Independent evaluation of the ILO's strategy to promote sustainable enterprises and decent work

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International Labour Office

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Evaluation Unit

ACKNOWLEDGEMENTS

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ABBREVIATIONS

COOP Africa	Cooperative Facility for Africa
CPO	Country programme outcome
CSR	Corporate social responsibility
DWCP	Decent Work Country Programme
EESE	Enabling environment for sustainable enterprises
FAO	Food and Agriculture Organization
HIV/AIDS	Human immunodeficiency virus/acquired immunodeficiency syndrome
ILC	International Labour Conference
ILO	International Labour Organization
M&E	Monitoring and evaluation
MIS	Management Information System
MULTI	Multinational Enterprises and Enterprise Engagement Unit
MNE	Multinational enterprises and social policy
SCORE	Sustaining Competitive and Responsible Enterprises
SE	Sustainable enterprise
SIMAPRO	Sistematización de la experiencia en el sector frutícola exportador nacional
SIYB	Start and Improve Your Business
SME	Small- and medium-sized enterprises
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
VCA	Value chain analysis
VCD	Value chain development
WEDGE	Women's Entrepreneurship Development and Gender Equality
YEF	Youth Entrepreneurship Facility

EXECUTIVE SUMMARY AND SUMMARY OF RECOMMENDATIONS

Introduction

This evaluation considers the progress made and issues to address with regard to the implementation of the conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007).1 These conclusions emphasize the importance of the promotion of sustainable enterprises as a major tool for achieving decent work, sustainable development and innovation that improves standards of living and social conditions over time. Sustainable enterprises are a principal source of growth, wealth creation, employment and decent work in most countries. Promoting sustainable enterprises is fundamentally about strengthening institutions and governance systems that nurture enterprises and encourage them to operate in a sustainable manner. This requires that the needs and interests of the enterprise be balanced with the aspirations of society for a path of development that respects the values and principles of decent work, human dignity and environmental sustainability. These aims call for new forms of cooperation between government, businesses, labour and society at large.

Given the breadth of the action being taken, the scope of the evaluation was narrowed to the time period from 2007 to 2012. The focus was placed on three indicators under Outcome 3 of the Strategic Policy Framework 2010–15:

(i)   reform of policy and regulatory frameworks to improve enabling environments for sustainable enterprises;

(ii) implementation of entrepreneurship development policies and programmes for the creation of productive employment and decent work;

(iii) implementation of programmes to foster the adoption of responsible and sustainable enterprise-level practices.

After a preliminary desk review and scoping exercise, field missions were undertaken to Kenya, South Africa and the United Republic of Tanzania. Desk reviews were carried out of documentation on work done in Indonesia, Peru and Zambia, and a survey was conducted of ILO field specialists on enterprise development. Approximately 60 interviews with key informants were carried out.

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[1] ILO: Conclusions concerning the promotion of sustainable enterprises, *Provisional Record* No. 15, International Labour Conference, 96th Session, Geneva, 2007.

Operational approach

The Office was specifically called upon to focus on practical and demand-driven responses while focusing on the key elements of sustainability and decent work. In 2009, in response to the conclusions of the ILC, the ILO laid out a three-pillar strategy to:

(i)   create the right conditions for sustainable enterprises to thrive and create jobs;

(ii) stimulate entrepreneurs to fulfil their ambitions to build businesses; and

(iii) nurture sustainable and responsible workplaces that combine increased productivity and a smaller environmental footprint with improved working conditions and industrial relations.

Three concerns that cut across these elements are: gender equality and empowerment; the upgrading and formalization of informal enterprises; and environmental sustainability and greening enterprises and jobs. The strategy is ongoing and, in June 2013, was further informed by the discussions of the International Labour Conference (ILC) on sustainable development.

Summary of findings

A. Relevance and coherence

The evaluation found that the Office is moving in the right direction in implementing the sustainable enterprises strategy. It has developed or refined high-quality tools and materials, has been prolific in generating relevant studies and analyses, and has engaged in policy dialogue and collaboration with tripartite constituents and United Nations (UN) partners, within the framework laid out in 2007.

However, the level of effort across the various indicators has been uneven, with more effort and resources focusing on entrepreneurship projects and programmes than on other pillars. Overall, the strategy is anchored by adequate core technical expertise to maintain key products and support innovation. However, country and global operations are to a large extent financed through technical cooperation resources. Despite TC expenditures of an estimated US$80 million per biennium, many projects continue to be too stand-alone, with separate websites, results frameworks and reporting practices.

B. Efficiency

At the country level, innovations have been introduced in support of improved workplace practices and revamped materials to better address rights and the protection of workers. However, the short duration of projects, restrictions on the use of mobilized resources, and

the wide geographical and sectoral spread of the interventions have meant that their intended use is only partially being realized.

Innovative approaches being used to address the enabling environment, including policy-oriented assessments, show promise in improving the impact and sustainability of the ILO's project work. The move towards more analytical assessments of the enabling environment is a substantive way of linking enterprise development to a broader discussion of decent work and employment at the national policy level, provided that these assessments cover the decent work challenges linked to enterprises. To date, few ILO-supported country-level decent work strategies consider private sector enterprise development beyond the potential for enterprise-level job creation.

The ILO has numerous success stories demonstrating the strengthening of constituents' capacities to understand the needs of enterprises so as to better address the policy and regulatory mix that enables growth with decent work. The review of the projects, however, shows that transitioning from a largely technical cooperation approach focusing heavily on training takes time and may not be as readily financed by donors. Linking private sector and sustainable enterprise development to the broader national decent work policy debate is seeing greater potential; however, hard evidence on how this has worked is still in short supply.

In many countries, the ILO is lacking the analytical perspective to guide a longer term country-level vision for a more strategic and integrated approach to decent work. Without this, ILO country offices tend to respond to shorter term and pragmatic approaches to enterprise development, which governments demand and donors fund, tending to overlook opportunities for longer term and more systematic change, in the hope of offering simple solutions to complex problems.

Enterprise development is a high priority for constituents, as reflected in Decent Work Country Programmes (DWCPs). Case study reviews conducted for this evaluation showed that this priority status has not always translated into a coherent longer term DWCP vision for the ILO's sustainable enterprise development initiatives. Projects and donors still largely structure the ILO's actions at the country level, which has been seen as sometimes being too supply driven. However, the ILO's major donor agencies have integrated private sector development as a key element in their approach to development cooperation and the ILO's technical cooperation base for implementing the strategy is impressive.

This evaluation did not focus extensively on well-established products such as the Start and Improve Your Business (SIYB) and Know About Business (KAB) programmes, however, it found that both are in demand and the quality of service is well regarded. Through project work, the Office has also promoted local and sectoral sustainable enterprise strategies, recently expanded to include strategies for greening enterprises and the creation of green jobs, all of which have shown promise in areas such as accessing vulnerable groups, hazardous work in SMEs, and targeting job-creating opportunities.

Particularly impressive is the work done to address women entrepreneurship. A more concentrated effort and more targeting through sectors, communities and vulnerable groups would add focus, increase visibility and, potentially, have a higher impact.

Major advances have been made in value-chain analysis and development, particularly in tools and conceptualization; operationalization of this work requires ongoing integration into the design of technical cooperation proposals and a longer term and flexible programming environment that includes joint programming with other organizations. Evidence suggests that this transition is under way.

The application of responsible and sustainable workplace practices has been championed by one large but well-developed initiative, the Sustaining Competitive and Responsible Enterprises (SCORE) programme, through funding from the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD). The initial pilot phase generated insights and lessons learned from eight country-level cases; second phases have subsequently been applied to refine and expand the promotion of decent workplace practices at the national, sectoral and enterprise levels. The dependency on two donors, however, poses uncomfortable risks for this promising area of work, which could flounder if funding were not sustained.

The work to promote enterprise associations and cooperative enterprises was found to have great potential but is currently underdeveloped, in large part due to limited funds and, as yet, too few cases of cooperative approaches being integrated into small enterprise development technical cooperation. There is a clear need to focus on innovative models that attract young entrepreneurs and meet their needs through solid business performance and value added, delivered through cooperatives to their members. These business aims are not inconsistent with the social agendas of cooperative institutions. The recent addition of social finance to the strategy mix would provide an additional means of reinvigorating cooperative approaches that integrate financial services and know-how.

The sustainable enterprise knowledge base, including recent studies, guides and other products, is impressive. The dissemination of this know-how, through the establishment of interactive platforms and systems that reach out to enterprises, their service providers and those constituents supporting and guiding small enterprise development, is under way but is fragmented. There is also a need to reduce external and internal user barriers and to integrate content and messages to encompass the broader Decent Work Agenda.

There is currently no clear orientation and coordination within the Office on how the sustainable enterprise strategy could tap such resources in the longer term for small enterprise strategy development at the country level.

Meaningful engagement with the private sector as investors and donors will be increasingly relevant for decent work outcomes. This engagement needs to go beyond private sector partnerships and the Office is struggling to articulate an actionable strategy.

C. Impact and sustainability

The Office has developed methodologies and completed studies to assess the impact of its more established products, including the SYIB and KAB programmes, and the results of these studies document job-creation activities. Results monitoring, though clearly established, is not yet standard practice for tracking the quality or durability of jobs being created through enterprises. For this reason, little can be reported on the sustainability of the jobs being created. Regarding the sustainability of the ILO's capacity to deliver and maintain high standards, the resource base and technical caliber of staff provide grounds for optimism.

Overall assessment of the strategy

The overall scoring of the performance of the strategy to promote enterprises and decent work based on the evaluative criteria shows that, while the relevance and coherence of the strategy was "satisfactory", effectiveness, efficiency and impact were rated as "somewhat satisfactory" while sustainability was edging towards "somewhat unsatisfactory" (figure 1).

Figure 1. Overall ratings on evaluation criteria
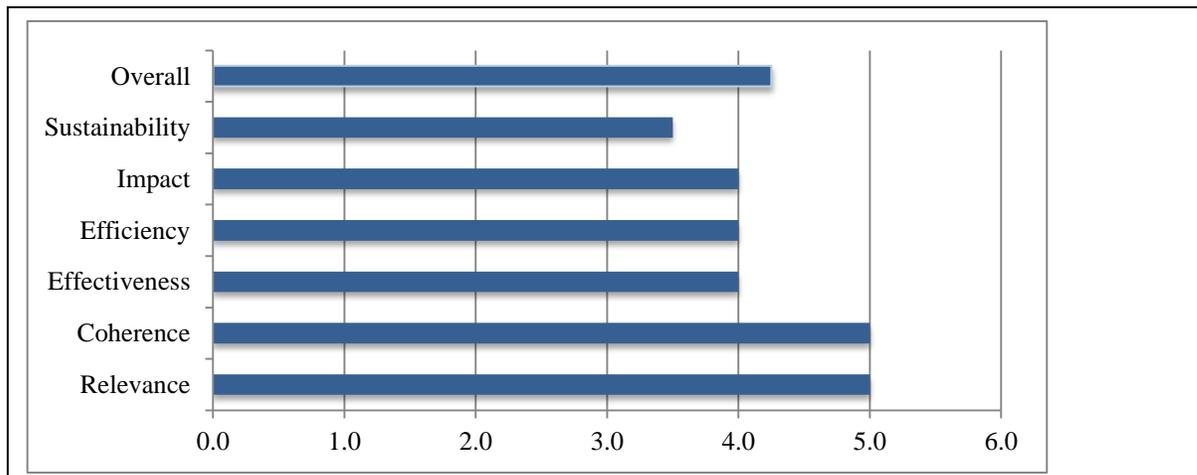
Six-point scale: 1=very unsatisfactory, 2=unsatisfactory, 3=somewhat unsatisfactory, 4=somewhat satisfactory, 5=satisfactory, 6=very satisfactory.

Lessons learned

Given the breadth of this evaluation, numerous lessons learned were generated, of which only a few can be mentioned in this summary.

■ The "enabling environment" policy work has highlighted the difficulty of revising laws and regulations to allow enterprises to grow sustainably if key institutions do

not have the will or capacities to implement changes. Addressing this will be a major challenge for enabling environment initiatives. Planning for and monitoring improvements in institutional capacities and practices will be critical to reinforcing the change process.

■ At the enterprise level, there is growing appreciation that the quality of work has a significant effect on productivity and profitability. Equally important, but less understood, is the effect of productivity and profitability on workers' employment situations. In the end, sustainable enterprises are about achieving a virtuous circle that results in and sustains decent work. While expanding and strengthening enterprises to generate new jobs, future action needs to focus on determining if and how this virtuous circle is being reached.

Recommendations

Recommendation 1

The ILO should establish a standardized country assessment to diagnose decent work priorities and integrated responses within specific country contexts, in which sustainable enterprise can be better embedded.

Recommendation 2

The Office should prioritize a small number of countries in which to develop a longer term vision and strategy for sustainable enterprise development, to allow adequate time for the progression of all dimensions of the sustainable enterprise model, including the critical elements of social and environmental sustainability.

Recommendation 3

The Office should more actively solicit public–private partnerships with non-profit foundations that can accommodate longer term strategies for small enterprise development at the country level.

Recommendation 4

The Office should integrate into the entrepreneurship pillar monitoring and evaluation data and, measurement of key indicators to monitor progress towards improving the rights and working conditions of workers in newly formed or strengthened enterprises.

Recommendation 5

The Office should move forward the programming to support the area of critical importance on "productivity and working conditions in SMEs" to link more directly to ILO expertise in areas of working conditions, safety and health and other forms of rights and protection, integrating components for a more substantive treatment of these dimensions.

Recommendation 6

The Office should ensure that youth entrepreneurship and youth enterprise development strategies, and youth employment, are conceived, programmed and linked in a coherent manner.

Recommendation 7

The Office should continue the drive towards larger, more integrated and policy-oriented projects to roll-out politically sensitive work on enabling environments for enterprises, working within UN partnerships where scale justifies the higher transaction costs involved.

Recommendation 8

The Office should finalize the overhaul of key products for enterprise development, integrating new communication technologies and revamping existing ones, to better respond to external and internal user needs that can extend past the life of individual projects. Furthermore, it should pool project resources within technical cooperation to develop and roll-out new information technology (IT) features in a timely manner.

Recommendation 9

The Office should reposition the work on cooperatives after a successful phase focusing on legal reform, to support more cooperative development on the ground and to reflect the growing interest in the social economy.

Recommendation 10

The Office would benefit from aligning ILO enterprise approaches in relation to green jobs and the green economy with the ILO's strongest comparative advantages and linking them with UN partners for green technology advisory services, in which the ILO has limited comparative advantage.

1. INTRODUCTION AND BACKGROUND

The ILO's contribution to promoting sustainable enterprises (SEs) and decent work lies in its unique tripartite structure, its genuine connection to the world of work through representatives of employers' and workers' organizations, its established culture of social dialogue and a normative framework. The ILO Governing Body, at its 316th Session in November 2012, confirmed its desire for an independent evaluation of the ILO's implementation of Outcome 3 to promote SEs.

This evaluation is an opportunity to consider the progress made and issues to address with regards to the implementation of the conclusions of the International Labour Conference (ILC) in 2007 concerning the promotion of sustainable enterprises. These conclusions emphasized their importance as a major tool in achieving decent work, sustainable development and innovation that improves standards of living and social conditions over time. Sustainable enterprises are a principal source of growth, wealth creation, employment and decent work.

Promoting sustainable enterprises is fundamentally about strengthening institutions and governance systems that nurture enterprises and encourage them to operate in a sustainable manner. This requires that the needs and interests of the enterprise be balanced with the aspiration of society for a path of development that respects the values and principles of decent work, human dignity and environmental sustainability. These aims call for new forms of cooperation between government, business, labour and society at large.

2. PURPOSE OF THE EVALUATION

The purpose of this evaluation is to determine how the ILO is performing with regards to its obligations associated with Outcome 3 of the Strategic Policy Framework (SPF) 2010–15 and related Programme and Budgets (P&Bs), which focuses on the Office's strategy to promote sustainable enterprises within the framework laid out by the ILC.

The main objectives of the evaluation study were to:

- provide an account to the Governing Body regarding the strategy's performance and key results;

- provide an opportunity to learn what works well and less well in the implementation of policy dialogue, discussion and definition in the development, use of ILO tools and guidelines for such processes;

- provide evidence for decision-makers in charting a future direction for ILO's technical support for SE development.

Working from its mandate and operational approach, the evaluation considers all of the ILO's efforts to support the achievement of Outcome 3.

Given the breadth of action being taken, the scope of the evaluation was narrowed to the time period 2007–2012.

Overall evaluation criteria and questions

The overall evaluation is based on the Development Assistance Committee (DAC) criteria of relevance, efficiency, effectiveness and evidence of impact of ILO's contributions both in supporting a selection of countries, and globally. It takes stock of the scale and content of ILO's work, including all parts of the ILO, which actively support this Strategic Policy Framework (SPF) outcome in various ways. The '3 Cs' of coordination, coherence and complementarity are taken into account.

The DAC criteria have been re-configured by the ILO to be slightly more operational,[2] as defined below.

- Relevance and strategic fit: Extent to which objectives are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies; extent to which the approach is strategic and the ILO uses its comparative advantage.

- Validity of the strategy design (coherence): Extent to which the strategy is logical and consistent with the achievement of objectives, including the design and approaches for DWCP outcomes and global products.

- Effectiveness and progress of the strategy: Extent to which major results were achieved, or are expected to be achieved, taking into account their relative importance.

- Effectiveness of management arrangements: Extent to which management capacities, arrangements and practices support the achievement of the results.

- Efficiency of resources use: How economically resources/inputs (funds, expertise, time, etc.) are converted into results.

- Impact orientation and sustainability: Strategic orientation of the intervention towards making a significant contribution to broader, long-term, sustainable development changes; likelihood that the results of an intervention are durable and can be maintained or even scaled up, and replicated by intervention partners after major assistance has been completed.

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[2] ILO: *Guidelines to results-based evaluation, Version 2, February 2013* (Geneva, Evaluation Unit, 2013).

Outcome 3 – ILO's mandate and strategic approach

The ILO translates its strategy into promoting SEs that generate productive and decent jobs in four concrete areas of intervention with measurable outcomes.

1. Reform of policy and regulatory frameworks to improve enabling environments for sustainable enterprises.
2. Implementation of entrepreneurship development policies and programmes for the creation of productive employment and decent work.
3. Implementation of programmes to foster the adoption of responsible and sustainable enterprise-level practices.
4. Adoption of policies that integrate the principles of the Multinational Enterprises and Social Policy (MNE) Declaration.

Its programming offers policy-makers and the social partners advisory services and capacity building, specialized research and analytical work to identify issues and options, tools, education and information to empower entrepreneurship, particularly among youth, women and local communities. Sustainable enterprises include a wide range of business models, including cooperatives, multinationals and small enterprises. The focus is also on the social economy, rural areas, environmental initiatives for enterprises, and responsible global business and workplace practices.

Programming is primarily delivered through a global team of technical specialists based at ILO's headquarters, in a dozen field offices and the Enterprise Department of the ILO Training Centre in Turin, as well as technical cooperation (TC) project staff. Technical cooperation is a critical component of the strategy and the primary means of building the capacity of national partners.

Countries targeted for technical services are chosen based on national constituents' demand communicated through Decent Work Country Programmes (DWCPs). Two thirds of the fully formulated DWCPs include sustainable enterprises as one of the top three priorities for ILO support.

Results framework

The strategy's results are monitored and reported through four performance indicators:

-- (3.1)   The number of member States that, with ILO support, reform their policy or regulatory frameworks to improve the enabling environment for sustainable enterprises.

-- (3.2)   The number of member States that, with ILO support, implement entrepreneurship development policies and programmes for the creation of productive employment and decent work.

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-- (3.3)   The number of member States that, with ILO support, implement programmes to foster the adoption of responsible and sustainable enterprise-level practices.

-- (3.4)   The number of member States that, with ILO support, adopt policies that integrate the principles of the MNE Declaration.

Evaluation framework and performance matrix

The evaluation sought to answer the following questions:

- To what extent is the ILO outcome strategy relevant to achieving the overall aims of building sustainable enterprises and decent work?

- To what extent is the ILO strategy designed to be coherent and complementary within a global context and does it promote synergies with other strategic outcomes, national constituents' priorities and partners?

- How effective is the strategy in addressing issues related to the following?

  o Entrepreneurship and business development, with special attention to youth and women.
  o Creating an enabling environment through support within political, social and economic contexts.
  o Promotion of cooperatives and other social enterprises.
  o Value chain development (VCD) through holistic sector and market focus.
  o Promoting sustainable enterprises for local economic development.
  o Fostering responsible workplace practices, including in global production systems and through corporate social responsibility (CSR).

- To what extent does the ILO strategy lend itself to efficient implementation?

- What impact have ILO actions had on international and national policy, regulatory frameworks, and programmes and enterprise-level performance and practices regarding decent work in sustainable enterprises?

- To what extent have the ILO strategy and means of action been designed and implemented to maximize the sustainability of results at the global and country level?

Given the breadth and scale of work being carried out under this strategy, the evaluation narrowed its focus to the first three of the four indicators. The indicator reporting on ILO support to member States to adopt policies that integrate the principles of the MNE Declaration was not covered. A broadly scoped thematic evaluation of the ILO's support to social finance and decent work was completed in late 2011. This component was also not covered in this evaluation though input from the findings and recommendations are summarized.

3. METHODOLOGY AND LIMITATIONS

3.1 Methodology

A preliminary desk review and scoping exercise was undertaken in Geneva from 11–15 March 2013. This resulted in an inception report that recommended country visits to East Africa and South Africa for the collection of primary information in April/May (see Annex 1 for the Terms of Reference for these visits).

The country visits considered strategies and approaches at country-level around the broader global and national Decent Work Agenda, and consider the roles and responsibilities of others within and outside the ILO in reinforcing the process. During the country visits informant interviews and meetings were held with a wide range of stakeholders. A full list of staff consulted is presented in Annex 2.

An additional three desk case studies were conducted with additional input from key informants via emails and telephone in Indonesia, Peru, Timor Leste and Zambia.

A desk review analysed selected reporting and other programme documentation, key performance criteria and indicators, to compare and assess the coherence, continuity and evidence of reported results over time. Attention was paid to the main means of action, implementation performance, perceptions and evidence of major progress and significant achievements, as well as notable products and outputs in the main means of action. The application of good practices, including a results-based management (RBM) approach, and use of lessons learned were also considered. Drawing from country and global programme documents, reports and evaluations, an analysis of how results are being planned, monitored and progress reported was prepared, and policies and practices reviewed.

A list of all data sources and references is presented in Annex 3.

3.2 Limitations to the study

A number of possible limitations, assumptions and constraints were identified at the inception stage. In most cases, these were addressed or mitigated by triangulating information gathered from various sources in order to provide evidence-based conclusions.

Ideally, evaluators would have preferred to undertake more in-depth country case studies but were heavily reliant upon secondary data. In addition, time between drafting and finalizing the report was short. Finally, the lack of a central ILO repository for programme and project information/accounts meant that a great deal of effort was needed to acquire information materials and very limited information to sensibly address questions on financial efficiency and/or effectiveness in terms of value for money. The major assumptions and mitigation strategies used are summarized in table 1.

Table 1. Major assumptions and mitigation strategies

Data collection	Major assumptions and constraints	Mitigation strategy used
Documentation review	That reasonable quality reports are available. Depending on the quality and availability of data supplied to/found by the study team, the documentation review may yield incomplete results.	The study gathered a wide variety of documentation from a variety of sources to complete any missing information.
	Programme and project documents and evaluation reports are available. Programme and project documents are not always designed to facilitate the conduct of this type of study.	Triangulation of data and information with other data collection methods.
	Useful information for the conduct of a study like this may be absent.	Triangulated data and information with other data collection methods.
Interviews (face to face)	Interviews can sometimes be time consuming in terms of planning and logistics.	A systematic approach to invite interviewees to schedule their interviews.
	There is a potential for the study's authors to be biased in their responses.	The study tried to provide a relatively formal setting for the interviews, wherein each question was asked following an interview protocol.
Interviews (telephone and/or Skype)	Telephone interviews can sometimes be time consuming in terms of planning and logistics.	The study used a systematic approach to invite interviewees to schedule their interviews.
	There is a potential for the study's authors to be biased in their responses.	The study asked questions following an interview protocol.
Workshop focus groups	Participants are mature, reflective, open and essentially honest in their analysis.	The study triangulated data and information with other data collection methods.
	Participants can express an opinion that is in line with the rest of the group even if that opinion is at odds with their own.	The study ensured that the questions were open-ended so as to avoid any bias.
	One or two participants will come to dominate the group, creating an inaccurate view of what overall opinions are.	The study moderated the workshop focus group in a fair manner so as to include all of the participants. In addition, the study ensured that the focus group did not exceed 5–6 participants.
Reporting	Programme and project reports would have been ready and available to the study.	The study spent time with the available staff so as to ascertain many of the required details for this report.
	That reporting would not disclose the sensitive and confidential nature of some of the interviews held and the specific comments made.	Reporting of specific comments in this report is anonymous.
	Meaningful and detailed study report with forward looking recommendations and lessons to be learned could be written in less than 50 pages in line with the Terms of Reference for this study.	Only key points, recommendations and lessons to be learned are presented in the report and other points are added to the appendices.
	That inevitably mistakes and inaccuracies would occur in the report.	That a draft report would be circulated for comments before the report was finalized.

4. FINDINGS

4.1 Introduction

The strategy for the creation of decent work in SEs adopted by the ILO to contribute to the implementation of the conclusions made by the ILC in 2007 builds upon three crucial and mutually reinforcing elements: creating the right conditions for sustainable enterprises to thrive and create jobs; stimulating entrepreneurs to fulfil their ambitions to build businesses; and nurturing sustainable and responsible workplaces that combine increased productivity and a smaller environmental footprint with improved working conditions and industrial relations (see figure 2). Three concerns cutting across these elements are: gender equality and empowerment; the upgrading and formalization of informal enterprises; and environmental sustainability, greening enterprises and jobs.

Figure 2. The strategic framework of ILO Sustainable Enterprise Programme
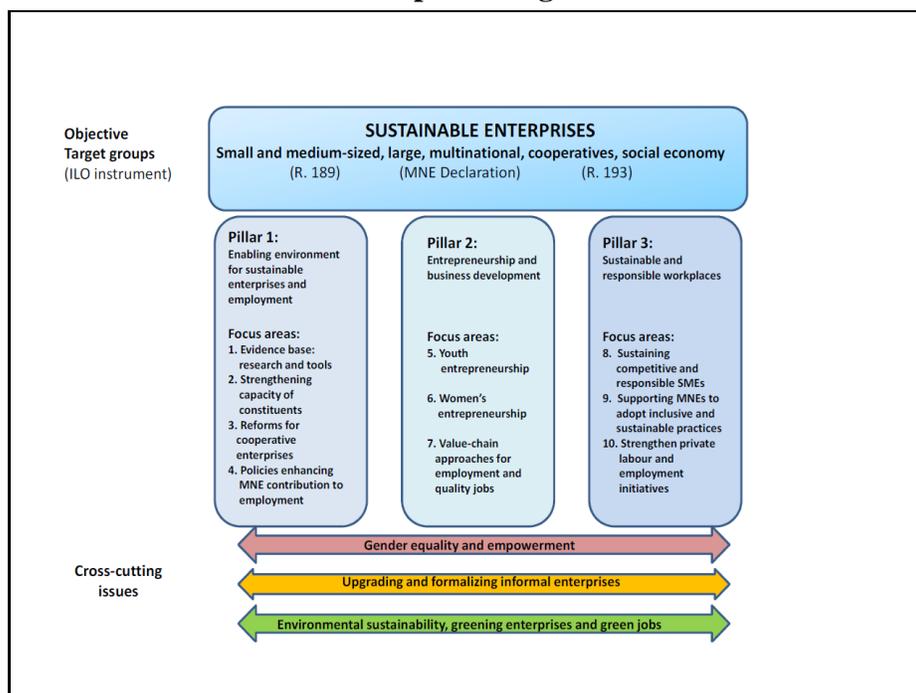
Source: ILO: 2010. *The Sustainable Enterprise Programme: Strategic Framework* (Geneva, Job Creation and Enterprise Development Department).

Interventions and major strategic orientations

The ILO strategy for the promotion of SEs draws upon its tripartite structure, its genuine connection to the world of work through representative employers' and workers' organizations – an established culture of social dialogue – and upon its normative framework as a standard-setting organization.

Specifically, it is guided by the following seven important principles:[3]

1. responding to constituents' demands and needs
2. achieving maximum employment
3. promoting rights and standards
4. promoting representation and social dialogue
5. promoting social inclusion and gender equity
6. promoting sustainable development outcomes
7. adopting a people-centred approach.

Practically speaking, the overarching aim of the strategy is to enable ILO member States to support the development and growth of SEs – enterprises that are productive, competitive, create decent jobs, and contribute to social inclusion.

The essentially pragmatic nature of ILO's interventions is reflected in the 10-programme focus areas that make up the foundation of the three strategic pillars shown in figure 2. Each focus area or means of action can be traced back to one of these pillars.

4.2 Relevance and strategic fit

4.2.1Q – To what extent is the ILO outcome strategy relevant to achieving the overall aims of building sustainable enterprises and decent work?

In the fifth year since the start of the global financial crisis, global growth has decelerated and unemployment has started to increase again, leaving an accumulated total of some 197 million people without a job in 2012. Moreover, some 39 million people have dropped out of the labour market as job prospects proved unattainable. The current unemployment rate is set to increase again and the number of unemployed worldwide is projected to rise by 5.1 million in 2013, to more than 202 million in 2013 and by another 3 million in 2014.[4]

As much as 75 per cent of the increase in global unemployment in 2012 was in developing economies in East Asia, South Asia and sub-Saharan Africa (see, for example, the case of the United Republic of Tanzania in box 1). Such high levels of unemployment, often exacerbated by poverty and economic inequality, have sometimes resulted in social unrest that has reduced the overall level of social cohesion worldwide.

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[3] ILO: *The Sustainable Enterprise Programme: Strategic Framework* (Geneva, Job Creation and Enterprise Development Department, 2010), p. 4.

[4] ILO: *Global employment trends 2013* (Geneva, 2013).

Box 1. Employment and the nature of unemployment in the United Republic of Tanzania

At 80 per cent the employment to population ratio is high compared to other countries in the region. According to the 2012 national labour statistics, the unemployment rate in the United Republic of Tanzania was 11.7 per cent.[5] However, many of the jobs are not decent and productive.

The employment to population ratio and unemployment rate conceals the decent work deficits in the country, particularly in rural areas. In 2010, it was estimated that almost 37 per cent of the employed population still live below the poverty line.[6] More than 90 per cent of the employment is in the informal economy and almost 89 per cent of the population is engaged in vulnerable employment, with higher rates in rural areas (95 per cent).

Source: ILO. 2013. *Decent Work Country Programme: Tanzania, final draft* (Geneva).

Competitive private enterprises are the principal source of economic growth, wealth and employment. In many countries, they create the most jobs and this is especially true in developing countries where over 90 per cent of jobs are in the private sector.

Small- and medium-sized enterprises (SMEs) in particular, account for about two thirds of all employment in industrialized countries and an even higher share in the developing world. They have been the main source of newly created jobs over the last few decades, but productivity is often low and job quality poor.[7]

Today, approximately half of the world's current population are under the age of 24, a phenomenon called the 'youth bulge'. Unemployment amongst this population is escalating – at present, around 75 million young people are unemployed, and the trend is expected to continue to rise, particularly in developing countries where 90 per cent of jobseekers reside. The reasons for this escalation are complex and well documented by ILO, and include insufficient opportunities for work and a deficit of skills relevant to emerging labour markets.[8] Programmes focusing on what is termed the 'Youth Employment Challenge' are especially relevant (see box 2).

Member States in most parts of the world place entrepreneurship and enterprise development high on their agendas because they see these as feasible ways of generating

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[5] Using the national definition for calculating the unemployment rate, the rate is much lower using the international ILO standard.

[6] ILO: *Analysis of MDG Employment Indicators*: Tanzania Mainland (Geneva, 2012).

[7] ILO: *Sustainable enterprises: Creating more and better jobs* (Geneva, 2007).

[8] Youth is understood in general to refer to the transitional period between childhood and adulthood, and is considered by the United Nations to refer to those between the ages of 15 and 24. However, certain countries, including some of those in which ILO operates, extend the upper bracket of this definition to 29 and beyond.

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decent jobs for their rapidly growing populations, many of whom are without adequate means of making a living. Their demand is reflected in the agreed priorities for ILO's support to DWCPs.

Box 2. Youth unemployment and entrepreneurship development in Kenya

Poverty, especially income poverty, remains one of the most formidable challenges in Kenya today. **Over 45 per cent of Kenya's population still lives in poverty**, with some 12.6 million of the estimated population of 38.6 million people living below the poverty line of less than one dollar a day. Households that have high dependency ratios, rural dwellers and informal sector workers are the most affected.

The **youth** shoulder the brunt of the socioeconomic problems in Kenya with limited opportunities to improve their livelihood. It is estimated that **64 per cent of unemployed persons in Kenya are youth.** Moreover, only 1.5 per cent of the unemployed youth have formal education beyond secondary school level and over 92 per cent have no vocational or professional skills training. They have, therefore, limited chances of fully participating in the labour market.

Source: ILO. 2013. *Decent Work Country Programme: Kenya*, final draft.

ILO's social partners also demand such programmes from ILO but within the negotiated framework of the 2007 International Labour Conference, which emphasized the importance of supporting an enabling environment to ensure that these enterprises offer opportunities for decent work, with attention to sustainable social and environmental development. These added dimensions comprise a shift in understanding of ILO's relevance and comparative advantage within this context. There is a lively discussion within the ILO on how they will be operationalized but, as yet, the required changes have not transpired. The 2014–15 P&B profiled a new programming approach aimed at remedying this by more explicitly identifying the integrated nature of ILO's technical work. Figure 3 illustrates the 'proposed area of critical importance' for working conditions and productivity in SMEs. Similar linkages exist and will be formalized for the enabling environment, and for business development services and entrepreneurship. The enterprise strategy has launched promising innovations in these areas but there is considerable potential to further develop and scale them up through the broader capacities being introduced in these programming clusters.

Outcome 3 is seen as being very relevant to member States as an effective, tangible and practical way in which the ILO can contribute to employment creation. Virtually all DWCPs have enterprise development elements in them. Indeed two thirds of the programmes[9] identify Outcome 3 as one of their top three priorities. Outcome 3 has also

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[9] Seventy-eight countries now have fully developed DWCPs.

consistently been one of the largest technical cooperation generators in the ILO and is the main means by which to support constituents in achieving country objectives.

Figure 3. Productivity and working conditions in SMEs
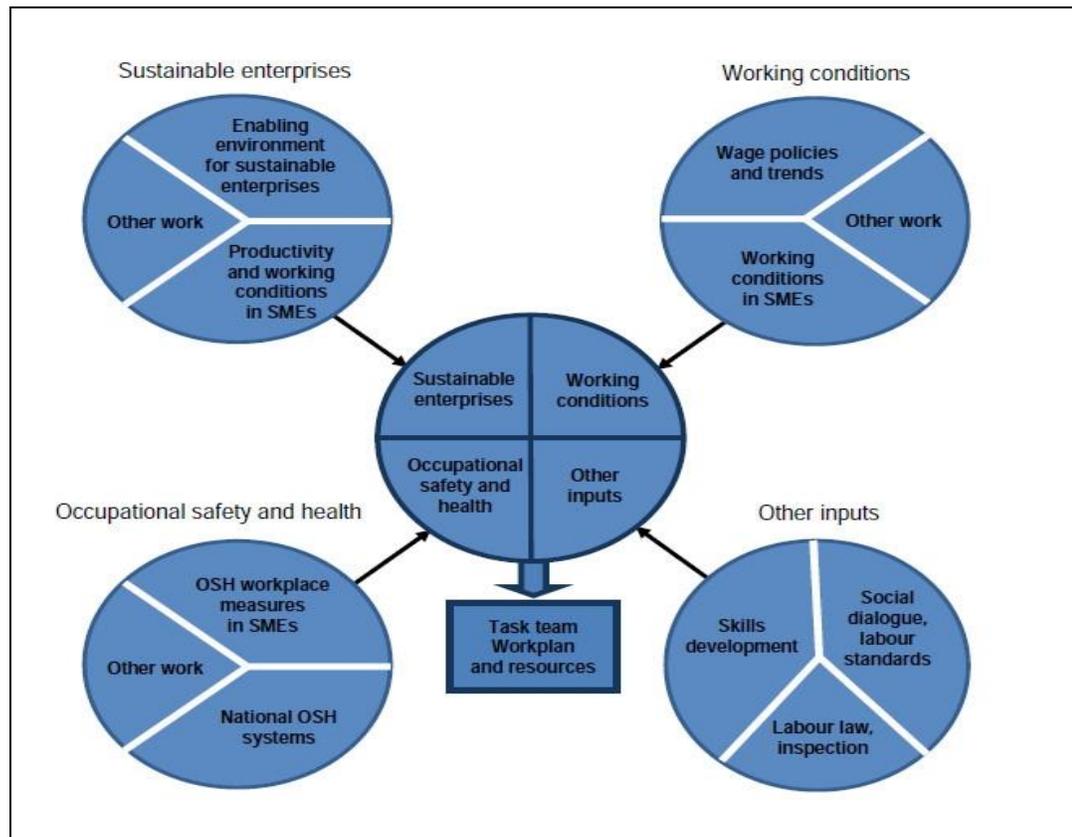
ILO priorities and outcomes at the country level reflect the ILO's strategic results framework, as well as its programme and budget. The priorities are expressed through country programme outcomes (CPOs) and they are directly linked to DWCPs. Figure 4 shows the regional distribution of CPOs and figure 5 shows their distribution in major areas of work under the Outcome 3 strategy. The figures show that constituents' demand for ILO support in enterprise development is highest in Africa and the Americas, particularly for work to improve the enabling environment and enterprise development.

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Figure 4. Sustainable enterprise (Outcome 3) country programme outcomes, by region and P&B indicator, 2012–13
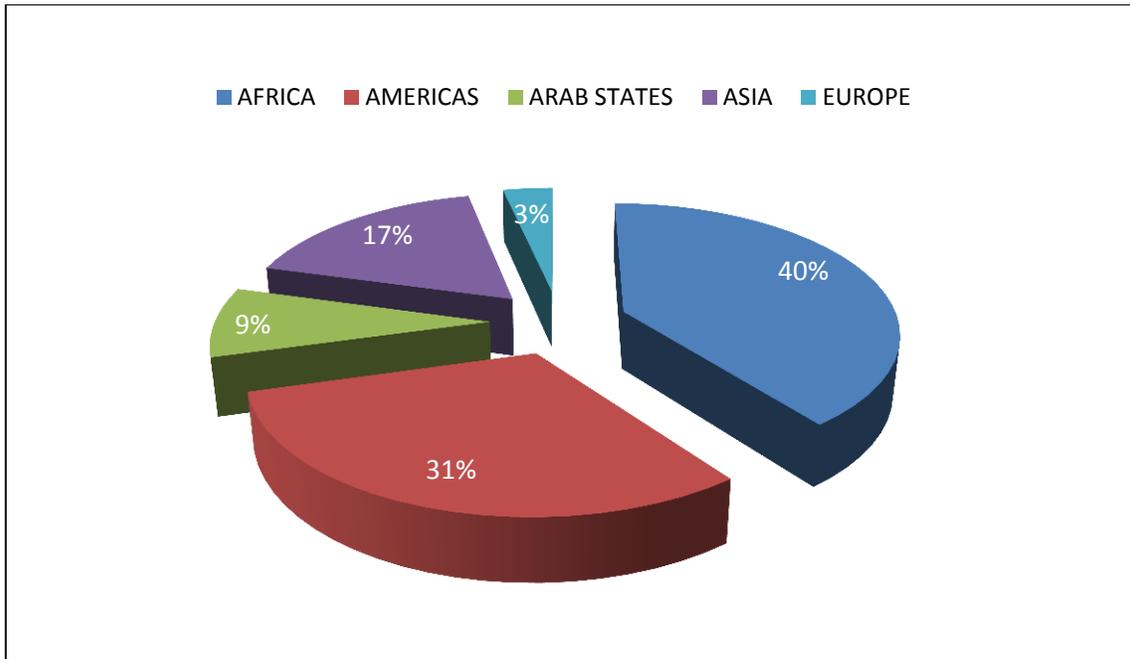
Figure 5. Distribution of CPOs across Outcome 3 results areas, P&B indicators, 2012–13
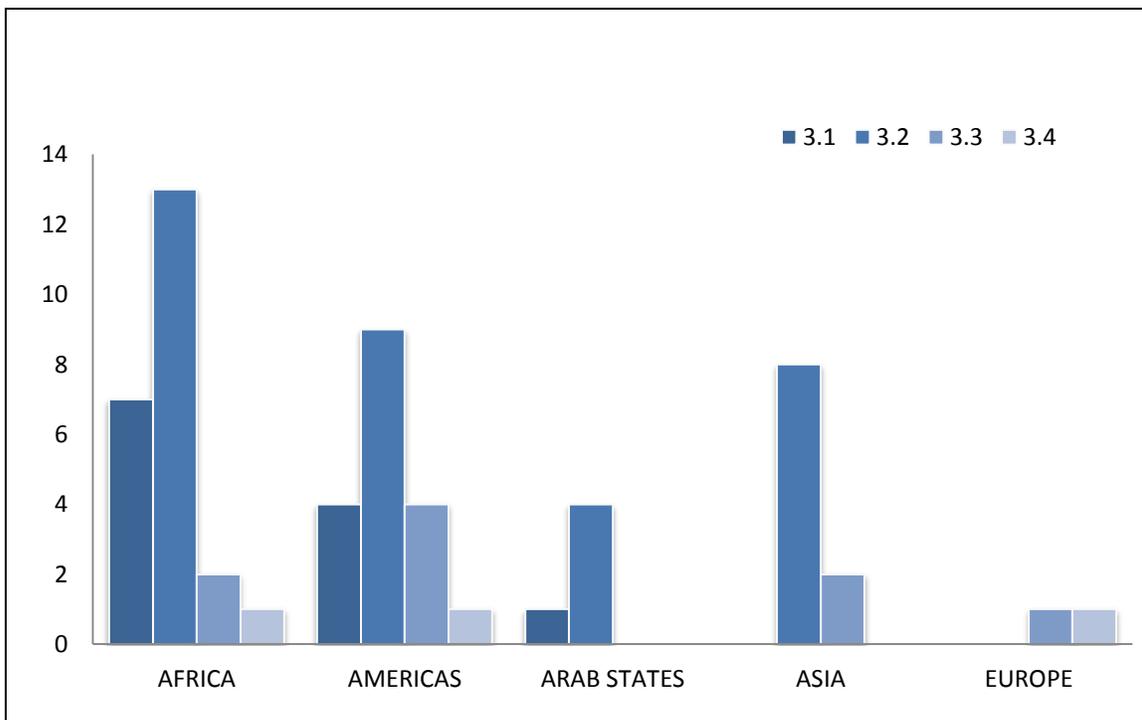
The ILO's portfolio of extra-budgetary funded technical interventions for sustainable enterprise development currently includes 91 projects and technical missions (CPOs) implemented over the past four years.[10] Total allocation amounted to just under US$89 million in 2008–2012. Table 2 and figure 6 show a comparative regional distribution of extra-budgetary resources for 2010–11 and 2012–13.

Table 2. Regional distribution of ILO sustainable enterprise extra-budgetary funded interventions, 2008–2012 (allocations)

Regions	US$	%
Africa	48 907 825	55.2
Americas	5 113 461	5.8
Arab States	4 339 856	4.9
Asia and Pacific	22 453 165	25.4
Europe and Central Asia	358 848	0.4
Inter-regional/global	7 374 259	8.3
Total	**88 547 413**	**100**

Source: ILO's Integrated Resource Information System (IRIS) approved project budgets, as of 31 December 2012.

In Asia, the fact that ILO's sustainable enterprise strategy is seen as fit for purpose is demonstrated by the rather large component of enterprise programmes in DWCPs linking country needs, DWCPs and donor priorities. In the case of Indonesia, a variety of projects were designed to specifically complement and combine with each other for a more comprehensive response to constituents' and donors' priorities (see case study in Annex 4).

Given the recent economic growth and countries' progression up the development ladder in Southeast Asia, linkages between the various sustainable enterprise objectives – productivity and competiveness linked to working conditions, workers' rights and standards, and environmental issues – are particularly relevant.

In Africa, where the bulk of Outcome 3 resources (55 per cent) are currently being spent, demand for entrepreneurship training and enterprise development is high, largely in response to high youth and rural unemployment.

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[10] ILO: *Report of the Director-General. ILO implementation report 2010–2011*. International Labour Conference, 101st Session, Geneva, 2012.

Figure 6. Share of ILO sustainable enterprise extra-budgetary intervention resources by region, 2008–2012

In light of the integrated approaches and linkages mentioned above between issues of competiveness, rights, conditions and environment, we concluded that the ILO is uniquely suited to the niche of SE development. Other organizations such as the United Nations Development Programme (UNDP) have started or grown their work in this area, but their mandates and experience are less adapted. The ILO's tripartite structure, whilst not without challenges, offers well-balanced support, and Outcome 3 is legitimately aligned to the ILO mandate (as elaborated in the ILO Declaration on Social Justice for a Fair Globalization, 2008).[11]

At the heart of the Declaration is the recognition of two principles that define the Decent Work Agenda. First is the universality of the ILO objectives, i.e. that all member States of the Organization must pursue policies based on the strategic objectives – *employment, social protection, social dialogue and international labour standards*. Second, there is recognition of the inter-dependence of these objectives, which the Declaration describes as "inseparable, interrelated and mutually supportive". Failure to promote any one of these objectives hinders progress towards achieving the others. This principle has major

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[11] ILO: *The ILO Declaration on Social Justice for a Fair Globalization*, 97th Session of the International Labour Conference, Geneva, 2008. The ILC unanimously adopted the Declaration for implementation through the Decent Work Agenda and its four strategic objectives.

consequences for the way in which the ILO will henceforth operate and assist its member States' efforts; but it should also represent a major step in the direction of policy coherence among international organizations.

4.3 Coherence and complementary

4.3.1Q – Does the ILO sustainable enterprise strategy promote synergies with other strategic outcomes, national constituents' priorities and partners?

ILO's enterprise initiatives are well grounded in both the United Nations Development Assistance Frameworks (UNDAFs) and DWCPs. Overall, the ILO has partnered effectively with **UN partners** to leverage their expertise within larger UN programmes, for example, the MDG Fund, Food and Agriculture Organization (FAO), United Nations Industrial Development Organization (UNIDO), among others. The experiences have largely been positive and a number of new initiatives are in the process of development. However, ILO faces challenges in these collaborations in:

1. steering a course which draws out its specialized expertise when there is considerable risk of overlap and duplication, or inconsistent priorities and approaches across agencies;

2. inefficiencies linked to joint programme planning and delivery, and problems of capacity to adequately support its area of work within the available resources and staffing – this is particularly an issue in areas where there are no ILO offices and where the ILO is not formally represented on United Nations Country Teams (UNCTs).

In many ways, the ILO is using its comparative advantage well through UN joint initiatives (see box 3). In some projects and programmes a certain degree of mission 'creep' is leading to overlaps and duplication between the ILO and sister agencies. In recent years, UNIDO has been moving quite heavily into sustainable enterprise areas to support SME development, CSR and ethical sourcing.

ILO has actively integrated **workers' and employers' organizations** into the roll out of its programming at country level. There are, however, challenges to this given that many of those targeted for support operate in the informal economy or are too small to link to in a cost-effective manner. The strategy has worked towards development of associations of enterprises, service providers, etc., which has helped to open dialogue. In particular, initiatives focusing on specific value chains and sectors have been effective in bringing tripartite partners to the table for more concentrated dialogue. The social dialogue surrounding the *matatu* system in urban Kenya and advisory work to reform their legal code is a case in point.

Box 3. ILO's contribution to the Partnership for Action on the Green Economy (PAGE) four-partner programme

The Partnership of Action on the Green Economy (PAGE) is a joint initiative by the United Nations Environment Programme (UNEP), ILO, the United Nations Institute for Training and Research (UNITAR) and UNIDO. Conceived as a response to the call of the Rio Outcome document, *The Future We Want*, PAGE intends to provide governments and other stakeholders with a platform from which to draw support for the transition to a green economy, which is socially inclusive and resource efficient.

In an initial period of seven years, PAGE aims at producing:

- new research to fill knowledge gaps both at the thematic and sectoral levels addressing key policy questions on the drivers of green global growth and engines of change for greening economies;
- national policy dialogues to accelerate political momentum for a shift to inclusive green economies mobilizing high-level government officials and key stakeholders committed to sharing experiences, with the objective to develop and implement policies to drive a green economy development;
- capacity building for evidence-based policy-making through applied practical training including technical courses and hands-on skills building in: analysis of economic and fiscal policy; promotion of green jobs; upgrading of vocational skills systems and entrepreneurship development; greening of sectors and enterprises, and the sustainable management of natural resources;
- policy advice and technical assistance facilitating policy design and implementation by providing country-driven advisory services.

The four partners of PAGE are preparing a fully fledged programme document intended to structure and link each partner's ongoing technical assistance towards a set of common results, and align country-level work in a more coherent and mutually supportive fashion.

ILO has a unique and important role amongst these partners to clearly contribute in terms of assuring sustainable enterprises and decent work.

Collaboration can make the task of addressing needs more complex. In some cases, strong linkages to ILO constituents can open doors and lead to strong synergies. Alternatively, obstacles can arise, for example, inappropriate self-selection of local counterparts, or blockage of viable collaborations due to political rivalries between ministries.

4.3.2 Q – Is the ILO sustainable enterprise strategy logical and consistent?

To date, despite the good progress made in some areas, the sustainable enterprise strategy has not been operationalized in an entirely logical and consistent manner when checked against the ILC 2007 framework. Although steps have been taken to reorganize work groups, the Enterprises Department remains compartmentalized with regular budget staff spread across key work areas, including green jobs, women's entrepreneurship, cooperatives, Multinational Enterprises and Enterprise Engagement Unit (MULTI), and micro, small and medium enterprises (MSMEs). Staff for crisis response, rural employment and social finance have been added since 2013. Project portfolios often map these divisions so that only a handful of projects cut across and bundle these technical foci.

Operationally, extra-budgetary technical cooperation is largely resourced for business development services for micro and small enterprises, with fewer resources available for work on alternative components, such as cooperative enterprises, non-profit organizations, or specialized programming addressing more vulnerable groups (women, people with human immunodeficiency virus/acquired immunodeficiency syndrome – HIV/AIDS, and persons with disabilities).

Rather than following a standardized model of operations, the DWCPs' and ILO's interactions with the social partners were found to help to determine the country and sub-regional strategy and drive greater alignment. Nevertheless, continued progress needs to be made to address key business constraints through diagnostics, for example, value chain analysis (VCA) and research, and attention to infrastructure, skills development, financial services as well as in incorporating standards into workplace practices.

Many of ILO's field offices see a strong need to continue working with donor funds in the form of projects, which they argue cannot be established at the top strategic level. While it is recognized that technical cooperation happens on the ground and that ILO country offices see the value in the TC modality, the Office needs to be more strategic in its practical actions as well as in its thinking. Staff in ILO field offices needs to be further encouraged to think innovatively. This requires visionary leadership in the field as well as at headquarters.

4.4 How effective is the strategy?

4.4.1Q – Is the ILO sustainable enterprise strategy resourced to deliver results?

The sustainable enterprise strategy is based on a comprehensive set of conclusions from the ILC 2007, on up-to-date instruments for all types and sizes of enterprises (the General Conditions to Stimulate Job Creation in Small- and Medium-sized Enterprises Recommendation, 1998 (No. 189), the Promotion of Co-operatives Recommendation, 2002 (No. 193), and the Tripartite Declaration on Multinational Enterprises and Social Policy, 1977), and a clear strategy with three mutually supportive building blocks: enabling environment: promotion of enterprise; and responsible and sustainable workplace practices.

The support given to constituents to assist them in achieving the country outcomes on SE is one of the largest TC portfolios in the ILO at around US$90 million, which has the potential to enable the programme to achieve impact on a significant scale.

core staff and non-staff resources in the Enterprises Department anchor the strategy. In the Bureau for Employers' Activities (ACTEMP), resources include two professional staff promoting enterprise programming and enabling environment initiatives and non-staff dedicated financial resources. A network of enterprise development field specialists completes the dedicated core capacity. Finally, the International Training Centre (TURIN)

supports an enterprise development team and the Employment Policy Department (EMPLOYMENT), particularly Skills and Employability unit (EMP/SKILLS) and Youth Employment, regularly collaborate on joint initiatives.

A breakdown of budgets over the past three biennia is given in table 3 (Enterprises Department only). Overall, there has been no clear trend in core staff resources, because the absorption of green jobs staff in 2009, and social finance, crisis response and rural employment specialists in 2013 affected the level of resources. The expansion of the budget largely reflects these transferred areas of responsibility.

Table 3. Enterprise department human and financial resources (2008–2013)

2008–09	Professional		General service		Non-staff	Total
	W/Ms*	US$	W/Ms	US$		
RB (Initial)	595	9 727 060	200	1 959 000	2 047 135	13 733 195
RBTC	–	–	–	–	895 400	895 400
PSI	70	1 144 360	–	–	254 396	1 398 756
2010–11						
RB (Initial)	571	10 671 419	188	2 103 156	4 083 301	16 857 876
RBTC	3	56 067	–	–	1 264 791	1 320 858
PSI	125.3	2 341 733	–	–	299 148	2 640 881
2012–13						
RB (Initial)	631	13 849 819	169.6	2 421 380	3 531 371	19 802 570
RBTC			–	–	759 666	759 666
PSI	69.8	1 532 040	–	–	68 306	1 600 346

* = work months, – = not applicable.

As figure 7 below shows, the distribution of extra-budgetary resources across the strategy's key programming areas has shifted to small enterprise development (Start and Improve Your Business – SIYB, Know About Business – KAB, Women's Entrepreneurship Development and Gender Equality – WEDGE, and Sustaining Competitive and Responsible Enterprises –SCORE) and green jobs. There has been a drop in resources for cooperative development since the close of one major project. New funding will very likely improve the balance, particularly the funding of the second phase for workplace productivity (SCORE II), and the phase out of a large entrepreneurship project.

In summary, the resource base for supporting the sustainable enterprise strategy is on the whole adequate on a regular budget as well as extra-budgetary resources level. However,

financial risk exists for key product and service lines (e.g. cooperatives) as well as field operations largely dependent on time-bound extra-budgetary resources.

Figure 7. ILO extra-budgetary technical cooperation allocation over time, by technical focus and financial year (2008–2013)
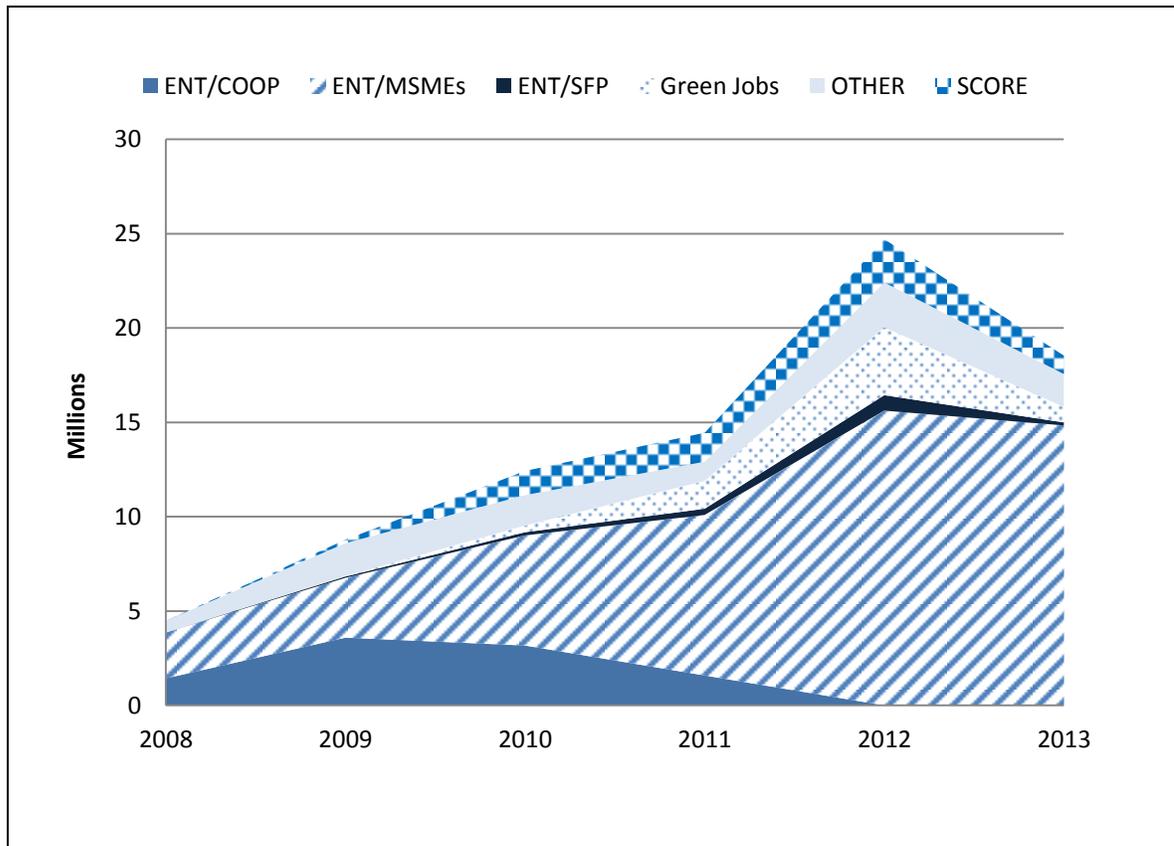
ENT/COOP = Cooperatives, ENT/MSMEs = micro, small and medium enterprises development; ENT/SFP = social finance policy (excludes Bill and Melinda Gates Foundation contribution); Green Jobs = Green Jobs; OTHER = any other; SCORE = Sustaining Competitive and Responsible Enterprises.

4.4.2 Q – Is the Office delivering the products and services that generate sustainable enterprise results?

With its portfolio of 11 clearly identified products and services, highly technically qualified staff in Geneva and the field, and innovative training conducted by the Sustainable Enterprise Academy in Turin, the ILO strategy for Outcome 3 is well regarded by clients and other agencies working in private sector development. The products and services range from those that have been tried and tested, and subsequently refined over several decades, to those newly created and still in the early stages of roll-out. Overall, the evaluation found that the Office is offering the products and services demanded, and the results generated are generally recognized. However, the longer term sustainability of the

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enterprises that have been reached is not certain implying that the projects supporting the products and services being delivered need to address their future prospects.

The main SE products and services as reported by the Office are set out below.

Sustaining Competitive and Responsible Enterprises (SCORE)[12] is a practical factory-based training and counselling programme that increases the performance of small- to medium-sized enterprises while also promoting respect for workers' rights. The SCORE programme demonstrates best international practice in the manufacturing and service sectors, and helps SMEs to access global supply chains. The focus is on developing cooperative workplace relations. Workers and managers participate in a two-day training course and local experts follow-up with on-site mentoring to help enterprises implement what has been learnt. The five modules cover a range of subjects, including workplace cooperation, quality management, human resources management, and occupational safety and health (OSH). The programme is being rolled out in seven counties.

Entrepreneurship and SME Management Training: A set of training packages for different groups ranging from orientation for potential start-ups to in-depth training for existing enterprises (SIYB)[13] has been made available to local counterparts in approximately 100 countries. This product has also been customized for specific target groups such as youth in order to combat youth unemployment.

The ILO continues to be one of the largest providers of this type of training reaching out to approximately one million participants. A 2012 tracer study estimating the global job creation effect found that over four million people had been trained since 2003, with anecdotal evidence of more than two out of three businesses surviving the first year. The Youth Entrepreneurship Facility (YEF) for East Africa was launched in 2010 and, as of mid-2103, had reached out to 17,500 young women and men.

SIYB has been adopted in many Asian countries including the People's Republic of China, which accounts for over 80 per cent of the total number of people trained, Indonesia, the Philippines, Timor Leste, and Viet Nam. In Viet Nam, SIYB has been selected as the primary tool for business development and training under the new 'Million Farmers' initiative of the Government of Viet Nam.

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[12] SCORE is a relatively new ILO product being rolled out in seven countries, see www.ilo.org/score. It is a five-module-training course and a factory-counselling programme for SMEs on how to improve quality management, productivity and working conditions. It is complemented by the 'SCORE Taster' (an appetizer for firms interested in learning more about the full programme), and SCORE induction (training for policy-makers and managers of SME-support agencies).

[13] A set of training packages for different groups ranging from a first orientation for potential start-ups to in-depth training for existing enterprises, offered in more than 100 countries with 4.5 million participants over the last eight years, see www.ilo.org/siyb

Entrepreneurship education: The ILO curriculum for Know About Business (KAB)[14] has been adapted and translated, and has now been introduced in 24 member States. The KAB package accompanied by associated teacher training has been introduced into secondary and tertiary schools. In the past two years, more than 500,000 new students took the KAB course.

In Asia, KAB is moving towards functioning as the national business education curriculum, adopted country-wide, in many countries including Indonesia, Laos, the Philippines, Timor Leste and Viet Nam. There is also great potential in Cambodia, Fiji and Papua New Guinea, where developments are also taking place. This has the potential to impact millions of youth and it is highly likely that these countries will continue using the KAB curricula for years to come.

Women Entrepreneurship Development (WED):[15] A training system, which is specifically designed for the needs of women entrepreneurs, has been adapted and translated in some 25 member States, leading to the use of the package by some 60,000 women entrepreneurs. There is clear evidence of impact on increased sales and profits in some countries (see section 4.4.5).

Creating an Enabling Environment for Sustainable Enterprises (EESE): A new methodology on how to assess the environment in which businesses operate, how to identify priorities, and how to formulate reform proposals has been developed. This methodology[16] has now been used in seven countries. It is too early to report on impacts but results measurement frameworks are being developed.

The Cooperative Way of Doing Business: The ILO is a major source of advice on cooperative law and cooperative policy, for which it has various tools and guidelines. The My.Coop training package and programme on the management of agricultural cooperatives has been revised and is being used. The objective is to improve the efficiency and effectiveness of cooperative services to members. Partnerships with FAO, universities, agricultural development agencies, and cooperative organizations guarantee good outreach and have resulted in several joint studies and initiatives.

Responsible global business: The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy Declaration is one of the main ILO

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[14] A training package to teach entrepreneurship in vocational, secondary and tertiary schools, used in 56 countries of which 18 integrated KAB into their national curricula; half a million youth have received KAB so far, see www.knowaboutbusiness.org

[15] A training package specifically designed for the needs of women entrepreneurs and offered in over 25 countries, see www.ilo.org/wed

[16] Advisory services on how to assess the environment in which businesses operate, how to identify priorities, and how to formulate reform proposals.

instruments providing guidance to companies on the implementation of international labour standards. MULTI is tasked with promoting the Declaration. This work includes close collaboration with leading multilateral institutions to increase coherence in the landscape of international CSR instruments, coordination across the Office in activities with MNEs, country activities promoting responsible business practices, and the development of various tools to operationalize and help guide the implementation of the MNE Declaration.

MULTI also manages the Helpdesk for business on International Labour Standards. Since its inception, the Helpdesk has answered over 650 questions, mostly from MNE management but also from trade unions, individual workers and researchers. In 2012, the Helpdesk website received an average of over 3800 hits a month.

Value chain development: Since 2007, the ILO has made significant progress in developing further well-defined tools and methodology for conducting VCA and has reinforced its use through detailed guidance, reports on its use and findings, as well as several well-developed training courses for building national capacities for its use. More analysis is provided in section 4.4.4

Local economic development: The Office has several ongoing projects. Currently there are no staff members in headquarters dedicated to coordinating the portfolio of projects in this area.

Social finance: Social finance is a cross cutting concern and touches upon employment creation and working conditions, social protection, and fundamental rights such as the prevention of child and bonded labour, and gender equality. Social finance was added to the strategy in 2013.

In summary, the strategy is pragmatically delivering some results in an area of high demand and in a challenging and fast moving environment. There are well-developed innovative products and there are others facing challenges, as discussed in the next sections.

At the present time, many countries are searching for solutions to their pressing employment issues. Many are eager for ILO to deliver their well-tested products, particularly at the small enterprise level. In less demand, however, are the elements which anchor the 2007 ILC mandate and which make ILO unique among global organizations supporting enterprise development – extending social protection, workers' rights, working conditions and social dialogue. While the ILO has generated an impressive body of research, tools and services in the core areas, and has raised international interest in these dimensions, much of its work remains anchored in enterprise growth and productivity improvement, with less progress being made on how this will improve jobs in these enterprises.

Scaling up and joining fragmented projects (small 'islands of excellence') into large coherent programmes (in order to reduce management and administration transaction times) has been a key request from many donors as well as some ILO constituents. The evaluation found examples of well integrated or complementary projects in individual countries (Indonesia and South Africa, Zambia), but also examples where projects were being implemented more in silos with individual project staff working largely independently from one another (Kenya and the United Republic of Tanzania).

In addition, a range of new stakeholders and competitors to ILO are emerging or are on the scene. ILO has to position itself vis-à-vis these new players (large foundations, donors from the South, and the private sector), and decide if it wants to work collaboratively with them or compete with them.

4.4.2 Q – Is the ILO sustainable enterprise strategy effectively creating an enabling environment through support within political, social and economic contexts?

The 2007 ILC conclusions highlighted the agreed priority to be given to strengthening the institutions and governance systems that nurture enterprises and encourage them to operate in a sustainable manner. The Conference indicated 17 basic conditions that mutually reinforce the enabling environment for SEs.

Conditions conducive to a stable environment for sustainable enterprises are listed below.[17]

1. Peace and political stability
2. Good governance
3. Social dialogue
4. Respect for universal human rights
5. Entrepreneurial culture
6. Sound and stable macroeconomic policy
7. Trade and sustainable economic integration
8. Enabling legal and regulatory environment
9. Rule of law and secure property rights
10. Fair competition
11. Access to financial services
12. Physical infrastructure
13. Information and communications technology

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[17] ILO: *Conclusions concerning the promotion of sustainable enterprises*, International Labour Conference, 96th Session, Geneva, 2007.

14. Education, training and lifelong learning

15. Social justice and social inclusion

16. Adequate social protection

17. Responsible stewardship of the environment.

The EESE[18] began as an analytical tool to identify key components of the enabling environment as set out by the ILC in 2007. In 2010–11, the EESE tools were tested in four countries, and national EESE reports were developed and produced in Botswana, Mongolia, Oman and Swaziland. The toolkit has helped provide employers´ organizations in each country with comprehensive data to use in policy dialogue processes. ACT/EMP now views the EESE as an opportunity not only to set national agendas but also to build employers' organizational capacities to more regularly carry out these exercises nationally through enterprise-level surveys as well as studies of secondary data. The reports offer a private sector perspective on macro and employment policy issues that includes analysis, and opens dialogue on ILO-oriented issues.

Two new reports (Cameroun and Honduras) have drawn from a wide pool of data and have elaborated in great detail on the 17 components, complete with recommendations for policy directions/actions based on evidence and impartial consideration of the enterprise environment. These reports are prototypes and, given the higher level of effort and potential difficulty that national constituents in some countries might have in replicating the detail, it is unclear whether this more rigorous standard of analysis will be sustainable.

Within the broader portfolio of SE work, the enabling environment work is diverse and can be found in multiple project documents. Having been officially added since 2007, it has only recently become a more pronounced feature of ILO country-level sustainable enterprise development strategies. Within the department it is not yet adequately operationalized despite its strategic potential.

However, several notable projects deserve mention. In the Free State of South Africa, the ILO has worked to establish 'red tape' assessments. The work done in Kenya under the Law-Growth Nexus project has been effective in targeting labour code and social dialogue expertise to the *matatu* transport sector. There, it has increased awareness among owners, drivers and conductors in various scenarios with the aim of improving employment relations and working conditions for the latter two groups. ILO brought representatives of all groups into discussions for the first time and, as a result, there is general recognition

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[18] In collaboration with the ILO Enterprise Department, ACT/EMP developed the *Enabling Environment for Sustainable Enterprises (EESE) Toolkit*. A set of 22 tools and 17 policy briefs, plus additional information products, the Toolkit is a resource for employers´ and business organizations that wish to assess the environment in which businesses start-up and grow. The toolkit helps organizations identify constraints to sustainable enterprise, and formulate proposals for reform that can be used to make dialogue and advocacy with governments more effective.

that better working conditions and observance of labour laws can raise productivity and reduce risks. The next step will be to translate newly formed Promoting a Saving and Credit Cooperative (SACCO) for owners into viable cooperatives able to manage various transport routes in the city and in outlying areas.

In East Africa, the Youth Entrepreneurship Facility was found to have given limited attention to training emerging entrepreneurs facing environmental constraints. In particular, the risks associated with business start-up, which are closely linked to environmental constraints, were found to have received too little attention in several project designs and technical tools such as SIYB.

An enabling environment is first and foremost about policy and regulatory design and implementation. It needs strong connectivity to ILO's policy-level work on countries' employment and skills development policy, and also a clear grounding in enterprises' development opportunities and constraints. The ILO is moving in the right direction towards more integrated and policy-focused country strategies that incorporate sustainable enterprise development. However, the Office does not yet have in place a diagnostic reference point on decent work upon which to anchor such initiatives. The Office has launched multiple tools for this, but there is an opportunity to consolidate efforts that are currently split between decent work country profiles, enterprise enabling environment analysis, and employment policy and skills development policy research, for a more collaborative and strategic diagnostic effort to guide programming and project design.

4.4.3 Q – Is the ILO sustainable enterprise strategy effectively promoting cooperatives and other social enterprises?

ILO activities are guided by the international standard on cooperatives, the ILO Recommendation concerning the Promotion of Cooperatives, 2002 (No. 193), The ILO supports constituents and cooperative organizations in four priority areas.

- Raising public awareness on cooperatives through evidence-based advocacy and sensitization to cooperative values and principles.
- Ensuring the competitiveness of cooperatives by developing tailored tools for cooperative stakeholders including management training, audit manuals and assistance programmes.
- Promoting the inclusion of training on cooperative principles and practices at all levels of the national education and training systems.
- Providing advice on cooperative policy and cooperative law, including participatory policy and law making, and the impact on cooperatives of taxation policies, labour law, accounting standards and competition law, among others.

Cooperative Facility for Africa (CoopAfrica), funded by the U.K. Department for International Development, 2007–2010

The ILO's has concentrated work in Africa where it has aimed at legal reform and improving the enabling environment for cooperatives by:

- raising awareness and creating more favourable perceptions of cooperatives;
- supporting the formulation or revision of cooperative policies and legislation;
- improving cooperative governance;
- enhancing cooperative education;
- extending social protection and fighting HIV/AIDs, child labour; and
- strengthening tripartism and the role of social partners.

A 2008 analysis estimated that approximately seven per cent of the African population were affiliated to a primary cooperative, many of which were associated with financial cooperatives. However, depending on the country, between 20–80 per cent of cooperatives are dormant. This is because without an effective means of deregistering, members have few options but to abandon the organization in practice but not on paper.[19]

Recognizing the positive role cooperatives play in eradicating poverty, particularly in rural Africa, CoopAfrica targeted support, partly through its Challenge Fund grants, at improving productivity, value addition and the incomes of primary cooperatives and cooperative unions. A further focus on rural areas and agriculture, as well as initiatives to reinforce women members, increased the project's outreach to the poor.

The resounding theme of CoopAfrica was to contribute inspirationally and technically to the turnaround of cooperatives in Africa from poorly performing organizations, largely hijacked by governments and other state agencies, to a model where cooperatives operate as member-owned private enterprises.

The coverage of 11 countries by one project was ambitious and in the end probably diffused the effectiveness of the project due to thin exposure in any one country or cooperative type. The high transaction costs in coordinating the grant schemes and related advocacy events also consumed large chunks of management time and resources.

The Challenge Fund component was innovative but also high risk. In retrospect, its effectiveness was truncated by the donor's abrupt withdrawal for it could have bridged many mini-projects to final completion. The high transaction costs associated with the competition were not commensurate with the rewards. Uneven capacities in proposal development also skewed the competition towards those who were more adept.

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[19] P. Develtere, I. Pollet, F. Wanyama (eds): *Cooperating out of poverty: the renaissance of the African cooperative movement* (Geneva, International Labour Office/World Bank Institute, 2008).

In the face of continued weak donor confidence in many of Africa's cooperative movements, the ILO's promotional work on cooperatives has been appreciated. The project's positive face may have helped to change the image of cooperatives at least in the short run. However, more attention to monitoring the progress of reform measures in government and related support organizations could have provided much needed transparency of cooperative structures at governance levels. Equally important for generating new interest in cooperatives as enterprises would have been to focus member-level education on the business case for cooperative approaches catering to a younger and more business savvy membership base.

Currently, government and cooperative federations pay little attention to the training of cooperative members, and what is available tends to focus more on the principles and processes associated with cooperative institutions, as opposed to cooperative business practices and enterprise performance.

Most of the available national funds are targeted at current or future cooperative managers, most of whom earn post-secondary degrees. These management layers build the knowledge of cooperative members and boards. The mismatch in capacities and access to know-how may help to explain the worrying levels of corruption also found in management at various levels within the cooperative systems in many of the countries covered by ILO in Africa. Likewise, the relatively weak capacities and empowerment of members may also explain why few countries can say that the cooperative movement is providing additional social protection and voice within the national policy forums.

The role of government in much of Africa continues to be largely hands on. Formerly, it was for the purposes of legally monitoring cooperatives, but latterly it has been to supervise and regulate cooperatives. In some cases, it has filled the voids left by the removal or collapse of cooperative federations and unions in a number of countries.

The Office also supports micro-level cooperatives in a number of countries: it adapted the 'My.Coop' methodology for Bolivia and has promoted the formation of a trainers' network, together with the General Direction of Cooperatives, the Rural Electricity Cooperative and the Swedish Cooperation Centre. The 2012 final evaluation for the project 'Apoyo al Desarrollo de Políticas Públicas para la Promoción de las Cooperativas en Bolivia' found that most of the topics considered relevant by the people interviewed (such as the characterization of cooperatives, governance, effectiveness and efficiency) were included in the My.COOP training.

The evaluation observed that the study on cooperatives in Bolivia was contributing to shifting the attention in the public sector towards sectors other than mining where cooperative businesses are found. It also disseminated the idea that the Government should be involved not only in the supervision of cooperatives but also in their development. In April 2013, the Bolivian Government passed the Cooperatives Act, which governs the creation, organization, operation, supervision, inspection, development and protection of

the country's cooperatives, identifying them by sector. Additional ILO support work is targeted at Egypt, Turkey and Sri Lanka, among others.

At policy level, important reform milestones were reached in several countries. In East Africa, the governments have been slow to embrace change and the general feedback is that national cooperative systems remain largely unchanged. Given the continued problems with ineffective and/or corrupt management in many of the cooperatives, empowerment of members as entrepreneurs seeking to reap favourable business returns through cooperative associations should be a prominent theme in ILO's technical support.

In summary, the ILO's cooperative work is an integral part of the sustainable enterprise strategy but it is not being supported and funded as such. Resource mobilization that combines grassroots support to promising primary cooperatives while also addressing bottlenecks at policy and regulatory levels appears sound. A critical factor, however, is focusing ILO's efforts on specific and significant results that will be achieved through its actions.

4.4.4 Q – Is the ILO sustainable enterprise strategy effectively promoting value chain analysis and development through holistic sector and market focus?

The ILO appropriately positions VCA as a means of diagnosing the situation in targeted value chains in specific countries to identify how value is added to preliminary products by combining them with other resources. The broad aims of the ILO's application of VCA and subsequent value chain development are linked to its potential to improve the overall performance of the system while enhancing the employment situation of those actively engaged in it.

Across the SE portfolio of country-level initiatives, VCD is becoming more regularly integrated into many of its enterprise-level interventions to address bottlenecks in general, with additional emphasis on working conditions, and including marginalized target groups, as well as women and youth. Though the portfolio of work is expanding, it remains relatively small in the countries covered due mainly to the low level of resources available.

VCA has been applied within the context of Better Work, focusing on the role and potential of multinationals to promote adequate standards related to the workplace, to strengthen institutions, including regulatory measures and their enforcement, and to improve the enabling environment for industries and sectors overall. Through the SCORE project, VCA has been a way of identifying potential areas for improving productivity in small- and medium-sized enterprises that simultaneously addresses working conditions and environmental concerns at the level of the company. Other projects, such as the Business Opportunities and Support Services (BOSS) project in Timor Leste, have focused on more localized value chains to understand the potential for strengthening horizontal linkages generating improvements for the small suppliers and service providers at local levels of the Millennium Development Goals Achievement Fund (MDGF) chain. Its mid-

term evaluation found that the value-chain participatory assessment approach had resulted in the selection of high-potential value chains for targeted support.

Through a series of joint UN programmes funded under the MDGF, the ILO also gained experience in applying both VCA and VCD jointly with its UN partners to combine its priority aims and means with those of other agencies. ILO can and should build upon its recent experience under the MDGF to identify those countries in which UN partnerships for value chain development would be feasible, and should contribute to the design of solid proposals that combine their different comparative advantages.

ILO should also work with UN partners to determine how each agency can focus on specific value-chain initiatives based on their comparative advantages and the potential for improvement in bottleneck areas. This is now being done in Zambia where ILO will implement a US$12 million component of a joint UN programme.

Joint approaches to VCD could provide a more comprehensive understanding of where specific agencies should focus their efforts based on the bottlenecks to be addressed. This would add credibility to the UN's overall added value with broader private sector development strategies. In this context, the ILO could broaden its perspective on where its expertise could best be applied and complement work being done by other agencies. However, the success of such action would depend upon the UN pursuing such opportunities in a transparent and coordinated way, which, in the absence of funding targeted for such purposes, could be difficult.

The ILO has for the most part identified and prioritized VCA where there is high potential for job creation. However, its work is limited to where funding is secured for this type of approach. In some cases, ILO does not make use of VCA as a means of identifying high-potential sectors to target within a country due to the way funding is secured and project designs are developed. Given that the design of interventions should flow from the results of a VCA, few projects can maintain flexibility in programme interventions once VCA results are identified. An exception to this is the case of Sri Lanka, where SIDA funding assisted the Enter-Growth project to build local buy-in to support key interventions based on the results of the VCA in five focal chains.

A major challenge facing the enterprise group in ILO is to customize responses to VCAs that do not draw too much on well-established areas of expertise. This may not have the best potential to address the problems that have been identified, but many instead promote innovation in other forms of interventions. Examples of this could be the promotion of business associations and cooperatives to promote collective action and address power imbalances within the supply chain, or the development of gender-focused interventions to address specific concerns of women's involvement and benefit within the value chain. A clear and innovative success story for effectively linking VCA is in the area of working conditions where VCA has been an insightful means of identifying ways of linking productivity to improved working conditions and decent wages in smaller enterprises.

Other project examples, however, suggest that more standard project designs offering well-established ILO interventions may be relied upon which are not based on the results of specialized analysis and dialogue. This appears to have been the case in East Africa where entrepreneurship interventions were not informed through VCA and it was only midway into the second phase that high-potential sectors and value chains were targeted.

In addition, the ILO should continue with its efforts to promote its comparative advantage in applying VCA to identify and then address the potential for labour productivity and working conditions improvements, while avoiding VCA in value chains where they are not of paramount concern within the sector.

VCA analysis complements sectoral and other specialized research work currently being supported at national policy level to guide employment strategies. Linkages between sectoral employment policy research and value chain analysis were not found in the material reviewed for this evaluation, yet the various technical units involved recognized the potential for strategic connectivity.

Figure 8. Intervention areas of ILO VCD projects II (as of 2011)[20]
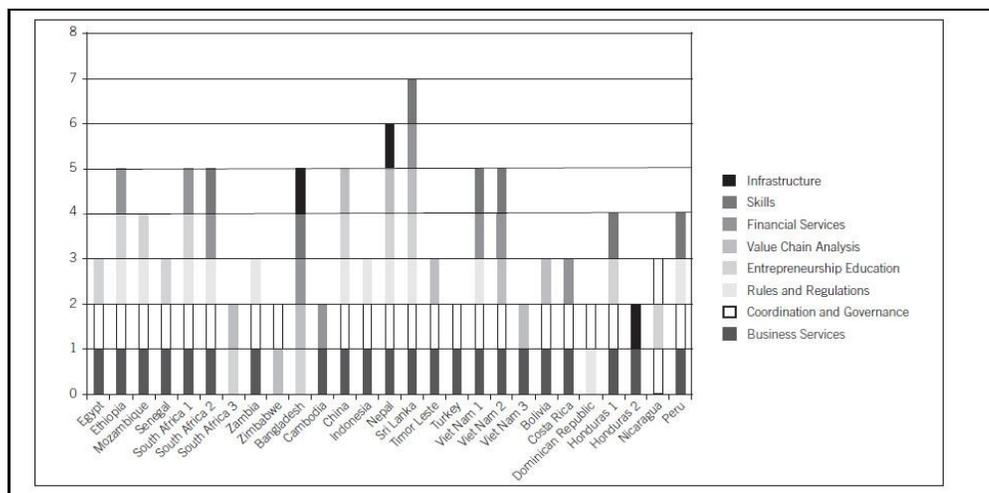
Source: ILO. 2008. *ILO strategy on promoting women's entrepreneurship development*, Governing Body, 301st Session, Geneva, Mar. 2008, GB.301/ESP/4.

Consideration should be given to resource mobilization to finance value chain diagnostics as a pre-design exercise linked to more specialized project proposals. Similarly, consideration should be given to extending the VCA concepts and approaches to a consideration of productivity and decent work within the context of value chain development.

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[20] [20] D. Nunez, Dalia and M. Merten Sievers: *ILO value chain development portfolio analysis: A stocktaking of ILO value chain activities*, (Geneva, ILO, 2011), p. 26.

Steps can be taken to demonstrate the effectiveness of capacity building and training interventions in VCD, with special attention being paid to the areas of ILO's comparative advantage over others providing similar support.

VCD requires a long-term perspective to address the multiple factors affecting productivity, decent work and value-chain improvements. The employment effects will, therefore, also be longer term, and but they still need to be evidenced through measurement. However, the ILO may be able to identify quick 'wins'.

Figure 8 above shows the results of a 2011 stocktaking exercise that found no use for VCA in more than half of the SE development projects.

4.4.5 Q – Is the ILO sustainable enterprise strategy effectively promoting entrepreneurship and business development, with special attention to women?

Women's entrepreneurship development (WED)

The overall aim of the women's entrepreneurship strategy is to work through local partners to build capacities and actions to address gender-differentiated constraints to entrepreneurship.[21] In Africa and Southeast Asia, in particular, project-level work has been ongoing over the period covered by this evaluation. It has supported an enabling environment at national levels to develop relevant policies, and enabling frameworks (tools and approaches) to effectively remove gender-based barriers to women entrepreneurs. Methodologies have focused on stimulating awareness, changing attitudes, knowledge and practices. These have been implemented in combination with other SE initiatives or as standalone initiatives.

Most projects are characterized as multi-country, with ongoing programmes of support funded through a wide range of resources. National approaches are largely similar and may lack customized analysis and interventions for women in specific contexts. Given the relatively small budgets per country, permeation into rural areas or intensified interventions into specific sectors or value chains has not been well developed. Efforts to address financial constraints have resulted in collaborations with financial service providers and/or government financing schemes specifically targeting women entrepreneurs. Ongoing funding in certain countries has also secured ILO's position in UN country teams in addressing the economic empowerment of women. The ILO is one of the few UN agencies to support specialized programming aimed at promoting women's entrepreneurship.

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[21] ILO: *ILO strategy on promoting women's entrepreneurship development*, Governing Body, 301st Session, Geneva, Mar. 2008, GB.301/ESP/4.

While SE projects regularly integrate both genders into their targeted beneficiaries, for some countries additional tools and approaches are needed that address social, economic and education constraints faced by women. Overall, evaluations have noted the projects' effectiveness in building the capacities of service providers, establishing forums and networks of women entrepreneurs (for example, Improve Your Exhibiting Skills reinforces individual skills as well as joint marketing and networking), and advocacy work to influence the knowledge, attitudes and practices of those shaping the enabling environment for women in entrepreneurship (see box 4).

Box 4. Specific results recognized in the 2011 global evaluation of the WEDGE technical cooperation programme across eight countries

Achievements

✓ Establishment and nurturing of national and sub-national networks of key actors involved in the promotion of women's entrepreneurship.

✓ Awareness raised among key government and non-government agencies regarding the importance and relevance of women's entrepreneurship and gender equality in national social and economic development, and the creation of decent and productive employment.

✓ Support for the establishment and growth of women's entrepreneurs associations and other formations of businesswomen.

✓ Support for the institutionalization of women's participation in social dialogue.

✓ Assistance in the broadening of participation in social dialogue processes to ensure that women and other marginalized groups, such as people with disabilities and people affected by HIV/AIDS are more able to participate.

✓ Produced evidence on a range of gender-specific issues affecting women's access to finance and business registration.

✓ Publication of research and policy proposals on how to promote women's entrepreneurship and gender equality, and how to incorporate these approaches into national policy frameworks.

✓ Business group formation has been used widely by project partners in activities funded from their own budgets and from government budgets.

✓ Introduction of new development tools (i.e. WEDGE tools) that have been adapted to suit local needs and circumstances.

✓ Promotion of successful businesswomen as role models.

✓ Development of skills and competencies in women's entrepreneurship and business management among service providers, women's associations, government programme managers and various civil society organizations.

✓ Piloting the use of gender mainstreamed entrepreneurship education curriculum in the secondary school system.

WED approaches to training and certification of trainers were found in some case study countries to largely operate in parallel to similar non-WED Business Development Services (BDS) tools, such as SIYB. This is potentially a concern where there is competition for training experts and funds and where ILO partners become burdened with

over-demanding portfolios. The integrated monitoring system introduced recently may help to avert this situation.

WED initiatives have also pioneered entrepreneurship development for people with disabilities and those living with HIV/AIDS, again addressing specific constraints to these groups, such as translating training materials into Braille.

4.4.6 Q – Is the ILO sustainable enterprise strategy effectively promoting green jobs?

In June 2007, the International Labour Conference, in developing the strategic framework for the promotion of SEs, recognized the role of environmentally responsible business and jobs as a fundamental component of sustainable development. In 2009, based on guidance from the Conference and the Governing Body, the Director-General initiated the formulation of an Office-wide strategy resulting in the global Green Jobs Programme that focuses on the intersections between the world of work and environmental issues, in particular climate change.

As reported in the Office 2011 report to the Governing Body, the Green Jobs Programme has engaged with relevant international forums to promote policy coherence between environmental, economic and labour markets, and social policies. For the most part, Green Jobs has been mainstreamed into the Office's work and has become a cross-cutting element for departments. Its policy impact and coherence is enhanced by being systematically linked to the economic and social pillars of sustainable development, reaching beyond the promotion of environmentally friendly jobs.[22]

In Brazil, China, India and Indonesia, ILO has promoted green jobs as a vehicle for promoting decent work in local development strategies, rural employment programmes and strategies in the construction, forestry, waste management and renewable energy sectors. The Green Jobs Programme has also supported ILO constituents in building their capacity to engage in relevant policy dialogues. A Green Jobs training course for constituents was piloted in February 2009, with technical contributions from UNEP, UNDP, the International Organization of Employers (IOE) and the International Trade Union Confederation (ITUC), as well as through research, policy briefs and publications.

Three clusters of activities have been prioritized to support constituents at country level:

1. diagnostic and decision-making;
2. promoting green jobs, greening of enterprises and developing new businesses (in energy efficiency/renewable energy and waste management/recycling sectors);
3. transition towards a sustainable low-carbon economy for enterprises and workers.

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[22] ILO: *Green jobs, decent work and sustainable development*, Governing Body, 312th Session, Geneva, Nov. 2011, GB.312/POL/1.

In line with the mandate of promoting international and national policy coherence through research and knowledge creation and sharing, the Programme has generated and disseminated 22 publications since 2008.

Two progress reports (November 2012 and May 2013), two policy briefs, a technical brief on climate change and the world of work, and six country reports on the topic of green jobs (Bangladesh, Kenya, Lebanon, Mauritius, the occupied Palestinian territory and Spain) have also been published. In terms of global products assessing different thematic areas generally related to 'green' employment, three studies on enterprise development in waste management, social dialogue, and skills for green jobs have been generated. In addition, two reports on the ILO's Green Jobs Programme and on its integration into the UN Joint Programme have also been created. Four studies addressing the major topic of climate change and of a sustainable world with low carbon emission and their interaction with employment have been published as discussion/working papers.[23]

In 2007, the creation of a Green Jobs Initiative led to a partnership between UNEP, ILO and ITUC. The IOE joined the Initiative in 2008. The Initiative was launched to assess, analyse and promote the creation of decent jobs as a consequence of environmental policies needed to address the global environmental challenges, among others, climate change. As a result of the partnership, the report *Green Jobs: Towards decent work in a sustainable, low carbon world* was published in 2008. In 2010, as a follow-up to this partnership, the Green Jobs Programme contributed to UNEP's Green Economy Report[24] and produced a background paper on the decent work dimension of the green economy. Shortly before Rio+20, the Green Jobs Initiative launched its second global report on green jobs.

The ILO has implemented a number of technical cooperation projects aligned with this work (table 4). All have been credited with raising awareness and improving the knowledge base, but implementation has met with some challenges as profiled below.

With its Greener Business Asia programme, the ILO supported its tripartite partners in Thailand and the Philippines to build capacity and understanding to better respond to the challenges of climate change and related environmental concerns. The project concentrated on electronics, automobile and construction industries in the Philippines, and tourism, automobile and electronics industries in Thailand. In the 2013 evaluation, targeted training and capacity building efforts that reinforced labour and management cooperation were found relevant in addressing the adverse impacts companies are facing. Uptake of new practices in individual enterprises was found to differ in some part due to the existing

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[23] ILO Green Jobs Programme's publications webpage: http://www.ilo.org/global/topics/green-jobs/lang--en/index.htm

[24] UNEP: *Towards a green economy: Pathways to sustainable development and poverty eradication* (Nairobi, 2011).

organizational culture, the level of environmental practices already in place and the commitment of senior management. Changes in enterprise practices were mainly in energy savings measures, and occupational safety and health improvements.

Table 4. Green Jobs Programme technical cooperation projects

Country	Project	TC symbol	Responsible office
Enterprise development and green jobs			
Asian regional	Greener Business Asia (Phase II). Green jobs and enterprise development: ILO's initiatives in Thailand and the Philippines	RAS/11/57/JPN	RO-Asia and the Pacific
Viet Nam	Greener production and trade to increase income and employment opportunities for the rural poor	VIE/09/53/UND	CO-Hanoi
Green jobs			
Asian regional	Green Jobs in Asia	RAS/10/50/AUS	RO-Asia and the Pacific
Asian regional	Global jobs pact framework for labour governance and migration	RAS/10/51/AUS	RO-Asia and the Pacific
Brazil	Ending forced labour, generating green jobs: An approach for the promotion of social inclusiveness and sustainable development in Brazil	BRA/11/51/FLA	CO-Brasilia
Global	Decent work in the green economy	GLO/13/50/FLA	EMP/ENTERPRISE

Source: ILO. 2013. Integrated Resource Information System (IRIS): Greener Business Asia (Geneva).

The evaluation noted delays in agreement by the enterprises to participate in the study. Several larger companies involved had already introduced technical measures requiring significant investment. The evaluation suggested that enterprises further down the supply chain would probably have less well-established approaches to environmental practices and less access to resources, and would benefit more from ILO support.

Although all of the project's outputs were achieved, the evaluators found partners' knowledge levels uneven on issues related to climate change in the workplace. They noted that existing labour-management negotiating practices were weak and there was limited experience with joint problem solving, leading to constraints in the achievement of environmental outcomes. To address this, the evaluation proposed that gaps be jointly identified and capacity development targets jointly agreed between management, unions and project management. It also recommended that the gender aspects of work tasks should be assessed to adequately cover any cross-cutting environmental and health hazards.

The findings concluded that overall the tripartite constituents had demonstrated increased levels of knowledge and capacity to address environmental issues in the workplace and promote SEs. It was, however, noted that there was less evidence of how partners had participated and influenced the debate on mitigating climate change. Linking the greening of enterprises to the larger environmental context is critical to sustain achievements made at the enterprise level, and it was recommended that this should be a major focus for the next phase of ILO support.

Green Jobs in Asia

The ILO regional project 'Green Jobs in Asia' (GJA) was conducted in Bangladesh, Indonesia, Nepal, the Philippines and Sri Lanka for a two-year period. It sought to deepen ILO's constituents' understanding and commitment to the promotion of gender-sensitive green-job opportunities and to a fair transition for workers and employers towards low-carbon, climate resilient, environmentally friendly development in participating countries.

The constituents consulted during the course of the evaluation universally acknowledged the importance of green jobs for their countries generally, as well as for their own organizations and communities. They were also able to clearly explain the centrality of environmental awareness, and its focus on various aspects of sustainable economic development and labour dynamics. While national governments all have frameworks for global climate change-related agreements, the follow through to relevant policies and practices is generally less concrete.

The GJA approach of developing capacity for dialogue and policy development, and practical demonstrations was therefore well placed to address aspects of the needs in this area. This contributed to an understanding of and commitment to develop green jobs nationally through a range of policies and information products. The project's objectives and the majority of the activities, which were aligned with DWCPs, have helped them to become more explicit about constituents' priorities, and to focus on green jobs in individual countries.

Stakeholders generally reported that their exposure to green jobs foundation training and/or to 'rolled out' training sessions through their respective organizations and affiliations had been useful and appropriate. In terms of their capacity to engage in dialogue on green jobs and to further green jobs promotion, the final evaluation detected some gains from the project outputs on policy development. This was due in part because leaders and policy-makers had improved their capacity through their involvement with the project's activities. The final evaluation found that most of the sessions on green jobs delivered to employers and workers had not been coordinated or synchronized, which meant that there had not yet been ample practical dialogue between them.

Progress in promoting green jobs at policy level can be seen from the integration of green jobs into DWCPs, which can be attributed at least in part to ILO's training, advocacy and

demonstration activities. The enthusiasm of the partners involved, and the sectoral response to the green jobs concept and activities associated with the demonstration activities, suggests that the ILO is on the right track.

The Green Production and Trade project in Viet Nam

The operationalization of the Green Production and Trade project in Viet Nam, part of a joint programme, was found to be innovative by the mid-term evaluation, in the sense that a top-down approach combined with comprehensive support from all stakeholders was to be adopted. The programme covers all levels of the value chain from the growers' to exporters. The programme's conceptual framework follows the MDGF principles but there is little evidence of joint implementation. Planning is being done by the UN agencies based on the initial baseline surveys and limited input from the governmental authorities or interaction across UN agencies. In terms of the most prominent results, the ILO supported the creation of local economic development groups comprising a selection of stakeholders vertically down the value chains to discuss the project's development, as well as business groups made up of people with common interests (e.g. bulk purchases) within the value chains.

Green jobs in Africa

Green jobs is a new and emerging topic in many African countries in which there is a high level of interest amongst many of ILO's partners, and indeed a much wider range of stakeholders in state, national and regional development. Building understanding about green jobs requires continuous effort and involves working at different levels to respond to people's different knowledge.

There have already been some concrete examples of changes in Southern Africa (notably in Namibia). However, it will be sometime before larger scale, sustainable changes in green jobs availability and experience are seen in other countries.[25]

Nowhere in Africa is this more important than in South Africa, as illustrated by the three key features of the emerging green economy. The creation of a low-carbon economy has the potential to generate jobs, spur industrial development and set new targets for slowing its growth in greenhouse gas emissions. In 2011, the Government entered into a Green Economic Accord, which aims to create 450,000 jobs by 2025 through investment in the green economy.

Although the Green Jobs Programme falls under of the umbrella of the Enterprises Department, its mandate, scope and action is much wider than enterprise development

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[25] See the ILO Green Jobs website at http://www.ilo.org/empent/units/green-jobs-programme/lang--en/index.htm

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applications. The Governing Body, at its 312th Session in November 2011, called for the promotion of green jobs and enterprises in energy efficiency and renewable energy sectors, and in waste management and recycling[26] to be one of the strategic priorities.

The ILO's programming on green jobs has made rapid progress in just a few years and provides much needed visibility to ILO's sustainable development work. Given the clearly defined needs in green jobs and the green economy sector in both Africa and Asia, the ILO should build on the good project and programme foundations already laid. It should also continue its move into this new and important strategic area of work, supporting further mainstreaming in ILO programming.

4.4.7 Q – Is the ILO sustainable enterprise strategy effectively fostering responsible workplace practices?

The International Labour Conference 2007 conclusions state that sustainable enterprises should:

> …apply workplace practices based on full respect for fundamental principles and rights at work and international labour standards, and foster good labour–management relations as important means of raising productivity and creating decent work. [27]

In particular the following principles are applicable to all enterprises:

1. social dialogue and good industrial relations
2. human resource development
3. conditions of work
4. productivity, wages and shared benefits
5. corporate social responsibility
6. corporate governance and business practices.

In line with the critical area of importance for workplace productivity and working conditions, the ILO should support the documentation, dissemination and replication of good workplace practices at national, sectoral and enterprise levels. Technical interventions should aim to provide guidance to enterprises on promoting responsible workplace practices along their supply chains. This should include the integration of the concept of decent work, the role of employers' and workers' organizations, and the importance of workers' rights.

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[26] ILO: *Green jobs, decent work and sustainable development*, Governing Body, 312th Session, Geneva, Nov. 2011, GB.312/POL/1.

[27] ILO: *Conclusions concerning the promotion of sustainable enterprises.* International Labour Conference 2007.

Since 2007, the ILO has made progress in the thematic area of sustainable and responsible workplace practices. This has involved designing tools that increase the productivity of SMEs while promoting respect for workers' rights, largely through the enhancement of workplace relationship management. Much of this work has been delivered through the SCORE project but, in the Americas, the project *Sistematización de la experiencia en el sector frutícola exportador nacional (SIMAPRO) [Documentation of the experience in the national export fruit sector (SIMAPRO)]* has recently addressed similar aims.

The ILO has designed practical training courses and workplace improvement projects to demonstrate best international practice in manufacturing and service sectors, and to help SMEs to participate in global supply chains. Through its TC interventions, the ILO is assisting government agencies, training organizations, employers' organizations, industry associations and trade unions in emerging economies in Africa, Asia and Latin America to offer responsible workplace training to enterprises.

Responsible workplace practices and decent work in Latin America and Caribbean

In the Latin America and Caribbean region, the ILO's work in the area of responsible workplace practices includes providing: tools and methodologies for businesses, especially the smaller ones; and models and training courses to promote different aspects of decent work (productivity, wages, social dialogue, health and safety, collective bargaining) in specific sectors. These include sugar mills, the fruit sector, tourism and car manufacturing. In particular, SIMAPRO is a management tool to measure and improve SMEs' organizational efficiency and productivity. It focuses on workplace learning and human resources development.

Throughout the Latin America and Caribbean region, the ILO promotes the adoption of socially and environmentally responsible practices in companies. This is carried out with methodologies such as SIMAPRO and also, in general, by establishing policies of zero tolerance of child labour, as well as by generating and disseminating knowledge on the topic of sustainable workplace practices.

Improvements in processes and working conditions are achieved by training employees and by ensuring continuous dialogue between operational staff, middle and senior management. There is also a system of indicators that enables enterprises to measure the achievement of their objectives. The ILO promotes SIMAPRO (Productivity Measurement and Advance System) beyond Mexico, where it has been implemented for several years, in sugar mills and other industries in Chile, Cuba, the Dominican Republic, El Salvador and Uruguay, and in Caribbean countries.

According to a 2011 SIMAPRO publication,[28] high satisfaction was found among participants trained in Chile's fruit sector. The successful transfer of classroom-based learning to the workplace led to improvements in critical business variables including costs, produce quality and employee turnover. Between 2007 and 2010, the application of SIMAPRO to the Chilean fruit sector resulted in 330 proposals for improvements to working conditions in 20 different enterprises. The study observed that the Chilean packing workers in SIMAPRO enterprises enjoyed on average a 15 per cent higher salary compared to packing workers in non-SIMAPRO firms.

According to the ILO Enterprises Department, SIMAPRO in Cuban and Mexican sugar mills resulted in reduced workplace accidents, improved social dialogue and collective bargaining giving new impetus to the development of the Mexican sugar sector after decades of industrial conflict and stagnation. A 2011 SIMAPRO evaluation concluded that the decrease in accidents was the result of the implementation in 2009 of the *Guías de Autoformación y Evaluación por Competencias* (GAEC) [*Self-training guides and competency assessment (GAEC)*], a certification on work safety and health administered to 780 sugar mills workers in Mexico.

According to the report *The ILO in Latin America and the Caribbean: Advances and Perspectives 2013*,[29] ILO promotes decent work in value chains to increase small local business's sustainability. For example, through the Better Work Programme, which is run in Haiti and Nicaragua, or by linking banana companies with recyclers to reuse the plastic waste on farms in the Dominican Republic. In Haiti, the ILO signed an agreement to create a bipartite dialogue committee in the textile sector to improve employers' and workers' relations in accordance with international labour law.

Sustaining Competitive and Responsible Enterprises (SCORE)

The final evaluation of Phase I of the SCORE project confirmed the target group (SMEs with 50–250 staff) for ILO's support. Relevance was achieved through key aspects of enterprise management to improve competitiveness while also aiming to improve social dialogue, productivity and workplace conditions. Overall relevance was reinforced by the countries' specific provision for support to SMEs in their development objectives.

On a practical level, the ILO work achieved mixed context-specific results. In terms of improvements in the culture of worker-management collaboration leading to reduced absenteeism, turnover and increased productivity, the final evaluation found clear and visible evidence of improved worker-management relationships in the companies in all

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[28] L. Mertens. *SIMAPRO y trabajo decente: Un enfoque integral e incluyente* [SIMAPRO and decent work: A comprehensive and inclusive approach] (Geneva, ILO, 2011).

[29] ILO: *The ILO in Latin America and the Caribbean: Advances and perspectives 2013* (Lima, ILO Regional Office for Latin America and the Caribbean, 2013).

four of the field countries visited. Evidence was also found of the workforces' greater identification with the SMEs and management.

Weak anecdotal evidence of enhanced business growth, as a result of improved competitiveness and better access to markets due to ILO's intervention, was reported in the same final evaluation. Consistent evidence of improved quality in terms of reduced defects and improved delivery was observed in the factories visited. Improved productivity through better environmental management and better workplace management was also found in three of the four countries, as was anecdotal evidence of a decrease in labour accidents and reduced sick leave.

Concerning the dissemination of good workplace practices at national, sectoral and enterprise levels, the absence of a communications strategy was mentioned as a serious limitation to effective knowledge dissemination. The SCORE global component has started working on social marketing and the development of a communications strategy (prepared in July 2012).

The interaction between global and local components in coordinating and delivering the ILO strategy to promote responsible workplace practices was assessed to be satisfactory. However, to ensure a quicker response to the countries, the decision-making process seems to need streamlining.

The Office has demonstrated dedication to the establishment of a monitoring and evaluation (M&E) system that meets the requirements of the Donor Commission for Enterprise Development and provides very large amounts of information. But countries' general reporting on the project's progress is still weak and needs to be improved. Overall M&E systems supporting the workplace management component are quite advanced and provide comprehensive information in real-time in all countries, and represent a great effort at accountability and transparency. However some of the key results are not being captured because they cannot be measured.

The approach being taken has a vast potential to become a reference for SMEs across the manufacturing world in a wide range of countries because interventions are grounded in the fundamentals of good management and efficient workplace collaboration. Sustainability is linked to four aspects: (1) defining and branding the product; (2) institutional ownership of national champions; (3) certifying and maintaining a pool of trainers/service providers that can roll out the product in each country; (4) obtaining payment from SMEs for the service (cost recovery).

4.5 Does the strategy lend itself to efficient implementation?

4.5.1Q – What progress has there been compared to what was planned?

In the framework of the P&B, the objectives related to the sustainable enterprise development strategy have been translated into four outcome indicators.

Table 5 presents the targets set by the P&B for the two biennia 2010–11 and 2012–13. They directly relate to each one of the four outcome indicators, which are linked to the Strategic Policy Framework (SPF) and reflect the priorities identified by constituents through DWCPs or agendas, decisions of the Governing Body and the ILC. The results (available only for the first biennium) from the programme implementation report shows that progress against target 3.2 were exceeded, the achievement of targets for Outcome Indicator 3.1 was met and outcome indicators 3.3 and 3.4 are still to be achieved.

Table 5. Sustainable enterprise related indicators, targets and results (2010–11 and 2012–13)

Outcome 3: Sustainable enterprises create productive and decent jobs			
Indicator	**Biennium**		
	2010–2011		**2012–13**
	Target	**Result**	**Target no. of countries**
3.1 Number of member States that, with ILO support, reform their policy or regulatory frameworks to improve the enabling environment for sustainable enterprises	5 member States	5 member States and one territory	10
3.2 Number of member States that, with ILO support, implement entrepreneurship development policies and programmes for employment creation and poverty reduction	10 member states	22 member States and one territory	12
3.3 Number of member States that, with ILO support, implement programmes to foster the adoption of responsible and sustainable enterprise-level practices	5 member States	3 member States	10
3.4 Number of member States that, with ILO support, adopt policies that integrate the principles of the MNE Declaration	5 member States	1 member States	10

Table 6 below gives a more detailed overview of the distribution of targets across countries according to the four different outcome indicators for the two biennia. The table suggests that targets related to the first two indicators – enabling environment and

entrepreneurship represent the bulk of the portfolio of ILO projects and programmes contributing to the achievement of SE development.

The indicators set for this strategy were developed in 2008 and will be revisited in 2014. At this time, further thought can be given to how to better capture the role and contribution of the private sector in SE development and the work to promote sustainable environmental development.

New policies or programmes promoting enterprise development for more and better jobs were introduced in 31 countries compared with 12 countries for enabling environment and 10 for workplace productivity. For the latter, mostly middle-income countries were targeted, whereas for entrepreneurship, a mix of low- and middle-income countries were targeted covering all five ILO regions.

In the areas of entrepreneurship training and education ILO member States continue to achieve critical scale (more than one million participants in the past two years).

In terms of delivery, enterprise development projects fared reasonably well in 2011 (79.4 per cent) and 2010 (74.8 per cent) compared to others with annual expenditures of US$20 million or more (see figure 9). This contrasts somewhat with the situation in headquarters, where annual delivery was reported at just below 60 per cent.

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Table 6. Countries reported in PIRs of 2010-2011 and IRIS implementation planning, 2012-2013[30]*

(Target Indicators)	2010-2011					2012-2013			
	3.1	3.2	3.3	3.4		3.1	3.2	3.3	3.4
AFRICA									
Algeria							■		
Cameroon						■			
Cape Verde		■							
Eastern Africa						■			
Egypt		■				■			
Ghana		■						■	
Kenya						■			
Lesotho		■							
Liberia				■					
Mali									
Mauritius							■		
Mozambique							■		
Rwanda						■			
Senegal	■								
Seychelles						■			
Sierra Leone									■
Somalia									
South Africa		■					■		
South Sudan									
Sudan		■							
Swaziland	■								
Uganda		■					■		
United Republic of Tanzania		■							
Zambia	■						■		
AMERICAS									
Barbados						■			
Bolivia		■							
Brazil		■				■			
Chile		■	■			■		■	■
Colombia									
Costa Rica		■					■		
Dominican Republic							■		
Haiti						■			
Honduras		■							
Mexico							■	■	
Nicaragua		■							
Peru						■			
Uruguay									
ARAB STATES									
Iraq	■	■				■			
Jordan							■		
Palestinian Territory, Occupied	■						■		
Saudi Arabia							■		
Oman		■							
Yemen		■					■		
ASIA									
Afghanistan								■	
Asian and the Pacific Region								■	
Cambodia							■		
China			■	■					
Indonesia									
Lao People's Democratic Republic							■		
Mongolia	■								
Nepal							■		
Philippines									
Timor-Leste									
Viet Nam							■		
EUROPE and CENTRAL ASIA									
Azerbaijan									■
Russian Federation		■							
Turkey							■		

* = coloured cell indicates that the outcome in question is targeted by at least one project in the country.

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[30] ILO: *ILO programme and implementation report 2010–2011* (Geneva, 2012), and IRIS implementation planning database, 2013.

Figure 9. Delivery rate of enterprise development, by technical cooperation field and administrative responsibility, 2010–12 (%)[31]

	2010	2011	2012
COOP	70.5	91.7	69.2
OTHER ENTERPRISE	79.3	74.3	76.2
ENT/SEED	74.7	72.2	74.5

COOP=Cooperatives
ENTERPRISE=Enterprise/Other
SEED=Small Enterprise Development
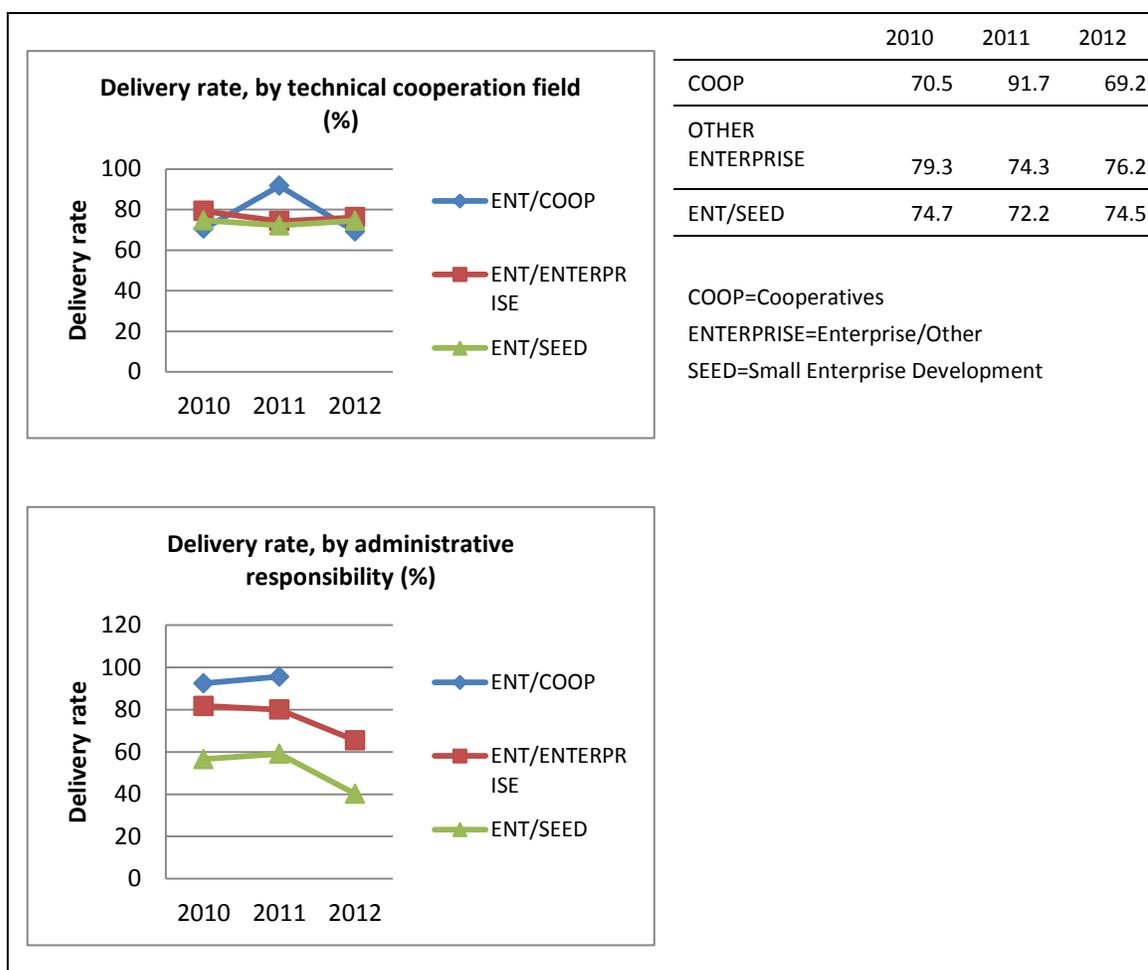
4.5.2 Q – How reinforcing are management arrangements to realizing results?

The current management set up for SE development is a mixture of centralized and decentralized functions, and structures that have evolved partly because of Office-wide developments and partly due to specific approaches of key leaders and managers within the strategy team.

A recent innovation has been the reformulation of the Enterprises Department to take on the role of the technically *supporting* the ILO field to achieve Outcome 3. It has taken

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[31] Note: Top figure includes delivery rates of Geneva and decentralized projects being implemented by regions while the bottom figure includes only Genva administered projects.

steps to streamline this support and to communicate it more effectively to the rest of the Office. This will ensure that greater efficiency, accountability and clarity in roles and responsibilities can be achieved. Table 7 gives an overview of their thinking as of mid-2013.

Table 7. Roles and key functions of the Enterprise Department

Role	Key functions
Delivery of interventions	Build capacity of local constituents to implement policies and programmes promoting enterprise development
Knowledge generation and management	Document and promote good practices Improve the evidence on what works and what does not work based on results measurement and related research on outcomes and impact of interventions Develop policy and programme recommendations Coordinate with other donors and form alliances Organize related training
Quality control	Maintain and regularly update the products developed under Outcome 3 Provide technical advice on how to use products
Development of new products	Develop and test new products Assist ILO field staff and constituents in rolling them out
Proposal writing and fundraising	Support in fundraising and in developing good quality proposals

Source: ILO Enterprises Department, 2013.

This is complemented by more field-directed operations that rely on effective management and leadership in ILO field offices to translate national situations and country priorities into practical programmes of work focusing on the bigger picture and on longer term SE results. The degree to which field offices are equipped to carry out this ambitious role varies considerably. This in part depends on whether ILO is present in the country, whether there is a sustainable enterprise specialist backstopping the work, and how many countries they are covering, as well as the interest and approach of Office directors. The evaluators sense that field offices are challenged in developing strategic approaches at country level due to their heavy work load and the ongoing need to mobilize funds (generate interest and draft proposals) for shorter term interventions that focus on deliverables, which remain the primary mode of funding by donors.

There is a strategic case to be made for focusing on larger and longer term technical cooperation initiatives that can reinforce a more strategic vision and plan for ILO in a given country. This is particularly important if elements linked to job quality, workers' rights and an enabling environment are to be given the attention they deserve. These linkages may only come to the forefront after an initial period as smaller enterprises attempt to grow.

Much of the funding earmarked for Outcome 3 is programmed into shorter term projects (less than three years for implementation) and mostly with budgets under US$5 million (table 8). Several larger projects, such as CoopAfrica, YEF and SCORE have covered multiple countries, sectors, and in the latter case, even multiple continents. This adds complexity and risk to effective delivery. It may explain why a number of interviewees felt that the projects tended to overlook national differences and priorities, which compromises their relevance and effectiveness. The largest projects also tend to be of longer duration (four to five years), which was found to greatly improve effectiveness. Both YEF and SCORE, for instance, achieved major results or breakthroughs during later phases.

Table 8. Breakdown of sustainable enterprise projects by budget size

	No. of projects	Average budget (US$)	Average duration (days)	Average duration (years)	Share of the total* (%)
Less than US$1 million	73	355 443	1112.9	3.0	77.7
US$1–5 million	17	1 709 889	1183.0	3.2	18.1
More than US$5 million	4	8 382 983	1695.3	4.6	4.3

Source: ILO's Integrated Resource Information System (IRIS) project database.

Box 5. Leadership and management of sustainable enterprise projects in the ILO's South Africa Office

The ILO's South Africa Office was found to have strong and visionary leadership and a 'no nonsense' attitude to getting work done. The private sector background of the leadership may explain the quick response times for the approval of important project and programme requests. This shows that if ILO's systems and processes are understood and followed they do actually allow this.

Wanting to get things done in an effective and efficient manner, as well as trust and devolved responsibility give the professional staff in the sustainable enterprise projects and programmes the freedom to operate without undue interference and/or micro management. The ILO programme and project staff consulted mentioned this critical point.

The overall day-to-day operations of the office, projects and programme are the responsibility of senior managers, which importantly includes the financial manager who sees his role as one of facilitating and supporting the sustainable enterprise operations. A positive 'can do' attitude pervades the office.

Underpinning the system is a well-designed and managed performance management system. Performance of the sustainable enterprise projects and programmes is carefully monitored through a series of metrics including financial metrics of actual spending and percentages of overall expenditure. When things are off track or slow, the senior management team is able to see this, quickly analyse why and take immediate corrective action.

For the past three years, a positive culture of teamwork across the office has been actively encouraged. Occasional teamwork events are held in the office and a sense of pride in working in the sustainable enterprise team has been, and is, fostered. Success is followed by success and most staff in the office are now proud to be working in the ILO as part of a delivery team. This teamwork actively encourages sharing of problems and challenges as well as knowledge and experience. Collectively, the Decent Work Team have a blend of all the required attributes to really get projects and programmes designed and delivered on time and within budget.

Many staff interviewed at headquarters and in the field reported on the high transaction costs of the ILO working on smaller budgeted initiatives, particularly linked to UN joint work where the investment in time is high. For the ILO to maintain value for money, administrative work needs to be spread across large and longer term technical programmes. To do so, longer term and higher budget funding arrangements are needed, which could ensure continuing support over a number of years.

Management and leadership across the ILO in relation to the sustainable enterprise strategy have been found to be of mixed quality. While some offices, programmes and projects are reported to be struggling, there are examples of good practice and these should be both shared and assimilated (see box 5 above).

4.5.3 Q – How adequate are knowledge generation, management and dissemination?

Knowledge generation and dissemination are integral means of extending the effectiveness of ILO's work in the area of sustainable enterprise development. They are an important in expanding the reach and influence of ILO's know-how, sharing experiences and insight, and ensuring the sustainability of know-how among key country-level experts. The evaluation considers that internal and external knowledge systems and practices would support this strategy.

Generation of knowledge assets and products

The enterprise strategy through collective efforts of its core support team in Geneva in combination with project and field specialists have generated an impressive volume of research and analysis in all nine areas of the strategy's components. Much of its guidance has also been revised or is being revised to incorporate a wider range of materials, such as cross-linking guidance or 'think' pieces combining different technical product lines. Flagship product lines are being updated and frequently customized to fit country, sector and target group specificities (SIYB, KAB, Get Ahead, etc.).

A sizable volume of publications in major areas of work has been produced, in particular on the topics of job creation, gender and employment, conducive environment for SE, local economic development, cooperatives, green jobs, skills policies and systems, business development services and urban job creation.

Heavy reliance on decentralized projects to deliver the strategy may inhibit the linkage between operations and knowledge generation from these experiences. In addition, the quality of some of the studies carried out through decentralized project funds suggests a need for a quality standard check system for all commissioned studies.

External knowledge sharing and dissemination platforms

The publicly accessible knowledge sharing platforms that could be identified for the dissemination of products and tools related to sustainable enterprise development were the Enterprises Department web pages on the ILO website. They provide a comprehensive repository of publications although no interactive portals are available. The department is in the process of developing an interactive plone-based site that will be accessible to ILO technical staff as well as an extended network of key national and international specialists working with ILO on a regular basis. This service will extend access to key products and advice particularly in the area of business development services, and where post-training and training support is critical.

There is an emerging department-wide strategy for the external communication of knowledge and information generated throughout the sustainable enterprise interventions' portfolio. This is an important next step to completing the extension of the Office's potential impact in terms of documentation, dissemination and replication of SE development practices and tools at national, sectoral and enterprise levels. A search of websites and services for this evaluation suggested that multiple public sources are available but they are not well connected and this is partly an issue that the Office should address. As yet, it is unclear what type of ILO-wide systems will become available to support real-time and interactive information exchange.

The final evaluation field mission for SCORE noted, for example, that a country-specific, local language, and possibly Internet-based repository of information could be considered. These could serve both as a means to further contribute to disseminating information and knowledge about SCORE, and to build broader subject knowledge in countries.

Some product lines, such as the KAB, have set up independent websites. In the case of KAB, the 'Youth Entrenet' was created and it is intended to serve as a global knowledge sharing and resource platform under the project 'Creating Youth Employment through improved Youth Entrepreneurship'. Although a link to the SIYB and Get Ahead product lines is present, the portal does not seem to directly trace back to the Office's wider strategy for the promotion of sustainable enterprises or to the main Enterprises Department development website. Other ad hoc dedicated local websites have been created for the SIYB programme in the absence of a user-friendly global knowledge sharing platform, in countries where SIYB is active.

The SCORE global component developed an active knowledge-sharing platform (based on ILO's Papyrus system) that contains key documents, contacts, links and supporting documents. In particular, the SCORE platform can be used to access all materials.

The independent evaluator assessed this platform to be helpful for further sharing and developing knowledge amongst the SCORE partners, as it collects very detailed and comprehensive information on the project's activities, the trainers and enterprises. On the

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same platform, the project has also developed a specific M&E database that contains up-to-date information regarding the project's results and the enterprise-level results. All data are gender disaggregated.

Both the SCORE knowledge sharing platform and the M&E database contain valuable information for the global component, donors and other Geneva-based and international stakeholders. Detailed information is available concerning all participating companies and trainers, with both quantitative and qualitative information. However, no corresponding platform seems to be used at the country level to contribute to knowledge sharing and learning in the same way.

Internal knowledge sharing and dissemination platforms

Sharing and harnessing the knowledge generated through technical cooperation interventions can represent a strategic advantage to improve productivity, quality and efficiency of ILO's projects' portfolio. An effective Management Information System (MIS) acting as a state-of-the-art knowledge-sharing platform could serve as a collaborative environment where the project management enhances its productivity by sharing knowledge, common processes, labour standards work, lessons learned and best practices.

The limitations associated with a weak integrated internal knowledge sharing and dissemination platform have already been recognized by global project management, who plan to replace the current system with a more user friendly internal network. A project aiming to create an online platform accessible to all enterprise specialists (at headquarters and in the field) is already underway. The Enterprises Department has a rudimentary internal Internet-based platform that allows ILO professionals working on enterprise projects in the different ILO offices to exchange files, posts and questions. The key idea is to share good examples of high-quality project applications, log frames, and graphs helping ILO staff to do a good job on resource mobilization by preparing high-quality project proposals.

An upgrade of this platform is underway with knowledge sharing that includes shared files, email blast function and a blog. Access will only be given to all ILO staff members working on enterprise issues. They will be allowed to put posts and questions, but only ILO headquarters will be able to upload the documents in order to guarantee quality.

The lack of resources and dedicated staff has made it difficult for some product lines or components to develop an integrated MIS and internal knowledge sharing platforms. This has led to a situation where no global information/knowledge sharing strategy can be found in the department or more broadly under the strategy. It is not clear to the evaluators why the Office has not been able to pool project-level resources to contribute to a joint knowledge system that can support individual projects while promoting more widespread sharing of cross-cutting information.

The absence of such a platform may prevent a fairly effective internal knowledge sharing process from taking place.

Data collection for the M&E process is not always easy, given the fact that no harmonized database exists. As in the case of external communication, the lack of an integrated MIS at the internal level is preventing the Enterprises Department from reaching the optimal level of information sharing at local/project level, as well as the global/component level. It is the view of the evaluators that a department-wide knowledge sharing strategy, based on adequate infrastructures, could be an effective way to increase the overall efficiency of the sustainable enterprise strategy delivery. It would reduce information duplication and promote synergies throughout the Office, and could be integrated into the planned ILO knowledge gateway.

4.5.4 Q – Does the programme operate against a results-based framework and maintain effective implementation and results monitoring?

Implementation monitoring

The implementation of the sustainable enterprise development interventions in South and East Africa is now being tracked with a catalogue of performance measures drawing from the country-specific output and outcome metrics of specific projects, DWCPs and strategy indicators. This catalogue combines measures to track process efficiency with measures to track effectiveness.

The anchor metric to track impact is the net employment creation effect of its sustainable enterprise development. Beyond employment creation, other impacts tracked as part of any sustainable business intervention are: (a) increases in the incomes of both business owners and workers; (b) improved job quality and levels of enterprise formalization; (c) improved levels of compliance with occupational and safety standards, and/or the contribution to the combat against HIV and AIDS in the enterprise workplace; and (d) strengthened capacity of ILO constituents to use social dialogue in order to boost enterprise competitiveness. To date, the region is working to establish a way of measuring and reporting on these dimensions. The anchor metrics to track efficiency are a range of outreach measures for the financial and non-financial business support services facilitated by these projects.

Over the past six months, the Sustainable Enterprise team in the South Africa office have been testing the new SCIFORMA Project Management software package. The software is strongest for implementation monitoring and its introduction has been highly appreciated by projects, which can gauge their delivery against what was planned. However, the focus is also not surprisingly skewed towards delivery of activities and outputs, and there may be a risk that less attention will be given to the effectiveness and sustainability of their deliverables.

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The usefulness of the reporting is only as good as the quality and completeness of the data being entered into the system. Systematic means of measuring changes in business, workers' incomes, job quality and job creation, require credible measurement and data collection systems. Improvements are being made, but at the impact and sustainability levels, analysis will probably have to rely on more standalone studies. Two recent screen shots (Figures 10 and 11 below) illustrate the Executive Dashboard and the breakdown of the trainer outreach by project, which drills deeper into one of the project's outcome metrics. Such software is extremely useful for simple communication purposes. However, it is possible that in the longer term its real value may be in its usefulness in simply raising awareness of the importance of output and outcome data for reporting purposes.

Figure 10. Screen shots of the Executive Dashboard

Source: Screenshot from SCIFORMA Project and Management software, Sustainable Enterprise team in the ILO South Africa office, Pretoria, 2013.

It is recommended that early findings on the usefulness, or otherwise, of the SCIFORMA project management software trials being conducted by the ILO South Africa office should be shared across other ILO offices as soon as possible.

Results monitoring

The enterprise specialists have shown a high level of commitment and innovativeness in the broad area of results monitoring. However, given the cost, time commitment and complexity of this area of work, reports from project evaluations suggest a mixed picture.

Figure 11. Breakdown of the 'trainer outreach'
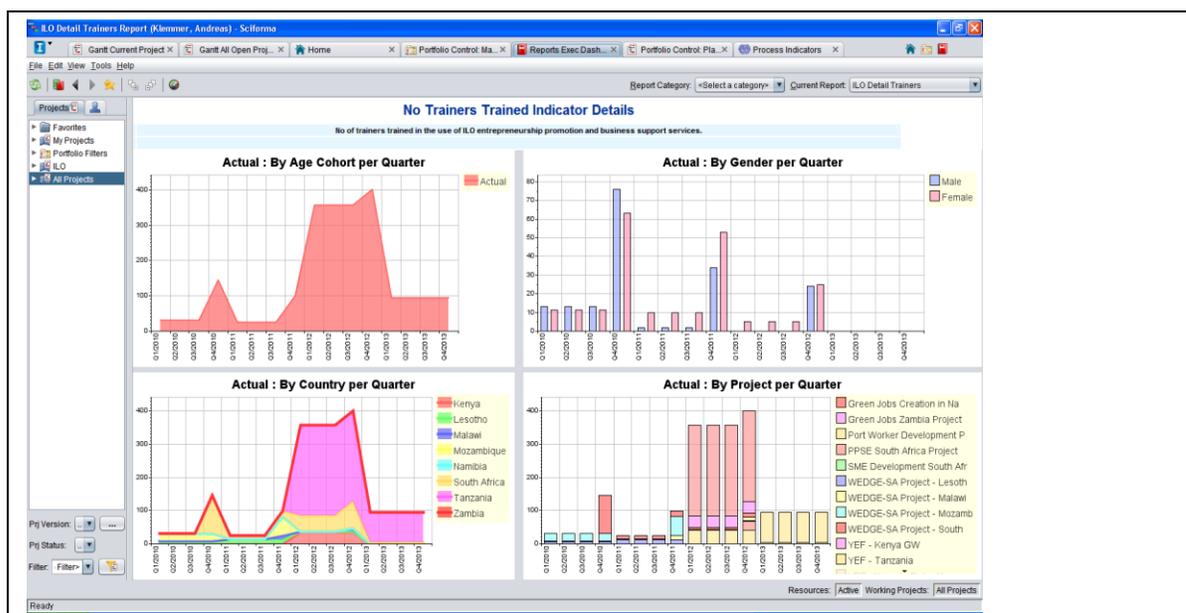
Source: Screenshot from SCIFORMA Project and Management software, Sustainable Enterprise team in the ILO South Africa office, Pretoria, 2013.

Sustaining Competitive and Responsible Enterprises (SCORE). The systematic reporting of progress to the donor on a half-yearly basis is an established practice for SCORE. However, the final evaluation concluded that, "the general reporting on the project progress from the country levels is weak and needs to be improved. Rather than focusing on activities, greater effort should be placed on reporting on results and triggering processes, not just the facts as they occurred". In addition, the final evaluation reported that, even though the initial objective of SCORE was to train labour inspectors and the media (Outcome 3, Output 3.3 of the logical framework), a clear sustaining rationale has not yet been found in the four countries visited. It is the view of the evaluation team that another approach should be used to disseminate knowledge to the general public and that this should be defined in the communications strategy, leading to a revision of the log frame outputs. (See box 6.)

Know About Business and Start and Improve Your Business (SIYB). The KAB and SIYB programmes do not have any systematic data collection and reporting systems in place beyond monitoring outputs, although work is ongoing to develop them. A "Report on Global Outreach[32]" was produced in 2009 for KAB, but limited resources and lack of dedicated staff has not made it possible for the project management to prescribe a systematic reporting calendar.

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[32] T.L. de Rezende and J.D. Christensen: *Supporting Entrepreneurship Education. A report on the global outreach of the ILO's Know About Business programme* (Geneva, ILO, 2009).

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Box 6. M&E and results measurement systems in the SCORE Project

SCORE's project management is currently supported through what was judged by the final evaluation to be an 'adequate' monitoring system based on the established log frame. The system allows monitoring of the progress of the project both globally and locally. However, as both mid-term and final independent evaluation reports pointed out, the local-level data quality shows deficits that may sometimes undermine the aggregation and comparability at global level.

In terms of of monitoring, a first level of information is found with the binomial indicators (Yes/No) that track whether SMEs adopt good management practices following SCORE training. These are the first line of results measurement and can be attributed to SCORE training. The second line of results measurement is the 12 Key Performance Indicators (KPIs) that supplement the binominal indicators to track longer term development. The final independent evaluation concluded that a major constraint of this is indicator is that enterprise management does not always track or use these KPIs, and it is difficult to find enterprises reporting on all 12 KPIs. Moreover, KPIs report on enterprise improvement over time. Therefore, they need to be looked at on an annual basis and comparatively from one year to another, as there is no point in taking a shorter period given production peaks in many sectors and the fact that the change process has to be seen over time. In many countries, not enough time has passed yet for meaningful data analysis.

The SCORE M&E system has been recognized as a quite advanced one as it provides comprehensive information in real-time in all countries, and represents a great effort at accountability and transparency. However, some of SCORE's key results are still not being captured because of limitations in the measurement (for example, the change in the relationship between management and workers that is a direct result of module one implementation). The final evaluation acknowledged the need of more qualitative methods to fill these gaps.

Nevertheless, it concluded that, "in general SCORE has had a very strong dedication to the establishment of an M&E system that meets the DCED requirements and provides very large amounts of information, something that is certainly a good practice example."

A final evaluation report of the SIYB programme concluded that, *"measurement of results for the ultimate beneficiaries of the programme – the small and micro business entrepreneurs – is done largely on an ad hoc basis and seems to concentrate on qualitative data such as 'success stories' rather than a more comprehensive analysis of programme impact on course participants."* This may be understandable given the numbers of participants involved in the training and the lack of resources available to undertake individual follow-up. However, this leads to a situation where little information is collected during the life of the project about the characteristics of the participating entrepreneurs, the suitability of the training for their situations and the impact that the training is having on their enterprises.

A global study[33] tracing the outreach of the programme and some other key achievements, including estimates of its impact was carried out in 2011. The report targets enterprise development practitioners who want to use SIYB, as well as any other organization or individual engaged in entrepreneurship and management training.

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[33] S. van Lieshout, M. Sievers and M. Aliyev: *Start and Improve Your Business: Global tracer study 2011*: *ILO's business management training programme* (Geneva, ILO, 2012).

Women's Enterprise Development (WED). The WED programme produced in 2012 a set of country assessments studying the strategic areas that led to the identification of key policy recommendations to improve the environment for the development of women's entrepreneurship. These assessments have led to national action plans for WED, national strategies on WED or women's economic empowerment or have been taken up as advocacy messages by employers' organizations and women entrepreneurs' associations.

Conclusion

In conclusion, results monitoring approaches are mixed approaches and of varying quality, but still largely standalone, and generally need additional cost-efficient development. It is recognized that, at the current time, project and programme management are making very strong efforts to address this, albeit not yet in an integrated and systems-supported manner. Towards this end, the department could consider providing a gateway to studies and other documentation assessing the impact of various interventions supported by the ILO, even if others are implementing them.

At field level, operations are largely separate, particularly at the regional level, and often with limited linkages to headquarters technical staff. As it is, much of this information exchange is done on a personal level, and depends on individual networks. In some cases, field technical staff are not involved in technical projects in the countries under their responsibility, with headquarters working directly with projects. There should be clear designation of roles and responsibilities, and information should be broadly shared.

4.6 Impact and sustainability

4.6.1 Q – What impact have ILO actions had regarding decent work in sustainable enterprises?

There is considerable pressure from taxpayers and politicians to prove that enterprise development works. As a consequence, the ILO has begun to consolidate the monitoring of its entrepreneurship programmes, and balance this with a manageable number of more rigorous impact assessments showing the impact and the cost effectiveness of its interventions. This is a very real challenge as has been recently demonstrated by Mackenzie and Woodruff (2013)[34] who undertook an in-depth critical review of a number of business training programme evaluations, and helpfully synthesize the emerging lessons and understanding of the limitations of the existing research in developing countries.

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[34] D. McKenzie and C. Woodruff: *What are we learning from business training and entrepreneurship evaluations around the developing world?* (Warwick, Warwick University, Centre for Competitive Advantage in the Global Economy, 2013), Working Paper Series, No.116.

Measuring the outputs and outcome of programmes and projects is relatively easy compared to measuring impact, which is at the highest level of the results chain (see figure 12).

- As a first step, a clear monitoring, review and evaluation system is necessary, which is largely in place though somewhat fragmented, as discussed in the previous section.

- The ILO's impact is hard to measure apart from a few notable examples, which provide good practice but need to be well communicated to others, either formally or informally. Another key factor to manage carefully is the quality and credibility of the individual studies, which the evaluators found to range from very professionally to poorly designed and implemented. There are some clear success stories.

- In the large ILO programme in Timor Leste, ILO's impact has been considerable. The ILO chief technical adviser directly advises the ministers concerned, and national institutions have adopted a range of ILO tools. Similarly, implementation of KAB and SIYB has reached national levels, impacting on development approaches and policy.

- ILO/WEDGE embarked on a long-term partnership with the Gender Unit of the Department of Trade and Industry (DTI) in South Africa. It resulted in the development and approval of a strategy for Women's Economic Empowerment through enterprise development. Over the medium term the strategy will direct the DTI's work on promoting gender equality and women's enterprise development.

- In East and Southern Africa, among other places, the ILO has provided timely, targeted expertise that directly resulted in the drafting and adoption of new policies and laws governing cooperative development. Two impact evaluations are currently underway in East Africa with the Youth Employment Network, which will most likely generate credible evidence of the impact of key entrepreneurship capacity-building interventions.

- The Enterprises Department commissioned a literature review of recent empirical evidence on the contribution of SMEs to employment creation. The report found evidence among SMEs supporting job creation. However, it noted that there was too little research available to indicate whether SME job creation exceeded that of larger enterprises, or whether the quality of these new jobs compared with those created in larger enterprises.

- The 2012 study also credited ILO with directly or indirectly influencing entrepreneurship capacity building for 4.6 million people, the majority of whom are estimated to be in China.

Figure 12. The results chain
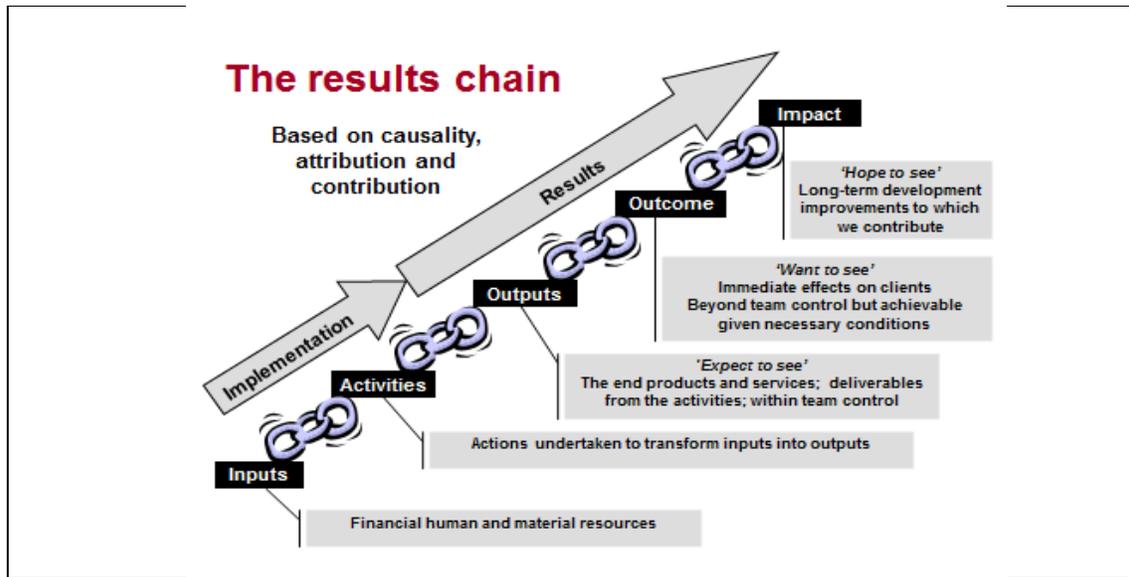
The ILO's potential to have an impact on the enabling environment or on the regulatory framework is far greater than previously thought, and is due to the massive potential stemming from ILO's presence on the ground and its technical support role to governments (box 7).

Box 7. Monitoring and tracer studies on the Youth Entrepreneurship Facility in the United Republic of Tanzania

In the United Republic of Tanzania, the YEF project monitors a number of newly created businesses and is now working on developing a means of assessing their sustainability.

A 2011 joint ILO/Ministry of Labour and Employment (MOLE) tracer study focusing on training the beneficiaries of the Kazi Nje Nje (KNN) programme found that, among those trained, a significant number had started small businesses (of 579 contacted, 177 had started businesses, and an additional 77 had started agricultural production). Of the 122 women contacted 21 per cent reported having started their own business. Self-reported net earnings before and after the training also suggested that many were able to more than double their income as a result of improved business know-how. While the sampling could not be fully representative due to difficulty locating the trainees ex post, the data is nonetheless encouraging.

Nearly two thirds reported ongoing barriers to their businesses, such as unreliable electricity, lack of local government support and other services, and lack of information. However, 85 per cent considered access to seed capital critical to their growth. The YEF does not specifically target the enabling environment; however, many see this as an integral part of managing risks for emerging entrepreneurs. Support has been given in training on how to register a business and the merits of formalization.

"ILO/YEF has created a pool of trainers from within their own communities to train and mentor nascent and novice entrepreneurs. These local trainers have created power and, when their influence is combined with a relevant curriculum (SYB and GYB), the model will be most effective."[35]

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[35] Ibid.

4.6.2 Q – To what extent have the ILO strategy and means of actions been designed and implemented to maximize sustainability of results?

The ILO has been making real efforts to ensure greater sustainability of its country-level work. By its very nature, sustainability usually requires institutional change. This final section focuses on the sustainability of outcomes in terms of improved capacities and institutional practices, reforms in policy and regulatory frameworks, or the likelihood of benefits of the micro-level interventions continuing in the long term.

Analysing the sustainability of outcomes is challenging, given that many outcomes constitute the progression of improvements over time, meaning that achievements are quickly overshadowed by new expectations rather than the current reality. Therefore, we address the issue of sustainability in terms of its perspectives, considering national and local government institutions' ownership, and the building of national and local capacities to continue to provide the services provided by the ILO, among others.

There are some programmes that by their very nature are destined to be more sustainable, e.g. KAB, which, if taken up by the ministry of education, becomes institutionalized and more sustainable. Others, such as small business start-ups, face multiple risks and the odds for their survival are not favourable. Box 8 summarizes SCORE's sustainability challenges in Indonesia.

Box 8.SCORE's sustainability in Indonesia

Sustainability is one of the challenges of the SCORE Indonesia project for the next phase. To consider the three levels of sustainability as defined by the project (financial, technical, and institutional) requires a longer time frame for a branded product that is being marketed to both SMEs and service providers. This is not yet the case because there is no critical mass (e.g. sufficient number of participating enterprises) in each country to ensure project sustainability.

In Indonesia, SCORE has great potential to become a reference for SMEs across the manufacturing world, because the intervention is grounded in the fundamentals of good management and efficient workplace collaboration. Although it has the potential to become a model and expand once it has consolidated its product, the critical question about achieving sustainability in the country is whether or not the Ministry of Manpower and Transmigration (MOMT) will fulfil its commitment to contribute to the project, as there is no other way for SCORE Indonesia to be sustainable.

The project, therefore, cannot become sustainable over the current implementation time frame because it is too short and because SCORE remains a product under development. However, it is expected to become technically, institutionally and financially sustainable by the end of the second phase.

In general terms, it can be argued that the set-up of the different outputs ensures good perspectives of sustainability for several reasons.

Many of the outputs involve the building of institutional capacities through, for example, the provision of training (teachers, supervisors in secondary schools, local offices, service

providers who provide technical courses to youth, etc.), the supply of equipment for technical courses in secondary schools, and the improvement of training materials. Through these improved capacities, these institutions are likely to continue to provide better services to their stakeholders once the programmes are completed. Other outputs focus directly on providing skills. At the policy level, some programmes and projects are contributing to the building of capacities among national and local government agencies on how to deal with the specific issues, e.g. youth, gender, employment and migration.

Second, lead government agencies and their local government agencies participating in some areas of implementation are showing commitment and technical capacity to keep working on the issues at the end of the programme/project. The rapid expansion of SIYB in China was enabled by the decision of the Government to replicate it on a large scale using its own funds. However, in some cases, Government commitment does not translate into the necessary budget and capacities to reliably provide training and services to start-up enterprises.

Some of the changes do not involve significantly increased costs for the agencies involved, as seen with several of the emerging microfinance and nongovernmental organization (NGO) partnerships. The Government readily absorbed an improvement in the curriculum and entrepreneurship education materials, and the programme and training materials used by Free State in South Africa. However, sustainability that depends on market demand for services, such as SIYB training, which aims to partially recover training costs, has been problematic. Sustainability linked to the implementation of policy and regulatory reform, as experienced with the cooperative movements in East Africa has proven difficult to sustain.

A review of the project portfolio revealed repeated concerns related to sustainability strategies, which involve the setting up of clear arrangements and commitments before the end of the programme/project.

These points are supported and the associated challenges are illustrated with various examples in boxes 9 and 10.

Box 9. The challenges of sustainability in Kenya

In Kenya, the weakest link within ILO's SE work is finding the means to sustain the know-how and support for advising out-of-school youth on SME development. Overall, ILO constituents and many implementing partners raised concerns about the sustainability of ILO's project-level work in the past. Some optimism exists, however, for sustaining the capacities developed more recently, particularly under the SIYB component of YEF.

The partnership with the Equity Foundation shows strong overlap in priorities and approaches and, consistent with ILO's strategy, effectively links entrepreneurship training with enterprise finance schemes. The foundation's network of 43 trainers will adopt SIYB as its core training approach and will provide follow-up training (IYB) to those who have made good use of the first round of support. Two follow-up visits after this will provide additional assessment of progress. Its operations also stretch into rural areas and all provinces of the country, and target five major sectors, thereby promising wider coverage of disadvantaged youth. The Foundation also requires that transport and venues be paid from participants' contributions.

To improve sustainability and to ensure a longer term presence of ILO in national capacity development, longer term funding sources are badly needed. The non-traditional private sector funding window could support the longer term horizons called for when trying to institutionalize small enterprise business development services and know-how.

Box 10. Sustainability in South Africa

In South Africa, the following three main features of the projects examined provide a sound basis for longer term impact and sustainability of activities beyond their current, relatively short lives.

The overarching collaborative frameworks in which projects are embedded within the ILO South Africa national development plan and the DWCP.

The strong ownership and institutionalization of activities in the agenda of local, state and national organizations.

Improved technical and business management capacity through training whose positive results are already emerging.

With project funding, the ILO embarked on a long-term partnership that has resulted in the development and approval of a strategy for Women's Economic Empowerment through enterprise development. South Africa will have a dedicated national strategy, implementation plan, and monitoring and evaluation framework for the economic empowerment of women through small enterprise development; one of the few countries in the world where specific national strategies exist.

Although some of the perspectives for sustainability looked promising, the evaluation team found that SE projects did not often make explicit the sustainability strategy for critical activities, at least not at the design and early implementation phases. If this were done, it would help to define appropriate strategies, and identify potential sustainability problems and associated risks.

One of the other key needs in many countries is the need for 'funding leverage' to be built into approaches as a key indicator of success. If local funding could be slowly built up over the lifetime of ILO's support, as has been done in the Free State of South Africa, the chances of continuing would be dramatically increased.

Another clear need is for the donors to recognize the time that it takes, for example, to build capacity and/or influence policy, particularly in the lesser known components linked to job quality, workers' rights and social protection.

4.6.3 Q – To what extent is the ILO strategy itself sustainable?

As discussed in section 4.4.3, core staff anchor the SE strategy and non-staff resources, and experienced professionals globally and regionally promote enterprise programming and enabling environment initiatives. ITC-Turin has institutionalized its training for enterprise development. Externally, the ILO is well regarded among donors, international financial institutions (IFIs) and UN partners for their sustainable enterprises work, suggesting good prospects for continued flows of extra-budgetary funding.

Within the framework of work on specific products and services, and policy and legal work, highly seasoned staff associated with cooperative support have grown into a new team working to set a new direction. However, this will require a larger staff and resource base, which can only be achieved through consolidation and redefinition of cooperatives' role and contribution to other sustainable enterprise components.

5. CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

5.1 Conclusions

The 2007 International Labour Conference conclusions concerning the promotion of sustainable enterprises called for sustainable enterprise development to be grounded in decent work policies and linked to the DWCP and UN agendas. The conclusions of the ILC were progressive in redefining the roles of government, the social partners and the Office. The Office was specifically called upon to not only focus on practical and demand-driven responses but also on the key elements of sustainability and decent work.

This evaluation has found that the Office is moving in the right direction in implementing this strategy. The Office has developed or refined high-quality tools and materials, has been prolific in generating relevant studies and analyses. It has also engaged in policy dialogue and collaboration with tripartite constituents and UN partners, within the framework laid out in 2007. Nevertheless, some parts of the framework (Pillar II in particular) have received disproportionate attention, suggesting that the ILO can do more to fully operationalize the ILC conclusions. The high dependency on donor funds, short duration of projects, and wide geographical and sectoral spread, has meant that there is limited flexibility in using these innovations to address the decent work dimensions in micro, small and medium enterprises.

At country level, innovations have been introduced to support improved workplace practices and revamped materials to better address workers' rights and protection. In Asia and South Africa, the SCORE project has broken new ground and continues to be a testing ground for a more rounded approach to improving workplace practices. The next steps will probably be cross learning between work done under Better Work and what is emerging as effective under SCORE country cases. SIMAPRO is a management tool to measure and improve organizational efficiency and productivity to SMEs. Its further development could benefit from consideration of how SCORE and Better Work are incorporating the Decent Work Agenda into their designs.

Innovative approaches addressing the enabling environment, including policy-oriented assessments, show promise in improving the impact and sustainability of ILO's project work. The move towards more analytical assessments of the enabling environment provides a substantive way of linking enterprise development to a broader discussion on decent work and employment at national policy level. However, these assessments should cover decent work challenges linked to sustainable enterprises.

Enterprise development is a high priority for constituents as reflected in DWCPs. Case study reviews conducted for this evaluation showed that this high priority status has not always translated into a coherent longer term DWCP vision for ILO's sustainable

development initiatives. Projects and donors still largely frame ILO's actions at country level, which has been seen as sometimes too supply driven. Nonetheless, ILO's major donor agencies have integrated private sector development as a key element in their approach to development cooperation, and ILO's technical cooperation base for implementing the strategy is impressive.

So far, few ILO-supported country-level strategies consider private sector enterprise development beyond the potential for job creation. In many countries, the Office is missing the analytical lens to guide a longer term country-level vision for a more strategic and integrated approach to decent work into which sustainable enterprises' contributing role is well embedded. Without this, ILO country offices fall back on Geneva-backed projects that respond to a shorter term and pragmatic approach to enterprise development, which may be all that governments demand and donors fund, in the hope of offering simple solutions to complex problems.

The sustainable enterprise knowledge base, including recent studies, guides and other products on green jobs, is impressive. The dissemination of this know-how through the establishment of interactive platforms and systems that reach out to enterprises, their service providers, and those constituents supporting and guiding SE development is underway. But it still needs to reduce users' barriers, and integrate content and messages, to encompass the broader Decent Work Agenda and more smoothly link the various projects and product lines.

Furthermore, the ILO has numerous success stories in strengthening the capacities of constituents to understand the needs of enterprises so as to better address the policy and regulatory mix that enables growth with decent work. The review of the projects, however, shows that transitioning from a largely technical cooperation approach focused heavily on training takes time and may not be as readily financed by donors. Linking the private sector and SE development to the broader national employment policy debate has greater potential. However, hard evidence of how this has worked is still in short supply.

Major advances have been made in value chain analysis and development, particularly in tools and conceptualization. The operationalization of this work requires ongoing integration into the design of technical cooperation proposals, and a longer term and flexible programming environment. Evidence suggests that this transition is underway.

The application of responsible and sustainable workplace practices has been largely championed by one large but well-developed initiative – SCORE through funding from the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD). The initial pilot phase generated insights and lessons learned from eight country cases; in their second phases, these have been applied to refine and expand the promotion of decent workplace practices at national, sectoral and enterprise levels. The projects' dependence on two donors, however, poses uncomfortable risks for this promising area of work, which could flounder if funding is not sustained.

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Through project work, the Office has also promoted local and sectoral sustainable enterprise strategies, which have shown particular promise in accessing vulnerable groups and hazardous work in SMEs, and in targeting job creation opportunities. Equally impressive is the work being done to address women entrepreneurship.

The work to promote enterprise associations and cooperative enterprises has been found to have good potential but is currently underdeveloped, in large part due to limited funds and artificial fragmentation within the technical department. There is a clear need to focus on innovative models that attract young entrepreneurs and meet their needs with solid business performance and value added delivered to cooperative members. These aims are not inconsistent with cooperative institutions' social agendas. There are entry points for cooperative models in the current portfolio of project work and these should be adequately supported.

Meaningful engagement with the private sector as investor and donor will be of increasing relevance for decent work outcomes. This needs to go beyond private sector partnerships but the ILO is struggling to articulate a strategy. There is currently no clear orientation and coordination within the Office on how the sustainable enterprise strategy can tap such resources in the longer term for SE strategy development at country level.

Summary score card

Table 9. Performance analysis under each evaluation criteria/question and data sources

Issue and detailed question	Performance analysis 1–6 Scale (see key below)	Data sources
• **Relevance and strategic fit**		
To what extent is the ILO outcome strategy relevant to achieving the overall aims of building sustainable enterprises and decent work?	5	Field and HQ interviews. Unemployment figures for both men and women. Background data literature
• **Coherence and complementary?**		
Does the ILO strategy promote synergies with other strategic outcomes, national constituents' priorities and UN partners?	5	DWCP, the demand driven nature of the programme and member States' requests.
Is the strategy logical and consistent?	5	Field and HQ interviews, presentations and ILO Newsletters.
• **How EFFECTIVE is the strategy in:**		
Is the ILO sustainable enterprise strategy effectively delivering results?	4	Field and HQ interviews. Project review and evaluation reports Observations on the ILO office. Staff interviews
Is the ILO sustainable enterprise strategy effectively creating an enabling environment through support within political, social and economic contexts?	3	Field and HQ interviews. Project review and evaluation reports. Staff interviews

Issue and detailed question	Performance analysis 1–6 Scale (see key below)	Data sources
Is the ILO sustainable enterprise strategy effectively promoting cooperatives and other social enterprises?	3	Field and HQ interviews. Project review and evaluation reports. Staff interviews
Is the ILO sustainable enterprise strategy effectively promoting value chain analysis and development through holistic sector and market focus?	4	Field and HQ interviews. Project review and evaluation reports.
Is the ILO sustainable enterprise strategy effectively promoting entrepreneurship and business development, with special attention to women?	5	Field and HQ interviews. Project review and evaluation reports. Staff interviews
Is the ILO sustainable enterprise strategy effectively promoting green jobs?	5	Field and HQ interviews. Project review and evaluation reports. Staff interviews
Is the ILO sustainable enterprise strategy effectively fostering responsible workplace practices, including in global production systems and through corporate social responsibility?	4	Field and HQ interviews. Project review and evaluation reports. Staff interviews
• **To what extent does the ILO strategy lend itself to EFFICIENT implementation?**		
What progress has there been compared to what was planned?	4	Field and HQ interviews. DWCP outcome indicators, project evaluation reports, financial figures.
How reinforcing are management arrangements to realizing results?	4	Field and HQ interviews. DWCP outcome indicators, project evaluation reports, financial figures.
How adequate are knowledge generation, management and dissemination?	4	Observations on the ILO office. Staff interviews. Finance records and data, various independent evaluation reports. South African and Organisation for Economic Co-operation and Development (OECD) benchmark standards.
Does the programme operate against a results-based framework and maintain effective implementation and results monitoring?	4	Field and HQ interviews. DWCP outcome indicators, project evaluation reports, financial figures.
• **IMPACT AND SUSTAINABILITY**		
What impact have ILO actions had regarding decent work in sustainable enterprises?	4	Field and HQ interviews. Project review and evaluation reports. Staff interviews
To what extent have the SE strategy and means of actions been designed and implemented to maximize sustainability?	3	Field and HQ interviews. Project review and evaluation reports. Staff interviews

Table 10. Performance analysis – scoring matrix guide

No and/or highly unsatisfactory	Mostly no and/or unsatisfactory	Somewhat no and/or somewhat unsatisfactory	Somewhat yes and/or somewhat satisfactory	Mostly yes and/or satisfactory	Yes and/or highly satisfactory
1 Red	2 Amber	3 Yellow	4 Yellow green	5 Light green	6 Dark green

5.2 Lessons learned

Many of the projects and programmes examined during this evaluation study have learned a number of key lessons. To date, many of these lessons have been documented in reviews and evaluation reports. This unfortunately does not mean they have been learned. Indeed they could be termed 'lessons to be learned' rather than 'lessons learned'.[36] The key point is that lessons are only really learned when future actions are really informed by them. In reviewing the lessons learned and subsequent work under SEs, there appears to be clear evidence that the ILO has evolved in its programming approaches and has heeded advice related to its technical products and approaches. Therefore, lessons learned in this section focus on specific trouble spots identified in evaluation.

Pillar I: Enabling environment

- The policy work has highlighted the difficulty of revising laws and regulations to promote enterprises to grow sustainably if key institutions do not have the will and/or capacities to implement changes. Addressing this will be a major challenge for enabling environment initiatives. Planning for and monitoring improvements in institutional capacities and practices will be critical.

- Within a policy framework, implementing integrated country programming to address the envisioned multi-faceted policy agendas influencing enterprise development requires specialized knowledge and expertise across the decent work programming spectrum. The approach requires effective teamwork between experts, field and headquarter units, and with partners and target users. This is proving difficult to achieve.

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[36] 'Lesson learned' is defined by the Organisation for Economic Co-operation and Development (OECD) as "Generalizations based on evaluation experiences with projects, programmes, or policies that abstract from broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome and impact." P.N. Dearden: UNIDO Evaluation Group – Lesson Learning Workshop (Feb 2011); OECD/DAC: *Glossary of key terms in evaluation and results based management* (Paris, 2002).

- A related challenge has been to find an effective means of engaging social partners in the larger policy arena, not just those areas that closely mirror their own interests. The growing reliance on DWCPs to reflect tripartite negotiated priorities is reinforcing the strategic role of SE development in the decent work policy dialogue.

Pillar II: Entrepreneurship and business development

- Microfinance is a core component of small enterprise development, but access to financial services is repeatedly reported as a major obstacle to MSE growth. It is hoped that the move to place microfinance within the SE strategy will provide the means to better integrate this component into SE designs.

- Associations are a primary means of influencing policy agendas and reform, particularly if they are linked to ILO's social partners. Association development requires ongoing collaboration and technical support, which is currently unreliable under a project-dependent delivery approach.

- As attention to tool development gives way to application and follow-up, industry, geographic or sector-specific focus may be a reasonable means of prioritizing where ILO can focus scarce resources and expertise. More attention to coordinated targeting would add coherence to field work and guide collaborations with key partners.

- Organizing micro and small enterprises in particular areas or industries in the informal economy reinforces ILO's work to reach informal workers operating in worsening economic and employment situations and can facilitate formalization of enterprises. Cooperatives hold as of yet untapped potential in this area.

- Work within the green jobs component demands strong interaction with others in the Office and nationally, given the specific skills needed to identify the best means of addressing environmental challenges at the enterprise level. The specificity of expertise needed to recommend improvements is a major challenge to increasing the scale of enterprise-level services on a sustainable basis.

Pillar III: Sustainable and responsible workplaces

- Linking productivity with decent work has not yet been sufficiently reflected upon in a convincing manner. It therefore remains difficult to use the approach to attract demand for skills and practices addressing workers' concerns. Enterprises are beginning to understand that quality of work has a significant effect on productivity and profitability. Conversely and equally important, but less understood, is the effect of productivity and profitability on quality of work. In the end, SEs are about achieving a virtuous circle that results in and sustains decent work. While moving forward in expanding and strengthening enterprises to generate new jobs, future action needs to focus on determining if and how this virtuous circle can be reached.

- Workers' and employers' organizations can potentially make a substantive contribution to enhancing productivity and competitiveness, thus creating the

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appropriate conditions for improving the quality of work in SEs. Much of this needs to focus on addressing constraints to growth and productivity in the enabling environment as well as realizing decent working conditions and fair enumeration.

Cross-cutting

- Situating gender and cooperatives topics in small units carries the risk that mainstreaming of the work will be overlooked as essential parts to sustainable enterprise.

The absence of an integrated communication and visibility strategy has meant that, in the main, projects have been left to develop them in a piecemeal way. There is a risk that they will be less developed, less visible and unsustainable once the projects end.

Donor demand and engagement varies considerably. Strong results have shown that where donor funding has been flexibly programmed and where there has been the continuity and scale, national capacities and ownership can develop.

Including the tripartite members in training is a good approach, even though they will not be the main implementing partners, as it contributes to their depth of understanding and a better buy-in.

5.3 Recommendations

No. 1	Priority: ▲▲▲	Responsible units: POLICY, ENTERPRISES

Establish a standardized country assessment to diagnose decent work priorities and integrated responses within specific country contexts, in which sustainable enterprise can be better embedded.

Suggested next steps

- The Office to roll-out and implement a standard decent work country assessment approach to prioritize and anchor operations within the context of longer term decent work outcomes.

- SE technical team to design projects to be well embedded in decent work assessed priorities.

No. 2	Priority: ▲ ▲	Responsible units: ENTERPRISES, REGIONAL OFFICES

Prioritize a small number of countries in which to develop a longer term vision and strategy for sustainable enterprise development, to allow adequate time for the progression of all dimensions of the sustainable enterprise model, including the critical elements of social and environmental sustainability.

Suggested next steps

- Focus on high-potential countries to achieve SE outcomes, with fewer countries targeted for business development services.

- Limit the number of countries covered under any single project.

- For CPOs supported by sustainable enterprise projects, develop clear mapping of outcomes and indicators between the two levels, identifying gaps, roles of partners, phases.

- Use 10-year planning frame to support the progression of services, policy development, and national capacity development, including transitioning to national execution.

No. 3	Priority: ▲ ▲ ▲	Responsible units: COUNTRY OFFICES, PARDEV[37], POLICY, ENTERPRISES

More actively solicit public–private partnerships with non-profit foundations that can accommodate longer term strategies for small enterprise development at the country level

Suggested next steps

- Develop a strategic plan for national and international private sector networking to target key non-profit foundations linked to private sector development as potential sources of longer term funding.

- Provide guidance and support to regional and national staff on good practices so that they can engage the private sector in funding partnerships.

No. 4	Priority: ▲ ▲	Responsible units: ENTERPRISES

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[37] Partnerships and Field Support (PARDEV).

Integrate into the entrepreneurship pillar monitoring and evaluation data, and measurement of key indicators to monitor progress towards improving the rights and working conditions of workers in newly formed or strengthened enterprises.

Suggested next steps

- Set targets and baseline measures linked to changing working conditions and rights.

- Report on the quality of jobs being created as small enterprises grow.

- Monitor and report on the reasons for SE failure.

No. 5	Priority: ▲▲▲	Responsible units: WORKQUALITY[38], ENTERPRISES, GOVERNANCE[39]

Move forward the programming to support the area of critical importance on "productivity and working conditions in SMEs" to link more directly to ILO expertise in areas of working conditions, safety and health and other forms of rights and protection, integrating components for a more substantive treatment of these dimensions.

Suggested next steps

- Set up a dedicated system to synchronize the approaches to social finance and microinsurance throughout the Office.

- Revitalize the social finance network to facilitate improved knowledge sharing and joint action promoting financial services to support enterprise sustainability.

No. 6	Priority: ▲ ▲	Responsible units: EMPLOYMENT, ENTERPRISES, YOUTH EMPLOYMENT NETWORK

Ensure that youth entrepreneurship and youth enterprise development strategies, and youth employment, are conceived, programmed and linked in a coherent manner.

Suggested next steps

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[38] Working Conditions and Equality Department (WORKQUALITY).

[39] Governance and Tripartism Department (GOVERNANCE).

- Coordinate work across various departments to ensure coherence at country and global levels.

- Integrate knowledge and communication platforms to convey a single voice of ILO.

No. 7	**Priority: ▲ ▲**	**Responsible units: ENTERPRISES, DWTs, COUNTRY OFFICES**

Continue the drive towards larger, more integrated and policy-oriented projects to roll-out politically sensitive work on enabling environments for enterprises, working within UN partnerships where scale justifies the higher transaction costs involved.

No. 8	**Priority: ▲ ▲**	**Responsible units: ENTERPRISES, DWTs**

Finalize the overhaul of key products for enterprise development, integrating new communication technologies and revamping existing ones, to better respond to external and internal user needs that can extend past the life of individual projects. Furthermore, it should pool project resources within technical cooperation to develop and roll-out new information technology (IT) features in a timely manner.

No. 9	**Priority: ▲ ▲ ▲**	**Responsible units: POLICY, ENTERPRISES**

Reposition the work on cooperatives after a successful phase focusing on legal reform, to support more cooperative development on the ground and to reflect the growing interest in the social economy.

No. 10	**Priority: ▲ ▲**	**Responsible units: ENTERPRISE, POLICY**

Align ILO enterprise approaches in relation to green jobs and the green economy with the ILO's strongest comparative advantages and link them with UN partners for green technology advisory services, in which the ILO has limited comparative advantage.

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6. OFFICE RESPONSE

The Office welcomes the finding of the evaluation that the strategy implemented since 2010 is very relevant and that its implementation is moving in the right direction, assisting national constituents with high-quality products to respond to the priority for sustainable enterprise development.

The Office acknowledges that results achieved are still uneven and accepts the recommendations made with some qualifications. The approach to the enabling environment for enterprises has expanded coverage and advanced in achieving policy outcomes but is still a work in progress. Similarly, the shift in focus of the work on cooperatives from the successful advisory services on legal reform to the creation and management of cooperatives, and social economy enterprises, is progressing. Both areas will be pursued actively. In particular, the enabling environment continues to be a priority for product development and roll-out in the coming biennium.

Recommendation 1

In order to better embed enterprise development in policy and regulatory agendas there is indeed a need to link that development more closely and consistently to policy and institutional frameworks both within the market systems and in the policy sphere. It should be noted that it is often hard for constituents to influence the relevant portfolios, such as finance, infrastructure, and industrial and trade policy.

Recommendations 2 and 3

The recent evolution of the enterprises portfolio shows that projects are becoming larger and more integrated while headquarters regular budget resources are channelled into fewer country programme outcomes. In 2013, new technical cooperation approvals of US$40 million were allocated to four projects. The call for long-term strategies and commitments is welcome, but overall planning and budgeting processes are not currently supported either in the ILO or by the majority of national partners and donors. The Office welcomes the idea, but in the light of experience doubts that foundations have longer term funding commitments than traditional official development assistance. Current public–private partnership procedures also make it very difficult to mobilize meaningful contributions from private sector donors. Moreover, the most important potential for engagement with the private sector would seem to lie in joining forces and leveraging private sector know-how and reach to promote decent work in sustainable enterprises, rather than using it simply as a source of extra-budgetary funding.

Recommendation 4

Work is already advancing and all the Enterprises Department's products are setting out intervention models, which meet stringent requirements for results measurement in terms of decent work outcomes. The corresponding logical frameworks and indicators include proxies for the dimensions of decent work, which can be captured and monitored.

Recommendations 5 and 6

The global product on productivity and working conditions in SMEs is being implemented under the Programme and Budget for 2012–13 in partnership with the Skills and Employability Department (EMP/SKILLS), the Conditions of Work and Employment Programme (TRAVAIL) and SafeWork. The homonymous areas of critical importance were launched in May 2013 and an initial joint workplan was resourced and is being implemented with additional ILO units and in the field. The Enterprises Department has engaged in multiple discussions with the coordinator for youth employment and the area of critical importance on youth employment, which should provide new opportunities to ensure coherence among the elements of the youth employment strategy.

Recommendation 7

With regard to UN partnerships, the Enterprises Department is developing opportunities for work with other UN agencies with regard to value-chain development – for example, with the FAO and the International Training Centre of the ILO – and productivity – for example, with UNIDO. However, as far as the enabling environment is concerned, international financial institutions and development banks are more promising partners.

Recommendation 8

The recommendation is welcome. The overhaul of the single most important and used product to date (the SIYB programme) will be completed by the end of 2013 and work on the Women's Entrepreneurship Development (WED) programme is under way. Due to limited staff and non-staff resources, renewal has to proceed sequentially and cannot progress with several products at the same time.

Recommendation 9

The Office considers the fact that the rural economy has been identified as an area of critical importance is a major opportunity to make use of the new product for cooperative management entitled "My.Coop". Hands-on support and development of the social economy is part of the ILO's response to the crisis in Greece.

Recommendation 10

The implementation of the conclusions on achieving decent work, green jobs and sustainable development, adopted by the International Labour Conference at its 102nd Session (2013), as well as the follow-up to the green initiative proposed by the Director-General will provide significant opportunities. A close partnership with the UNEP and UNIDO in support of capacity building and assistance in the design and implementation of national policies for greater environmental sustainability has been established. A Memorandum of Understanding between UNEP, the ILO, UNIDO and the United Nations Institute for Training and Research (UNITAR) concerning the Partnership for Action on Green Economy was signed in February 2013 and initial resources have been mobilized.

ANNEXES

Annex 1. Terms of reference

Independent evaluation of the ILO's strategy to promote sustainable enterprises and decent work

Terms of reference:

Introduction and context

The ILC's 2007 conclusions concerning the promotion of sustainable enterprises laid emphasis on their importance as a major tool for achieving decent work, sustainable development and innovation that improves standards of living and social conditions over time. Sustainable enterprises are a principal source of growth, wealth creation, employment and decent work.

Promoting sustainable enterprises is about strengthening of institutions and governance systems, which nurture enterprises and encouraging them to operate in a sustainable manner. This requires balancing the needs and interests of the enterprise with the aspiration of society for a path of development that respects the values and principles of decent work, human dignity and environmental sustainability. These aims call for new forms of cooperation between government, business, labour and society at large.

The strategy for the creation of decent work in sustainable enterprises adopted by the ILO to contribute to the implementation of these conclusions builds upon three crucial and mutually reinforcing elements: creating the right conditions for sustainable enterprises to thrive and create jobs: stimulating entrepreneurs to fulfil their ambitions to build businesses; and nurturing sustainable and responsible workplaces that combine increased productivity and a smaller environmental footprint with improved working conditions and industrial relations. Three concerns, which cut across these elements, are: gender equality and empowerment, the upgrading and formalization of informal enterprises and environmental sustainability, greening enterprises and jobs.

The ILO's specific contribution to promoting sustainable enterprises and decent work lies in its unique tripartite structure, its genuine connection to the actual world of work through representative organizations of employers and workers, an established culture of social dialogue and a normative framework. The ILO Governing Body, in its November 2012

confirmed its desire for an independent evaluation of the ILO's implementation of Outcome 3 to promote sustainable enterprises. This evaluation will draw from the 2007 ILC discussion and guidance to the Office as well as subsequent strategy documents discussed by the Governing Body. The findings of the evaluation will also constitute background analysis for the 2014 ILC recurrent discussion as appropriate.

Outcome 3—ILO's mandate and strategy approach

The ILO translates its strategy to promoting sustainable enterprises that generate productive and decent jobs in four concrete areas of intervention with measurable outcomes.

1. Reform of policy and regulatory frameworks to improve enabling environments for sustainable enterprises;
2. Implementation of entrepreneurship development policies and programmes for the creation of productive employment and decent work;
3. Implementation of programmes to foster the adoption of responsible and sustainable enterprise-level practices; and
4. Adoption of policies that integrate the principles of the MNE Declaration.

Its programming offers advisory services and capacity building for policymakers and the social partners, specialized research and analytical work to identify issues and options, tools, education and information to empower entrepreneurship, particularly among youth, women and local communities. Sustainable enterprises include a wide range of business models, including cooperatives, multinationals, and small enterprises. Focus is also given to the social economy, rural areas, and environmental initiatives for enterprises, responsible global business and workplace practices.

Programming is primarily delivered through a global team of technical specialists in ILO headquarters and in a dozen field offices, the Enterprise Department of the ILO Training Centre in Turin and staff of technical cooperation projects. Technical cooperation is a critical component of the strategy and the primary means for building the capacity of national partners.

Countries targeted for technical services are chosen based on demand by national constituents communicated through Decent Work Country Programmes (DWCP). Two thirds of the fully formulated DWCPs include sustainable enterprise as one of the top three priorities for ILO support.

Results framework

The strategy results are monitored and reported through four performance indicators:

(3.1) The number of member States that, with ILO support, reform their policy or regulatory frameworks to improve the enabling environment for sustainable enterprises;

(3.2) The number of member States that, with ILO support, implement entrpreneurship development policies and programmes for the creation of productive employment and decent work;

(3.3) The number of member States that, with ILO support, implement programmes to foster the adoption of responsible and sustainable enterprise-level practices;

(3.4) The number of member States that, with ILO support, adopt policies that integrate the principles of the MNE Declaration;

Purpose, scope and clients of the evaluation

The purpose of this evaluation is to determine how the Office is performing with regard to its obligations associated with Outcome 3 of the Strategic Policy Framework (SPF) 2010-15 and related Programme and Budgets (P&B), which focuses on promotion of sustainable enterprises.

The main objectives of the evaluation are:

- Provide an account to the Governing Body regarding strategy performance and key results;
- Provide an opportunity to learn what works well and what less well in the implementation of policy dialogue, discussion and definition regarding the development, use of ILO tools and guidelines for such processes;
- Provide evidence for decision-makers in charting a future direction for ILO's technical support for sustainable enterprise development.

The principal client for the evaluation is the Governing Body, which is responsible for governance-level decisions on the findings and recommendations of the evaluation. The evaluation is also to benefit ILO management and those working to support sustainable enterprise development, and is to serve as a source of information for the ILO partners and national policy makers.

Working from its mandate and operational approach, the evaluation will consider all efforts of the Office in supporting achievement of Outcome Three. Given the breadth of action being taken, the scope of the evaluation will be narrowed to the time period from 2007 through 2012.

The evaluation will include a review of:

- The evolving role and relevance of the ILO's strategy within the global effort to find a solution to the global employment crisis of unemployment, working poverty and informality;
- Evidence on how the Office has increased the coherence, and effectiveness (with respect to achieving results) of its support to Member States through various forms of direct services and support;
- The Office's capacities and performance regarding the implementation of this approach from headquarters, regional offices and field offices (in selected countries), including management arrangements and global and national partnerships involving constituents and other UN agencies, development agencies and civil society organizations.
- The results-based framework, the choice and the use of indicators, and the reviewing and reporting of progress with the Programme and Budget (P&B) frameworks as well as the capacity building related initiatives such as Decent Work Country Programmes (DWCPs) will be discussed.
- Coordination and collaboration across the ILO and between ILO headquarters and the field to maximize the support to constituents in improving sustainability of enterprises and decent work.

The evaluation process will adhere to the international norms and standards for independent evaluations by the United Nations Evaluation Group.

The evaluation will be participatory. Consultations with member States, international and national representatives of trade union and employers' organizations, ILO staff at headquarters and in the field, UN partners, and other stakeholders will be done through interviews, meetings, focus groups, and electronic communication.

Evaluation criteria and questions

The evaluation will be based on the Development Assistance Committee (DAC) criteria of relevance, efficiency, effectiveness and evidence of impact through contributions of ILO support in a selection of countries and at the global level. It will take stock of the scale and content of ILO's work, including all parts of the Office, which actively support this SPF outcome in various ways. Hence, the "3 C's" of coordination, coherence and complementarity will also be taken into account.

The DAC criteria will be defined as re-configured by the ILO to be slightly more operational.[40]The re-configured definitions are:

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[40]ILO: *Guidelines to results-based evaluation, Version 1* (Geneva, Evaluation Unit, January 2010).

- Relevance and strategic fit: Extent to which objectives are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies; extent to which the approach is strategic and the ILO uses its comparative advantage.
- Validity of the strategy design (coherence): Extent to which the strategy is logical and consistent.
- Effectiveness and progress of the strategy: Extent to which major results were achieved, or are expected to be achieved, taking into account their relative importance.
- Effectiveness of management arrangements: Extent to which management capacities, arrangements and practices supports the achievement of the results.
- Efficiency of resource use: How economically resources / inputs (funds, expertise, time, etc.) are converted into results.
- Impact orientation and sustainability: Strategic orientation of the intervention towards making a significant contribution to broader, long-term, sustainable development changes; likelihood that results of an intervention are durable and can be maintained or even scaled up and replicated by intervention partners after major assistance has been completed.

Evaluation questions

Principle evaluation questions will be finalized following an initial scoping exercise. Broadly, the evaluation will seek to answer the following:

- To what extent is the ILO outcome strategy relevant to achieving the overall aims of building sustainable enterprises and decent work?

- To what extent is the ILO strategy designed to be coherent and complementary within a global context and does it promote synergies with other strategic outcomes, national constituents' priorities and partners?

- How effective is the strategy in addressing issues related to the following?

  o Creating an enabling environment through support within political, social and economic contexts;

  o Entrepreneurship and business development, with special attention to youth and women;

  o Promotion of cooperatives and other social enterprises

  o Value chain development through holistic sector and market focus;

  o Promoting sustainable enterprises for local economic development;

  o Fostering responsible workplace practices, including in global production systems and through corporate social responsibility.

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- What impact have ILO actions had on international and national policy, regulatory frameworks, and programmes and enterprise-level performance and practices regarding decent work in sustainable enterprises?

- To what extent does the ILO strategy lend itself to efficient implementation?

- To what extent have the ILO strategy and means of action been designed and implemented to maximize sustainability of results at the global and country level?

Tentative methodology

The evaluation process will be based on the inception phase with desk review, an initial visit for interviews in ILO headquarters, followed by a field phase for the collection of primary information and key interviews in selected countries, which will be used in a global assessment and report writing phase.

The desk-based review will analyse selected reporting and other programme documentation, key performance criteria and indicators, to compare and assess the coherence, continuity and evidence of reported results over time. Attention will be given to main means of action, implementation performance, perceptions and evidence of major progress and significant achievements, as well as notable products and outputs in the main means of action. Application of good practices, including a results-based management approach, and use of lessons learned will also be considered. Drawing from available country and global programme documents, reporting and evaluations, an analysis of how results are being planned, monitored and progress reported will be prepared, and how policies and practices are reviewed.

National case studies will also provide additional means of documenting the usefulness of technical work within member States. Cases will be selected according to where the ILO has worked over a longer period of time, and also where its work is considered innovative with need to know more about its effects (ideally minimum three regions for case studies). Case studies will also consider strategies and approaches at country-level around the broader global and national Decent Work Agenda, and will consider the roles and responsibilities of others within and outside the ILO in reinforcing the process.

Planned outputs

The following written outputs will be produced:

- Internal background documentation, an inception report and analysis on which the findings, conclusions and recommendations are based.

- A summary report of findings and recommendations, prepared by the Evaluation Unit, to be presented to the October 2013 Governing Body, including a written response from the Office.

- A more detailed evaluation report to be prepared by the evaluation team and made public.

Management

The ILO Evaluation Unit will be responsible for the overall management of the evaluation. Approximately $50,000, plus staff costs (3 work months) of the evaluation unit, is budgeted for the evaluation.

The evaluation team will be led by the ILO Evaluation Unit. EVAL will also recruit through competitive bid, an international independent evaluator without prior links to the programme and strategy. This core team will be supported by one research assistant and national consultants for some case studies.

Provision workplan

The provisional work plan calls for the evaluation to be carried out in four phases:

Phase I: January-February, 2013

- Internal and external consultations to prepare the Terms of Reference and approve the evaluation team.
- Inception report

Phase II: March-May, 2013

- Desk review
- Field missions and data collection.
- Data analysis and report writing

Phase III: June-July, 2013

- Draft evaluation report circulated to constituents/stakeholders
- Report finalized

Phase IV: August-October, 2013

- Office response and plan for follow up
- Governing Body discussion

Proposed schedule:

The evaluation timeframe is from February through June 2013. A timetable is shown below. Office follow up is tentatively scheduled but outside of the scope of the evaluation.

Task	Time frame: 2013
Consultations on draft terms of reference	January-February
Formation of evaluation team	Jan-February
Desk review	Jan-February
Finalization of terms of reference	February
Staff and constituent interviews	March
Case studies/field missions	March
Global analysis and report preparation	April
Draft findings report circulated	May
Final evaluation report	June
Summary to the GB prepared	July
Governing Body discussion	October
Follow up plan of action	December

Annex 2. List of interviewees

Mr Philippe Egger, Director, PROGRAM, ILO, Geneva

Ms Christine Evans-Klock, Skills Policy and Development, ILO, Geneva

Ms Carlien Van Empel, PARDEV, ILO, Geneva

Mr Guy Thijs, Director, Evaluation Unit, ILO, Geneva

Mr Markus Pilgrim, Head, Small Enterprise Programme, ILO, Geneva

Ms Sanchir TUGSCHIMEG, Cooperative Branch, Employment Sector, ILO, Geneva

Mr Peter Poschen, Director, Enterprise Department, ILO, Geneva

Mr Philippe Marcadent, Director, TRAVAIL, ILO, Geneva

Mr Colin Fenwick, DIALOGUE, ILO, Geneva

Mr Peter Rademaker, Coordinator, Resource Mobilization, ILO, Geneva

Mr Jim Tamburn, Coordinator, The Donor Committee for Enterprise Development, Cambridge, UK

Ms Emily Sims, MULTI, ILO, Geneva

Ms Simel Esim, Chief, Cooperative Branch, Employment Sector, ILO, Geneva

Mr Guy Tchami, Cooperative Branch, Employment Sector, ILO, Geneva

Mr Micheal Elkin, SCORE Chief Technical Adviser, ILO, Geneva

Mr Craig Churchill, Head, Social Finance Unit, ILO, Geneva

Ms Joni Simpson, Coordinator KAB and WEDGE, SEED, ILO, Geneva

Mr Merten Sievers, Coordinator SIYB and Value Chains, SEED, ILO, Geneva

Mr Iyanatul Islam, Chief, Country Employment Policy Unit, Employment Policy Department ILO, Geneva

Mr Farid Hegazy, Coordinator Enabling Environment, SEED, ILO, Geneva

Kenya

George Waigi, NPC Youth Entrepreneurship

Jacqueline Mugo and Isaac Kiema, Federation of Kenya Employers

Francis Atwoli, COTU

Director of Micro and Small Enterprise Department, Ministry of Labour

Labour Commissioner, Ministry of Labour

Eunice Mathenge NPC, Law Growth Nexus Project, ILO

Jane Maigua, NPC, Youth Employment for Sustainable Development project, ILO

Director of training, Kenya Institute of Hiqhways and Building Technologies

Kimanzi Muthengi, UNICEF, UN Joint programme on Youth

Anthony Kiogora, EQUITY Group Foundation

SIYB Trainers and Master Trainers (Focus Group)

Representatives, Matatu drivers and owners (Focus Group)

Judith Nthiga, Co-operative Alliance of Kenya

Nepal

Jose Assalino Director ILO Nepal

South Africa

Vic van Vuuren, Director South Africa ILO Office

Joni Musabayana, Deputy Director South Africa ILO Office

Andreas Klemmer, Senior Enterprise development Specialist ILO Office

Mandigona Matema, Finance Officer ILO Office

Rest Kanju, NPC SCORE Project ILO Office

Sindile Moitse, SA Programme Officer ILO Office

Karl Pfeffer, Associate Expert, Green Jobs, ILO Office

Neeran Ramjuthan, CTA Decent Work in the Transport Sector Durban Port Project ILO Office Dennis George, General Secretary FEDUSA, Department of Higher Education

Cebisile Nyambe, National Project Coordinator, Public Procurement and Social Economy Project, ILO Jens Drying Christensen, Chief Technical Adviser, Free State SME Development Initiative

Winnie Sereeco, National Project Coordinator, Free State SME Development Initiative

Zanoxolo Jacobs, NARD, Free State

Grania Mackie, Senior Technical Officer, Women's Enterprise Development and formerly Chief Technical Adviser, WEDGE Project

Levy Maduse, Technical officer, UNIDO

Richard Bean, Chief Technical Adviser, UNIDO

Joseph Ajakaye, CTA HIV/AIDS In the Transport Sector project

Oniah Nkosi, NPC HIV/AIDS In the Transport Sector project ILO Office

Evelyn Masotja, Director Policy and Research Gender and Women's Empowerment Unit, Department of Trade and Industry

The United Republic of Tanzania

Alexio Musindo, Director, ILO Office, Dar Es Salaam

Hopolang Phororo, Deputy Director, ILO Office, Dar Es Salaam

Jealous Chirove, CTA, Youth Entrepreneurship Project, ILO

Louis Mkuku, YEF NPC, ILO

Noreen Toroka, MPC, WEDEE Project

Edmund Moshy, ILO

Permanent Secretary, Ministry of Labour and Employment

Director of Employment/Labour Commissioner, Ministry of Labour and Employment

Association of Tanzania Employers

Tanzania Trade Union Congress

Ministry of Education Vocational Training and Culture

Community Bank of Tanzania

Kazi Nje Nje Trainers (Focus Group)

Ministry of Industry and Trade

President and Board Members, TANCRAFT

Moshi University of Cooperatives and Business

Director, Dunduliza Company, Ltd.

Ms Agnes Namuhisa, Tanzania Federation of Cooperatives Ltd

Director and Board Members, Shimiyata

Zanzibar

Ministry of Labour, Economic Empowerment and Cooperatives (Multiple persons)

KNN trainers (Focus Group)

Director, Zanzibar Trade Union Congress

Director and Officers, Cooperative Union of Zanzibar

Director, Employers Association of Zanzibar