



# Report on Effectiveness

Swiss International Cooperation  
in the Field of Employment  
2005 - 2014



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC

State Secretariat for  
Economic Affairs SECO

**Technical assessment of effectiveness**

GOPA Consultants

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Zoi Environment Network



## EDITORIAL

Employment is key to development in any country. More and better jobs and improved employability stimulate the economy as a whole and empower individuals and their families to make independent choices in life. Therefore employment – in all its dimensions – has always been a cornerstone of Swiss international cooperation.

Both the SDC and SECO implement a wide range of programmes in their partner countries. They not only aim to create and maintain jobs, but also to increase and diversify incomes, improve working conditions and enhance poor people's access to the labour market.

The purpose of this report is to assess whether these interventions have achieved their expected results and which factors have influenced their effectiveness. External experts have produced an independent and methodologically sound analysis of a large portfolio covering the period 2005-2014.

The report confirms the valuable contributions that Swiss international cooperation has made in generating employment in its partner countries and underscores Switzerland's strengths and expertise in this area. It also confirms that Switzerland's portfolio of projects successfully addresses the multidimensional characteristics of employment in developing countries. Thus the authors concluded that almost 85 percent of employment-related objectives of our programmes were achieved.

We are very pleased that the majority of our interventions attained their intended employment objectives. However, employment remains one of the most difficult challenges in our partner

countries, and the lessons learnt through this report will help us address them even better. Some types of interventions, especially those that have immediate and measurable impacts on employment, achieve a higher effectiveness score than others. This is also related to the methodological challenges involved in measuring employment and even more so with regard to indirect and induced jobs effects. These can be substantial, for example in the case of infrastructure investments, as existing evaluations show. Furthermore, given more or less challenging country contexts, it comes as no surprise that interventions in some regions, such as Asia or South America, prove to be more effective than in other regions like Africa or the Middle East.

This means that, as usual, we have to always take into account country-specific contexts and challenges when designing, implementing and monitoring our programmes with our partners. While doing so, it is important to bear in mind the complexities of employment, set realistic targets and monitor fewer but strategically relevant objectives. In addition, we have to further invest in sound and realistic market analyses, use opportunities to scale up and find synergies between different interventions to achieve long-term results.

The report shows that – with some room for improvement – our diverse portfolio of interventions has the potential of delivering more and better employment with even greater impact in our partner countries.

We are pleased to present to you this report and wish you an interesting read.

**Manuel Sager**

Ambassador  
SDC Director-General

**Marie-Gabrielle Ineichen-Fleisch**

State Secretary  
SECO Director



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# RESULTS AT A GLANCE

## **1. THE SWISS INTERNATIONAL COOPERATION IS SUCCESSFUL IN EMPLOYMENT AND INCOME GENERATION.**

Almost 85 per cent of interventions across the Employment Portfolio (2005-2014) received effectiveness scores in the range of 6 (very good) to 4 (satisfactory) with an overall average effectiveness score of 4.5. The majority of interventions at least partly achieved their employment objectives.

## **2. EMPLOYMENT IS A SIGNIFICANT TARGET OF SWISS INTERNATIONAL COOPERATION AND ITS INTERVENTIONS ARE IN LINE WITH GOOD PRACTICES IN THE FIELD.**

The interventions pursue a broad range of employment-related objectives, an approach that reflects the importance of employment as an outcome in all its dimensions. Also, employment-related objectives are consistent with the chosen intervention types.

## **3. EMPLOYMENT IS A MULTI-DIMENSIONAL CONCEPT.**

It covers not only the creation of new employment opportunities but also the quality of work and the improvement of employability. Such effects can be direct or indirect, and intervention types that do not have direct employment relevance still create and secure jobs, increase income and frequently lead to better jobs.

## **4. INTERVENTIONS SUCCESSFULLY PURSUE GENDER EQUALITY.**

Many interventions address gender equality as a transversal theme implemented through SDC and SECO mainstreaming policies.

## **5. INTERVENTIONS IN VOCATIONAL TRAINING FOR MARGINALIZED GROUPS, AGRICULTURAL VALUE CHAINS, AND JOB QUALITY IMPROVEMENT RECEIVED THE HIGHEST RANKINGS, WHILE TRADE VALUE CHAINS ARE ON THE LOWER END OF EFFECTIVENESS WITH REGARD TO THEIR EMPLOYMENT OBJECTIVES.**

Programmes and projects in these categories were particularly successful in achieving their results while interventions aimed at the promotion of small and medium-sized enterprises and at trade value chains received the lowest effectiveness scores. The ranking of intervention types should not be understood as preference of one type over the other. Instead, it shows that not all intervention types are equally successful in pursuing employment-related objectives. This information helps to improve intervention planning in the future.

## **6. DECENT WORK PROJECTS DELIVER IMMEDIATE BENEFITS RELATED TO WORKING CONDITIONS.**

Decent work projects successfully improve the working conditions of poor people and women while also serving industry through increased productivity. Thereby, they demonstrate that decent working conditions and productivity can go hand in hand.

## **7. MICROFINANCE AND SMALL AND MEDIUM-SIZED ENTERPRISE PROJECTS NEED MORE INPUT TO ALLOW A BREAKTHROUGH OUT OF POVERTY.**

Access to finance is an important instrument but when microfinance programmes in connection with small and medium-sized enterprise programmes provide beneficiaries grants that are too small, only the business owners improve their employment situation and additional income only reaches the business owners' families. These people might improve their situation but still remain in poverty.

## **8. VALUE CHAIN INTERVENTIONS CAN BE OPTIMIZED BY BETTER MARKET ANALYSES.**

Value chain interventions showed good to satisfactory results, but in certain cases better market analyses could provide even more demand-orientated interventions.

## **9. MORE POTENTIAL CAN BE EXPLOITED FROM DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR.**

Production and processing of agricultural commodities could benefit from more public-private partnerships as entry points for stronger engagement of the private sector. Such projects could foster better understanding of private sector needs by public sector decision makers.

## **10. JOB CREATION IS A DIFFICULT OBJECTIVE TO ACHIEVE AND SOMETIMES HARD TO MEASURE.**

Job creation is challenging to attain. In addition, it is sometimes difficult to directly connect a project or programme and the impact it created on employment as some effects are indirect and may occur long after the intervention took place. Collecting data on such indirect and induced effects requires considerable effort and resources. Therefore, the advantages and disadvantages of having job creation as an objective need to be carefully weighed. If it is included, a sound monitoring approach is needed that also involves partner institutions.

## **11. EMPLOYMENT INTERVENTIONS IN ASIA AND LATIN AMERICA FEATURE THE HIGHEST RATINGS.**

Regions with lower ratings include Africa and the Middle East. This does not imply that any region should be favoured or avoided. Lower effectiveness likely reflects the major challenges facing regional labour markets, often in contexts of weak institutions and fragile states.

## **12. SYNERGIES AMONG PROJECTS IN THE SAME COUNTRY OR REGION SHOULD BE MORE FULLY EXPLORED.**

Projects could reach their full potential through more cooperation with each other. This is not yet common practice.

## **13. IN PARTICULAR, THE FOLLOWING KEY FACTORS IMPACT PROJECT SUCCESS:**

- + Capacity and motivation of the project team and implementation partners, in particular technical knowledge and experience, management and networking capacities
- + Flexibility in project implementation
- + Commitment and ownership of national and local counterparts
- Too many objectives and/or indicators that are too ambitious
- Ambiguous or unspecific objectives
- Lack of a demand orientation
- High turnover of staff within project and partner institutions
- External factors such as political crises, currency devaluation and weather-related shocks

# ABOUT THIS REPORT

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs. The mission of SDC is to alleviate poverty and development problems worldwide, and the agency is responsible for implementing the Federal Council's foreign policy on humanitarian aid, regional and global development cooperation, and cooperation with Eastern Europe.

The State Secretariat for Economic Affairs (SECO) is the federal government's center of expertise for all core issues relating to economic and labour market policy. SECO develops and implements economic and trade policy measures - through bilateral and multilateral channels - with selected advanced developing countries and transition countries in Eastern Europe and Central Asia.

Over the decades, the Swiss international cooperation has built up a vast programme portfolio regarding improved employment. **This report measures the extent to which SDC and SECO interventions conducted between 2005 and 2014 have achieved their employment-related objectives.**

## EMPLOYMENT – MORE THAN JUST JOB CREATION

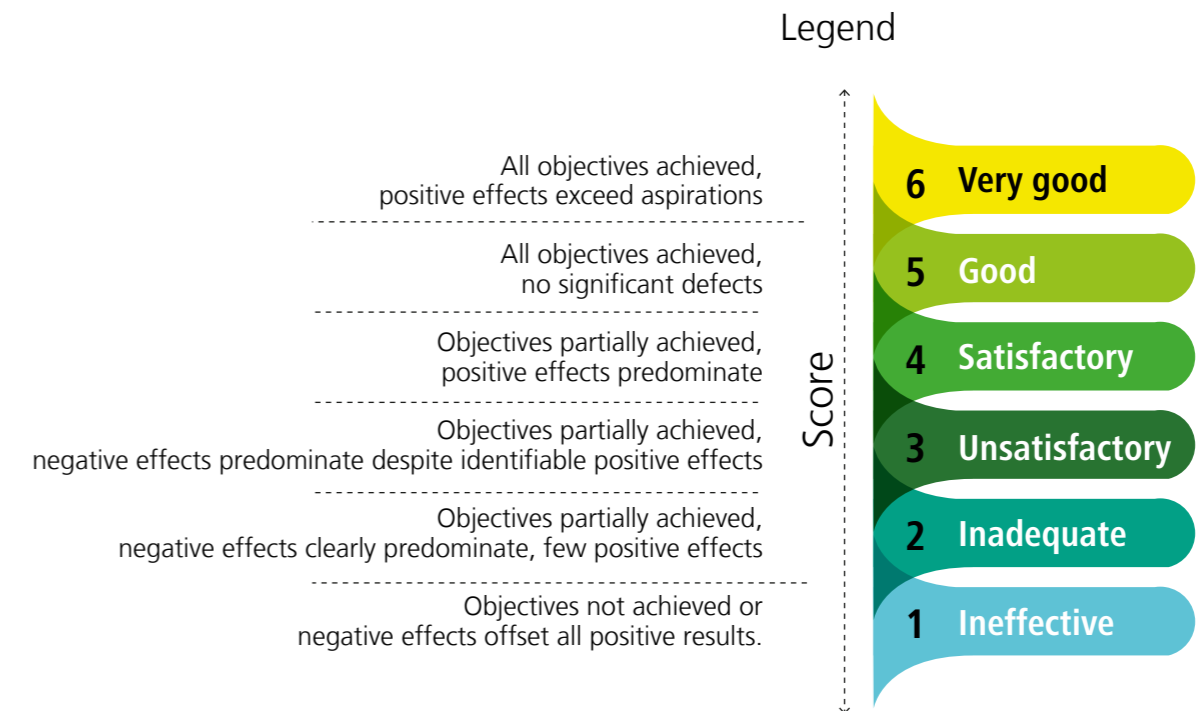
The Swiss international cooperation works – among other goals - towards sustainable economic growth. Its programmes and projects create new jobs but they also maintain existing jobs that might be under threat. Beneficiaries, among them many marginalized groups, expand their skills through vocational education and

training that improves their chances on the job market and increases their income. Beyond quantity, the quality of jobs is of crucial importance to the Swiss international cooperation. Through decent work initiatives, SDC and SECO promote income opportunities, occupational safety and health, social dialogue as well as social protections. Many projects also target companies by, for example, providing financial services or technological support. Higher income and improved competitiveness create indirect employment effects.

Projects and programmes take place under the influence of local economic, social and political factors that have a great impact on the success of the intervention. Some projects have immediate and specific results such as improvement of working conditions at the company level. Other activities, like value chain development that targets improved business performance, might have long-term and indirect employment results that only become visible years after a project ends. By that time it is often too late for accurate measurement. This report also considers projects with a focus on food security or climate change or other issues in which employment is not the main objective, but is a side benefit. In such cases, the results presented here pertain only to the employment-related objectives and not to the overall project. As an example, a food security project that specifies employment objectives can be successful in securing livelihoods even though it might create no new jobs. The prevalence of informal employment in developing countries further complicates the analysis due to the absence of company registrations, social security coverage, and employment contracts.

# EFFECTIVENESS

For each reviewed intervention, this report applies an effectiveness score based on the following six-point scale.\*



Effectiveness as used in this report describes the extent to which an intervention has achieved the objectives set out for it and not the overall impact it had on people's lives. A project that did not specify improvements in employment in a region, for example, is not judged on its impact on regional job effects.

This study was conducted by GOPA consultants and involved an independent international expert team who conducted a meta-analysis of SECO and SDC project documents. They used existing information to determine the degree to which the projects achieved their objectives, then verified the information through a number of project visits and interviews with beneficiaries, implement-

ing partners and partner agencies. In the end, the team assessed 72 projects and programmes out of an initial portfolio of 279 Swiss international cooperation projects conducted between 2005 and 2014. The budgets of the initial portfolio totaled CHF 2.2 billion.

The interventions were selected through random stratified sampling in order to obtain a representative yet manageable portfolio size. The qualitative analysis included a review of the text of all available project documentation. The quantitative analysis applied a regression to identify correlations between effectiveness scores and characteristics such as type or location of intervention in order to identify any patterns related to effectiveness.

\* The scale presented here adheres the Swiss grading system in which 6 is the highest score and 1 the lowest. The original scoring used official OECD-DAC terminology in which 1 is the highest and 6 the lowest score.





**Aneta Staic, 37**

**Owner of Aronija Health Food in Veles, Macedonia  
 Participated in business management training provided by the  
 Micro and Small Enterprise Project (SECO) in 2013-2017**

Aneta Staic started out by baking organic cookies in her parents' kitchen and selling them to health food shops in Skopje some 15 years ago. Today she and her husband run Aronija Health Food, a very successful small company that produces and, starting recently, grows organic foodstuff. Although they knew everything about the latest health food trends, the Staics' lack of formal education in business management became increasingly apparent as their company grew. Through SECO-funded business management training and networking events, Aneta developed a stronger entrepreneurial profile that helped her to secure business loans previously unavailable to her. The new investments created further momentum for Aronija, which now employs almost 40 people in organic farming, production, and retail.

*A short video about Aneta Staic is available at SDC and SECO websites.*

# THE SWISS INTERNATIONAL COOPERATION

Jobs determine living standards and personal well-being, and provide the main source of income for most people, especially in the poorest countries. Hence, employment and decent work constitute a cornerstone of development and poverty reduction.

## MANDATE

The mandate of SDC and SECO is to support countries in their efforts to overcome poverty- and development-related problems. The focus of this mandate is defined by the Dispatch to the Parliament on Swiss international cooperation. Following previous Dispatches but in a more pronounced way, the current Dispatch 2017-2020 emphasizes the importance of employment for poverty reduction – whether through the promotion of more and better jobs, the enhancement of employability or the improvement of working conditions. The Dispatch is applied to various thematic and geographic levels through Country Cooperation Strategies, Global Programmes and thematic policy papers that shape the SECO and SDC interventions assessed in this study.

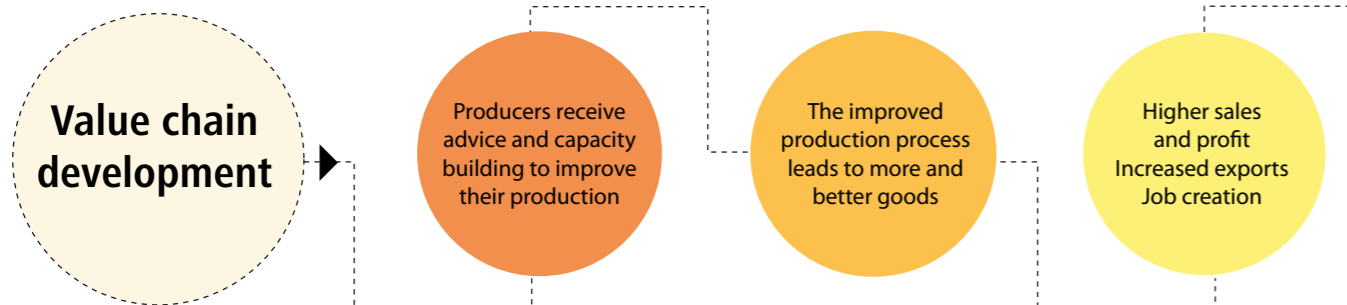
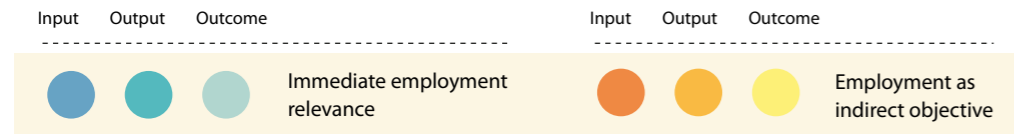
Employment and income generation are key to achieving the strategic objective of the Swiss international cooperation of sustainable economic growth. Another equally important strategic goal is strengthening gender equality and the rights of women and girls. Switzerland thus also contributes to the international Sustainable Development Goal number 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Swiss international cooperation interventions are implemented through bilateral projects and programmes, contributions to national systems, contributions to multilateral organizations, multilateral programmes, contributions to NGOs and networks, and public-private development partnerships. While commonly working towards the reduction of poverty and global risks, SDC and SECO use complementary approaches and methodologies. Certain SDC interventions specifically target the poorest segment of the population in low-income countries where the agricultural sector plays a key role in income generation. SDC also

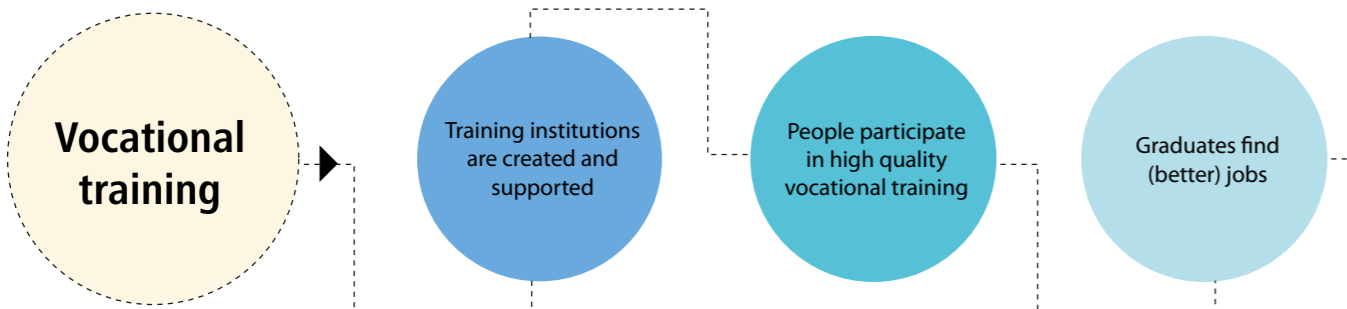
emphasizes vocational education and training with a focus on marginalized groups. SECO promotes economic development primarily in middle-income countries with interventions that are economy wide (e.g., investment climate reforms) or sector specific (e.g., value chains). Its employment-related projects typically promote micro-, small, and medium size enterprises (MSMEs), often coupled with access to finance. SDC hosts the Employment and Income Network, an instrument for the exchange of information among development practitioners working on job creation and other employment and income issues.

# TYPES OF EMPLOYMENT INTERVENTIONS

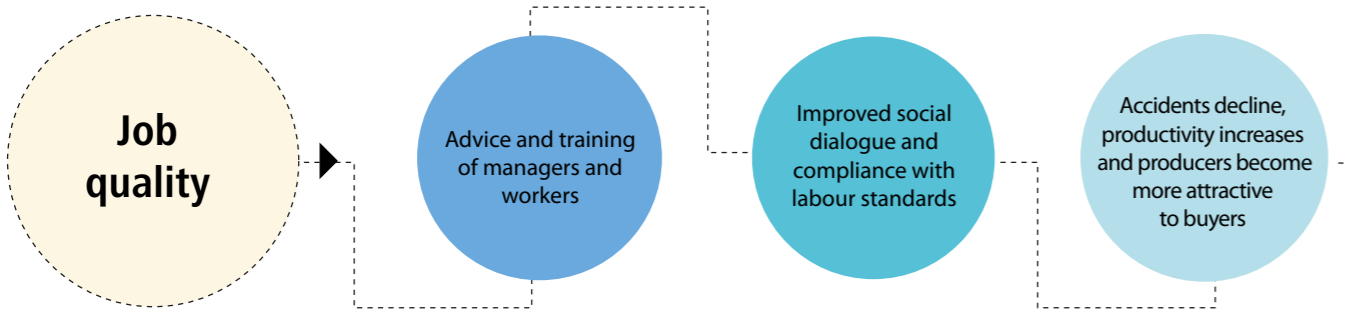
One of the goals of the Swiss international cooperation for projects and programmes is to reduce poverty through sustainable economic growth. Improving employment is a vital step towards these goals. Given the many different aspects of employment, the Swiss international cooperation approaches the task from various angles.



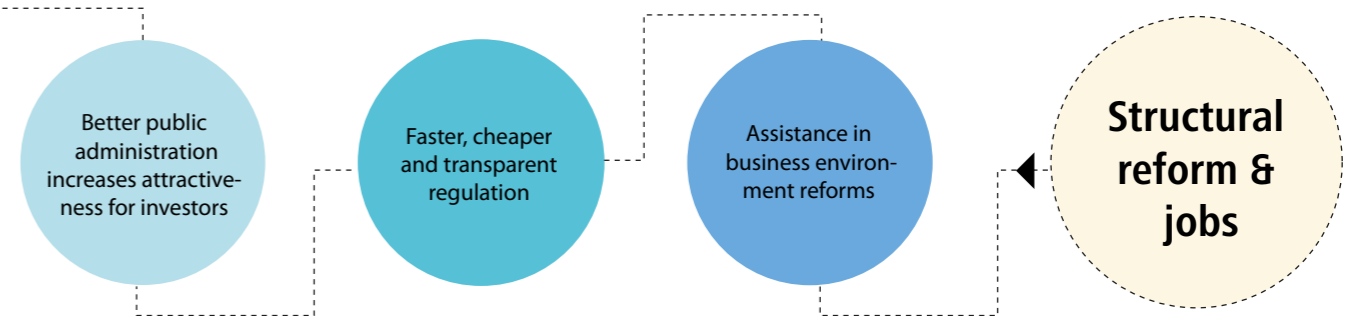
A value chain describes all activities that businesses go through to bring a product or service to their customers. Interventions that support value chain development increase competitiveness and income of companies, and consequently cause indirect employment effects. Producers are linked with potential buyers whereby they gain access to local, regional or international markets. Value chain projects focus either on trade (mostly SECO) or agriculture (mostly SDC), and often involve organic foods.



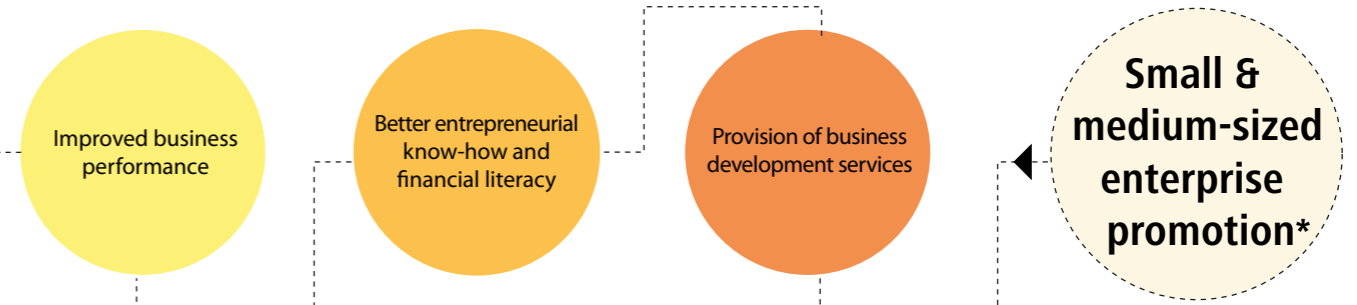
Vocational training is comparable to what is referred to as apprenticeship in Switzerland. It contributes to personal and professional development, helps people find an active role in society and provides a workforce for the economy. Projects support national vocational and technical education systems, and involve private sector partners who conduct on-the-job training at their facilities. Some vocational training projects specifically target the improvement of employability of marginalized or vulnerable groups.



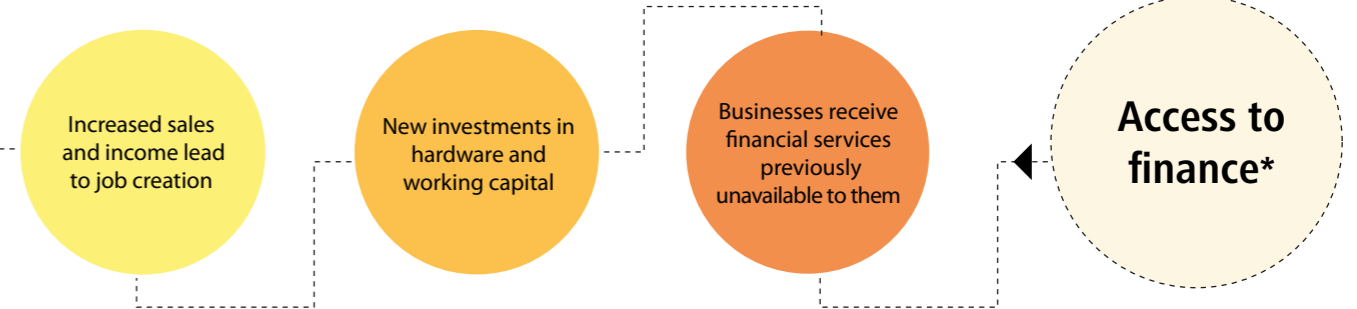
Interventions to enhance job quality make workplaces safer, improve social protections and establish corresponding practices, policies and strategies required to raise job quality standards. They may also strengthen social dialogue and workplace cooperation between managers and workers. All projects include aspects of job quality by promoting productive work and decent remuneration.



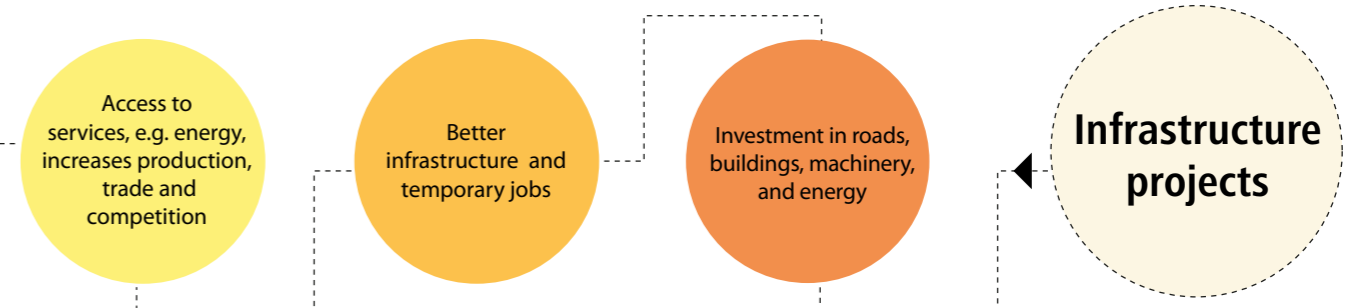
Structural reform projects typically imply changes in the way a government works to create a better investment climate. Projects support the establishment of national procedures and regulations such as bankruptcy proceedings and the registration of businesses. They also support national trade and enhance coordination among public institutions and their cooperation with the private sector. These interventions foster better business environments and local economic development that should induce job creation in the medium run.



Despite their smaller size, small and medium-sized enterprises (SMEs) outnumber large companies by a wide margin, employ many more people and are responsible for driving innovation and competition in many economic sectors. Increased competitiveness and income in SMEs leads to indirect employment effects. Interventions typically increase product quality and foster cleaner production techniques by introducing new technologies. Others provide entrepreneurial training, business development services, and trade support to improve the quality of services and to increase access to these services.



Many individuals and businesses in developing countries rely completely on their own resources for investment because their access to finance is restricted. However, access to finance is a driver for economic growth and hence improved employment. In order to break the cycle of inequality, interventions provide small grants to individuals, loans or guarantees directly to small and medium-sized enterprises or aim to increase private sector investment through support to financial institutions. In addition, SECO supports regulatory reforms in the financial sector (e.g., introduction of leasing laws, credit bureaus, secured transactions, etc.) with secondary job effects.



Improved infrastructure provides people and businesses with new and better access to basic services – such as education and markets – that create employment opportunities. Infrastructure projects also provide direct employment during the construction phase and subsequent operation and maintenance.

\* The two intervention types ("small & medium-size enterprise promotion" and "access to finance") can have direct and indirect employment effects. For the purpose of this study, only projects with indirect employment effects were subject of research.



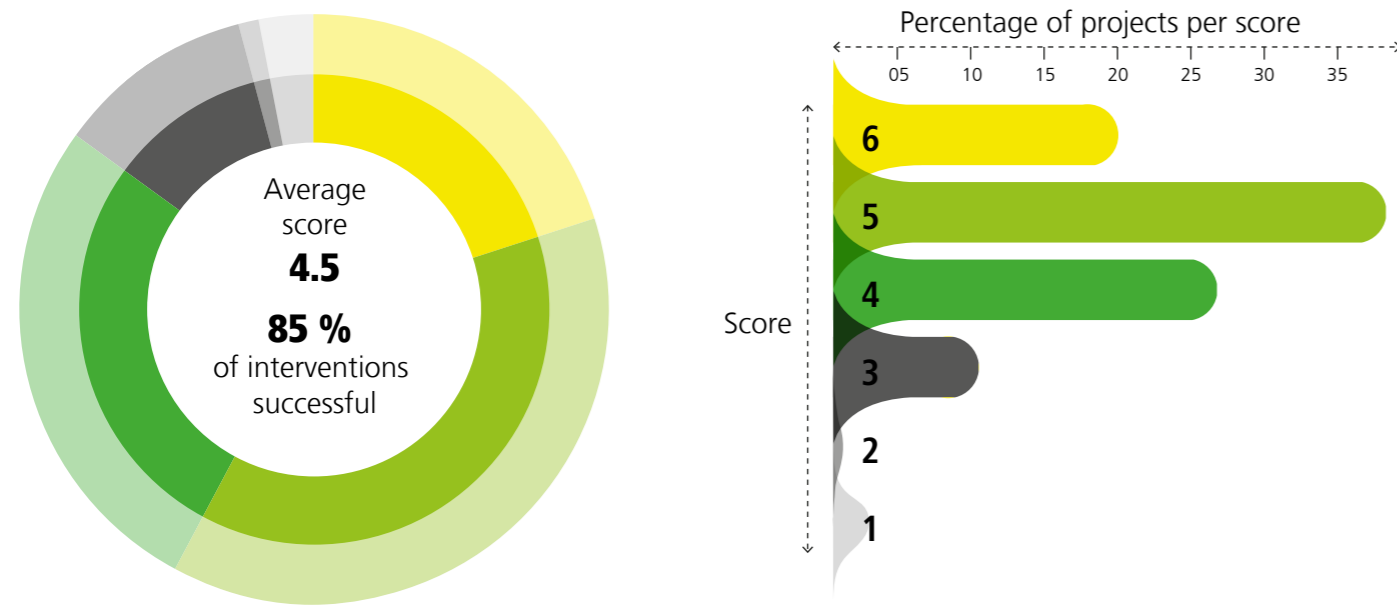
# RESULTS OF THE STUDY

The expert team concluded that the Swiss international cooperation is mostly successful in employment and income generation, and is in line with international best practices in the field. Almost 85 per cent of interventions across the Employment Portfolio (2005-2014) received an effectiveness scores from very good to satisfactory, and an overall average effectiveness score of 4.5. This means that most projects have fully or partially achieved their employment-related objectives. This is despite the fact that some interventions, such as business

environment reforms, have indirect or induced employment effects that usually take several years to materialize.

The main variables that seem to have influence on effectiveness scores are the intervention type, the employment objective that the intervention intends to attain, and the region where the intervention occurs. In addition, the expert team identified a number of general factors that are not employment focused, but that either enable or hinder success.

## Overall effectiveness



## Enabling factors:

+ Capacity and motivation:  
Of particular importance are the technical knowledge and experience and management and networking capacities of the project team and implementation partners. These competencies and skills are crucial in developing solutions to unforeseen problems during project implementation, connecting and engaging public, private and civil society stakeholders in project implementation and leveraging project effects. As an underlining, enabling factor, the motivation of stakeholders is key for a successful implementation of projects and programmes.

+ Flexibility in project implementation:  
The high level of uncertainty in many cooperation countries may make changes in the implementation approach and/or activities during the course of the project necessary. Interventions that were able to quickly adapt to shifting political or economic factors were usually successful in achieving their objectives.

+ Commitment and ownership:  
Committed local public and private partners often contributed substantial resources to project implementation. A supportive national or local administration was especially important for interventions that aimed to introduce changes in the regulatory framework.

## Hindering factors:

- Too many objectives and/or indicators that are too ambitious
- Ambiguous or unspecific objectives
- Lack of demand orientation

- High turnover of staff within project and partner institutions
- External factors such as political crises, currency devaluation and weather-related shocks

The field visits showed that sustainability and an exit strategy beyond project duration appear to be critical issues in many projects. Local operations sometimes lack awareness that financial donor support is finite and that projects should be geared towards self-sufficiency. In particular, multi-donor projects seem to operate under the assumption of perpetual commitment by one or another donor organization.

## BENEFICIARIES

Many projects involve small-scale agricultural producers or growth- and export-oriented small and medium-sized enterprises in the manufacturing and service sectors, including food processing, hand-crafts, textiles and tourism. The main beneficiaries of vocational training are typically young people who are not in school as well as illiterate or unemployed adults. These projects often focus explicitly on marginalized or vulnerable groups – women, members of ethnic minorities or remote rural populations. In contrast, projects or programmes that target entrepreneurs inevitably exclude the poorest and most vulnerable as direct beneficiaries. Interventions that aim at regulatory reforms help ministries to become more professional, efficient and effective with individuals and companies benefitting indirectly.

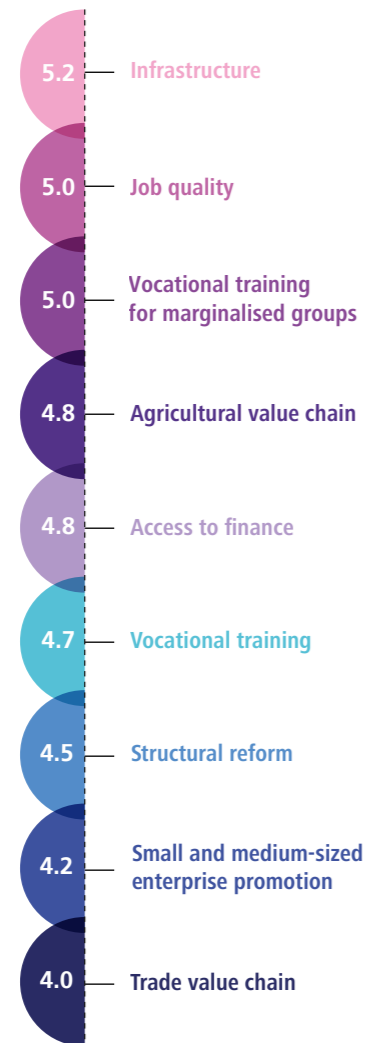
The report finds no significant correlation between a beneficiary group and the effectiveness of an intervention.

# EFFECTIVENESS SCORES

## INTERVENTION TYPES

The Swiss international cooperation pursues its employment objectives through seven main types of intervention that engage with individuals, businesses and governments. Vocational training for marginalized groups and job quality interventions received the highest effectiveness scores while value chain developments targeting trade and SME promotion rated lower scores. Infrastructure projects also received high scores but they are less common and far less likely to specify employment among their primary objectives. These projects aim to provide infrastructure services while directly and indirectly helping to create jobs.

### Effectiveness score per intervention type



Vocational training, in particular those projects aimed at marginalized groups, seem to perform well in combination with decent work interventions in consistently achieving their goals. Similar gains could be achieved from combining SME promotion more strongly with access to finance interventions. With regard to measurability, vocational training results are often reported on the basis of outputs – the number of graduates, for example – and not on the basis of outcomes such as the number of graduates who obtain new or better jobs. The vocational training effects are therefore both easier to measure and easier to achieve compared to interventions with more complex targets and outcomes.

Employment resulting from the classical microfinance and some small and medium-sized enterprise projects is often limited to the business owner with additional income mostly for female family members. The small scale of interventions and the limited financing they provided helped people to alleviate poverty but not to break out of it or to extend the benefits beyond their family on to the community level. Similar effects have been observed for certain interventions regarding job creation and vocational training for vulnerable groups.

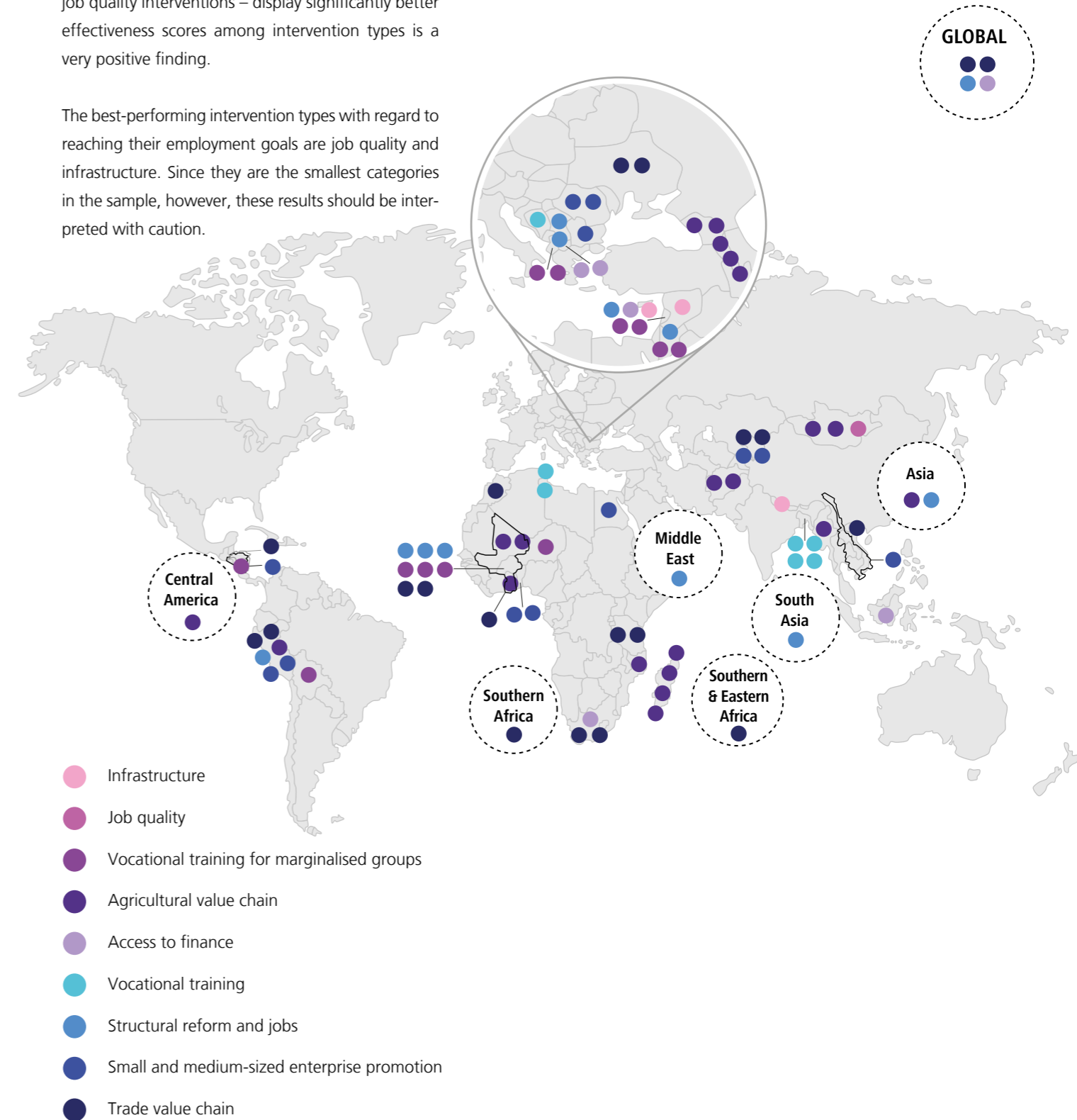
Producers that participated in value chain development projects increased their sales volumes and strengthened their negotiation power but because improved employment is an indirect result, these projects do not collect systematic information about such effects. In cases where value chain projects were less successful, interventions suffered from inaccurate predictions of both demand and price development for products in international markets.

Also in SME promotion, infrastructure and most access-to-finance projects, improved employment is an indirect result. Nevertheless, these interventions create and preserve jobs and increase income.

The fact that the intervention types genuinely addressing direct employment goals – vocational training, job quality interventions – display significantly better effectiveness scores among intervention types is a very positive finding.

The best-performing intervention types with regard to reaching their employment goals are job quality and infrastructure. Since they are the smallest categories in the sample, however, these results should be interpreted with caution.

### Interventions reviewed for this study





## Success

### Youth employability in Nicaragua (SDC)

**Intervention type:** Vocational Training

**Disbursement:** CHF 3.7 million

**Project period:** 2006-2012

**Beneficiaries:** 5'400 youths and 740 instructors

The project supported 45 vocational training centres through the National Institute for Technology (INATEC) Nicaragua as well as other private and public vocational training institutions. Activities included the modernization of curricula, training of instructors, and development of training modules. The programme specifically targets youths at the risk of social exclusion. It offers courses free of charge and with a soft skills component tailored to their needs. The large majority of youths were able to find a job and almost 50 per cent of graduates increased their income after graduation.

One successful component has been a certification system for youths and employed workers so they could receive officially recognized credit for successfully completing a course. The certification systems led to a new government strategy started via INATEC and a Department of Certification that issues vocational certification of 11'000 employed workers per year.

Since the programme as a whole has essentially modernized the courses offered by INATEC, future students will also benefit, and sustained employment impacts of the intervention are likely.

## Challenge

### Social and Economic Development Network in Myanmar (SDC)

**Intervention type:** Agricultural value chain

**Disbursement:** USD 18.2 million (to LIFT)

**Project period:** 2010-2018

**Beneficiaries:** 2'500 women received training of which 960 are engaged in production

The project is funded through the multi-donor Livelihoods and Food Security Trust Fund (LIFT), which has implemented more than 130 projects in Myanmar since 2010. Switzerland's contribution is USD 18.2 million or 4 per cent of the total fund. One of the LIFT-supported projects is the Social and Economic Development Network, which operates a souvenir shop that markets goods produced by local women. The women are self-employed and they organize the production process themselves. The project provides them with an initial investment to purchase raw materials and equipment. The women increased their daily income from CHF 1-5 on average per day.

While the project is very successful, several issues might compromise its long-term sustainability. For one, the project provided old-fashioned hand looms that require a strenuous effort to operate and are far less efficient than widely used mechanized looms. While

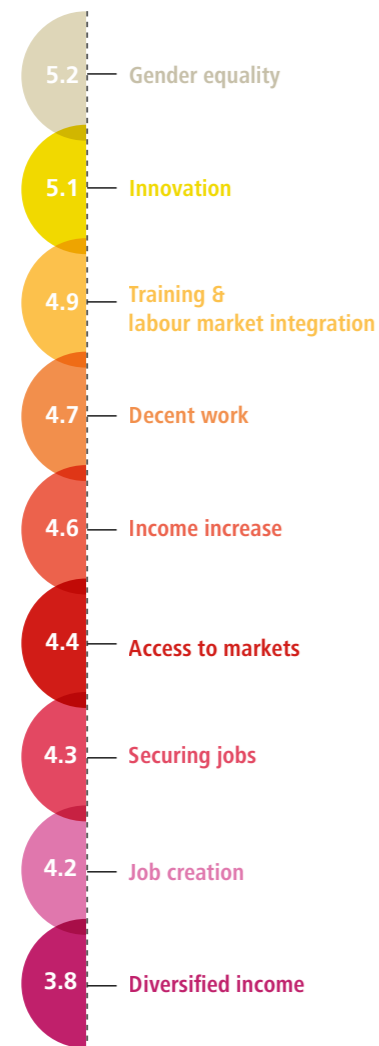
outdated technologies might be useful for training purposes, the outcomes are likely to include negative effects on the women's health and competitiveness with other producers. In addition, sales and marketing of their products are handled by the project and not by the women themselves. If the goal is to empower the women to run the business without donor support one day, marketing and sales responsibilities should be transferred to them at some point. The project would benefit from developing an overall vision for becoming self-sustainable in the long run and as a consequence become more business-minded. This is not the case at the moment, a fact illustrated by the shop's limited opening hours, for example.

Despite these few shortcomings highlighted for the purpose of institutional learning, the project is very successful and has had a great impact on the lives of many women.

## EMPLOYMENT OBJECTIVES

Increasing income is the most frequently recurring employment-related objective within interventions across the Swiss international cooperation portfolio. In contrast, gender equality is seldom a primary objective, but is commonly integrated as a cross-cutting theme in line with SECO and SDC policies, and the relatively low number of projects that specify gender equality objectives belies the large number of interventions that are gender-aware.

### Effectiveness score per objective

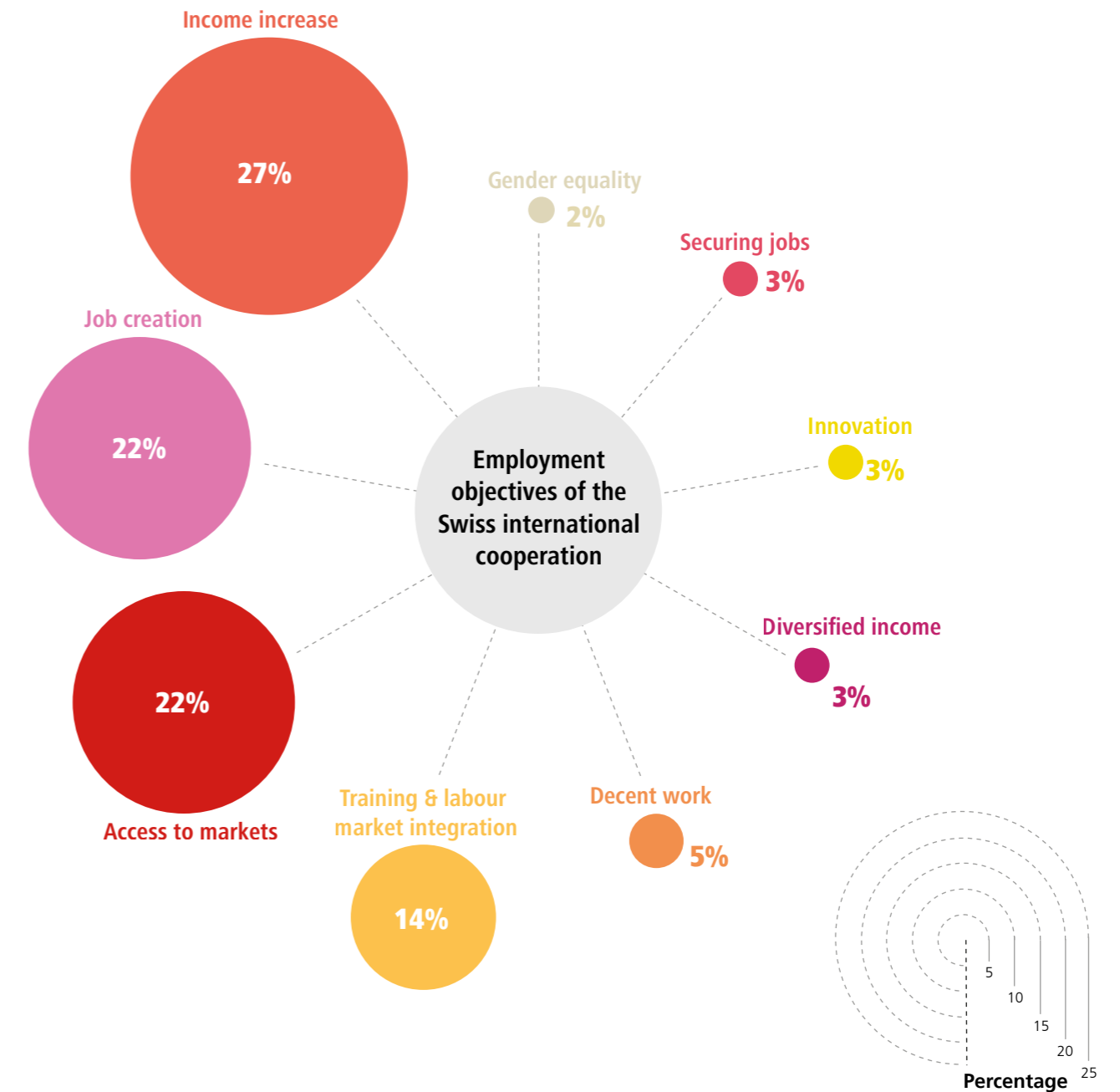


The assessment shows that interventions on continued training and labour market integration are particularly promising while job creation – the objective most immediately connected with employment-related interventions – displays lower average effectiveness scores than other employment objectives. This may indicate that job creation is difficult to achieve, partly due to the effort required to measure corresponding results. Analysts need a large amount of data in order to make reliable statements about the relationship between an intervention and the number of jobs it created. When designing a new intervention, particularly where employment is only a side effect, managers have to carefully consider whether the cost and effort of measuring employment effects are justified by the prospect that good data may lead to a better understanding of how to design subsequent interventions.

Income generation and market access receive lower scores. Among the interventions reviewed for this study, 39 specified increasing income as one of their objectives but only 11 actually reported concrete and comparable results in the end. Of these, the majority of projects fell short of their targets. On the other hand, several other projects have overachieved their objectives concerning income generation.

For projects trying to improve market access, effectiveness was often affected by inaccurate predictions about the demand and price development of the supported commodities and services.

### Frequency of employment objectives





### **Mahmoud Talal, 23**

**Heating, ventilation and air conditioning (HVAC) mechanic in Ar-Ramtha, Jordan**  
**Participated in a vocational training provided by Mitigating the Impact of the Syrian Refugee Crisis on Vulnerable Jordanian Host Communities (SDC) in 2014-2015**

The city of Ar-Ramtha thrived on trade with neighbouring Syria and the proximity of Syrian trade hubs that generated income for many Jordanians. With the ongoing crisis in Syria, these income sources were lost and border communities are under strain from the large influx of refugees. Mahmoud Talal grew up in Ar-Ramtha where he helped out at a local repair shop for cooling appliances. In order to improve his chances on the job market he attended an SDC-funded HVAC vocational training course that included a one-month on-the-job training period at LG, a large manufacturer of HVAC equipment. The company highly appreciated his skills and motivation and offered him a fixed job that Mahmoud had to quit shortly thereafter. The commute to his hometown was too much of a strain, and local accommodations were not available. His previous employer, however, offered him a new position as a skilled worker with a significantly higher salary than he earned before he attended the training.

*A short video about Mahmoud Talal is available at SDC and SECO websites.*



### **Qanije Selimi, 32**

**Owner of REA childcare centre in Tetovo, Macedonia**  
**Received a start-up grant by the Small Business Expansion Project (SECO) in 2013-2016**

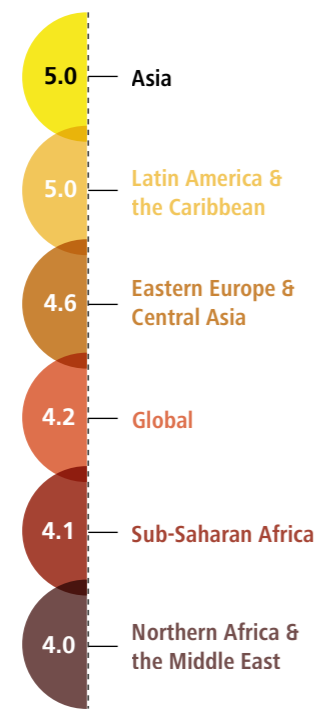
Qanije Selimi started the childcare centre five years ago with only basic furnishings and three employees to take care of 15 children. Through the SECO project she received equipment such as beds, toys, and office gear (total value USD 5'000) to improve the functioning of her business. It helped her to double the number of children and staff at the childcare centre. Qanije stayed involved with the project and provided advice and support to other women entrepreneurs. Today 150 children of both Albanian and Macedonian backgrounds attend the REA childcare centre where 17 women are employed. More importantly, given the lack of childcare facilities and low cultural acceptance for working mothers in the region, Qanije's business helped strengthen the position of women in the labour market.

*A short video about Qanije Selimi is available at SDC and SECO websites.*

## REGIONS

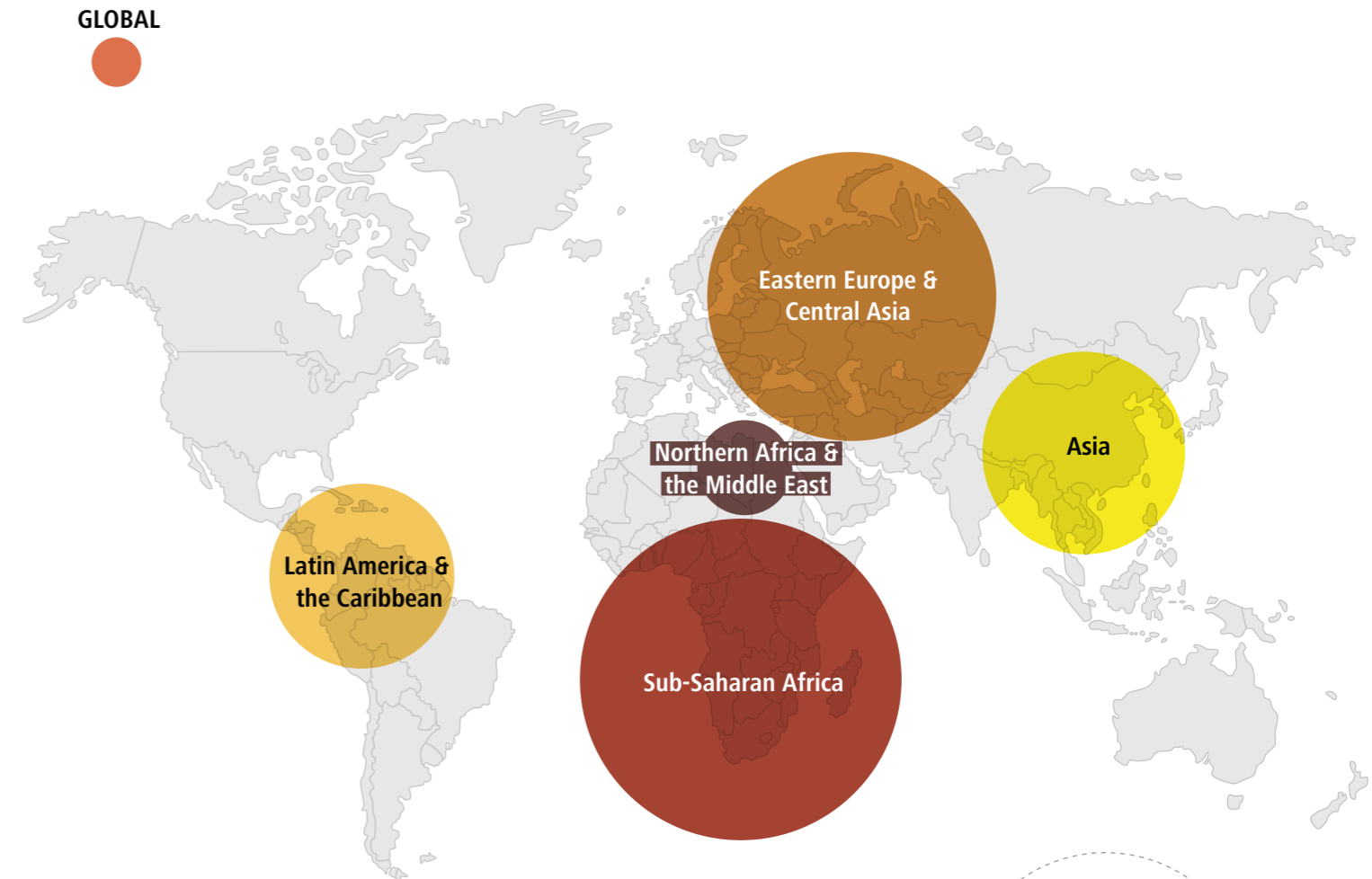
The Swiss international cooperation is active in Sub-Saharan Africa, Northern Africa and the Middle East, Latin America, Asia, Eastern Europe and the Commonwealth of Independent States. The majority of interventions take place on the national and sub-national levels. Only about 3 per cent of the projects in the study sample are global.

### Effectiveness score per region

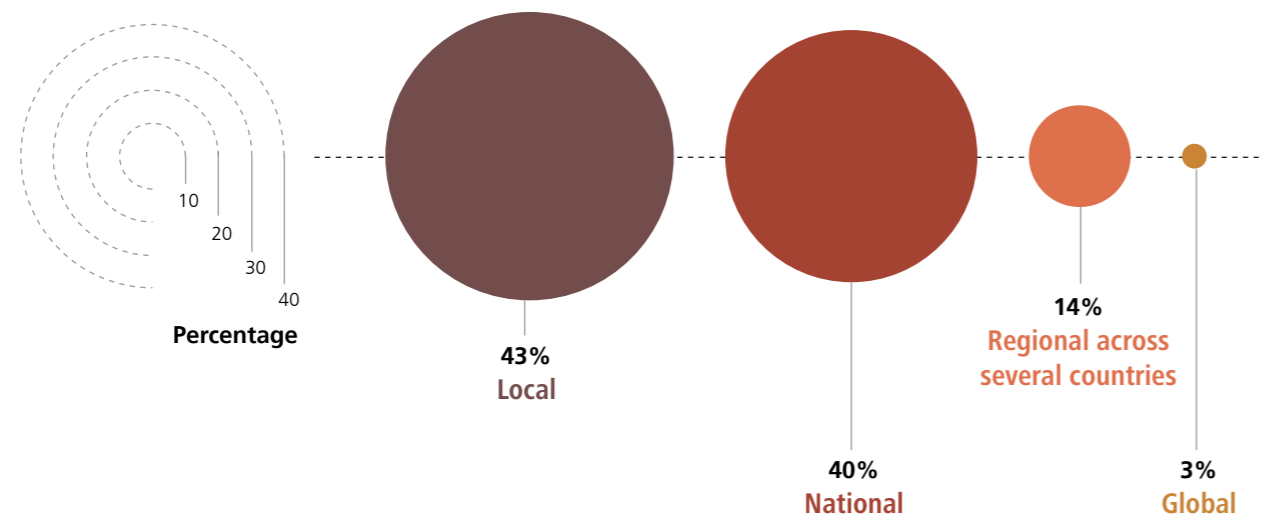


While the scale of an intervention (national, regional or global) appears to have no bearing on the effectiveness of a project, the study finds significant differences based on location. In particular, interventions in Asia and Latin America score high on effectiveness. Interventions in Africa and the Middle East are likely to be affected by the major challenges facing the labour markets in these regions, often in contexts of weak institutions and fragile states. The situation is further aggravated by large numbers of unemployed young people with low levels of education, many of them high school dropouts, trying to enter a job market that cannot accommodate them. Job opportunities in these regions often arise from informal employment but they are hard to target and measure.

### Interventions per region



### Geographic scale of interventions





## Success

### Better Work in Vietnam (SECO)

**Intervention type:** Job quality

**Disbursement:** CHF 2 million

**Project period Phase II:** 2013-2017

**Beneficiaries:** 450 factories with 618'000 workers (81% are women)

The Better Work programme in Vietnam improves and safeguards working conditions at garment factories by fostering compliance with international labour standards and national labour law. Factory managers are generally highly motivated by international buyers who demand certain standards in order to comply with their own or their client's corporate social responsibility policy. Once a factory has signed up for the programme, Better Work reviews available documents, interviews workers, managers and buyers, and organizes several announced and unannounced visits to the factory. The recommendations for improvement are communicated to the management and those responsible for implementation. Better Work provides training for both workers and management based on the individual needs at each factory. In addition, the programme offers advice on productivity and

competitiveness in order to promote more sustainable production methods. These advisory services are highly appreciated by the factory management and constitute a competitive advantage for firms participating in Better Work. Although an improvement in productivity could not be verified for the factories visited, a comprehensive impact assessment from Tufts University notes a 22 per cent increase worldwide in productivity among companies that engage in Better Work. There is also an increase in the loyalty of the workers to the factories when their working conditions improve and they feel more empowered. Some factories report that after one year working together with Better Work they can decrease the labour turnover rate of 20-25 per cent per year to 5-7 per cent per year. In order to take Better Work to the next level, it could be expanded to sub-suppliers of certified factories.

## Challenge

### Micro and Small Enterprise Project in Macedonia (SECO)

**Intervention type:** Access to finance

**Disbursement:** CHF 1,045,000

**Project period:** 2013-2017

**Beneficiaries:** Micro-, small and medium size enterprises, regional business centres and local business consultancies

The Micro and Small Enterprise Project (MESP) supported businesses through training, business development services (e.g., participation in networking events) and financing. The objective was to create new jobs and economic development in Macedonia. Depending on their needs, firms could choose which project components to access, although participation in training was a precondition to receiving business support services and finance. In total, 207 companies attended the training, 68 companies opted for consultancy services or participation in networking events and 6 companies received financing under the Micro Investment Funds.

The project did not reach its full potential mainly because not enough entrepreneurs could be engaged. Cooperation with regional development agencies, local economic offices or other public agencies could have improved outreach to entrepreneurs, but such opportunities were not seized. An enquiry into why the demand for offered services was below initial expectations revealed that managers of emerging firms found it difficult to spare the necessary time to travel to the (often distant) training location and participate in the all-day training. The training institution was aware of these limitations and tried to address these

concerns by adjusting the training schedule. Yet, the feasibility of introducing more innovative solutions (e.g., webinars) remained largely untested.

The project also required participants to cover a part of the training cost to ensure ownership, financial sustainability, and quality of service delivery. During the same period, another donor created competition with MESP by providing free entrepreneurship training in Macedonia. This could have been avoided through better donor coordination.

There was also potential for improved coordination among Swiss-financed projects. For example, another SECO-funded project in Macedonia developed a database of the services offered by light manufacturing firms. As MESP also worked with light manufacturing firms, beneficiaries could have been linked with the database from the other project for additional benefits.

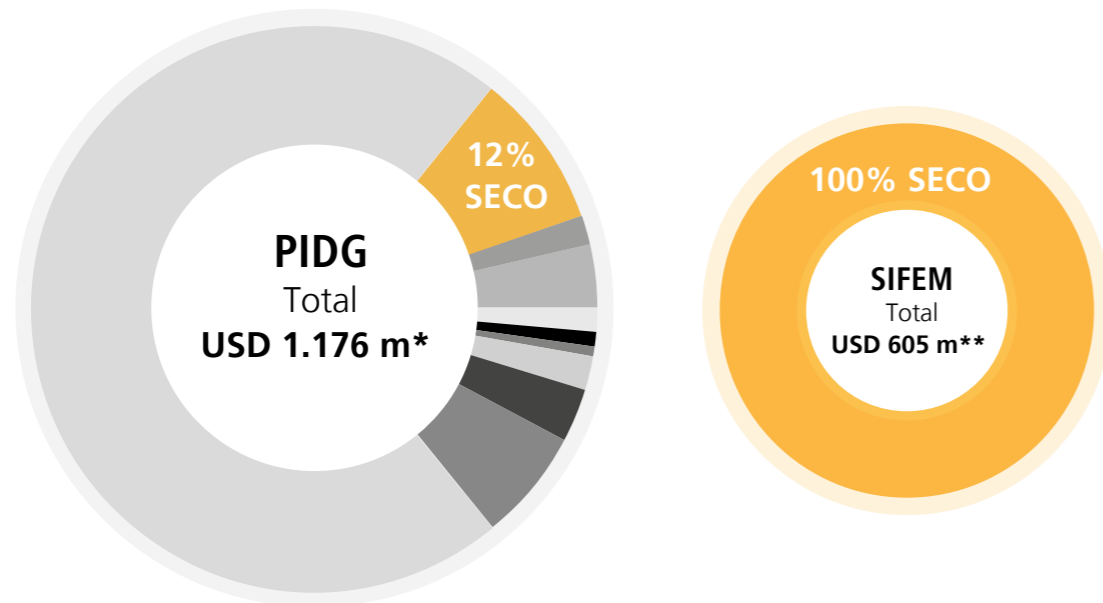
Nevertheless, the project created positive results: Between 2013 and 2015, 145 new employees were registered in companies that joined the project up to 2014 as compared to 54 new jobs in a random sample of comparable MSMEs not part of the intervention.

# OTHER FINANCING MECHANISMS

Besides projects and programmes, the SECO portfolio includes the Swiss Investment Fund for Emerging Markets (SIFEM) and the Private Infrastructure Development Group (PIDG), whose activities focus on financing and investment in developing economies. While SIFEM is a Swiss institution, PIDG is strategically steered and owned by several international donor organizations. For both mechanisms employment is an important development objective.

As PIDG and SIFEM operate differently from the above-mentioned projects, the assessment methodology used so far is not fully compatible. Both report to SECO on their results and investments at the overall fund level in a standardized format. Thus, the results of PIDG and SIFEM were examined through in-depth interviews and further document analysis.

PIDG & SIFEM by volume



\*Member and other donor funding disbursed to PIDG 2002-2015 (PIDG annual report 2015)

\*\* SIFEM total active commitments as of the end of 2015 (OBVIAM)

## SIFEM

SIFEM AG is a private limited company, all the shares of which are owned by the Swiss federal government. SIFEM participates only in ventures that either have no chance or only a limited chance of accessing commercial financing. It can be safely assumed that financing these projects will result in direct employment effects that create and safeguard most of the jobs.

Between 2003 and 2011, SIFEM contributed to the creation of 46'000 jobs and supported 222'000 jobs. Comparisons of job growth among companies that received SIFEM funds with job growth in the economies in which they are operating show that SIFEM-supported businesses accounted for 9.7 per cent job growth compared to an average of 0.1 per cent between 2008 and 2010. While these numbers point towards positive effects, a multitude of factors might have contributed to the economic performance and resulting job creation, and the existing data do not allow the drawing of precise conclusions on the extent to which the intervention itself contributed to the change in the number of employees.

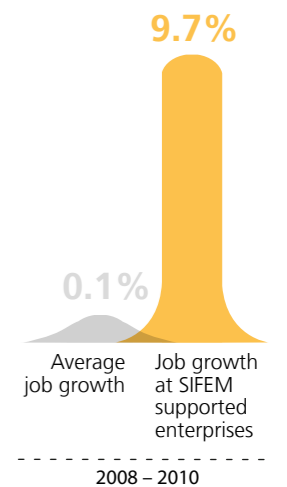
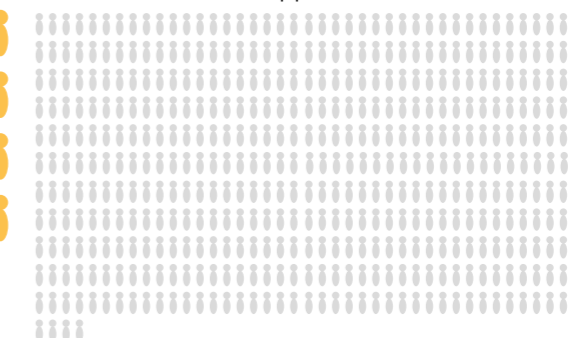
Qualitative information on the developmental impact of an intervention, as well as the compliance of all SIFEM investments with the required environmental, social and governance standards are monitored by the respective fund managers.

### SIFEM employment effects between 2003 and 2011

**46'000** Jobs created



**222'000** Jobs supported



Quantitative information on the number of people employed is included in the annual technical reports. For establishing intervention approaches that are more focused on different aspects of employment, sharpening the respective reporting format is suggested, in particular:

- Continue to include the aspects of changes in number of jobs and job creation, as introduced in 2014, based on the strategic objectives by the Swiss Federal Council, and regularly review the appropriateness of monitoring methods and revise if necessary
- Take into account labour intensity as an observation criterion in order to be able to verify whether higher preference should be given to investments that create more jobs whenever this is meaningful within the entire context of an intervention
- Give more attention to reporting the qualitative aspects of training on the beneficiary level, and make training a part of the financing package wherever deemed necessary
- Focus more on qualitative aspects of female labour conditions, for instance by collecting more information on women at work and including monitoring mechanisms

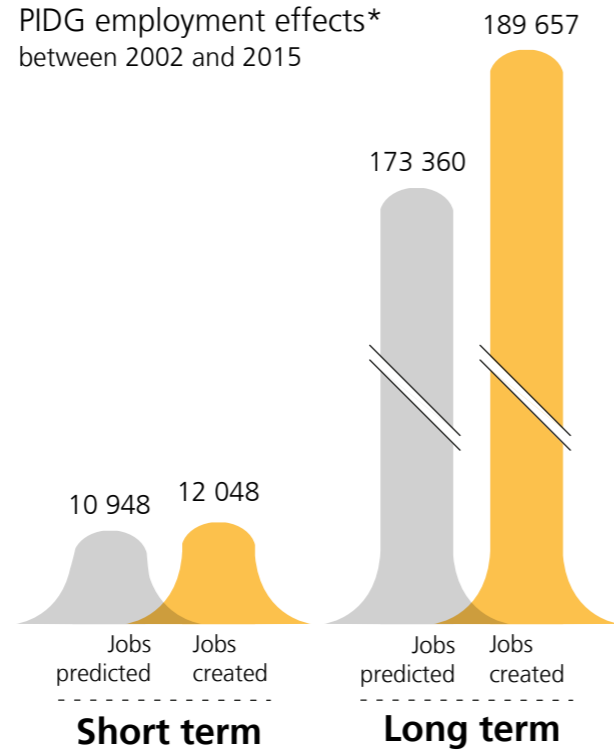


## PIDG

Since 2002, PIDG has mobilized private investment in infrastructure through the provision of early stage development capital, credit guarantees and loans for debt finance. The resulting investments are intended to improve infrastructure facilities and thereby increase the provision of services for the poor, boost economic growth and alleviate poverty in developing countries. Infrastructure improvements assist businesses by providing reliable power for industry and accessible transport systems to market their products. This in turn creates economic growth and employment as indirect effects. Direct employment effects arise from jobs created during the construction phase and subsequent operation and maintenance of new infrastructure. There are also secondary employment effects, when for example a new road creates better access to villages and markets, but these effects are difficult to quantify and therefore are not included. PIDG facilities aspire to reach a degree of self-sustainability over time and thereby demonstrate commercial viability while also delivering specific development objectives. Its services aim to be additional, that is, to assist ventures that would not otherwise receive commercial financing.

According to the PIDG database for 2015, the number of jobs created or supported by operational projects is slightly higher than initially predicted: 12'048 short-term jobs were reported for the 58 operational projects against a predicted 10'948. Meanwhile 189'657 long-term jobs were reported after project completion, compared to 173'360 in initial predictions. Initial estimates predicted 127 million people with new or better access to infrastructure as a result of PIDG projects. More recent estimates brought this number up to 139 million people. The methods by which these data were collected and verified, the extent to which they have been estimated, and whether baseline information has been taken into account, however, are not clear.

PIDG employment effects\* between 2002 and 2015



58 infrastructure projects funded

Number of people with improved or new access to infrastructure



\*According to PIDG database 2015

## COMPARISONS WITH OTHER DONORS

Employment has become a key objective of development cooperation. The efforts of the Swiss international cooperation in the field of employment can be compared with other donor organizations\* in the following dimensions.

**Effectiveness:** The international experience shows that, similar to findings of this study, quantitative job creation objectives are difficult to attain: impacts are often difficult to fully capture, and frequently materialize (only) in the longer run. This finding does not diminish the importance of the interventions, but reflects the enormous challenge of generating jobs depending on the intervention type, a challenge that is further exacerbated in contexts of high population growth and weak governance. In order to achieve long-term employment impacts, sustained (and sometimes large) employment-related investments by the interventions are necessary.

**Intervention types and objectives:** The portfolio of Swiss interventions and their employment-related objectives mirror international practice and experience. Value chain projects target increases in income and market access. Vocational

\* Comparison included the World Bank Group, UN Agencies, German Development Cooperation (GIZ), German Development Bank (KfW), Denmark's development cooperation (Danida) and Norwegian Agency for Development Cooperation (Norad).

training programmes target further education and labour market integration. And the promotion of small and medium-sized enterprises and access to finance projects indirectly target job creation. The international evidence shows that targeting a broad range of employment-related objectives – as the Swiss practice does – is justified as it creates a holistic approach that recognizes the various dimensions of employment.

**Methodology and process:** The growing importance of employment in the global development discussion has led donors around the world to systematically assess the employment impacts of their interventions. Relative to these other efforts, the Swiss report on employment effectiveness stands out as one of the more systematic, comprehensive, and innovative assessments as it covers a representative set of all Swiss employment-related development interventions, and it makes the performance of heterogeneous interventions comparable. The innovative use of the effectiveness score allows comparisons among different interventions, and allows judgments on the performance of each intervention even in the absence of a thorough impact evaluation. The latter, however, is a field in which other donors have advanced further than the Swiss international cooperation. They rely on rigorous impact evaluation methods, in particular randomized controlled trials specifically for the assessment of employment impacts.

# LESSONS LEARNED AND GOOD PRACTICES

**1 Employment is a significant target of Swiss international cooperation.**

The analysis of intervention types and employment objectives indicates two good practices: employment objectives consistently reflect the main intervention approach, and the intervention types cover a broad range of employment-related objectives, indicating that the practice of Swiss international cooperation reflects the importance of employment as an outcome in all its dimensions.

**2 Decent work projects have an immediate influence on working conditions for poor people and women.**

Decent work projects also showed an above average effectiveness. Although not all problems can be solved in a short period of time, it still appears that such projects are very beneficial not only for workers, but also for private industry and society because they show a way that decent working conditions and productivity need not stand in contradiction to each other.

**3 Some interventions have no direct employment effects.**

The reviewed value chain projects, SME promotion, infrastructure as well as most access-to-finance projects do not have employment as a direct objective. Hence no systematic information about changes in employment outcomes is collected. Still, according to specific studies and evaluations, they help create jobs, secure jobs, increase income, and frequently lead to better jobs. Therefore, there must be a thorough deliberation process during the project planning stage to determine whether employment targets (and which employment targets) should be included.

**4 Job creation is a difficult objective.**

Causal relationships between an intervention and its quantitative direct and indirect employment effects are typically challenging to identify. Such employment effects, however, are quite likely, and there are indications that direct effects may lead to indirect effects in various areas long after an intervention has concluded. Hence, it is important – when designing interventions – to take into account a design for measuring impacts and the corresponding effort in the collection of baseline and follow-up data.



## Nadia Mohamed, 52

**Goat herder in Mafrq, Jordan**

**Received a start-up grant through Emergency response to Syrian refugees and vulnerable Jordanians (SDC) in 2014-2015**

Nadia Mohamed is a widowed mother of eight living close to the Syrian border. She participated in an SDC funded marketing and business administration training followed by a start-up grant to develop her microbusiness of choice. She used the grant to purchase two goats to sell milk and dairy products in her neighbourhood. The business is going well and she makes about CHF 85 per month from it. The income helps her finance her children's education. According to Nadia, the project has been beneficial for her family, but she points out that had she been able to purchase more goats, it would be the same amount of work for her on a daily basis but would generate more substantial income.

*A short video about Nadia Mohamed is available at SDC and SECO websites.*

# SUGGESTIONS FOR IMPROVEMENT

Development cooperation involves a network of organizations and people who work together on poverty reduction and development. Given the multitude of challenges addressed through shared responsibilities, the findings of this study present a highly satisfactory result for Swiss international cooperation. Logically, SDC and SECO are encouraged to continue in their successful approaches. For areas of improvement identified during the study, the following suggestions should be considered.

## PROJECT PLANNING AND MANAGEMENT

### 1 Provide thorough planning and sufficient resources in projects conducted in difficult regions and fragile countries.

The lower effectiveness rating for Africa and the Middle East does not imply that projects in such regions should be avoided. It should indicate to project planners that interventions in such regions need to ensure thorough planning and sufficient resources to be more successful despite an unfavourable environment.

### 2 Maintain realistic expectations towards job creation.

Job creation is a difficult objective and is often attained through indirect effects that are hard to measure. Projects and programmes that have limited impact on job creation and take place in demanding environments should set realistic expectations. Measuring job creation effects requires considerable effort and resources. Therefore the costs and benefits of measuring job creation must be carefully discussed in the preparation phase.

### 3 Foster well-performing interventions and combinations.

As vocational training and decent work interventions seem to perform well in consistently achieving their goals, these efforts should be fostered. Along this line, more promising results might arise from combining SME projects that focus on entrepreneurial training or advisory services with access-to-finance components because entrepreneurs often face various constraints (e.g., lack of finance coupled with lack of financial literacy or business skills).

### 4 Provide solutions to poverty traps.

Interventions in microfinance, job creation and training for vulnerable groups are large enough to alleviate poverty, but often too small to allow these people a real breakthrough out of poverty. Interventions should consider whether a second stage can be designed to reach this important step after successfully completing the first step, possibly in a combination of access to finance and the promotion of entrepreneurship.

### 5 Create more synergies between interventions.

Quite often projects in the same country or region do not cooperate with each other, although there could be potential synergies between, for example, a vocational training project and a value chain intervention. Paying more attention to the extent to which such cooperation can be beneficial when planning such projects is therefore recommended.

### 6 Conduct better market analysis for value chain developments.

The effectiveness of some value chain interventions was negatively affected by insufficient analysis of market potential and the associated production and marketing risks. Thus, basing the design of interventions on a proper market and value chain analysis to identify relevant and critical market development issues is recommended. This approach would also contribute to a higher demand orientation of Swiss international cooperation projects.

### 7 Engage in more public-private sector partnerships in value chain development.

There seems to be an underexploited potential for public-private development partnerships in the production and processing of agricultural commodities. Such partnerships can be useful in guiding the attention of public decision makers to the main constraints faced by the private sector in the market system, and can serve as entry points for stronger engagement of the private sector.

## REPORTING AND PROJECT ASSESSMENT

### 1 Improve data comparability.

To facilitate the comparability of different interventions a more standardized content scheme in end-of-phase reports (SDC) and completion notes (SECO) should be applied, and existing guidelines within the Swiss international cooperation should be followed. The documents should always include a discussion of target achievements vis à vis the initially formulated or revised targets and indicators.

### 2 Improve the quality of project planning and adjust aspiration levels.

There should be more attention – and capacity development where needed – in the development of project planning tools (logframes) and corresponding indicators as well as a standardized quality control mechanism for all logframes. More benchmarking across Swiss international cooperation projects (both within country and within intervention type) regarding employment effects may help in setting more consistent aspiration levels for indicators.

### 3 Limit the number of objectives.

Interventions should carefully consider which changes in employment outcomes can be observed, measured and followed up. Objectives should only be formulated if appropriate baseline data are available or can be established, and should include potential indirect effects where possible. In particular, if job creation is not a direct objective of an intervention, a thorough deliberation between potential information value, efforts necessary and resources available will have to take place. Long-term employment outcomes and indirect effects can only be captured if partner institutions possess the necessary resources (in terms of technical expertise, human resources and budget) to measure changes in employment after the intervention has ended.

### 4 Apply more rigorous evaluation methods for institutional learning.

Other donors such as the UK Department for International Development (DFID), the World Bank, the Inter-American Development Bank (IDB), and to some extent the German international cooperation (GIZ) have advanced more in applying rigorous evaluation methods (such as randomized controlled trials and quasi- and non-experimental methods) to single employment-related interventions in order to measure net impacts. The Swiss international cooperation should have an open debate on the role that such rigorous methods should play in the future. International practice shows that, despite the challenges involved, specifically in the field of employment, rigorous designs can often be implemented, and constitute a key building block in learning about programme effectiveness.



PROVINCIA DE CHICLAYO  
Sub - Gerencia de Turismo

# Semana Turística de Chiclayo

Del 24 al 30 Setiembre.

1. Serenata
2. Elección Señorita Turismo
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The Technical Report is available on request.

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