash assistance and led local stakeholders to summarise the project's main achievements as post-harvest management.
2. Skills development was used to increase the supply base of companies and to allow farmers and workers to become more productive, thus increasing their income. The project adopted a decentralised approach to skills development by shifting the responsibility for training to local stakeholders.
3. The project fostered a strong entrepreneurship ecosystem in Northern Afghanistan by building local capacities for business development and financial education services and targeting as many aspiring and established entrepreneurs as possible.

### Creating decent work opportunities

By incentivising businesses to adopt inclusive recruitment and working practices, the project managed to create safe and appealed workplaces, especially for certain disadvantaged groups such as IDP women. This was notably the case in the carpet production industry where two partner companies adopted a series of measures to help IDP women overcome the social and cultural barriers that hinder their active participation in the labour market (e.g., health services provision, the creation of a kindergarten to alleviate women from certain obligations and the possibility of working from home). However, and in line with the insufficient enforcement of labour rights and working standards in Afghanistan, the project had limited impact on the achievement of decent work outcomes that require stronger policymaking support (e.g., organised labour, social protection, occupational safety and health). While political resistance is key to explain these insufficient results, the project could consider working more closely with social partners to shape more progressive labour regulations. Being more proactive on the policy advocacy front is key if the project seeks to create not only more but better jobs.

### Project methodology, monitoring and evaluation

To track progress on project activities and interventions and measure project outcomes, **the project developed a robust monitoring and results measurement (MRM) system**. Based on the Donor Committee for Enterprise Development (DCED) Standard, the MRM system combines three frameworks: the project's theory of change, its logframe, and the results chains that break down the two previous frameworks into intervention activities and causal linkages. Under the responsibility of a Technical Officer at ILO HQ, intervention guides were set up for each intervention to record progress and achievements on outputs, outcomes and impacts. Two MRM Officers were hired at the country office to collect data (mostly quantitative) on a regular basis that would feed into the MRM process. The project adopted a learning by doing approach where the indicators and assumptions used to measure change were constantly revised to align with local realities. While the MRM system allowed the project to adapt interventions to changing contextual circumstances, **the incorporation of qualitative evidence and the formalisation of project interactions with companies could be beneficial for future monitoring design**.

### Donor contributions

**The project managed to build a collaborative relationship with the donor, Sida, despite the operational challenges faced in Afghanistan.** The Afghanistan Unit at Sida commissioned a mid-term evaluation of the project in 2018. It found potential for sustainability as well as early evidence of business partners adopting innovations. However, because this evidence was not homogenous across value chains, Sida granted the project, initially intended to last three years, a no-cost extension followed by a costed extension as it understood that more time was needed to generate long-lasting impacts. While a shift from a transactional model to a partnership model can be noted,<sup>79</sup> local conditions have complicated donor involvement and regular communication. The **high turnover** have impeded donor-agency interactions and put a greater responsibility on the project staff to foster donor buy-in for the project and the MSD approach locally.

## D. Efficiency: How well are resources being used?

Evaluating the project's efficiency implies determining the extent to which it delivered results in an economical and timely way. Using a decentralised approach to implementation enabled the project to be cost-effective and use its resources in a relatively efficient manner. While the donor, Sida, invested around USD 9.4 million in the project, the ILO estimates the returns generated for poor-income earners and targeted companies at around USD 14 million. However, lengthy administrative procedures and an inadequate timeframe, both at odds with the project's approach, have undermined timely delivery and the achievement of intended outcomes. Reviewing these aspects is crucial to the project's successful implementation and should be given further attention in future.

### A decentralised approach to project implementation

The decentralised approach used to implement its different interventions enabled R2J to make efficient use of its resources. Limiting its direct involvement in project activities, it reduced its costs and prioritised local resources to achieve outcomes that outlast the project's presence. Through market facilitation, the project favoured technical support and minimised the "free" distribution of financial resources. Relying on local capacities for the provision of skills development and entrepreneurship training allowed the project to free up resources for other activities. When local capacities were not available, the project trained and certified local trainers, rather than delivering the training itself. However, building local capacities also meant that project staff members had to put time aside to undergo the necessary training themselves.

### Favouring a more efficient recruitment strategy

Several project members reported that the recruitment strategy used did not provide for the efficient utilisation of internal resources. The project mainly recruited people with a development background and had to invest time and resources, which could have been channelled towards project activities, training them on MSD. Efficient use of project resources could require the recruitment of private sector actors who are accustomed to engage with the sector. However, given the ongoing political and insecurity context, the project could not be too selective in its recruitment process as only a few candidates may have been available and willing to work in the region.

### Lengthy internal procedures do not align with the spirit of the project

Lengthy internal procedures and administrative bottlenecks have prevented the project from implementing its activities and achieving its objectives in a timely manner. At the project's inception, internal processes delayed the recruitment of a full R2J project staff in Afghanistan and resulted in the launch of the market assessment phase, under the coordination of a single project staff member.<sup>80</sup> The project staff therefore missed the opportunity to familiarise itself with the MSD approach from the onset and could not build on this learning experience. Similarly, extensive internal compliance processes have prevented the conclusion of agreements between business partners that would have benefited local communities.<sup>81</sup> In "Doing more business and less aid", the authors describe how R2J brokered an agreement between a financial institution and a telecommunication company to pilot a mobile money initiative. Yet, the agreement required formal approval by the ILO regional office to materialise – a process that took several months and ultimately resulted in the companies' withdrawal.

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79 Mike Klassen et al., 'Decisive Structures: Procurement Formation Options for MSD Programmes and Their Different Implications', MSD Procurement Series (BEAM Exchange, July 2020).

80 ILO, 'Selecting the Road to More and Better Jobs: Sector Selection Report of the Road to Jobs Project in Northern Afghanistan', August 2015.

81 Mandelli and Hartrich, 'Doing More Business and Less Aid: The Journey of a Market System Development Project in Afghanistan'.

### Timeframe: project and funding cycle

There was a general consensus among R2J project staff, local stakeholders and business partners that the timeframe was not adapted to the nature and specificities of the MSD approach. Unlike other employment creation schemes, R2J's main objective was to generate behavioural and systemic change within market systems. A longer timeframe that accounts for the time needed for change to occur and results to show is crucial. Donors, who usually set the project's timeframe, should be more mindful of granting MSD projects a sufficient operational period and funding cycle to ensure the efficient use of resources for long-lasting outcomes.

### Achieving the project's gender objectives

**The project allocated its resources efficiently in terms of reaching its gender objectives.** While companies that benefited from the ILO's support were mostly owned by men, several of them either employed or were directly supplied by women. Almost 40% of the project's beneficiaries (42,800 out of 119,500 beneficiaries) who have been reached throughout the project's lifespan are women, ensuring diversity and inclusivity, both inherent to the broader goals of R2J. The project mainly focused on bolstering the skills of women farmers and workers, such as in the case of the Pakiza Dairy Company, which trained 1,500 female farmers on cattle management. The project's value for money in terms of gendered impact is striking when examining the larger proportion of women who benefited from new employment opportunities (78% for women compared to 22% for men.)

## E. Impact: What difference does the intervention make?

Overall, the monitoring and results measurement (MRM) system R2J developed to measure impact was robust and enabled to attribute changes in the market systems to specific interventions. The project regularly collected data at the level of companies and of end-beneficiaries through field visits, stakeholder consultations and more informal discussions, which would feed into the results chain designed for each intervention. The ILO reports that more than 60,000 people have recorded positive changes in their working conditions and/or income, and that approximately 120,000 beneficiaries from disadvantaged groups have been reached throughout the project's lifespan. About USD 14 million have been generated over five years for poor-income earners and targeted MSMEs.

### Changes observed on market players

Two types of market players have been able to reap the benefits of the project's interventions: partner companies, which were directly targeted by the project to boost their productivity and increase their income, but also the farmers and workers associated with those companies which indirectly benefited from the project's interventions by having access to more employment opportunities and decent working conditions.

- Market facilitation interventions, such as the creation of stronger market linkages along target value chains, have improved the livelihoods of smallholder farmers by allowing them to preserve their products, transport them and sell them at a higher price on local markets during the off-season.
- Skills development has shown to be an impactful way of increasing people's income and allowing them to access the labour market as surveyed R2J participants claimed to fare economically better than individuals who did not receive any sort of training.
- Companies that adopted more inclusive recruitment and production models allowed women IDPs to overcome the cultural and social barriers that hindered their labour market participation and to reconcile their care obligations with their employment. This also contributed to improving their working conditions through access to childcare, health services and working from home opportunities.
- Due to political resistance and insufficient engagement with social partners, the project had limited impact on improving decent work outcomes that required policy advocacy (i.e., social protection, occupational safety and health, and organised labour). The extent of decent work promotion should however be assessed in light of the fragile context in which the project operated, characterised by weak labour market institutions and political instability. The project's achievements on this front are still notable given the political landscape and challenging implementation environment. In future project design, the creation not only of more but better jobs, with a stronger focus on better working conditions, should be included in the project logframe.

### Contributions to higher goals: gendered impacts and financial inclusion

As women and men often have different employment statuses and work arrangements based on gender norms and expectations, male and female workers have been impacted differently. Quantitative findings suggest that women, who tend to work for a wage, are more likely to generate steady earnings in normal times but show weaker resilience in times of economic crisis (here, the COVID-19 pandemic). Men, who tend to work on their own account, have more leeway to adapt to changing economic conditions. This is also echoed by the higher proportion of men who think that their income is better than other community-members compared to women.

The project's impact on the financial inclusion of poor income-earners is nuanced. The interventions carried out – mobile money services and the adoption of loan-based schemes by partner companies – did not produce the intended results as they only partially account for the needs on the ground by placing a stronger focus on access to finance rather than financial literacy. Financial literacy programming should be strengthened to improve local populations' understanding of financial

concepts as the first step for effective financial inclusion. To address gender disparities, informal money-lending devices adapted to women's employment can be explored.

## F. Sustainability: Will the benefits last?

Through market facilitation, a decentralised implementation approach and continuous collaboration with market players and local stakeholders, the R2J project has generated sustainable benefits likely to outlast the project. **The project's most notable achievement is its capacity to change market players' behaviour sustainably by shifting their mindset towards more business-oriented thinking and inciting them to adopt inclusive business practices in the interest of disadvantaged groups.** Sustainability remains contingent upon political, economic, social and cultural factors in the region and Afghanistan, and donors' support to the MSD approach.

### Local ownership

To generate sustainable outcomes, the project tried to act as invisible as possible and relied on local stakeholders to carry out the interventions. As market facilitators, the project staff only incentivised businesses to take on certain actions or adopt certain business practices and provided the technical (and sometimes financial) support necessary to launch a new intervention. The project interrupted its assistance to business partners once it believed the intervention could be pursued without its active involvement. With regards to skills development and entrepreneurship training provision, the project favoured the capacity-building of local trainers, professional organisations and BDS providers (e.g., AVA, ANDHO, SIYB Afghanistan) to foster a sense of ownership that guarantees the delivery of quality training and broader outreach. Partnering with local stakeholders helped ensure that training would be continue to be delivered in the long run and after the project leaves.

### Systemic change and evidence of private sector expansion

Evidence of how the project stimulated systemic change can be found in the cases of newcomers that seek to experiment with models that have been trialled by R2J partner companies and proven successful. As an example, a new dairy firm (Sultan Taza) has recently expressed an interest in replicating the milk collection system that allowed its competitor (Pakiza Dairy Company) to grow its business while benefiting an increasing number of farmers. Communications tools, such as knowledge-sharing events and business exhibitions, have also contributed to the generalisation of successful business models across market systems and provinces. The organic fertiliser pioneered by the Durukshan Poultry Company has gained such traction that businesses outside the two target provinces are now interested in learning about the production process to replicate it locally. These examples can be regarded as the premises of the development of a business network that cuts across different provinces and suggest a window of opportunity for scaling-up business models with positive repercussions.

### Political instability, a challenge for sustainability

While the project ensured that key local stakeholders have the capacity to sustain its activities, the volatile security environment may lead to unpredictable changes in local conditions that can undermine the sustainability of certain interventions. Several partner companies that benefited from the project's support and were generating positive outcomes have been forced to halt their production due to the sudden eruption of conflict. Such political instability can also lead businesses to fall back into the humanitarian aid cycle and rely on easily accessible "free" money. This can also indirectly affect farmers and poor workers and is likely to do so in a gender-biased way.

Because of the nature of their work, women remain more vulnerable to external shocks, as proven by the impact of the COVID-19 crisis on their income and can easily lose their main source of income if their employer is not mindful of their specific economic situation. To sustain the project's benefits for indirect beneficiaries and especially disadvantaged groups, businesses should ensure that the inclusive ways of working they have adopted are also mainstreamed in times of economic and/or political uncertainty.

The challenges of developing a reliable private sector cannot be disregarded and will undoubtedly influence the extent to which the project's impacts can last. While the outcomes on market systems are heavily impacted by exogenous factors, the changes in mentalities and behaviours that the project induced among market players are likely to continue over the medium and long-term as recent evidence shows.



## IV. CONCLUSION AND LESSONS LEARNED

The Road to Jobs (R2J) project has been successful in altering market systems for the benefit of disadvantaged groups by creating more and relatively better jobs in the provinces of Balkh and Samangan. It did so using market facilitation and a light touch approach, and pushed for the creation of new market linkages along key value chains as well as the strengthening of existing ones. Almost 30 local businesses have benefited from the project's technical and financial support, and experimented with new and inclusive ways of working, ultimately increasing their production, strengthening their downstream and upstream ties with suppliers and other market players, and creating decent employment opportunities for their employees.

Enhancing the skills of poor income-earners, notably smallholder farmers and low-income workers, not only positively impacted their economic situation but also pushed them to rethink their place in value chains as well as their role in economic development. By encouraging enterprises to break down the social and cultural barriers to labour market participation, the project empowered internally displaced women who are now skilled enough to work in factories or on their own account in the carpet industry. Fostering partnerships with local and international companies, the project developed mobile and media extension services aimed at empowering local agricultural communities and refining their knowledge of farming practices to render them economically self-reliant.

The project also took the lead in establishing collaboration mechanisms, offering public and private sector actors room for discussion and joint initiatives. It made efforts to involve government actors and social partners in the design and implementation of project activities. While a stronger engagement with social partners could enable the project to advocate for policy changes in favour of higher labour protection standards, the project nevertheless owes its success to its capacity to bring together various stakeholders that usually tend to work in silos.

The conclusions presented in this evaluation should nonetheless be admitted in light of the limited resources allocated to this research and the absence of a proper baseline assessment, restricting the evaluators' ability to offer *objective* evidence on the project's structural and local outcomes. Moreover, evaluating the project's overall performance and the viability of its interventions requires a more holistic assessment of the political, economic and social environment in which it operated. Administrative hurdles and competition among government agencies may have limited the project's capacity to adequately engage with the public sector. The ongoing political instability and insecurity challenges can help explain the several business failures reported during fieldwork. The prevalence of humanitarian assistance in the region may have prevented systemic change to occur in high-potential industries. Yet, and despite challenging contextual factors, the few instances where businesses, some even operating beyond the target provinces, have expressed interest in replicating successful business models show promising results and a capacity for sustainable market systems change. The replicability and scalability potential of the R2J project can however only be inferred based on the documents, data and triangulation findings at hand.

As challenging as private sector development in fragile contexts may be, the Road to Jobs project has succeeded in shifting mentalities around what can be done in Northern Afghanistan and laid the groundwork for future similar interventions in the region, across the country and in other countries facing similar challenges. Table 8 below offers an overview of **eight key lessons learned** drawn from this evaluation. These lessons learned are explored in greater length in Annex 1 and associated with relevant policy actions that can be taken to address programme design, implementation and monitoring challenges.

Table 8: Summary of lessons learned

1	<b>Carefully planned MSD interventions do not always produce positive outcomes</b> in a conflict-affected country and business partners may experience the failure of business models, which could have worked in a more predictable setting.
2	While the project's monitoring and results measurement system is sufficiently robust, thanks to systematic data collection and a solid attribution strategy, <b>it is not completely aligned with the project's ethos and community-based approach</b> . In the shift from beneficiaries to partners, businesses could also be involved to a greater extent in the monitoring process. So far, they can voice their concerns during regular progress meetings, but have not been able to engage and react to the results identified through monitoring activities.

3	With the MSD approach's proven potential for social inclusion, <b>the project could place a stronger focus on disadvantaged groups</b> and design interventions that are more mindful of their social, economic and cultural situation.
4	While the project's efforts to engage with social partners should be examined in light of local conditions, notably political instability, <b>decent work outcomes that require greater policy advocacy cannot be achieved without workers' and employers' organisations active participation</b> in the conceptualisation and design of key interventions.
5	Due to lengthy internal procedures and administrative delays, the project was not always capable of following the blueprint it set out for itself and ensuring a timely implementation of project activities. This led the project to <b>evolve at a two-paced speed</b> : a fast pace characterising private sector engagement, which implies swift decision-making when brokering agreements with business partners, and a slower pace once private sector deals move from the realm of informal talks to that of bureaucratic processes.
6	Behavioural change, a primary objective of MSD programming, is a long process that requires <b>appropriate adjustment of budget and timeframe</b> , as well as <b>donors' commitment to a strong MEAL approach</b> .
7	The success of an MSD intervention in a fragile context like Northern Afghanistan <b>does not only depend on how rigorously market assessments and interventions have been carried out</b> , but also on more contextual factors that may significantly affect project outcomes.
8	So far, R2J's interventions in agricultural value chains sought to create more and better work opportunities for the poor but <b>omitted examining how such interventions could build a buffer against climate change or, conversely, aggravate environmental impacts</b> .

## V. RECOMMENDATIONS

Recommendations	Target audience	Priority	Time	Resource
1. In light of the project’s contribution to market systems and local communities in a fragile environment, as well as its value for money, <b>a second phase of the project is warranted for long term impact.</b>	Donor	High	Immediate	High
2. <b>Stronger donor engagement is needed, especially by investing in a well-thought Monitoring, Evaluation, Accountability and Learning system.</b> This will allow the donor to accumulate knowledge, track progress, and judge the project’s impact in an evidenced-based manner.	Donor	High	Immediate	High
3. <b>A comprehensive implementation strategy</b> can be designed for each value chain, as an intermediary step between market assessments and implementation. The strategy anticipates linkages between interventions for a single value chain and includes a cost-benefit analysis to identify exogenous factors that could affect implementation.	Project staff	High	Medium	Medium
4. <b>A communications strategy can be designed based on a rapid political economy analysis</b> to: 1) map out local stakeholders, understand political dynamics and clarify the role government representatives and social partners ought to play in the project; and 2) communicate better on the fundamental principles of the MSD approach to prevent misalignment.	Project staff; gov. stakeholders; social partners	High	Medium	Low
5. <b>The MRM system can be complemented with a participatory dimension.</b> Partner companies and poor income-earners should be regarded as active participants in the monitoring process. Feedback loops can be formalised to allow R2J beneficiaries to engage with and react to the monitoring results to make them their own.	Project staff	High	Long	Medium
6. <b>Information-sharing events could be multiplied and tailored to specific economic sectors.</b> While the project collaborated with BCCI to provide networking opportunities to businesses, some pointed out working in silos and stated the desire to meet other businesses, suggesting a need to expand such opportunities.	Project staff; gov. stakeholders; social partners	High	Medium	Medium
7. <b>Adopting a gendered lens to better assess and address the sociocultural barriers women face in the local labour market.</b> Specific measures that increase their bargaining power and render them more resilient, such as bringing them together in savings groups or cooperatives, can help ensure they equally benefit from interventions.	Project staff	High	Immediate	Low
8. To communicate on the R2J success while remaining “invisible”, businesses that were positively impacted could be selected to act as local MSD ambassadors, and as a basis for replication and scaling-up.	Project staff; business partners	Low	Long	Low
9. <b>Financial literacy to be strengthened through:</b> 1) awareness-raising on digital finance tools; 2) capacitating a higher number of financial education trainers, notably women; and 3) adapting the programme to the needs of disadvantaged groups. With the launch of the National Financial Inclusion Strategy in 2020, the project could harness this window of opportunity for collaborative action.	ILO partners; financial service & training providers; Central Bank	Low	Medium	Medium
10. <b>A field officer to be appointed to oversee and align internal processes with project expectations and ensure swifter approval thanks to contextualised knowledge of practical issues.</b> <sup>82</sup>	Project staff; ILO HQ	Low	Immediate	Medium

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<sup>82</sup> Mike Klassen et al., ‘Fit for Business: Modifying Internal Procurement Processes to Suit Adaptive MSD Programmes’, MSD Procurement Series (BEAM Exchange, July 2020).

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## ANNEX 1: Lessons Learned

**Project Title:** Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan

**Name of Evaluator:** Samuel Hall

**Project TC:** AFG/14/01/SID

**Date:** June 2015 – December 2020

Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 1:</b> Carefully planned MSD interventions do not always produce positive outcomes in a conflict-affected country and business partners may experience the failure of business models, which could have worked in a more predictable setting.</p> <p><b>Action 1:</b> An overarching implementation strategy could be devised for each value chain to coordinate between the different interventions and have a regular overview of the progress achieved. This implementation strategy can also serve as an upstream identification of potential challenges and exogenous factors that could affect implementation.</p>
Context and any related preconditions	Atypical business environment characterised by political instability, uncertainty and thin inefficient markets.
Targeted users / Beneficiaries	Project staff
Successes or Challenges	R2J still managed to build partnerships with local businesses and encourage the adoption of inclusive ways of working.
ILO administrative issues	Design and implementation

**Project Title:** Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan

**Name of Evaluator:** Samuel Hall

**Project TC:** AFG/14/01/SID

**Date:** June 2015 – December 2020

Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 2:</b> While the project's monitoring and results measurement system is sufficiently robust, thanks to systematic data collection and a solid attribution strategy, it is not completely aligned with the project's ethos and community-based approach. In the shift from beneficiaries to partners, businesses could also be involved to a greater extent in the monitoring process. So far, they can voice their concerns during regular progress meetings, but have not been able to engage and react to the results identified through monitoring activities.</p> <p><b>Action 2:</b> Participatory monitoring tools could be further explored. Data collected and findings can be directly shared with relevant stakeholders and serve as a basis for discussing ways to adjust interventions to stakeholders' needs. This suggests a more extensive use of qualitative tools, such as focus group discussions, that foster dialogue among key actors. It may also imply resorting to more informal types of evidence collected through community-based techniques such as self-evaluation tools or testimonials. Moreover, inclusion indicators could be used to measure how the project impacts the social integration of end-beneficiaries in their communities.</p>
Context and any related preconditions	Building trust among local communities and promoting local ownership.
Targeted users / Beneficiaries	Project staff; partner companies; end-beneficiaries
Successes or Challenges	R2J used robust MRM tools to gather business partners' feedback on ongoing interventions: intervention guide, progress meeting, results chain... These feedback mechanisms usually took the form of informal discussions, which the project could further document. The project tends to use quantitative indicators for data collection and could further diversify its evidence gathering tools.
ILO administrative issues	Design and implementation

**Project Title:** Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan

**Name of Evaluator:** Samuel Hall

**Project TC:** AFG/14/01/SID

**Date:** June 2015 – December 2020

Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 3:</b> With the MSD approach's proven potential for social inclusion, the project could place a stronger focus on disadvantaged groups and design interventions that are more mindful of their social, economic and cultural situation.</p> <p><b>Women:</b> While the project encouraged business partners to adopt ways of working that are more favourable to women, it should systematically take into account all of the factors that may influence how they are impacted by specific interventions. For instance, financial inclusion interventions proved to have differential effects on female and male workers. Women involved in the poultry buy-back system had a harder time accessing loans than men and were therefore more likely to drop-out.</p> <p><b>Action 3.1:</b> Consistently adopting a gender lens can allow the project to better assess the challenges and barriers women face and address them in a timely manner. Specific measures that increase their bargaining power and render them more resilient, such as bringing them together in savings groups or cooperatives, can help ensure they reap the benefits of certain interventions to the same extent as men.</p> <p><b>Forcibly displaced people:</b> While skills development training has enabled forcibly displaced people to gain and reinforce certain demand-driven skills, interventions have not always been carefully tailored to individual needs.</p> <p><b>Action 3.2:</b> The project could harness its solid collaboration with the UNHCR to conduct skills and language assessments that can inform its interventions.</p>
Context and any related preconditions	Establishing local partnerships with implementing agencies, support institutions and local associations.
Targeted users / Beneficiaries	Project staff; end-beneficiaries
Successes or Challenges	R2J's major success was to economically empower women in the carpet production sector by promoting new business models and allowing women to reconcile their care responsibilities and their economic activity. However, a careful examination of disadvantaged groups' challenges in accessing the labour market should be mainstreamed, as these may vary from one group to another. Attention should be brought to intersectional barriers to labour market participation (e.g., gender and forced displacement).
ILO administrative issues	Design and implementation

**Project Title:** Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan

**Name of Evaluator:** Samuel Hall

**Project TC:** AFG/14/01/SID

**Date:** June 2015 – December 2020

Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 4:</b> While the project's efforts to engage with social partners should be examined in light of local conditions, notably political instability, decent work outcomes that require greater policy advocacy cannot be achieved without workers' and employers' organisations active participation in the conceptualisation and design of key interventions.</p> <p><b>Action 4:</b> Greater collaboration with tripartite constituents is key to building strong labour market institutions and fostering an enabling environment for economic growth.<sup>83</sup> The project could map out institutional arrangements, legal frameworks and informal practices of social dialogue in the implementation region. It could work closely with the ILO's relevant departments, such as the Social Dialogue and Tripartism Unit, to gather good practices on how to effectively engage with social partners. The project could also utilise the ILO fragility compass to design interventions that combine the right to work and rights at work.<sup>84</sup></p>
Context and any related preconditions	Internal coherence with ILO departments and external coherence with implementation agencies.
Targeted users / Beneficiaries	Project staff; social partners, end-beneficiaries
Successes or Challenges	Social dialogue was not the primary objective of R2J but could nonetheless be used to address decent work deficits. While some decent work targets that require policy advocacy are difficult to achieve in a fragile context, the project managed to create more productive jobs that guarantee beneficiaries a higher income.
ILO administrative issues	Design and implementation

<sup>83</sup> ILO Topics, Social Dialogue and Tripartism

<sup>84</sup> Oliver Jütersonke and Kazushige Kobayashi, 'Employment and Decent Work in Fragile Settings: A Compass to Orient the World of Work' (Geneva, Switzerland: ILO & Graduate Institute, 2015).

<b>Project Title:</b> Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan <b>Name of Evaluator:</b> Samuel Hall <b>Project TC:</b> AFG/14/01/SID <b>Date:</b> June 2015 – December 2020	
Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 5:</b> Due to lengthy internal procedures and administrative delays, the project was not always capable of following the blueprint it set out for itself and ensuring a timely implementation of project activities. This led the project to evolve at a two-paced speed: a fast pace characterising private sector engagement, which implies swift decision-making when brokering agreements with business partners, and a slower pace once private sector deals move from the realm of informal talks to that of bureaucratic processes.</p> <p><b>Action 5:</b> Adaptive MSD programmes require moving away from conventional processes and contract structures of direct delivery programmes, which can either take the form of grants – programmes pay NGOs to deliver activities - or of competitive procurement – programmes buy products and services directly from businesses to use in interventions or give to beneficiaries. Future iterations of MSD projects should narrow the gap between the project’s two separate components – informal negotiations in the field and formalised agreements at HQ.</p>
Context and any related preconditions	Good communication between country office and HQ
Targeted users / Beneficiaries	Project staff
Successes or Challenges	R2J managed to broker some 50 agreements despite lengthy internal procedures suggesting an efficient use of resources.
ILO administrative issues	Resources and internal structure

<b>Project Title:</b> Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan <b>Name of Evaluator:</b> Samuel Hall <b>Project TC:</b> AFG/14/01/SID <b>Date:</b> June 2015 – December 2020	
Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 6:</b> Behavioural change, a primary objective of MSD programming, is a long process that requires appropriate adjustment of budget and timeframe, as well as donors’ commitment to a strong MEAL approach.</p> <p><b>Action 6:</b> Donors should be aware of the specificities of MSD projects and grant a sufficiently large timeframe to allow the project to generate sustainable impact. Moreover, there needs to be trusting and two-way relationship between the implementing agency and the donor. Staff turnover within the funding agency should also be limited to ensure effective communication between the donor and the project staff.</p>
Context and any related preconditions	The MSD approach has only recently been pioneered in fragile contexts, which may explain donors’ reluctance to approve a long project duration. Political instability limits interaction between the project staff and the donor and can weaken donor confidence in the implementing agency.
Targeted users / Beneficiaries	Donor
Successes or Challenges	R2J was initially planned for three years and was granted a no-cost extension until end of 2019 and a costed extension until end of 2020. The donor granted these extensions after developing a better understanding of the MSD approach and the time needed for effective roll-out, as well as to compensate for implementation delays.
ILO administrative issues	Resources and donor relations

<b>Project Title:</b> Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan <b>Name of Evaluator:</b> Samuel Hall <b>Project TC:</b> AFG/14/01/SID <b>Date:</b> June 2015 – December 2020	
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Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 7:</b> The success of an MSD intervention in a fragile context like Northern Afghanistan does not only depend on how rigorously market assessments and interventions have been carried out, but also on more contextual factors that may significantly affect project outcomes.</p> <p><b>Action 7:</b> A mapping of local stakeholders for each new locality is crucial as it may reveal the importance of certain actors or market players whose engagement was not as essential in other places. The dynamics of competition and collaboration between local stakeholders should also be closely examined for effective intervention design. The mapping exercise could serve as a basis to select the social partners the project cannot do without and plan capacity-building activities depending on their needs. Forecasting and risks analysis efforts should also be prioritised to anticipate political and security risks that can affect an intervention's outcomes. This can also help strengthen the attribution mechanisms at the core of R2J's MRM system.</p>
Context and any related preconditions	The local context, characterised by ever-changing social, political and economic conditions, is a decisive parameter to keep in mind when replicating R2J to other localities or choosing to scale it up to the national level.
Targeted users / Beneficiaries	Project staff
Successes or Challenges	R2J challenged common perceptions on private sector development in fragile contexts and was operational for five years despite exogenous constraints.
ILO administrative issues	Design and implementation

<p><b>Project Title:</b> Road to Jobs: Bringing decent work to rural households of the northern provinces of Afghanistan</p> <p><b>Name of Evaluator:</b> Samuel Hall</p> <p><b>Project TC:</b> AFG/14/01/SID</p> <p><b>Date:</b> June 2015 – December 2020</p>	
Brief description of lesson learned (link to specific action or task)	<p><b>Lesson 8:</b> So far, R2J's interventions in agricultural value chains sought to create more and better work opportunities for the poor but omitted examining how such interventions could build a buffer against climate change or, conversely, aggravate environmental impacts. Studies have shown that the effects of climate change hit vulnerable communities living in already fragile environments the hardest.<sup>85</sup> Not only does climate change destroy the livelihoods of vulnerable groups, putting them at risk of poverty, but it can also exacerbate underlying tensions, with competition around reduced natural resources, and increase the likelihood of conflict to arise.<sup>86</sup> Largely reliant on agriculture, Afghanistan's northern provinces have started witnessing the consequences of extreme weather conditions on their main source of income and food supply.</p> <p><b>Action 8:</b> R2J could adopt a more integrated approach at all project levels that mirrors both the environmental dimension and the advocacy dimension. Future project planning could involve other departments at the ILO specialised in the transition towards a green economy, such as the ILO's Green Jobs programme.<sup>87</sup> In addition to a more comprehensive programmatic design, integration is also necessary upstream, at the policy level, to advance the ILO's decent work objectives. An advocacy strategy could be more thoroughly planned, addressing the challenges workers continue to face in the region.</p>
Context and any related preconditions	Given the interlinkages between the economic, social and environmental dimensions, the integrated approach should focus on structuring interventions that have a triple impact.
Targeted users / Beneficiaries	Project staff; donors
Successes or Challenges	While encouraging policy reforms in a fragile context is not an easy task, local stakeholders' desire to be more involved is a promising factor. The ILO's broad expertise on a variety of topics such as social dialogue and green job creation should also be further harnessed to create synergies within the organisation and ensure integration across the project's different levels of work.
ILO administrative issues	Design and implementation

85 Nathaniel Matthews and Deon Nel, 'Climate Change Hits Vulnerable Communities First and Hardest', IISD, 26 September 2019.

86 Robert Malley, 'Climate Change Is Shaping the Future of Conflict', *International Crisis Group*, 5 May 2020.

87 The ILO defines green jobs as "decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency."

## ANNEX 2: Terms of Reference

Title of project being evaluated	Road to Jobs: Bringing decent work to rural households of the Northern Provinces in Afghanistan
Project TC Code	AFG/14/01/SID
Donor	SIDA - Swedish International Development Cooperation
Dates of Project Implementation	June 2015 to December 2020
Administrative unit:	ILO Office in Kabul
ILO Responsible Official:	Tonderai Manoto (Chief Technical Advisor, Road to Jobs Project)
Technical Backstopping Unit:	ENTERPRISES SME/ENT The Lab
Collaborating ILO Units:	ROAP, DWT-New Delhi, SFP, SAFEWORK, SECSOC, SKILLS, MIGRANT
Time frame	November 2014 – December 2020
Sector	Agriculture and manufacturing
Target group	Rural and Urban poor households
Implementing Partners	MoLSAMD, MAIL, MRRD, MoCI, Ministry of Education, Ministry of Women Affairs, Afghanistan Chamber of Commerce and Industry, Federation of Afghan Craftsmen and Traders, National Union of Afghan Workers and Employees and other trade unions. Provincial level organizations and programmes including BDS & TVET institutions, MFIs and others.
Geographic focus	Northern Afghanistan (Samangan and Balkh provinces (8 rural districts and 2 provincial capitals))
Timing of evaluation	Final (July to September 2020)
Type of evaluation	Independent
Project Budget	9.4 million US\$
Evaluation Manager	Ei Haymar (M & E Officer, ILO Myanmar)

### INTRODUCTION AND RATIONALE FOR THE FINAL EVALUATION

This Terms of Reference encompasses the final independent evaluation of the Road to Jobs: bringing decent work to rural households of the northern provinces in Afghanistan project.

This final evaluation complies with the ILO Policy Guidelines for Evaluation published in 2017, which requires all projects with a budget of more than US\$ 5 million and a duration of more than 30 months to undergo two independent evaluations i.e., mid-term and final. The final evaluation will be conducted during July to September 2020 and will be managed by the Monitoring and Evaluation Officer based in the ILO Liaison Office-Yangon who has not prior involvement in the project and will be conducted by a team of independent evaluators (international and national to be recruited by the evaluation manager. Key stakeholders, including tripartite constituents, donors, key partners and the ILO Office in Kabul will be consulted throughout the evaluation process. The evaluation process and report will follow ILO guidelines and the ILO Evaluation Office will approve the final evaluation report. The evaluation will comply with the United National Evaluation Group (UNEG)'s Evaluation Norms and Standards<sup>1</sup>.

The project to be evaluated share the common objective of improving working conditions of vulnerable rural households and income earners who work either in rural communities, or in urban centres and other major centres of employment in Afghanistan. This final evaluation will allow for a holistic and integrated approach in assessing the coherence of the design of the project, efficiency and effectiveness of progress being made in terms of the overall objective of improving working conditions of the rural households, income accruing of targeted enterprises, created employment status, and in assessing impact and sustainability of the work being pursued by constituents in the Northern Provinces in Afghanistan. The evaluation will assess implementation performance and enhance learning within the ILO and among key stakeholders. The evaluation will apply mixed methods – both qualitative and quantitative. The evaluation team will conduct a thorough review of relevant

documents and propose possible methods to gather evidence of implementation, progress, and challenges during the site visits. The evaluation will thus address OECD/DAC evaluation criteria and other relevant crosscutting issues.

Gender equality and non-discrimination, promotion of international labour standards, tripartite processes and constituent capacity development and environmental issues will also be considered throughout this evaluation.

The R2J project conducted a Midterm Evaluation by ILO in February-March 2017 and an Midterm evaluation by SIDA in August-September 2018. This evaluation is final and planned for July-September 2020, with the final report expected to be completed by end of September 2020. The evaluation findings and recommendations will help guide in the future implementation of ILO's intervention in Afghanistan's rural sector. The Project Officers, in consultation with the Chief Technical Advisor of R2J and Market System Development Specialist for the programme, will provide all necessary documents and information required by the evaluation team and will facilitate and support the evaluation team on the logistics needed in the evaluation process. Due to the COVID19 pandemic, the mobility of consultants is likely to be restricted and ILO Afghanistan will arrange for online data gathering on the interviewees' availability. As per the latest ILO Office policy on COVID19, the consultants get UNDSS BSAFE certificate and security clearance, and need to have the own health and travel insurance plan depending on the criticality of the mission and the risk.

## BACKGROUND AND DESCRIPTION OF PROGRAMMES TO BE EVALUATED

Afghanistan is still engaged in a war that has lasted a generation and in which 3,804 civilians died from attacks last year. Foreign aid, which had been keeping the government operational, has continuously promoted a business culture of government reliance rather than innovation and independence. The country continuously ranks high on weak governance indexes in the world and the investment climate for new business opportunities is poor.

At the same time, Afghanistan has an employment challenge. As one of the youngest countries in the world and with more than 400,000 youth joining a stagnant economy's labour force each year, the number of youth who are unemployed, under-employed or vulnerably employed grows by the day.

With an extremely challenging business climate on one hand and an immediate need to create jobs on the other, the Swedish International Development Cooperation Agency (Sida) funded the Road to Jobs (R2J) project to tackle both. The project was designed to address key constraints and strengthen the agriculture and manufacturing sectors challenges in Northern Afghanistan such that government and businesses could innovate, compete and create more and better jobs for those who need them most. The "Road to Jobs" project bringing decent work to rural households of the Northern Provinces in Afghanistan and implemented by ILO Kabul. Project implementation started in 2015 and was expected to run until end of 2017. Since then, there have been 3 no cost extensions and 1 costed extension which will allow the project to run until December 2020. The project follows a market systems development (MSD) approach (see below) to address important underlying constraints inhibiting better growth and employment outcomes, which in turn contribute to improving livelihoods and poverty reduction. The project has been working in the grapes, cotton, poultry, dairy and sheep and goats value chains supported by a project advisory committee made up of directors from government departments of labour, agriculture, women's affairs, economy, commerce and industry, the CEO of the Balkh Chamber of Commerce and Investments (BCCI) and the provincial head of the workers' union. The total budget for the project is USD **9,460,890.39** over the five-year period of implementation. The main partners are the BCCI, Afghan women Chamber of Commerce and Industry (AWCCI) and lately, the Afghan Chamber of Industry and Mines (ACIM) as representatives of the private sector. Most of the more than 30 private companies which the project has partnered with are members of these employers' organisations. The department of Commerce and Industry has emerged to be a very engaging partner in the past one year. The project undertook several studies and assessments to help the private sector and policy makers make better decisions. These include in-depth market systems analyses on the grapes and cotton value chains, gender study, export study for fresh grapes, child labour assessment and a financial services study.

**Scaled:** Since constraints to industry growth are removed, change is replicated and mainstreamed across the sector – rather than being confined to just the actors that the project directly works with.

Projects using the market systems development approach usually partner with a small number of actors to test out new ways of working, and, if successful, then look to get othersto replicate the innovation. The activities that projects undertake to encourage partners to change can vary – from 'soft' facilitation tactics such as advice or brokering relationships to 'harder' tactics like financial cost-sharing. Such facilitation is an art – not a science. It needs to strike a balance between support to actors that ends up being too light to overcome resistance to change; and too heavy leading to dependence.

The impact indicators for R2J are:

- Number of people recording a positive change in working conditions and/or incomes, (disaggregated by gender/poverty status/migrant status)
- Net additional income accruing to target enterprises as a result of the programme
- The net additional employment created and sustained as a result of the programme

R2J targets poor and vulnerable rural households and income earners, who work either in rural communities, or in urban centers and other major centers of employment. The project also aims at addressing the underlying causes of poor market systems performance in selected agricultural sub-sectors, elaborated as expected outcomes 1-3 below:

Outcome 1: Collaboration and coordination among local stakeholders for local economic development is improved;

Outcome 2: The position of poor and disadvantaged groups within selected sub-sectors is improved; and

Outcome 3: Access to and utilization of financial services by the farmers and disadvantaged groups improved.

The evaluation will be conducted by a team of evaluators which include two independent evaluators (international and national) in an ethical manner and safeguard the dignity, rights, safety and privacy of participants

The evaluation was intended to identify the project interventions relevant with the selected target groups, programme outcomes effectively achieved, and the project results driven to sustainability to the targeted market systems and possibility for the second phase of the programme.

More and better jobs in selected Northern Provinces contributes to improved livelihoods and poverty reduction.

#### **Link to DWCP**

The project was designed beginning with AFG128: Enhanced Conducive Environment for Developing Micro- and Small Enterprises through enhancement of competitiveness of selected agriculture value chains, protection and upgrading of urban work and small enterprises, and improved financial management of households, which together bring higher returns to rural households. For the current biennium, the project will contribute to the achievement of AFG 105: Entrepreneurship and enterprise development policies, strategies and programmes have increased access to decent jobs and incomes for women and men through micro, small and medium sized businesses.

#### **Programme and Budget**

The project is directly linked to the following Programme and Budget outcome of 2015-16:

Outcome 3: Sustainable enterprises and indirectly linked to a further three outcomes:

Outcome 1: Employment promotion

Outcome 6: Occupational safety and health

Outcome 7: Labour migration

#### **Country Programme Outputs**

The project is linked to the following Country Programme Outcomes (CPOs) of 2014-15:

AFG 128: Outcome 3. Enhanced conducive environment for developing micro- and small enterprises

AFG 105: Outcome 4 – Promoting sustainable enterprises

#### **Link to National Development Frameworks**

#### **Relevance to development goals of the country and value addition**

The project will contribute to the following National Priority Programmes (NPPs):

- Skills Development and Labour (under the Human Resources Development cluster)
- Trade Facilitation and SME (under the Private Sector Development cluster)
- Comprehensive Agriculture (under the Agriculture and Rural Development cluster)

The project also contributes to the new UNDAF (2014-2018), particularly to its Pillar One “Inclusive, more equitable and sustainable economic growth with reduced dependency on the illicit economy” and to 2018-21 One UN in Afghanistan Programme with its pillar “Food security, nutrition and livelihoods”.

#### **How the propose project will contribute to poverty reduction.**

The project interventions will contribute to the realization of productive and decent work. The latter is recognized as a core element of the UN sustainable development goals, # 1 “end poverty in all its forms everywhere”, which has incorporated “full and productive employment and decent work for all” as an indicator.

**Donors:** SIDA has approved the cluster approach and agreed to make financial contributions, proportionally. SIDA has provided inputs to the TOR and will be consulted throughout the evaluation process.

**Stakeholders and Partners:** R2J initiatives are implemented in collaboration with tripartite constituents at the provincial level and key stakeholders while target groups remain unchanged from the previous phase. More specifically, Government institutions, Employers and Workers’ organizations have key execution responsibilities as primary partners, under the R2J Project Advisory Committee.

#### **Direct Stakeholders**

- Government of Afghanistan
- Ministry of Agriculture, Irrigation and Livelihoods (MAIL)
- Department of Labor, Social Affairs (DoLSA)
- Department of Women Affairs (DoWA)
- Department of Agriculture, Irrigation and Livestock (DAIL)
- Department of Commerce and Industries (DoCI)
- Employers’ Organization
- Balkh Chamber of Commerce and Investments (BCCI) and ACCI
- Afghan Women Chamber of Commerce and Industries (AWCCI)
- Workers’ Organization/AMKA (NUAWE)
- Training Institutions and Companies

## Other collaborating agencies and organizations

- (i) UNHCR, UNODC, USAID/RADP-N, NRC, ACTED and GIZ/SEDEP.

## Ultimate beneficiaries

- (i) The ultimate beneficiaries are beneficiaries who are from vulnerable households (women, farmers, migrants and workers) and additionally enterprises.

## PURPOSE AND SCOPE OF EVALUATION

The main purpose of the final independent evaluation is for accountability and learning (measure the process, progress, outcome, learning and the achievement of the project in terms of the expected and stated results). The findings will be used to improve design and implementation of future relevant projects/programs.

The specific objectives are

- To review the progress and performance of the project (extent to which objectives have been achieved and outputs delivered) and determine to what extent it has been relevant, effective, efficient, sustainable and/or impactful.
- To determine if a continuation of the project would be appropriate and how it could be improved should funding become available.
- To determine if the market systems approach is fit for purpose in a conflict affect context
- To provide recommendations for the learning which may inform future MSD projects in fragile and conflict-affected states
- To assess the responses and resilience of the project and the mechanisms that have been put in place to the COVID19 and the extent that the COVID19 pandemic may have on the target SME and beneficiaries.
- To identify emerging potential good practices and sustainability opportunities for a possible second phase of this project and future MSD projects in fragile and conflict-affected states

This evaluation will provide all stakeholders with information to assess and revise, as needed, work plans, strategies, objectives, partnership arrangements and resources. It should identify the potential impact on mainstreaming policy and strategies and suggest a possible way forward for the future.

This final evaluation will help contribute to the process of evidence-based decision making in planning for extension activities and will help stakeholders learn from the ongoing experience. The evaluation will focus on R2J's achievements, strategies and its contribution to the overall efforts to improve households' livelihoods and to reduce poverty at local level. The evaluation will focus on all activities implemented since the start of the project to the moment of the field visit.

The evaluation will identify intended (i.e., planned) and unintended results in terms of outputs and outcomes. Some unintended changes could be as important as the ones planned. Therefore, the evaluation team should reflect on them for learning purposes. As the market systems development methodology focuses on improving systems at large, indirect impact is as important as direct results, for it demonstrates a bigger systemic change for the intended target group.

The project built up the economic and agricultural contexts in Balkh province (Balkh, Dawlatabad, Zare, and Kishindeh) including Mazar-I-Sharif city and Samangan provinces (Feroz Nakchir, Hazrat Sultan, Khuram Sarbagh and Dara soaf payin) including Aybak city. Within the scope of the project's resources, with a particular focus on improving production, where the supporting: grape trellising, mobile phone extension services, grape extension services, paraveterinary services, Radio Azad extension messages, cotton extension services, dairy market linkage and entrepreneurship training through implementing partners: DAIL, Grape Producers Association, RADP-N, ANHDO, Khurshid Noor Solar, Radio Azad, FINCA-MFI, Gazargarh Cold Storage, Mazar, Kabul's Cold Storage Companies, Hamid Sadat Water Company, Wholesalers, Middlemen, Ariana Industries, CARD-F, Cotton & Ginning Companies and HMBGPC.

**Intended Users:** The primary intended users of the evaluation are ILO Project office in Kabul, ILO Liaison office for Afghanistan, Government of Afghanistan, Workers' and Employers' organizations, ILO HQ and DWT-New Delhi, Sida and ILO Regional Office for Asia and Pacific (ROAP). The evaluation will provide other project stakeholders and partners who work to reduce poverty and improve livelihoods, particularly those who are interested in doing so with the market systems approach. The evaluation report will be published on Sida and ILO website, so the report should be included evaluation summary, providing the necessary background information for readers who are unfamiliar with the details of the project.

## EVALUATION CRITERIA AND QUESTIONS

The evaluation should be carried out in adherence with the ILO Evaluation Framework and Strategy, the ILO Guideline, the UN System Evaluation Standards and Norms, and the OECD/DAC Evaluation Quality Standard and address the overall ILO evaluation criteria: (i) Relevance, (ii) Validity of the project's design (iii) Effectiveness, (iv) Efficiency, (v) Impact orientation (vi) Sustainability.

The core ILO cross-cutting priorities, such as gender equality and non-discrimination, promotion of international labour standards, tripartite processes, and constituent capacity development should be addressed in this evaluation. In particular, gender dimension will be considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation. To the extent possible, data collection and analysis should be disaggregated by sex as described in the ILO Evaluation Policy Guidelines and relevant Guidance Notes (see in Annex 2).

It is expected that the evaluation will address all of the questions detailed below to the extent possible. The evaluator may adapt the evaluation criteria and questions, and further developed during the inception phase of the evaluation but any fundamental changes should be agreed upon between the ILO team and the evaluator. The evaluation instruments (to

be summarized in the inception report) should identify the general areas of focus listed here as well as other priority aspects to be addressed in the evaluation.

**The evaluation questions are:**

Explain the links between each of the following levels: interventions, expected changes in the wider market system, expected outcomes such as economic growth or improved access to particular services.

**ILO CROSS-CUTTING ISSUES**

The core ILO cross-cutting priorities, such as gender equality and non-discrimination, promotion of international labour standards, environment, tripartite processes, and constituent capacity development should also be considered in this evaluation.

In particular, the gender dimension will be considered as a cross-cutting concern throughout the methodology, deliverables and final report. In terms of this evaluation, this implies involving both men and women in the consultation, evaluation analysis and evaluation team as well as an assessment of the implementation of the program's Gender Strategy and its accompanying Gender Action Plan. Moreover the evaluators should review data and information that is disaggregated by sex and gender and assess the relevance and effectiveness of gender-related strategies and outcomes to improve the lives of women and men. All this information should be accurately included in the inception report and evaluation report.

**EVALUATION METHODOLOGY AND TIMEFRAME**

ILO's policy guidelines for results-based evaluation (3<sup>rd</sup> edition) 2017 provides the basic framework; the evaluation was carried out according to ILO standard policies and procedures. The evaluation adheres to the United Nations Evaluation Group (UNEG) norms and standards on evaluation as well as to the OECD/DAC evaluation quality standards.

The evaluation approach will be theory-based approach. A theory-based approach provides a framework within which different levels can be observed. The evaluators are expected to thoroughly analyze the theory of change upon which the programme is designed, and it adequately describes the expected pathway to change. It is expected that the evaluator describes and justifies an appropriate evaluation methodology and methods for data collection in the tender. The evaluation design and methods for data collection and analysis are expected to be fully developed and presented in the inception report.

Evaluators should take into consideration appropriate measures for collecting data in cases where sensitive or confidential issues are addressed and avoid presenting information that maybe harmful to some stakeholder groups. Evaluators should at no time compromise safety for data collection and should follow security information and broadcasts on the security status before travelling.

**Evaluation Team**

The evaluation will be conducted by an independent international evaluator selected after a call for expression of interest based on the profile presented below. The team leader will work with a national independent evaluator as a team member. During field work, the national evaluator will translate and interpret interviews in local language. One member of the project staff may travel with the team to make introductions but this person is not involved in the evaluation process, or interviews.

The responsibilities of team leader are developing the methodology in consultation with Evaluation Manager and R2J project team; assigning the tasks of the national consultant; directly conducting interviews and facilitating other data collection processes; analysis of the evaluation material gathered; presenting feedback on the initial results of the evaluation to the national stakeholder meeting and preparing the evaluation report. The responsibility of the interpreter in each provincial locality will be national consultant and the interpreter should be impartial and independent from the grantee in order to mitigate potential bias. The national consultant have not been involved in the project.

The international evaluators will be responsible on the following duties:

- Desk review of programme documents
- Briefing with ILO, R2J team and Evaluation Manager
- Development of the evaluation instrument
- Interviews with ILO and development partners
- Undertake interviews with stakeholders and key informants
- Undertake field visits in project areas
- Facilitate the stakeholders workshop
- Draft evaluation report
- Finalize evaluation report

The national evaluators will be responsible on the following duties:

- Desk review of programme documents
- Contribute to the development of the evaluation instrument
- Organize interviews of stakeholders and field visits in the country
- Provide or facilitate translation and interpretation
- Co-facilitate interviews with stakeholders and key informants
- Co-facilitate stakeholder workshop (under the team leader leadership)
- Contribute to the evaluation report through systematizing data collected and providing analytical inputs

- Others as required by the team leader

### **Data Collection Methodology**

#### **Document Review**

Pre-field visit preparation includes extensive review of relevant documents

During fieldwork, documentation will be verified and additional documents may be collected

The evaluators' analysis should be included in the evaluation report. The documents may include project documents and indicator database, sector selection report, market system analysis, project progress reports, annual reports, budget and revisions, project framework and monitoring plans, workplans, management procedures and guidelines, undertaken research studies and project beneficiaries/training records.

#### **Question Matrix**

Before beginning fieldwork, the evaluators will create a question matrix, which outlines the source of data from where the evaluators plan to collect information for each TOR question. This will help the evaluators make decisions as to how they are going to allocate their time in the field. It will also help the evaluators to ensure that they are exploring all possible avenues for data triangulation and to clearly note where their evaluation results are coming from. The Evaluation team will share the question matrix with Evaluation Manager.

#### **Interviews with stakeholders**

The interviews will be held with as many project stakeholders as possible and will be one-on-one or group interviews. Technically, stakeholders are all those who have participated in R2J project, such as implementers, partners, direct and indirect participants, community leaders, donors, and government officials.

Thus, it is anticipated that meetings will be held with:

- The members of R2J Project Advisory Committee
- R2J partners and implementers at all levels
- R2J Project team and ILO Kabul
- Swedish Embassy, Kabul
- Afghanistan Unit, Sida, Stockholm
- ILO Geneva SME/ENT (Lab project) and Decent Work Technical Support Team in India
- Government Ministry Officials and Local Government Officials who have been involved in or are knowledgeable about the project
- Community leaders and project participants (household beneficiaries)
- INGOs and multilateral agencies working in the area

List of detail contact will be provided by R2J team in case of any restriction.

#### **Field Work**

The evaluation team will undertake group and/or individual discussions. A first meeting will be held with the R2J project team. After that, the evaluators will visit to the selected project areas. During the visits, international consultant accommodated at United Nations Assistance Mission in Afghanistan. The evaluators will observe the activities and outputs developed by the project. Focus groups with project participants will be held, and interviews will be conducted with representatives from local governments, partners, and community members. The final field site selection will be included in the Field Itinerary along with the list of KIs and FGD participants. A stakeholders' workshop will be organized to validate findings and complete data gaps with key stakeholders, ILO staff and representatives of the development partners. After the workshop debriefing to the R2J project team will take place. Due to the COVID-19 pandemic, there will be flexibility in data collection such as remote data collections or virtual meetings if travel restriction will not allow to both international and national consultant in travelling to the project sites,

#### **Ethical Considerations and Confidentiality**

The evaluation mission will observe utmost confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure a maximum freedom of expression, R2J project staffs and implementing partners will not be participated during interviews with stakeholders, communities, and project beneficiaries. However, a R2J team member or implementing partner staff may accompany the evaluators to make introductions whenever necessary, to facilitate the evaluation process and make respondents feel comfortable.

#### **Stakeholder Meeting**

Following the field visits, a stakeholder meeting will be organized by the project and led by the evaluators to bring together a wide range of stakeholders, including the implementing partners and other interested institutes to discuss the evaluation findings. The list of participants to be invited will be drafted prior to the evaluators' visits and confirmed in consultation with project staff during fieldwork. The meeting will be used to present the major preliminary results and emerging issues, solicit recommendations, discuss project sustainability and obtain clarification or additional information from stakeholders, including those not interviewed earlier. The agenda of the meeting will be determined by the evaluators in consultation with project staff.

#### **Limitations**

There are always limitations in conducting evaluations, especially in conservative and fragile states like Afghanistan. There were a number of limitations as following:

Insecurity to visit project sites: Due to insecurity, the evaluation team will not able to visit the project sites in some districts.

Inaccessibility of women beneficiaries for interviews: Due to cultural sensitivity, women will not willing to come to provincial centers or meet with male staff. However, the evaluation team can conduct some interviews of direct beneficiaries through telephone.

Due to COVID 19 pandemic, remote data collection might be shifted in case travel restricted. Interviews may be virtual meeting.

Time: Data collection for the evaluation will take at least two weeks and between July to August.

### Timetable

Timeframe for this evaluation: July – September 2020

The evaluator need to submit the final complete report at the mid September 2020.

Task	Working Days of International Consultant	Working Days of National Consultant	Date
Contract with selected Evaluators			30 June 2020
Desk Review of project related documents	3	3	5 July 2020
Inception Report	1	1	7 July 2020
Develop itinerary and finalize	1	1	8 July 2020
Develop question matrix (Data Collection Tools)	2	2	10 July 2020
Data Collection	10	10	13 - 23 July 2020
Stakeholders Workshop (Validation)	1	1	28 July 2020
Draft report submitted to ILO and SIDA	7	5	10 August 2020
Revised report	2	2	27 August 2020
Final report submitted to ILO and SIDA	1		15 September 2020
<b>Total</b>	<b>28</b>	<b>25</b>	

Depend on the COVID19 situation, the time frame will be adjusted. The project team will support to make remote data collection such as telephone or skype interviews and provide list of stakeholders to be interviewed.

### EXPECTED OUTPUTS/DELIVERABLES

The evaluator will provide the following deliverables and tasks:

**Deliverable 1: Inception report.** The inception report will include among other elements the evaluation questions and data collection methodologies and techniques, and the evaluation tools (interview, guides, questionnaires, etc.). The instrument needs to make provision for the triangulation of data where possible. The evaluator will prepare an inception report as per the ILO Checklist 3: Writing the inception report (see in Annex).

The report should include:

- Description of the evaluation methodology and instruments to be used in sampling, data collection and analysis and the data collection plan mentioned above.
- Guide questions for questionnaires and focus group discussions;
- Detailed fieldwork plan should be developed in consultation with the Evaluation Manager and project team;
- The proposed report outline structure.
- Proposed methods of data collections and tools for remote interviews/data collections

**Deliverable 2: Stakeholders workshop.** The evaluator will conduct a stakeholders' workshop. The stakeholders' workshop will be organized to validate information and data collected through various methods and share the preliminary findings with the ILO and local stakeholders at the end of evaluation mission. The stakeholders' workshops will be organized by the project team with assistance from the ILO Liaison Office Kabul. The workshop might be remotely organized depend on the COVID19 situation. PowerPoint presentation should be prepared and presented at the workshop and shared with Evaluation Manager.

**Deliverable 3: First draft evaluation report.** The evaluation report will include and reflect on findings from the fieldwork and the stakeholders' workshop. The draft evaluation report should be prepared as per the ILO Checklist 5 (see in Annex). The first draft of the report will be circulated to all partners for a two weeks review. The first draft evaluation report will



be improved by incorporating Evaluation Manager, R2J Project team, SIDA and ILO ROAP comments and inputs provided by key stakeholders.

In the Annex 1 of checklist 5, include definitions and criteria (Section 1: Citing Lessons Learned and Section 2: Citing Emerging Good Practices) should prevent any problems later during the approval of the draft report, as well as ensuring a high level of quality and consistency across ILO evaluations and in line with UN evaluation standards.

**Deliverable 4: Final evaluation report** and a standalone evaluation summary The evaluator will incorporate comments received from ILO and SIDA into the final report. The report should be finalized as per the ILO Checklist 5: Preparing the Evaluation Report. The quality of the report and the standalone evaluation summary (max 4 pages) will be assessed against the ILO Checklists 5, 6, 7, and 8 (see in Annex). There may be more than one rounds of comments from ILO stakeholders. Evaluation report is considered final only when it has received an approval from ILO Evaluation Office.

The report and all other outputs of the evaluation must be produced in English. All draft and final reports including other supporting documents, analytical reports, and raw data should be provided in electronic version compatible with WORD for windows. Ownership of the data from the evaluation rests jointly between ILO. The copy rights of the evaluation report rests exclusively with the ILO. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement. In addition to the final report, a stand-alone executive summary, lessons learnt and good practices must be developed using ILO standard format.

A draft and a final versions of evaluation report in English (maximum 30 pages plus annexes) as per the following proposed structure:

- Cover page with key project and evaluation data
- Executive Summary
- Acronyms
- Description of the project
- Purpose, scope and clients of the evaluation
- Methodology and limitations
- Clearly identified findings for each criterion or per objective
- Conclusions
- Recommendations (i.e. for the different key stakeholders)
- Lessons learned and good practices

Annexes:

- TOR
- Inception report
- List of people interviewed
- Schedule of the field work
- Documents reviewed
- Project outputs and unexpected results achieved versus planned as per the Project logical framework targets

## **EVALUATION BUDGET**

The budget for this contract will cover professional fees, travel costs, and mobilization expenses that include communication cost in response to the remote data collection. It will be reimbursed on the actual basis.

A tentative schedule of payments shall be indicated in the Contract, but any single payment shall be limited to a maximum of 30 per cent of the total contract amount and be subject to the condition that the ILO quality standards are met satisfactorily. By ILO financial rules, the first (advance) payment cannot exceed 30 per cent, and a minimum of 20 per cent of the total contract amount shall be retained as the final payment which may be paid only after satisfactory completion of all activities and providing to the ILO all outputs/ reports as stated in the contract;

It is important to note that should there be any problem in the delivery of outputs pertaining quality and schedule, the Contractor is expected to make the necessary corrective actions without affecting the overall project delivery deadline dates. This will be at no additional cost to ILO.

## **QUALIFICATIONS**

Minimum desired qualifications for consultants are the following:

For international evaluator (team leader):

- Education Background in Economic/business administration, Social Science, International Development Studies
- 5 - 7 years of relevant professional experience in conducting evaluations of international development projects and programs and/or in complex/strategic assessments in particular with policy level work, institutional building and local development projects.
- Experience in working with or evaluating projects that use the market systems development approach, preferably in the context of Afghanistan or any other fragile and conflict-affected state;
- Professional experience with evaluation framework, quality assurance within international development evaluations;
- Experience in the targeted areas an advantage but no previous involvement in the delivery of the project;
- Extensive knowledge of, and experience in applying, qualitative and quantitative research methodologies;

- Excellent in technical report writing in English;
- Excellent analytical skills and communication skills
- Strong leadership and organizing skills;
- Demonstrated ability to deliver quality results within strict deadlines.
- Experience working in contexts characterized by fragility, violence and conflict scenarios like Afghanistan
- Experience in gender analysis and economic empowerment;
- Knowledge of ILO's roles and mandate and its tripartite structure as well as UN evaluation norms and its programming is desirable;

For national consultant:

- Education: Degree in social and/or economic development or other relevant field;
- 5 years experience in the design, management and evaluation of local development projects. Knowledge on research methodologies would be preferred;
- Experience in the targeted areas an advantage but no previous involvement in the delivery of the project;
- Fluency in English and Local languages in the field visit areas
- Experience in facilitating workshops for evaluation findings;
- Experience in the UN system or similar international development experience is desirable;

## MANAGEMENT AND SUPPORT

Mrs. Ei Haymar, M&E Officer (MyPEC project) at ILO Liaison Office in Myanmar, who has no prior involvement in the project will manage this independent evaluation with supervision provided by the ILO Evaluation Unit. The evaluation will be funded by R2J project (Afghanistan).

Task of the evaluation manager:

- Draft and finalize the evaluation TOR;
- Reviewing CV of the applicants;
- Coordinate with the project team on the fieldwork itinerary for the evaluator;
- Briefing the evaluation consultant on ILO evaluation procedures;
- Circulating the report to ILO and donor to provide comments;
- Reviewing and consolidating comments of the draft evaluation report; and
- Sending back to the evaluator for final report.
- Share to ILO Afghanistan and HQ office when receiving final report

R2J project team will handle administrative arrangement and logistical support the following task:

- Facilitate the advertisement in Afghanistan for a local consultant to assist the international consultant
- Providing project background documents to the evaluator including annual reports, robust monitoring and results data and intervention guides,;
- Provide a list of key stakeholders (tripartite constituents, key partners, implementing partners, provincial partners, donor, ILO specialists involved, list of R2J staff) and list of beneficiaries who have benefited from the project with their contact address (email/phone/skype address where possible) to allow the evaluation team to contact them via remote interviews/survey etc.
- Provide fieldwork itinerary for meetings and interviewing;
- Coordinating with local government authorities and in-country arrangements such as visa, travel, accommodation and security;
- Provide list of contacts in case of travel restriction;
- Meeting with the evaluator during the evaluation;
- Organize and participate in the stakeholder meeting;
- Review and provide comments in the evaluation report

The evaluator is selected through a competitive process from qualified applicants. The international evaluator will lead the evaluation and will be responsible for delivering the above evaluation deliverables. The evaluation consultant reports to the evaluation manager.

## LEGAL AND ETHICAL MATTERS

The evaluation will comply with UN Norms and Standards. The ToR is accompanied by the code of conduct for carrying out the evaluations. UNEG ethical guidelines will be followed. It is important that the evaluator has no links to project management or any other conflict of interest that would interfere with the independence of evaluation.

## SUBMISSION OF APPLICATION

Interested candidates are required to submit a proposal to Mrs. Ei Haymar ([haymar@ilo.org](mailto:haymar@ilo.org)) and cc to Ms. Pamornrat Pringsulaka ([pamornrat@ilo.org](mailto:pamornrat@ilo.org)) before **19 June 2020 (Friday) 17:00PM (Afghanistan time)**. Subject line for application: "International/National Consultant for the Final Evaluation of ILO Road to Jobs Project" and covering the following aspects:

- Detailed response to the TOR
- Proposed methodology and data collection tools
- Ethics and safeguarding approaches
- Proposed timelines

- CVs that include previous work
- Detailed budget, including daily fee rates, expenses, taxes etc.
- For reference check, provide contacts of previous contractors' email

## ANNEXES

Road to Job page on the ILO website has quite a few links to documents which articulate some of the interventions. Further detailed documentation from the project's monitoring and results measurement system will be provided at contract award.

## ANNEX 3: List of interviewees

Category	Organisation	Full Name	Position	Email	Interview mode
Government	Balkh Directorate of Economy	Janatgul Sharaft	Director	balkheconomy@yahoo.com	In person
Government	Balkh Directorate of Labour and Social Affairs (DoLSA)	Matihullah Matin	Director	b.dolsamd@yahoo.com	In person
Government	Department of Women Affairs (DoWA)	Masuda Maolawi zada	Director	mzmasooda@gmail.com	In person
Government	Samangan Directorate of Agriculture, Irrigation and Livestock (DAL)	Moh Rahman Arghandiwal	Director	rahman.arghandiwal@gmail.com	In person
Government	Balkh Directorate of Industry and Commerce	Eng. Shir Ahmad Sepahizada	Director	reyasat.tojarat.mazar@gmail.com	In person
Employers' Org	Balkh Chamber of Commerce and Investment (BCCI)	Nasir Qasemi	CEO	ceo@balkhcci.org.af	In person
Employers' Org	Afghanistan Women Chamber of Commerce and Industries	Tamana Farewar	Ex-Programme Manager	mazar@awcci.af	In person
Employers' Org	Women Traders Association	Qandi Gul	President	qandi_wbc@yahoo.com	In person
Employers' Org	Balkh Chamber of Agriculture	Mubasir Karimi	Operation Manager	n.708901902@gmail.com	In person
Workers' Org	National Union of Afghanistan's Worker and Employees (NUAWE)	Moh Hasan Kamran	President - Balkh Chapter	m.hasankamran20@gmail.com	In person
Workers' Org	National Union of Afghanistan's Worker and Employees (NUAWE)	Mr. Maroof Qaderi	President	qaderi.amka@gmail.com	In person
Support Institution	ICARDA	Mohammad Sharif Sharifi	Coordinator of ICARDA	sharifi.icarda@gmail.com	In person
Support Institution	SIYB	Nasratullah Rahimi	SIYB Technical Advisor	/	In person
Collaborating Agencies	UNDP	Surayo Buzurukova	Deputy Resident Representative for Programmes	surayo.buzurukova@undp.org	Remote
Collaborating Agencies	USAID (RADP-North)	Mohammad Masoud Saqib	Ex-Programme Officer	masoud.saqib@gmail.com	Remote
Collaborating Agencies & training	NRC	Abdul Ghani Rahim	Balkh Emergency Focal Point/ Livelihood & Food Security Project Manager	abdulghani.rahim@nrc.no	In person
Collaborating Agencies	ACTED	Nawid Mobarez	Senior Coordinator	Kabul.senior-liaisonofficer@acted.org	In person
Collaborating Agencies & training	GIZ (SEDEP)	Yalda Bari	Project Officer	Yalda.bari@giz.de	Remote
Collaborating Agencies	Area Security Coordinator and Head of UNAMA office in Balkh	Luis Gomez Orodea	Head of Office	gomez-orodea@un.org	In person
Collaborating Agencies	UNHCR	Sateesh Nanduri	Livelihoods Coordinator	nanduri@unhcr.org	Remote
Client	ILO	Mohammad Dosti and Marzia Hussaini	MRM Officers	dosti@ilo.org / hussaini@ilo.org	Remote
Client	ILO	Ines Bentchikou	Technical Officer - SME Unit (Geneva)	bentchikou@ilo.org	Remote
Client	ILO	Tonderai Manoto	Chief Technical Advisor of ILO R2J	manoto@ilo.org	Remote
Client	ILO	Steve Hartrich	Chief Technical Advisor of ILO Lab project	hartrich@ilo.org	Remote

