

Capacity Building for Employers' Organization on Productivity and Competitiveness

REPORT TO INTERNATIONAL LABOUR
ORGANIZATION FOLLOWING THE
INDEPENDENT FINAL EVALUATION

by
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Foreword

The Project "Capacity Building of Employers organizations on Productivity and Competitiveness" financed by the Norwegian Government under the Social Dialogue Component for the ILO-Norway Framework Agreement, was launched in 2004 and gradually phased out in 2006/07.

This is a report on an external evaluation of the project. The evaluation was carried out in April – September 2007 with examination of documents and interviews at headquarters in Geneva and field work in selected countries in the project regions in West Africa, South Asia and Caucasus/Central Asia by the following consultants:

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Anne Inga Hilsen, Work Research Institute, Norway (Field visit: Armenia, Tajikistan)

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Inger Østby, Confederation of Norwegian Business and Industry took part in the preparations of the evaluation in Geneva and field visits to India and Nepal.

The evaluation team had valuable assistance by Anne–Brit Nippierd and Henrik Moeller at ILO ACT/EMP in Geneva, both Project Managers for the Project. In South Asia Dr. Rajen Mehrotra, previous Employer Specialist ILO Sub regional Office, New Delhi, organised the field trip, accompanied the evaluators and gave very valuable input during the evaluation. Ousmane Toure, Employer Specialist at ILO sub regional office in Dakar and Shurenchimeg Zokhiolt, Employer specialist at ILO sub regional office in Moscow played the same positive role in West Africa and Caucasus/ Central Asia respectively.

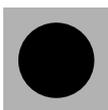
The Evaluation Team is very satisfied and grateful for all the assistance we got from the people we met both in the ILO organisation, in employers' organisations, enterprise representatives and other people who assisted us in the field.

Oslo, September 2007

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Evaluation Summaries



Evaluation: *Project title*

Capacity Building for Employers' Organization on Productivity and competitiveness

Quick Facts

Countries: India, Nepal, Bangladesh, Mauretania, Senegal, Mali, Azerbaijan, Georgia, Kyrgyzstan, Uzbekistan Tajikistan, Armenia

Final Evaluation: 12 April 2007- 15 September 2007

Mode of Evaluation: Independent

Technical Area: Productivity and competitiveness in employers' organisations

Evaluation Management: Technical Sector in HQ

Evaluation Team: Robert Salomon, Team leader

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Project Start: 2004

Project End: 2007

Project Code: INT/04/M06/NOR and INT/04/39/NOR

Donor: Norway (US\$ 2150134)

Background & Context

Summary of the project purpose, logic and structure

The purpose of the project was to:

- Strengthen capacities of employers' organisations to provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level.
- Develop and strengthen capacities of employers' organisations to promote the issue of productivity and competitiveness at the national policy level.

The project was implemented by the regional Employer Expert in West Africa and south Asia and external consultant in Caucasus/Central Asia and national experts in each country to work inside the employer's organisations. The project should undertake studies and surveys on productivity and competitiveness with local consultants, organise workshops and seminars, produce training material and tool-kits. The project organised workshops to validate findings of studies and discuss project activity plans. The Project was to provide a combination of direct support and institutional development.

Present situation of project

The Project is now completed in all the regions.

Purpose, scope and objectives of the evaluation

The purpose of the evaluation is to assess the relevance of the project objectives and approach and establish how far the project managed to achieve its planned outcomes and objectives.

- 1) Assess the extent to which the project strategy proved efficient and effective and whether it is likely to have sustainable impact.
- 2) Assess the management arrangements and structures of the project and the level of contribution and coordination of the various stakeholders.
- 3) Enable the ACT/EMP headquarters and field staff, as well as partners, to engage in critical reflection and information sharing as part of the capacity building efforts on technical cooperation.

Regarding the scope of the evaluation, all three sub-regions should be targeted:

Methodology of evaluation

The work has consisted of review of background material including briefing at ACT/EMP in Geneva and visits to Dakar and Nouakchott, New Delhi and Kathmandu, Yerevan and Dushanbe. During the field visits the evaluators were accompanied by the ILO employers' specialists for the respective regions and met representatives of employers' organisations, involved enterprises and supporting staff linked to the project, and local ILO representatives. Interviews were based on a common interview guide worked out during the first briefing in Geneva.

The evaluators visited some few enterprises involved in the project and met national specialist for countries included in the project, but not visited during the mission.

Main Findings & Conclusions

The overall conclusion of this evaluation is that the capacities of national employers' organisations have been strengthened through this project and that the project has given value for money.

Both objectives and the approach of the Project are relevant. The Project has delivered important outputs in terms of training courses, workshops, seminars, roundtable, training material e.g. tool-kit and games for enterprises.

The project has been highly efficient in developing the tools and organising workshops and seminars. The output of the project is an impressive list of activities and products that can be utilized also after the project is completed. However, there will be a need for revisions and further improvements of some of the tools.

Previous and present civil unrest has to some extent hampered the implementation of the project.

Gender issues have been given attention in the project. The project organised several workshops on gender sensitivity and women entrepreneurship with many participants, both men and women.

We have observed that the activities in the project are relevant and sometimes efficient to promote productivity. They contribute to awareness creation of productivity and competitiveness issues in companies and among policy makers

The Project had sustainable impact on strengthening most of the EmOs taking part in the project. The Project contributed to long lasting changes of mind set and practices. However, it is more uncertain to what extent it is possible to ensure continued finance of Productivity and Competitiveness Units in the Employers' organisations. Today, EmOs are not financially strong enough to serve their members with the tool kits on a commercial basis.

Recommendations & Lessons Learned

Main recommendations and follow-up

- 1) To ensure proper implementation, projects of this nature should be of longer duration than two years, and there should be no donor influenced shift in focus during the implementation period.
- 2) On national policy issues the social partners could have been brought in to an even greater extent Social dialogue is useful also for achieving the objectives for this Project.

3) Sufficient in house training of staff in the EmOs on the use of training material and tool kits introduced in the Project should be ensured. Representatives of regional branches and member organisations should also be included in such training.

4) In enterprises more staff should be involved in trial projects and implementation of tools kits. Both management and employees should learn about and use the tools.

5) To ensure continued use of the tool kit and other training material it is necessary to reprint handbooks which now are out of stock and ensure future revisions and reprints. In some areas ILO has already taken care of this need.

Important lessons learned

The Project has gained much experience of interest for people involved in productivity and competitiveness issues, both inside and outside the ILO system. The strength of the Projects is that workshops and roundtables have been very focussed and operational. The tool-kits developed are useful instruments for enterprises and can also be useful for management training.

The main challenge is to ensure continued use of tools and training material developed. In this respect the Project faces a sustainability challenge.

List of Abbreviations Used:

ACT/EMP:	The ILO Bureau for Employers' Activities
ASK:	The National Confederation of Entrepreneurs' (Employers') Organisations of Azerbaijan Republic
BWA:	The Business Women's Association of Uzbekistan ("Tadbirkor Ayol")
CEU:	The Confederation of the Employers' Union of Kyrgyzstan
CTSE:	Cellule technique sectorielles d'exécution
EAG:	Employers' Association of Georgia (also referred to as GEA: Georgian Employers' Association)
EMO:	Employers' Organisation
GRSP:	Groupe de réflexion de proposition et suivi
HRM:	Human Resource Management
ILO:	International Labour Organization
IOE:	International Organisation of Employers
IPEC:	International Programme on Elimination of Child Labour
ISO:	International Standardisation Organisation
NASMB:	The National Association of Small and Medium Business of the Republic of Tajikistan
NGO:	Non-governmental Organisation
P&C:	Productivity and Competitiveness
P&C Centres:	Productivity and Competitiveness Centres
Prodoc:	Project Document
ToR:	Term of Reference
SME:	Small and Medium sized Business
UMEA:	The Union of Manufacturers and Businessmen (Employers) of Armenia
UN:	United Nations
UNDP:	United Nations Development Programme

Part 1

1

Introduction

1.1 Background and Purpose of Evaluation

The Project “Capacity Building of Employers’ Organisation on Productivity and Competitiveness”, financed by the Norwegian Government under the Social Dialogue component of the ILO-Norway Framework Agreement, was launched in 2004 and was gradually phased out in 2006-2007. Originally the Project covered three West African countries, Mali, Mauritania and Senegal, and three countries in South Asia, Bangladesh, Nepal and India. In 2005 countries in Caucasus and Central Asia were also included (Armenia, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan and Uzbekistan).

The ILO Bureau for Employers’ Activities (ACT/EMP) is now carrying out an evaluation of this inter-regional technical cooperation programme. According to TOR of the evaluation:

“The purpose of the evaluation is to assess the validity of the overall strategy and approach to programming the Norwegian funds, to assess the processes of planning and implementation, as well as obtain a better understanding of the impact and the results of the programme of assistance”.

The overall development objective of the program is to contribute to improving productivity and competitiveness among the private sector enterprises in the countries encompassed by the project. In all the regions covered by the project, the project should:

- Strengthen capacities of employers’ organisations to provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level.
- Develop and strengthen capacities of employers’ organisations to promote the issue of productivity and competitiveness at the national policy level.

The evaluation includes missions to two countries in each of the three sub-regions. This report covers the evaluation of all three regions.

Terms of Reference follows as annex 1 to this report (after the Regional Reports).

1.2 Methodology and Field Work

The work has consisted of review of background material including briefing at ACT/EMP in Geneva and visits to Dakar and Nouakchott, New Delhi and Kathmandu, Yerevan and Dushanbe. During the field visits the evaluators were accompanied by the ILO employers’ specialists for the respective regions. The evaluators met representatives of employers’ organisations, involved enterprises and supporting staff linked to the project, and local ILO representatives. In West Africa and Caucasus/Central Asia the evaluators also met local union representatives and Government administration officials.

The evaluators visited some few enterprises involved in the project. In India the evaluators did not meet any enterprise representatives. Instead they sent an e-mail including some simple questions to some enterprise representatives, but got no response.

Interviews were based on a common interview guide worked out during the first briefing in Geneva. Due to the different situations in the countries visited, the interview guide had to be used in a flexible way.

The evaluators also met representatives for countries included in the project, but not visited during the mission. The project specialist from Bangladesh met the evaluators in New Delhi.

In addition to the visits to the projects in Dakar and Nouakchott in Central Asia, the evaluator also met with the Deputy Secretary and the National Expert of the Mali Employers' organisation who had come explicitly to Dakar for a meeting to present the Project and its achievements in Mali.

For the Caucasus/Central Asia region the evaluator participated in a study tour to Bulgaria, May 2007, where all the six countries of the region participated. On this occasion the evaluator gave a brief presentation of the evaluation and presented impressions from visits to the two selected countries in the region. Based on this presentation, the participants from all countries in the region were invited to discuss how well these impressions were in accordance with their own experiences and understanding of the project, and supplement the evaluation with additional data.

List of persons met follows as annexes to each of the regional reports.

2

Summary presentation of the project

2.1 Challenges for the Private Sector

The situation in the three regions covered by the projects has several similarities and some differences. One important similarity is that all involved countries are undergoing a transition from a central state controlled economy to a global open market economy. This gives a tremendous challenge to management thinking, to goal setting for enterprises, for notions on productivity and competitiveness. All actors involved in the private sector face challenges to their mind sets and actions.

Quite a lot of the countries involved have a fairly recent political history with strong tensions, violence and even civil war. Some of the countries are still struggling with repercussions after such tensions (Tajikistan) and, in e.g. Nepal, even the implementation of the project has to some degree been hampered by recent civil unrest.

Some of the countries have a very poor infrastructure, high underemployment, large informal sector of the economy, shortcomings of the education systems, old labour laws, bureaucratic central administration systems etc.

The situation in India is somewhat different than for most other countries involved in the project. With more than one billion people, the country is much larger than the other project countries and the middle class population of 200 million gives room for a great domestic market and a modern economy.

The Caucasus/Central Asian countries are different in the sense that their transition from a central economy to a market economy is much more recent than for the other project countries. In Caucasus/Central Asia new institutions have to be established while the challenge for the other regions is to restructure and strengthen existing institutions.

2.2 Employers Organisations

The role and situation for the employers' organisations vary a lot from country to country. The main stakeholders for the project are the following:

India

Council of Indian Employers (CIE) was established in 1956. CIE is primarily a confederation of Indian employers, constituted by three apex organisations of employers, representing both the public and private sectors.

The All-India Organisation of Employers is composed of 50 regional Associations of Employers/Chambers of Commerce and 149 corporate companies (public and private). The office is located to New Delhi.

Employers' Federation of India (EFI)

EFI was established in 1933 and has its office in Mumbai. It has in its membership 30 regional Associations of Employers/ Chambers of Commerce and industry and 173 corporate companies.

Standing Conference of Public Enterprises (SCOPE)

SCOPE represents the Central/State Public Enterprises, Banks and Other Institutions. Headquarters is located to New Delhi while its activities are spread out over the whole country.

Karnataka Employers' Association (KEA) a leading employers' organisation in the state of Karnataka was established in the year 1961. KEA is not a direct member of the CIE, but is included in this list since they were involved in implementing the project in Bangalore.

Nepal

Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is an apex organisation of business community of Nepal. Its office is in Kathmandu and it is well connected to 50 district chambers. FNCCI was established in 1965.

Bangladesh

The Bangladesh Employers' Federation (BEF)

This EmO is an all-country organisation representing banking, insurance and all other major sectors of industry and trade. It represents nearly 90 percent of the established employers in the private sector, and all the Sector Corporations and autonomous bodies. Most large sized companies in Bangladesh are members of BEF. Headquarters is in Dhaka.

Mali

The CNPM/Mali (le Conseil National du Patronat du Mali), which has its office in the capital Bamako, is a federation of 31 sectoral unions of small and medium sized enterprises. In addition some larger enterprises are also individual members.

Mauritania

CNPM/Mauritania (la Confédération Nationale du Patronat de Mauritanie) has its office in the capital, Nouakchott. It comprises 8 professional federations and has a membership of more than 800 enterprises in the formal economy and approximately 60,000 micro-enterprises.

Senegal

Le Conseil National du Patronat du Sénégal (CNP), which has its office in the capital Dakar, and comprises 19 employers' associations which cover approximately 65 per cent of the activities in the formal economy.

Armenia

The Union of Manufacturers and Businessmen (Employers) (UMBA/UMEA) of Armenia, which has its office in the capital Yerevan, protects and represents the individual and collective interests of a large group of Armenian entrepreneurs, businesses of large, medium and small sizes engaged in all sectors of the economy. UMEA is recognised as a voice in public debates and as a competent social partner in tripartite dialogue.

Azerbaijan

The National Confederation of Entrepreneurs' (Employers') Organisations of Azerbaijan Republic (ASK), which has its office in the capital of Baku, is the main organisation of employers in Azerbaijan. It is recognised as a voice in public debates and as a social partner in tripartite dialogue.

Georgia

Employers' Association of Georgia (EAG), which has its main office in the capital, Tbilisi, is considered as a main organisation of employers. It is recognized as a voice in public debates and as a social partner in tripartite dialogue.

Tajikistan

In Tajikistan the project partner initially was *The National Association of Small and Medium Business of the Republic of Tajikistan (NASMB)*. Due to the impact of the project, the *Union of Employers of the Republic of Tajikistan*, officially registered on January 31, 2006, was established. NASMB became a member of the Union of Employers and continued cooperating on the project together.

NASMB was established in 1993 in the capital, Dushanbe, and is a public, non-governmental, non-commercial organisation, which unites 176 private enterprises, "dehkan" - farmers' enterprises, non-governmental organisations and individual entrepreneurs. The NASMB is an active member of the Public Council of Tajikistan.

Uzbekistan

The Business Women's Association of Uzbekistan ("Tadbirkor Ayol") is an independent and representative non-governmental, non-commercial organisation, established in 1991. The Association is represented by Tashkent, regional and districts departments of Uzbekistan. It has 14 regional branches and unites more than 5000 women entrepreneurs, who created 70,000 work places. In each region of Uzbekistan there are Business Women's Association regional departments, which have informational and consultative centres. The Business Women's Association of Uzbekistan is one of the key ILO partners in Uzbekistan.

Kyrgyzstan

The Confederation of the Employers' Union of Kyrgyzstan (CEU) was established in 2001, with the adoption of the Law of the Republic of Kyrgyzstan on "Employers' Organisations" dated 20 May 2004. It passed in the Ministry of Justice after holding a conference during the second quarter of 2004. The Confederation has institutionalized relations with social partners – Government and trade unions.

Not all of the organisations presented above are full-fledged employers' organisations. But all of them play a role in the Project. In the following we will call all the organisations listed above employers' organisations or EmOs.

2.3 Project Design

There is one Project Document (Prodoc) covering West Africa and South Asia, but these are covered in separate sections. In addition there is a separate Prodoc for each of the Caucasus/Central Asian countries. The Project has the same development objective and immediate objectives for all regions, but outputs, activities, indicators and targets are not always the same, as these are formulated in response to local conditions in each country

The Prodoc describes the strategy and approach of the Project where the main elements are:

- Recruit one national expert in each country to work inside the employer's organisation and be in charge of Project planning and implementation

- Undertake studies and surveys on productivity and competitiveness with local consultants
- Workshops to validate findings of studies and discuss Project activity plans
- Identify and develop training modules and training consultants to undertake training on productivity and competitiveness issues of selected enterprises

The Project was to provide a combination of direct support and institutional development. The direct recipients of institutional support would be the national Employers' Organisations, in countries targeted. The intended beneficiaries of project interventions would be the corporate sector, individual enterprises and sector organisations with membership in the national Employers' Organisations and potential members.

The strategy followed in the project was two-pronged: a) To improve Employer Organisations' capacity to effectively influence the policy and legal environment for enterprise development and b) To improve productivity and competitiveness on the sector- and enterprise level through specific project interventions based on identified needs.

Project Organisation in each Country and at the Regional ILO Office

In West Africa the Project recruited a National Expert in charge of Project implementation for each employers' organisation. At the ILO Sub Regional Office in Dakar the Senior Specialist for Employer's Organisation was the focal point for technical guidance and administrative support. In Mali and Mauritania UNDP managed Project funds.

In South Asia the project was organised in a similar way with a National Expert in Bangladesh and Nepal respectively, while the Senior Employer Specialist at the ILO Sub Regional Office in New Delhi was handling India and giving technical and administrative support to the national experts.

Because the position of ILO employers' specialist at the regional head-office in Moscow was vacant during most of the project period, the Project in Caucasus/Central Asia was coordinated directly from the ACT/EMP, Geneva. Technical implementation and activities were carried out at the country level. The national projects also communicated with national research institutions and consultants dealing with productivity and competitiveness. Also the national projects developed links to the main social partners and NGOs through establishment of National Advisory Committees.

For the three Central Asian countries, a regional advisor was appointed on a consultancy basis to support the countries throughout the Project period. This person has a proven track record in the region in establishing a viable and strong employers' organisation.

2.4 Project Inputs

At the outset the Project budget for West Africa and South Asia was of US\$ 1,328,519 divided equally between the two regions. For Caucasus/Central Asia there was a separate budget. The table below shows the project budgets for the regions in the projects and the main budget items.

Region/Item	West Africa South Asia	Caucasus/ Central Asia
International Consultant		133 600
International Expert ACT/EMP	133 000	
Administrative Support	40 000	12 000
Travel Costs	63 001	15 000
Mission Costs	35 000	60 000
National Professional Personnel	363 000	120 000
Sub Contracts	85 000	
Fellowships		18 000
Seminars	375 000	308280
Equipment	12 000	20 000
Reporting Costs		5 000
Sundries	10 001	5 000
Program Support Cost	145 079	90 593
Cost Increases	63 053	38 527
Total	1324 134	826 000

All figures in US\$

3

Review of Project Activities and Outputs

The project included a wide range of activities which varied somewhat according to the needs of each country. The enclosed reports for each of the regions give summary reviews of the activities undertaken. It is therefore no need to go into detail here. In the following we will present some of the main activities and outputs of the Project. Basically the project consisted of the following elements:

Immediate Objective 1: Develop and strengthen capacities of Employers' organisations to provide and deliver services to member enterprises and potential members on issues on productivity and competitiveness.

Preparatory Phase: Recruitment of National Professionals

In each country national professionals, who were conversant with the various techniques of productivity improvement, were engaged by the project. Their tasks were to coordinate the various project activities at the country level and to liaise directly with the enterprises that had been identified for project interventions. In Central Asia, Caucasus/Central Asia, Bangladesh and Nepal they were based within the employers' organisations. In India the national professional was based in the ILO Office, attached to the ACT/EMP Specialist.

In Mauritania and Mali they were easily recruited while in Senegal there were several persons serving as experts before they managed a permanent recruitment. In all these three countries the national experts are now linked to the employers' organisations.

In South Asia the national experts functioned well. However, due to lack of resources they are not permanently employed by the employers' organisations after the project ended. As an alternative to long term assignment for a national expert, so-called faculties linked to employers' organisations were established. The faculties are a network of resource persons from the member enterprises of the organisations.

For the three Central Asian countries, a regional advisor was appointed on a consultancy basis. In this region, one of the challenges was to identify a national partner for the project in the place of an official employers' organisation. In both Tajikistan and Uzbekistan, organisations were selected based on previous experiences, local knowledge and several conversations with main stakeholders.

All three Caucasian countries had well-established employers' organisations already, and here a key staff member within the existing employers' organisation was appointed as responsible for the implementation of the technical activities, with the assistance of local technically specialized consultants, the latter financed by the project.

In all the regions detailed work plans and budgets were worked out in consultation with employers' organisations

In all the three regions the preparatory phase went well. The Senior Specialist from ILO/Dakar, ILO/New Delhi and ACT/EMP headquarters and the regional advisers for Caucasus/Central Asia respectively, played an important role in organising the activities to be undertaken. The activities were in line with the Prodoc. However, as in most projects of

this nature it took time to establish good relations with major stakeholders and to get started. The Project was therefore delayed. In Central Asia and the Caucasus the last activities were conducted in early 2007.

Productivity and Competitiveness Units

The idea of establishing Productivity and Competitiveness Units in the EmOs was to provide advisory services for members and potential members of employers' organisations. The Regional Specialists in West Africa and South Asia provided this type of advisory services to the organisations together with the National Experts recruited by the Project.

In West Africa all the EmOs have established Productivity and Competitiveness Units and the experts have then become regular staff in the organisations and paid by these. In Mauritania there existed already such a unit before the project started. Thus the role of the project was to strengthen the existing unit. In the Caucasus countries such Productivity and Competitiveness Units were established within, or closely connected to, the Employers' Organisations. The three Central Asia countries face bigger challenges and did not proceed as far during the Project period. In Tajikistan a first step was to establish an Employers' Organisation, while in Uzbekistan a "Productivity & Competitiveness Center" is in progress of creation. In Kyrgyzstan, on December 2005, the Agribusiness Competitiveness Centre was established (not directly an outcome of the project activities).

The project also contributed in preparing business plans for the Productivity and Competitiveness Units to make them sustainable when the financial support from the project was over. In West Africa the business plans concluded that the transfer of financial responsibility for sustaining project activities to employers' organisations is going to be a progressive process that might last about 3 – 5 years.

In South Asia the conclusion was that the Productivity and Competitiveness Units could not be financially sustainable for the first years to come. Therefore, the idea of faculties (network of supporting key persons) was developed as an alternative solution. For Caucasus/Central Asia it is somewhat early to assess to what extent the Productivity and Competitiveness Units are financially sustainable.

The very idea of P & E units is fruitful and relevant. The fact that virtually all envisaged activities were undertaken shows that these units have been operational and effective during the project implementation.

Studies and Surveys on Productivity and Competitiveness with Local Consultants.

In all three regions, baseline studies were prepared to give an overview of the current situation with regard to productivity and competitiveness. The studies should identify key indicators for productivity and competitiveness as well as the economic sectors that are most likely to benefit from the project. In the case of India, the baseline study should also select the most relevant regional or sector Employers' Organisations for project intervention at the enterprise level.

In West Africa it was difficult to find consultants and both recruitment and implementation of the studies took more time than expected. In South Asia it took some time to agree on the value of baseline studies. It also took some time before the studies were undertaken. In some of the Caucasus/Central Asia countries it was difficult to find sufficient qualified

consultants to meet the requirements of three tenders to choose among, but in spite of this the implementation of the survey was conducted as planned.

There were also carried out several separate studies supporting and supplementing the base line studies. E.g. in Nepal research was carried out to identify sectors in which Nepal has core competency, and in India, a research study on retention of talent at the enterprise level was undertaken.

In all countries the studies stand out as technically solid and of good quality. These studies identified the major barriers to improving productivity and competitiveness, and contributed towards efforts to devise appropriate strategies for overcoming them.

However, it is reasonable to discuss what should be the content of such baseline studies. In our opinion the studies should also have included more on institutional issues and on status, capability and capacity of the employers' organisations taking part in the project. Maybe for this reason, in the Caucasus/Central Asia region the surveys are only referred to as research reports or survey reports, in spite of actually defining a baseline in this region, from which all Project activities started.

Seminars, National Roundtables and Workshops

These activities were organised to validate findings of studies and discuss project activity plans and to make recommendations on work to be undertaken. These meetings brought together several participants, including representatives of professional groups affiliated to the employers' organisations, business enterprises involved in the project, research institutes, specialized agencies of the United Nations system, and in some cases trade unions.

In all countries workshops/National Roundtables based on baseline studies were important for the implementation of the project. It provided

- legitimacy for the project both within the EmOs and for a wider circle
- platform for project work
- platform for development work within EmOs
- ownership of the project by broad range of stakeholders both within and outside the organisations

In the workshops in all the countries issues related to Human Resources and work environment were identified as crucial elements with a view to strengthen productivity. In all countries this became the focus of project training activities.

In all three regions the planned output was delivered. It is agreed that these studies and the workshop/National Roundtables were very important for the implementation of the Project, especially for Central Asia and Caucasus/Central Asia, may be not so much for India.

Evaluation Tools for measuring Enterprise Productivity

In Central Asia and Central Asia tools for measuring productivity were prepared by consultants who also tested the applicability of the tools in a limited number of selected enterprises. The reports emphasised the need to have reliable and up-to-date information, and recommended also that a social balance sheet for the business be established.

In South Asia a tool-kit for measuring productivity and competitiveness was developed in the preparatory phase of the project and validated through national workshops in each of the three countries. The tool-kit is a self-assessment exercise on productivity and competitiveness designed for enterprises.

The idea is that the tool-kit shall function as a benchmark compared to the competitors, and as an indicator of progress/shortfalls for the company over time. In all countries workshops were held introducing the evaluation tool to a selected number of enterprises, and enterprises have participated in the validation of the tool-kit.

In Mali and Mauritania the evaluation tool is being applied in a small number of enterprises and publications have been made based on the activities. In Senegal the tool is not being applied in any enterprises, only by simulation of enterprises in different economic sectors. Thus no such publication has been made in Senegal. In Mauritania the tool-kit was also made available on CD and on the CNPM Web site.

In Central Asia the tool-kit was translated to Bengali and Nepalese and published in 2005. Furthermore, a training module/productivity game was also developed and used to train executives, especially in India. The training programmes varied in content from country to country in the region.

Trial Projects

In South Asia the project also used the opportunity to broaden the base for the Project by e.g. including the informal sector of the economy. One example is a training program for the leather industry in Bangladesh. In Armenia, the educational system was targeted to influence vocational education and thus future businessmen and -women.

Documentation and Dissemination of Good Practices

In West Africa after the enterprise studies were completed there were organised several national workshops and seminars on documenting and sharing experiences of good practices and social dialogue. Originally it was also planned to organise a sub-regional meeting on identifying common approaches and solutions in south Asia. However, this meeting was never organised.

In Central Asia no enterprises for good practice case studies were identified. Thus there were not organised any workshops to share experiences on good practice and social dialogue based on case studies. However, after the completion of the project, Mali is now doing some of these activities. In Mauritania the funds for these activities were spent on the CNPM - website.

In Caucasus/Central Asia much effort was put into spreading examples of new knowledge and good practice in the field of productivity and competitiveness. Media was used extensively to get out information, as well as National and Regional Roundtables at the end of the Project with participation from all the social partners. Representatives of the Project in all participating countries also took part in a study visit to Bulgaria in May 2007.

Training Materials developed, and Training undertaken for Enterprises

In all countries trainers and training institutions were identified. Trainers in workshops were consultants who had prepared studies or training modules and ILO consultants who

either were working on other ILO projects or ILO specialists working in the ILO regional offices or country offices. Training was a major component of the project and training took place in all involved countries. A broad range of topics were addressed:

- Business management
- Human Resources Management
- Legal obligations of small and medium sized enterprises
- Occupational Health and Safety
- Equal opportunities for men and women – gender as an issue and a potential (female entrepreneurship)
- Social welfare and productivity

These training activities were carried out in seminars, where studies by the Project were presented. In all the training the different topics were linked to productivity and competitiveness. Participants received well prepared training material. As part of the Project training materials and brochures were produced in French, English, Russian and a number of national languages. In Senegal and Mali all the training material was gathered on CD.

A problem experienced particularly in the Central Asia countries, was the lack of sufficient training material, also in the country's own languages. At the end of this evaluation, more copies were being printed, and this should alleviate the situation. Also in Nepal training material in Nepalese went out of stock and request for reprinting was made.

Through this training the Project reached out to a wide audience. Enterprises who participated in these training activities were visited by the evaluators in Mauritania and Senegal, as well as in Tajikistan and Armenia and Nepal. In India the evaluators did not meet any company representatives.

In general, the training material and the trainers were praised in all countries visited. The enterprises had all applied the knowledge acquired and reported that this had helped them in modernizing of their companies. Also in Nepal the evaluators got positive feed-back from enterprise representatives who had undergone training. However, some of the enterprise representatives expressed a need for more tailor made training modules for their particular company.

Immediate Objective 2: Developing and strengthening capacities of Employers' organisations to promote productivity and competitiveness at the national policy level.

While the previous set of activities and outputs were directed toward enterprise representatives and focussing on activities that can take place in enterprises, the second set of activities and outputs are focussing on issues at national policy level. However, these issues are interlinked, and issues at national policy level will influence activities in enterprises and vice versa.

The baseline studies, separate studies on production, innovation, entrepreneurship, competitiveness and some of the workshops described under Immediate Objective 1 are also quite relevant for influencing the national policies. Both Government officials and trade union representatives took part in some of these activities where policy issues were discussed.

In Caucasus/Central Asia lobbying to affect legislative changes or policy changes at the national policy level was highly focused in the Project. E.g. in Armenia discussion and preparation of proposal portfolios of 17 laws was conducted, as well as lobbying in Government and National Assembly.

Studies on strategic agreements, wage and pay systems were carried out in Mali, Mauritania and Senegal, but with many problems as the enterprises were reluctant to provide information although the organisations had sent letters explaining the scope of the studies, but nevertheless the studies were completed and constitute important information.

In 2005 FNCCI undertook a research study on reforms in labour legislation in Nepal for responsive and productive work. The report from the study was presented on 31 Jan 06 in Kathmandu. There were also plans for national level meetings and seminars on trade, fiscal policy and migration issues. Not all of the planned meetings were actually organised

Addressing HR and Educational Issues at National Level

There were some objectives on educational issues included in the project mainly for South Asia. To address these issues there are established HRM/Education committees in India, Nepal and Bangladesh, but they have not moved yet. There were also plans to prepare papers on education policies engaging national consultants in each of the three countries and organise national symposia on education policies in these countries. This was not done and could not be pushed. However, a modified paper was prepared in Nepal in Nov 2006.

Also in Caucasus/Central Asia educational issues were central. Particularly in Armenia the cooperation between education and the labour market was considered to be important and was in the centre of attention of the Project

3.1 Conclusions on Outputs and Activities

This review shows that the major elements of the Project are:

- Conceptual studies on productivity and competitiveness of relevance both for company implementation and national policies
- Preparation of analytical tools and training manuals to be applied in enterprises including testing these in sample enterprises
- Workshops to discuss and disseminate studies and tools
- Training workshops for selected enterprises on productivity and competitiveness, applying the manuals prepared by the Project
- National workshops, roundtables and seminars to discuss and influence major policy issues as e.g. legislation, fiscal policies and education.
- Making available all information prepared by the Project.

The previous sections show that in all countries the Project implemented activities in accordance with the Prodoc and brought about the expected outputs – with few exceptions.

Although the Project undertook the envisaged activities, it varies from region to region to what extent Employers' Organisations influence policies on productivity and competitiveness as a result of the Project. The influence seems to be most important in the Caucasus/Central Asia region, where the impact on legislative changes and education policies was strong. In West Africa the organisations claim that they exercise such an

influence, but the representatives of Government the evaluation team met with, did not confirm this. They had little knowledge about the project.

In South Asia the project had modest ambitions on influencing national policies. Actually, the assessment that the project, especially in India, could only influence national policies to a modest degree was the main argument for focussing so much at enterprise level in the South Asian countries

The Productivity and Competitiveness Units that are in place provide services to members, but none of them have operational budgets to provide services beyond that of having relevant published information available upon request and to some extent on the web site. This is obviously cost effective in the sense that very little costs are incurred, but it also means that the outreach is limited and demand based.

4

Evaluation of Project

The ToR lists six aspects of the Project with detailed questions to be addressed, as done in the sections below:

4.1 Relevance

The employers' organisations in all three regions are relatively weak concerning human and economic resources. Both the employers' organisations and their members face great challenges in these countries. The economy is undergoing a transformation from closed economies dominated by Government own companies with a blend of economic, social and regional objectives, to open market economies exposed to hard international competition.

There is therefore a need to strengthen almost all aspects of these organisations if they shall play a role in the recurrent transformation processes. Employers' organisations have a role to play both concerning policy making at national level and on training activities and advices directed towards members.

The previous sections have identified the outputs produced by the Project in the three regions. They are all related to problems of productivity and competitiveness at the enterprise level and the macro level where legislative and educational issues also are addressed. Both the direction and the implementation of the program are relevant in addressing the identified problems of the organisations concerned.

The need of the organisations to be on the top of issues related to productivity and competitiveness vis a vis both enterprises and Government is just becoming more and more acute and relevant as the countries become exposed to international competition and reduced tariffs. The initial needs are still quite valid and there will be a need to deal with these issues for a long time.

Links to other ILO Projects/Programs

The project fits very well into other ILO projects and activities in all the three regions. The project is contributing to central ILO issues such as social dialogue, youth labour, gender issues and women skills training, Corporate Social Responsibility and Global Compact, Human Resource Management and labour legislation. All these issues come in addition or as integral parts of the main focus on productivity and competitiveness. Various ILO specialists from the Regional Office in the regions supported the Project in different ways and the regional experts played a major role to make this cooperation work smoothly.

In West Africa there was particularly one project; "Start and Improve Your Business", targeting small and medium size enterprises, which was of importance for the Project.

In South Asia numerous seminars and workshops were organised in collaboration with other ILO staff or based on previous ILO projects in the region.

Our impression is that this project especially in South Asia sometimes subsidized other activities on the borderline of the main scope of the project (e.g. informal sector of leather industry in Bangladesh). However, we find this flexible use of financial and human resources positive and well justified since it may give important synergies for all parties involved.

Gender Issues

As for many development projects in our time gender aspects of projects have to be taken care of. Women have been involved in all the workshop and training activities of the project. But in most training activities the share of female participants are small or quite modest, except in the Caucasus/Central Asia region. Out of the reported 1216 participants in seminars, workshops etc of the project in South Asia in 2006, only 170 (16%) of the participants was women. In Mauritania for instance, only 5 % of participants in workshops and training have been women. However, in Caucasus/Central Asia female participants sometimes equalled or exceeded the number of male participants, as in the case of Armenia where 538 women and 240 men participated in training seminars. Women were also well represented among the trainers trained through the Project, sometimes outnumbering the number of men, as in Kyrgyzstan and Uzbekistan.

The project included several activities directly addressing women e.g. skills training programs for *women entrepreneurs*. In Bangalore the project organised a program on Gender Sensitivity at Workplace in cooperation with Karnataka Employers' Association (KEA) and in 2006 KEA published a book on "Gender Sensitivity at Workplace" in collaboration with ILO

4.2 Validity of Design

The Prodocs have brief, but good presentations of the macro situation in which private sector operates and an adequate presentation of the problems private enterprises are facing. The Prodoc presents well the Project strategy and approach, as well as the development objective and the two immediate objectives.

The Prodocs for West Africa and South Asia and the three Caucasus countries are designed in a more structured way than the three Prodocs for the Central Asian countries, but they all contain the same information. The difference seems to reflect the different levels of development in the project countries.

The Prodoc also has a brief presentation of the employers' organisations, but not so much about their problems and the needs they are facing.

The Project has one Development objective on improving productivity and competitiveness among private sector enterprises and two immediate objectives on strengthened capacities of the organisations, one to deliver service on productivity and competitiveness at enterprise level and one to promote productivity and competitiveness issues at national policy level. In the well established Logical Framework terminology objectives are not deliverables in a Project but something the Project with its outputs should contribute to.

It is clear that the objectives are highly relevant and it is quite realistic that the selected approaches in the Project will contribute to these.

Regarding the first immediate objective, the Prodoc does not make it clear what kind of services which are to be developed, indirect services by making available information and training, or more direct advisory services on individual basis. In this regard the Project has followed different strategies in the participating countries. In South Asia and Senegal the project personnel undertook visits and provided assistance to individual companies. This was not done in Mali, Mauritania or Caucasus/Central Asia.

However, for West Africa it is very limited, if not negligible to which extent the Project contributes to the Development objective of improved P & C in private enterprises. The Project only prepared studies, undertook workshops to disseminate these with a very small group of enterprises and likewise undertakes training of a very small group of enterprises. Even in South Asia, where the selected approach mainly focused on the enterprises, so far only a limited number of enterprises have been exposed for training during the project. However, experiences from activities at company level also contribute to identifying and addressing important challenges of importance for national policies.

In Caucasus/ Central Asia the training and training material directed toward enterprises were in the form of general manuals and textbooks. There were no tool-kits developed directly for company use and no training took part in companies.

Regarding contribution to national policy making, the Project has contributed to activities at national policy level in all the three regions. It seems that the project in Caucasus/Central Asia has been most close to the political process thus influencing policy thinking both concerning, education and management thinking. Also in West Africa and South Asia there have been organised seminars and workshops directed to national policymaking. However, it is not clear to what extent the organisations actually influence national policies on these issues.

The logic of the intervention is coherent. However, it does not spell out the organisational structure of the organisations with their internal commissions etc and their membership organisations, which are the federations, dealing directly with their member enterprises. It would have been logic to spell out in the strategy how these different levels of the employers' organisation should be benefiting from this capacity building project.

The logic of the intervention is realistic in as much that most of the activities have been undertaken and outputs delivered rather successfully and there is a link between the outputs and the objectives.

The Prodoc for West Africa and South Asia presents in a clear manner the role of the ILO and its Regional Offices, of the employers' organisations and of the National Experts, for whom specific job descriptions were prepared. What it did not provide was a description on how project funds were to be administered with the duties of ILO Regional Bureau and the UNDP offices.

Indicators and Targets

The Prodoc has a section on indicators and targets to measure the achievement of the two immediate objectives. They are useful and appropriate, with the exception of indicator 4, which is practically the same wording as the development objective.

There are targets linked to each indicator. The wording of these targets is in some cases confusing and at times they overlap with the wording of outputs and activities.

Nevertheless, the indicators with their targets as well as the structure of outputs and activities have been useful for preparation of work programs as well as progress reports.

The Prodoc does not spell out means of verification for indicators unless the targets are to be understood as such in which case they were quite appropriate.

External Factors

The Prodoc does not really address external factors nor make any assumptions on these, except in part of the Caucasus/Central Asia region. In South Asia, the Project did not experience major risks regarding external factors. The only one that is referred to is slow financial management and disbursement in the UNDP offices handling project accounts in Mali and Mauritania as well as in some cases the ILO Regional Office in Dakar.

In Nepal the implementation of the project was seriously affected by the recent unrest in the country. Despite these restricting factors quite a number of enterprise managers took part in the project.

In Central Asia unfavourable political and social-economic situation is considered an external constraint as e.g. Kyrgyzstan where the work of the project was delayed due to the People's Revolution in 2005.

4.3 Project Effectiveness

The main objectives of the project are to develop and strengthen capacities of employers' organisations in the participating countries to deliver services to member enterprises and to potential members on the issues of productivity and competitiveness at enterprise level, and at national policy level. These objectives are quite general. Productivity and competitiveness have to be built over a long time both at national and enterprise level. It is unrealistic to establish a direct causal link between the activities in this project and increased productivity and competitiveness among the stakeholders. However, it is possible to assess to what extent the planned activities actually have been carried out and to assess if the activities are relevant tools for increased productivity and competitiveness.

For all regions, and especially for South Asia, there is an impressive list of relevant activities and products in the project. With some few exceptions (e.g. studies on good practices South Asia) all activities have been carried out. In this respect the project has been effective and efficient.

Enterprise Level

In Caucasus/Central Asia the main focus was on development of capacity in employers' organisations especially by addressing national policy issues. There was no training *in* enterprises. However, in this region there were a lot of training activities of relevance to increase productivity and competitiveness in enterprises. In West Africa the main focus was also on national policy issues, but development of relevant tools for companies was included in the project. In South Asia the main focus was on development of relevant tools for enterprises. But also in South Asia there was a substantial activity on national policy issues.

The use of the tools in the companies varied. Although most of the companies saw the value of the tool-kit, they also considered it a little bit too general. In South Asia the people we meet in the employers' organisations were positive to the project. They understood and supported the idea of spending most of the project money on enterprises, and not directly on the Employers' organisations.

Both in West Africa and South Asia the capacities of the employers' organisations to provide and deliver services to member enterprises on the issue of P & C at enterprise level has been developed and strengthened in the following manners.

- The knowledge base on P & C has been strengthened in the organisations.
- Analytical tools and training modules on P & C have been developed
- In West Africa the national experts in the Project now constitute Productivity and Competitiveness Units in each organisation, but this arrangement is vulnerable.

National Level

It is absolutely clear the studies on P & C together with the workshops/National Roundtables where these issues have been discussed with a broader audience, including both trade unions and Government, have strengthened the capacities of the organisations to promote the issue of productivity and competitiveness at the national policy level. Several of the EmOs are members of Government sponsored committees working on issues related to P & C, where the organisations now have a better information basis to promote such issues.

In West Africa all three countries efforts have been made to anchor the achievements of the Project with broader audiences through the creation of sector-based technical execution units.

In Caucasus/Central Asia employers' organisations played an active role in influencing national policies and legislation in the field of productivity and competitiveness. By anchoring the Project in National Advisory Committees, the other social partners were also involved and made co-responsible for the Project.

Also in South Asia the studies, national workshops and roundtables addressed main stakeholders on policy level, but in e. g. India, the impact of these activities will not be as great as in the smaller countries taking part in the project.

Usefulness of the Outputs

It follows from all that has been stated throughout this report that all the outputs have been useful. The general secretaries of the EmOs confirm this. The same is the case of the few enterprises interviewed, who have either participated in training, different workshops or where analytical tools were tested out.

However, none of the representatives of Government or unions in West Africa were familiar with project outputs or activities and could refer to any particular usefulness of Project outputs. In South Asia the evaluators did not meet representatives of Governments or unions, but the project included workshops and seminars where these stakeholders also participated. In Caucasus/Central Asia the trade unions had participated through National Advisory Committees and at National Roundtables. They were positive to the Project and

saw its usefulness to the national challenges, although they seemed to be the least active partner in the Project.

Main Achievements

The main achievements of the project may be summarized as:

- Important studies of good quality on issues related to P & C have been prepared
- Instruments for measuring of productivity in enterprises have been prepared and tested
- Training material has been prepared and training activities undertaken on issues which limit or contribute to P & C
- Awareness and knowledge on P & C in the EmOs have been strengthened
- Several P & C issues have been taken up and addressed at national level. The impact on policy making in West Africa and South Asia is uncertain while we observed a substantial impact in Caucasus/Central Asia.

Constraining Factors

As described in 4.2, the political situation in Nepal has been a constraint for the implementation of the project. In the other participating countries the time factor has been a constraint. It takes time to establish good relationship with major stakeholders and to recruit project personnel. Therefore the project implementation in all three regions was delayed.

One constraint in West Africa was slow financial management and disbursements by UNDP and in some cases in the ILO regional office in Dakar. But these constraints were overcome to the satisfaction of the Project. Also in some of the Caucasus/Central Asian countries the project faced similar constraints that later were solved satisfactorily.

Potential Alternative Project Strategies

The selected strategies in the Project are not obvious. Alternative strategies could for example have been:

- Using donor money for professional membership campaigns.
- Spend more of the resources on direct organisational measures in the EmOs.
- More internal training in the EmOs.

However, our main assessment is that the Project strategies have proven good with a view to objectives and the problems and needs the Project was to address. There are only some few elements which could have been complements to the strategies, but not alternatives.

Firstly, in none of the West African countries they have tried to develop a network of enterprises that have benefited from the Project. This could very easily have been done through e-mails and networking to build up a network of people and enterprises motivated to apply and promote P & C work. In South Asia the faculty approach is a way to organise such networks. If working, it will naturally give a lot of contacts between member enterprises and the EmOs.

Secondly, in none of the African organisations the Project has been used actively and successfully to promote and disseminate knowledge on P & C issues and tools throughout the EmOs and their member federations. This has to a larger extent been the case in South

Asia and Caucasus/Central Asia although the content of this information varies between the regions.

In all participating countries there have been cases where Government officials and trade union representatives have been brought in to the projects, especially on workshops and roundtables at national level. However, it could have been an advantage to use the social dialogue mechanism more extensively in the Project both at national level and in the enterprises.

Especially in Caucasus/Central Asia trade unions and Governments are facing changing roles and also need capacity building in their new roles. Targeting only one of the social partners for an intervention might give less impact since understanding of productivity and competitiveness has to be jointly developed by all who are responsible for change of directions. On the other hand, targeting all three social partners (Government, employers' organisations and trade unions) at the same time within the same project design would have required time and resources beyond the resources of this Project.

A different kind of serious limitation or obstacle to long-term success was the insufficient project timeframe. At the end of the Project the countries are now at the stage where they see the direction they need to move, but the project is finished and money stopped. It is therefore important how cooperation between ILO and the countries (and employers' organisations) continues after the project is finished.

4.4 Efficiency of Resource Use

It is confirmed by all interviewed by the evaluation team that inputs have been adequate, timely and relevant and provided as scheduled by those concerned. The use of resources was monitored by ILO Regional Offices, and ultimately ILO in Geneva and seems to have been used efficiently as most activities were undertaken as prescribed.

According to the National Experts and the ILO Regional Specialist activities have been cost effective. In particular it is mentioned that all consultancies were undertaken at low cost compared to other donors. In each of the countries this is a relatively small project. As such it seems that the results achieved have justified the costs and it is not likely that the same results could have been achieved with fewer resources.

For Caucasus/Central Asia it was necessary with support from headquarters and international consultants due to lack of regional expert in Moscow. 27% of the budget for Caucasus/Central Asia was used for international consultant and program support cost.

4.5 Effectiveness of Management Arrangements

The management of the Project varied somewhat between the regions. In West Africa and South Asia the regional employer specialists in Dakar and New Delhi respectively played a crucial role for the Project. In Caucasus/Central Asia, the project implementation was very much dependent on external consultants. These key persons all did an impressive job on organising studies and workshops, recruiting national experts and providing supervision to national experts, EmOs and other stakeholders. Their contribution was crucial for a successful implementation of the Project. The appointed National Experts and the management of the EmOs also played an important role in project implementation.

There were well prepared job descriptions for the National Experts with clear definitions of roles and responsibilities. Otherwise there were clear statements on what the organisations and ILO should contribute and the role of the Regional Specialist. The various partners contributed to project implementation as planned, and this contribution was effective.

In some of the participating countries there were some problems recruiting the right project staff and some shortcomings on administrative support, but apparently this was not a major constraint for the Project.

In West Africa there are a few cases where the General Secretary of EmOs tended to use the National Expert for non-project activities, and where the Regional Specialist had to intervene.

For West Africa and South Asia administrative services were also provided from the regional offices in Dakar and New Delhi. Technical backstopping was provided by ACT/EMP Project Manager in charge of the Project both in West Africa and South Asia. For Caucasus/Central Asia most of the administrative services were provided by ACT/EMP Project Manager in charge of the Project.

To sum up, the administrative arrangements contributed to good results and efficient delivery.

4.6 Impact Orientation and Sustainability

As described in the report for Caucasus/Central Asia some of the countries in this region start almost at scratch concerning organising EmOs and introduction of productivity and competitiveness thinking in a global context. In these countries almost everything in the context of the Project is new. Both organisations and rules of the game have to be established. It is therefore easier to observe immediate changes causally linked to the project interventions in Caucasus, but especially in Central Asia.

In Caucasus/Central Asia the project definitely contributed to establishing EmOs, and strengthening confederations. In most of these countries there has been a great increase in member enterprises of the EmOs during the project period. Their capacity to address the issue of productivity and competitiveness has definitely been strengthened.

In South Asia and partly West Africa there are already established EmOs, some with a long experiences on management issues, negotiations and social dialogue. Thus, the impact of such project interventions may be less visible and sometimes even marginal

However, also for West Africa and South Asia we will conclude that the capacities to address the issue of productivity and competitiveness has been strengthened in various ways; basically through studies, training tools, management tool-kits and the establishment of Productivity and Competitiveness units. In two West African countries experts of the Project are now in charge of these units, and in the third, the expert was recruited when the Project was about to finish. But it is unclear if there are financial means in the EmOs to continue this service, and in South Asia the faculty model has been selected as a realistic alternative to such units.

The membership services have been improved as information on productivity and competitiveness is available for the members and also for a larger public. However, at present none of the EmOs have the budgetary means to disseminate this information through further workshops and training. But several of the organisations intend to make this information available through their web sites and have already done so to a varying degree.

The Project has only involved a very limited number of enterprises. In Central Asia there are observed examples of how the Project has contributed to directly improving productivity and competitiveness of individual enterprises. There are no similar reports from the other regions.

Nevertheless, it is evident that the knowledge provided by the various studies as well as the analytical tools and the training material will contribute to “improving the productivity and competitiveness among the private sector enterprises” if this is applied by policy makers and individual enterprises. Especially in Caucasus/Central Asia the project has acted as an eye opener concerning concepts of productivity and competitiveness, but also in the other regions the project has contributed in changing the mind set of central actors in this field.

Sustainability

When discussing sustainability of this Project we have to distinguish between at least three aspects:

- Establishment of new EmOs and strengthening of existing ones
- Change of mind set and practices
- Financial viability

Especially for Caucasus/Central Asia the Project has contributed in establishing and strengthening EmOs. It is very likely that these organisations will continue operating with more strength when the project is over. Also EmOs in the other regions have been supported by the Project, but the long term impact is more uncertain.

Many of those involved in the Project, especially in South or Central Asia have got new insight and perspectives, not only on productivity and competitiveness in global markets, but also on HRM and social dialogue. The changes of mind sets, legislation and certain practices will have a long term impact when the project is over.

The main problem is financial viability. The income base of the EmOs has not been substantially improved by the project despite the increase in memberships, especially in Caucasus/Central Asia. In this region the concepts of productivity and competitiveness are new and difficult, and local infrastructure conditions hinder progress.

One critical factor is the future of the Productivity and Competitiveness Units. During the implementation in South Asia the National Experts were paid by the Project, but left the EmOs when the project was over. In West Africa the experts are kept by the organisations that now pay their salaries. However, as none of the business plans for the units have been approved and the units do not have budgets to implement activities, the units are only partially operational at present. All the three organisations will have congresses this fall, which will address the business plans and the required budgets for the units to be functional. Also for West Africa it may turn out that the P & C units are not sustainable.

5

Summary Conclusions

The main objectives of the project were: to develop and strengthen capacities of Employers' organisations (EmO) to provide and deliver services to member enterprises and potential members on issues on productivity and competitiveness both at enterprises and at the national policy level.

The resources of the employers' organisations in the region are quite limited both in terms of annual income and human resources. The EmOs in the region are well aware of the changes their member enterprises are facing in a global competitive environment. There is also a continuous need to upgrade the skills in the employers' organisations in all the regions covered by the project.

Both objectives and the approach of the Project are relevant. The Project has delivered important outputs and the overall conclusion of this evaluation is that the capacities of national employers' organisations have been strengthened through this project.

In Caucasus/Central Asia the project focussed much on policy issues, on understanding of productivity and competitiveness concepts in a global market perspective and on critical educational challenges. Establishing meeting places and aligning people was important for the project. Also in West Africa national policy issues were central in addition to development of tools for enterprises. In South Asia the project focused mainly on activities at enterprise level by developing tool-kit, enterprise surveys and games for self assessment on productivity and competitiveness status.

The baseline studies give a good overview of the present situation in each of the countries concerned, and it helped identifying sectors of the economy for special attention in this project. In our opinion the baseline studied should also include more institutional and organisational issues, especially more information on the employers' organisations in the region. We lack a brief description of the EmOs, their organisation, main activities and resources.

In all three regions the project organised workshops, seminars, roundtable discussions and conferences on various productivity and competitiveness issues both addressing national and enterprise level.

The tool-kits, games and enterprise surveys as well as the workshops and seminars are all relevant both to ILO objectives and to the main objectives of the project.

The project has been highly efficient in developing the tools and organising workshops and seminars. The output of the project is an impressive list of activities and products. There was a close contact and a good dialogue between the project experts and the enterprises during the project period. Some of the developed tools can be utilized also after the project is completed. However, there will also be a need for revisions and further improvements on some of the tools.

Gender issues have been given attention in the project. There are good records on number of males and females taking part in the various activities. In general the seminars and workshops in the program have to some, but a small degree, been able to include women. The project also organised several workshops on gender sensitivity and women entrepreneurship with many participants, both men and women. In South Asia this turned out to be a good strategy. In this region gender mainstreaming does not seem to be sufficient to include more women. It is timely to organise special seminars directed to women to include a greater share of them in the project. In Caucasus/Central Asia, female participation in the Project was good and the countries clearly acknowledged the importance of gender equality in the labour market. On the other hand the economic challenges are so severe that specific focus on gender sensitivity and gender issues seems premature

We have observed that the activities in the project are relevant and sometimes efficient to promote productivity. They contribute to awareness creation of productivity and competitiveness issues in the companies.

In South Asia the project also addressed productivity challenges in the informal sector of the economy and demonstrated several interesting and promising methods both in Bangladesh and Nepal on how to promote productivity and competitiveness in the informal economy.

In general we feel that the project has given value for money in all regions. The immediate objective 1 “Developed and strengthened capacities of EmOs and deliver service to member enterprises on productivity and competitiveness at enterprise level” has been fulfilled in all the regions. It was most focussed in south Asia.

Concerning immediate objective 2 “Developed and strengthened EmOs to promote the issue of productivity and competitiveness at the national policy level” the impact has been greatest in Caucasus/Central Asia, but there has been an impact also in the other regions, least in India.

The most critical factor of projects of this nature is sustainability.

We conclude that the Project had sustainable impact on strengthening most of the EmOs taking part in the project, and that the Project contributed to long lasting changes of mind set and practices. However, it is more uncertain to what extent it is possible to ensure continued finance of Productivity and Competitiveness Units in the EmOs. Today, EmOs are not financially strong enough to serve their members with the tool-kits on a commercial basis. It is uncertain to what extent the use of the tools will contribute to strengthen the membership base of the EmOs in the regions.

The evaluation team has also considered if the money for this project could have been spent in an alternative and more effective and sustainable way, and we can not clearly see any alternative ways of spending the money that would have given any better results.

In our opinion the project period was too short. We also learnt that originally the donor gave ILO quite some freedom concerning the direction of the project. However, later ILO was requested by the donor to focus more on social dialogue. This request was relevant and in line with ILO objectives, but it came too late and was somewhat disturbing for the

original focus and implementation plans of the project. Since the Project started later in Caucasus/Central Asia, it was possible to include more emphasis on social dialogue which turned out to be very supportive for the Project.

Some Recommendations

- 1) To ensure proper implementation, projects of this nature should be of longer duration than two years, and there should be no donor influenced shift in focus during the implementation period.
- 2) On national policy issues the social partners could have been brought in to an even greater extent Social dialogue is useful also for achieving the objectives for this Project.
- 3) Sufficient in house training of staff in the EmOs on the use of training material and tool-kits introduced in the Project should be ensured. Representatives of regional branches and member organisations should also be included in such training.
- 4) In enterprises more staff should be involved in trial projects and implementation of tools kits. Both management and employees should learn about and use the tools.
- 5) To ensure continued use of the tool-kit and other training material it is necessary to reprint handbooks which now are out of stock and ensure future revisions and reprints. ILO should play a role in following up this need.

Part 2

EVALUATION REPORT

CAPACITY BUILDING FOR EMPLOYERS' ORGANISATION ON PRODUCTIVITY AND COMPETITIVENESS – THE REGION OF WEST AFRICA

Erik Whist, Scanteam
Oslo, August 2007

6

Introduction

6.1 Background and Purpose of Evaluation

The Project “Capacity Building of Employers’ Organisation on Productivity and Competitiveness”, financed by the Norwegian Government under the Social Dialogue component of the ILO-Norway Framework Agreement, was launched in 2004 and was gradually phased out in 2006-2007. Originally the Project covered three West African countries, Mali, Mauritania and Senegal, and three countries in South Asia, Bangladesh, Nepal and India. In 2005 countries in Caucasus and Central Asia were also included.

The ILO Bureau for Employers’ Activities (ACT/EMP) is now carrying out an evaluation of this inter-regional technical cooperation programme. The evaluation includes missions to two countries in each of the three sub-regions. This report covers the evaluation of the West African region with visits to Senegal and Mauritania.

6.2 Methodology and Field Work

The work has consisted of review of background material, briefing at ACT/EMP in Geneva and visits to Dakar and Nouakchott.

In Dakar the consultant had the following program from 20 to 22 June:

- Meeting with the Senior Specialist for Employer’s organisations at ILO/Sub Regional Office, Dakar, to review:
 - Review overall Project implementation in the three countries
 - Program for the evaluation mission
- Meeting with Deputy General Secretary of Mali Employers’ Organisation and National Expert of Project in Mali to assess Project implementation in Mali
- Meetings to learn about Project implementation in Senegal, which included
 - Meetings with various office holders of Senegal Employers’ Organisation
 - Visits to two companies which had benefited from the Project
 - Meeting with persons who had participated in Project training activities
 - Meeting with representatives from labour unions and Government

In Nouakchott the consultant had the following program from 25 to 27 June:

- Meetings to learn about Project implementation in Mauritania, which included
 - Meetings with various office holders of Mauritania Employers’ Organisation
 - Meetings with representatives from three companies which had benefited from the Project
 - Meeting with representatives from labour union and Government

List of persons met follows as annex 1 to this regional report.

7

Summary Presentation of the Project in West Africa

The Project Document (Prodoc) covers both West Africa and South Asia, but these are covered in separate sections. The Project has the same development objective and immediate objectives for all the six countries, but outputs, activities, indicators and targets are not always the same, as these are formulated in response to local conditions in each country. The presentation in this chapter covers only the three West African countries.

7.1 Background and Justification

A special thing for West Africa is that prior to the Prodoc ILO prepared a “Document de cadrage pour la réalisation de l'étude sur l'état des lieux de la productivité et de la compétitivité des entreprises du Mali, de la Mauritanie et du Sénégal”. This is quite a comprehensive pre Project document providing baseline information on the economic situation in relevant sectors, on the employers' organisations, and suggesting strategies and design elements for the Project.

The Prodoc gives a brief presentation of the background and justification as well as the problems and needs, which included

- The challenges the companies are facing in increasingly and open markets
- The role the employers' organisations have to play in creating the conditions for enterprise success by influencing the environment in which they do business and by providing services that improve their individual performance
- How employers' organisations see the need to expand their professional services to help member enterprises particularly in the field of human resources management (HRM), leadership development and enhancing the management of production chains.
- The justification for the Project to focus on small and medium sized enterprises in the manufacturing sector, the construction and public works sector and the service sector

7.2 Project Design

The Prodoc describes the strategy and approach of the Project where the main elements are:

- Recruit one national expert in each country to work inside the employer's organisation and be in charge of Project planning and implementation
- Undertake studies and surveys on P & C with local consultants
- Workshops to validate findings of studies and discuss Project activity plans
- Identify and develop training modules and training consultants to undertake training on P & C issues of selected enterprises

It then presents the target groups. The Project was to provide a combination of direct support and institutional development. The direct recipients of institutional support would be the national Employers' Organisations in the 6 countries targeted. The intended beneficiaries of Project interventions would be the corporate sector, individual enterprises

and sector organisations with membership in the national Employers' Organisations and potential members. These organisations are briefly presented in section 2.3.1.

Table 2.1 gives an overview of the Development Objective, the two Immediate Objectives and the outputs corresponding to each of these two.

The prodoc also lists the activities to be undertaken to produce each of the outputs. It also lists the indicators for each of the immediate objectives and the targets for each of the indicators.

Table 7.1 Project elements

<p>Development objective</p> <p>The project will contribute to improving the productivity and competitiveness among the private sector enterprises in the countries encompassed by the project.</p>						
<p>Immediate Objective 1: Developed and strengthened capacities of Employers' Organizations in Mali, Mauritania, Senegal to provide and deliver services to member enterprises and potential enterprises on issues of productivity and competitiveness.</p>						<p>Immediate Objective 2: Developed and strengthened capacities of Employers' Organizations in Mali, Mauritania, Senegal to promote productivity and competitiveness at the national policy level.</p>
<p>Output 0.1 Preparatory phase: Project design and implementation arrangements made</p>	<p>Output 1.1 Baseline surveys on productivity and competitiveness</p>	<p>Output 1.2 Effective Productivity and Competitiveness Units have become operational in national Employers' Organizations</p>	<p>Output 1.4 Up-dated and reliable research and information on productivity and competitiveness in enterprises in selected sectors</p>	<p>Output 1.5 Documentation and dissemination of good practices in</p>	<p>Output 1.6 Training materials developed, and training undertaken on enterprise level.</p>	<p>Output 2.1 Employers' Organizations influence policies on productivity and competitiveness</p>

7.3 Project Organisation

Brief Presentation of Employers Organisations

The three employers' organisations in the three countries are quite similar as they are unions of employers organisations, each with enterprise members within specific economic sectors.

The CNPM/Mali (*le Conseil National du Patronat du Mali*), which has its office in the capital, Bamako is a federation of 31 sectoral unions of small and medium sized enterprises. In addition some larger enterprises are also individual members. Under the president of the CNPM there is the General Secretary and a staff of some 15 persons. Of these six are technical advisors, covering specific subject areas. It is the only organisation of its nature in Mali.

The CNPM/Mauritania (*la Confédération Nationale du Patronat de Mauritanie*), which has its office in the capital, Nouakchott comprises 10 professional federations and has a membership of more than 800 enterprises in the formal economy and approximately 60,000 micro-enterprises. In addition some larger enterprises are also individual members. Under the president of the CNPM there is the General Secretary and a staff of some 15 persons. It is the only organisation of its nature in Mauritania.

Le Conseil National du Patronat du Sénégal (CNP), which has its office in the capital Dakar comprises 19 employers' associations which cover approximately 65 per cent of the activities in the formal economy. Under the president of the CNPM there is the General Secretary and a staff of some 8 persons. There are other organisations of similar nature in Senegal. But CNP is by far the biggest and most important.

All the three organisations receive membership fees from the members. Their budgets are all in the order of 150 – 200 million CFA (some 320 000 US\$).

Project Organisation in each Country and at the Regional ILO Office in Dakar

For each Employers' Organisation the Project recruited a National Expert in charge of Project implementation. At the ILO Sub Regional Office in Dakar the Senior Specialist for Employer's Organisations was the focal point for technical guidance and administrative support. In Mali and Mauritania UNDP managed Project funds.

In the background document prior to the Prodoc (see section 2.1) it is suggested that two set-ups should be established in every country:

- Cellule technique sectorielles d'exécution (CTSE)
- Groupe de réflexion de proposition et suivi (GRSP)

It is not suggested in the Prodoc to create these units or groups. Nevertheless, in each country efforts are made to set up such coordinating units. But in none of the countries these units or groups are operational at present.

7.4 Project Inputs

At the outset the Project budget of US\$ 1,328,519 was divided equally between West Africa and South Asia for the following budget items

International Expert ACT/EMP	66 500
Administrative Support	20 000
Travel costs	31 501
Mission costs	17 500
National professional personnel	181 500
Sub contracts	42 500
Seminars	187 500
Equipment	6 000
Sundries	5 001
Program support cost	72 540
Cost increases	31 527
Total	662 067

The Project provided the following equipment in each country: one computer, one printer, one copying machine, one table, one chair and three visitors' chairs. Each employer's organisation provided office space.

8

Review of Project Activities and Outputs

This chapter gives a summary review of the activities undertaken for each output and the extent to which each output has been delivered in the three countries. A complete overview of outputs and activities is presented in annex 2 to this regional report.

8.1 Immediate Objective 1

Output 0.1 Preparatory phase

Output 0.1 Preparatory phase: Project design and implementation arrangements made

Activity 0.1.1.: Identify and select national experts for Productivity Units in collaboration with Employers' Organisations in Mali, Mauritania and Senegal

National experts were easily selected in Mauritania and Mali and they both remained with the organisations after this was ended. It was more difficult in Senegal, where the first was changed and the new one resigned at the end of 2005, whereupon yet another was recruited, who is still working with CNP.

Activity 0.1.3: Prepare detailed work plans and budgets in consultation with Employers' Organisations

Detailed work plans and budgets were prepared by the regional expert in consultations with the organisations. The number of enterprises to be included had to be adapted to the budget.

Observations

In all the three countries the preparatory phase went well. The Senior Specialist from ILO/Dakar played an important role in organising the activities to be undertaken and in line with the Prodoc.

Output 1.1 Baseline Survey

Output 1.1 Baseline surveys on productivity and competitiveness

Activity 1.1.1.: Prepare ToR, identify and select consultant(s) in order to carry out baseline studies.

The Senior Specialist ILO/Dakar provided a ToR template, which was further elaborated by the National Experts. In all three countries it was difficult to find consultants and both recruitment and implementation of the studies took more time than expected.

Activity 1.1.2.: Conduct baseline surveys on productivity and competitiveness.

Baseline studies were carried out in all three countries and reports prepared. In all countries the studies consisted of two components, undertaken by different consultants, one addressing P & C at the macro level and one addressing P & C at enterprise level. In all countries the studies stand out as technically solid and of good quality.

These studies identified the major barriers to improving productivity and competitiveness, and contributed towards efforts to devise appropriate strategies for overcoming them. They also contained practical suggestions on follow-up both at the level of the organisations and the enterprises as well as actions to be undertaken at Government level. Once these studies on the state of productivity were completed, more specific studies were carried out on certain aspects and design training programmes and methodologies on given themes.

Activity 1.1.3.: Organize national workshops in order to discuss findings, finalize work plans.

In all countries Workshops were organised to present and discuss the reports and to make recommendations on work to be undertaken. These meetings brought together several participants, including representatives of professional groups affiliated with the employers' organisations, business enterprises involved in the Project, research institutes, specialized agencies of the United Nations system and workers' unions. The number of participants per country was as follows:

Senegal: 39 participants (7 women), including 4 union representatives and 5 Government representatives.

Mali: 18 participants (1 woman), including 2 union representatives and 3 Government representatives.

Mauritania: 61 participants (10 women), including 4 union representatives, 8 Government representatives and 11 representatives of international agencies and development partners.

In all countries this workshop was a crucial moment for the Project, it provided

- legitimacy for the Project both within the organisation and for a wider circle
- platform for Project work
- platform for development work within the organisation
- ownership of the Project by broad range of stakeholders both within and outside the organisations

In the workshops in all the countries issues related to Human Resources and work environment were identified as crucial elements with a view to strengthen productivity. In all countries this became the focus of Project training activities.

Observations

In all three countries the output was delivered. It is agreed that these studies and the workshop were very important for the continuation of the Project.

Output 1.2. Productivity and Competitiveness Units

Output 1.2.: Effective Productivity and Competitiveness Units have become operational in national Employers' Organizations

At the outset the situation was slightly different in Mauritania compared to the other two countries, as there in Mauritania already was such a unit working with P & C

Activity 1.2.1.: Provide advisory services on establishment of Productivity Units in Mali, Mauritania and Senegal.

The Regional Specialist provided this type of advisory services to the organisations together with the National Expert recruited by the Project.

Activity 1.2.2.: Establish Productivity and Competitiveness Units in Employers' Organizations in Mali and Senegal.

During the Project the Project National Experts worked as such a P & C unit. The experts have then become regular staff in the organisations and paid by these. In all organisations these experts now constitute such units.

Activity 1.2.3.: Strengthen existing Productivity Unit in Employers' Organization in Mauritania.

In Mauritania the CNPM staff member who already worked on P & C issues was recruited as National Expert. When the Project ended, CNPM started paying him his previous salary.

Activity 1.2.4.: Develop Business Plans for Productivity Units

One of the tasks of the National experts was to prepare Business Plans for the Productivity Unit. The business plans of the productivity units in the three countries have all been developed and submitted to ILO Dakar. These business plans have to be reviewed and refined at the close of the Project to take into consideration the latest developments in Project activities.

Mauritania's business plan includes three (3) core components:

- Institutional sustainability (identifying and implementing reforms responsive to productivity issues),
- Technical sustainability (that concerns the services for members and other clients),
- Financial sustainability (an estimate of the costs and receipts that could permit the institutionalization and development of services).

Senegal's business plan is designed almost along the same lines, concerning institutional, technical and financial aspects, but it also includes sections on the context and activities of the Project. This business plan concludes that the transfer of financial responsibility for sustaining Project activities to employers' organisations is going to be a progressive process that might last about three (3) years.

Mali's business plan makes provision for a five-year transitional period needed to reach the financial break-even point. This would entail progressive marketing of the services of the productivity unit.

Observations:

At the outset the National Experts were recruited to constitute P & E units in charge of Project implementation. The fact that virtually all envisaged activities were undertaken shows that these units have been operational and effective. During the implementation the National Experts were paid by the Project. The experts are kept by the organisations that now pay their salaries. However, as none of the business plans for the units have been approved and the units do not have budgets to implement activities, the units are only partially operational at present. All the three organisations will have congresses this fall, which will address the business plans and the required budgets for the units to be functional.

Output 1.4 Research and Information on Productivity in Enterprises

Output 1.4 Up-dated and reliable research and information on productivity and competitiveness in enterprises in selected sectors

Activity 1.4.1.: Develop evaluation tool for measuring enterprise productivity

In all three countries such a tool for measuring productivity was prepared. They were prepared by consultants who also tested the applicability of the studies in a limited number of selected enterprises. The reports included an introduction and a core section subdivided into three parts: the fundamental theories of productivity, proposed calculation methods by sector of activity, and the conclusions and recommendations. The proposed calculation method covered the sectors chosen in the Project (Industries, Construction and Public Works, and Services), along with possible indicators for measurement in each sector. It also offered an option for combining the indicators. The reports emphasised the need to have reliable and up-to-date information, and recommended also that a social balance sheet for the business be established.

In all countries workshops were held introducing the evaluation tool to a selected number of enterprises.

Activity 1.4.2.: Carry out studies on strategic agreements, wage and pay systems

These studies were undertaken in all countries, but with many problems as the enterprises were reluctant to provide information, although the organisations had explained and sent letters on this.

Activity 1.4.5.: Publish and disseminate tool-kit

In Mali and Mauritania publications have been made based on the two previous activities. No such publication has been made in Senegal. In Mauritania the tool-kit was also made available on CD and made available on the CNPM Web site.

Observations:

This output includes two different elements, one is a study related to agreements and wages (activity 1.4.2), and the other is the development, dissemination and application of a tool for measuring productivity in enterprises (activity 1.4.1 and 1.4.5). The study on agreements and wages were undertaken in all three countries. They were difficult to

implement as enterprises were reluctant to provide the necessary information, but nevertheless the studies were completed and constitute important information. The tool for measuring productivity was developed in all three countries, addressed in a workshop and published in Mali and Mauritania. In conclusion this output was delivered in the three countries, but not equally well published.

Output 1.5 Documentation and dissemination of good practices

Output 1.5 Documentation and dissemination of good practices

Activity 1.5.1.: Identify enterprises for good practice case studies

This was not done in any of the tree countries

Activity 1.5.2.: Organize workshops to share experiences on good practice and social dialogue based on case studies

This was not done in any of the tree countries

Observations:

Although these activities were not done under the Project, CNPMali is doing this now after the Project was terminated. In Mauritania the funds for these activities were spent on the CNPM website.

Output 1.6 Training

Output 1.6.: Training materials developed, and training undertaken on enterprise level

Activity 1.6.1.: Identify trainers and institutions

In all countries trainers and training institutions were identified. Trainers in workshops were consultants who had prepared studies or training modules and ILO consultants who either were working on other ILO projects or ILO specialists working in the ILO office in Dakar.

Activity 1.6.2.: Develop training programme and methodologies

Activity 1.6.3: Design/ produce/adapt training materials/modules

Activity 1.6.4.: Conduct training workshops and seminars: HRM, OSH, job quality, market, equal opportunities, and enterprise environment.

Activities 1.6.2, 1.6.3 and 1.6.4 were carried out in all three countries and constituted a major part of Project work. A broad range of topics were addressed:

- Business management
- Human Resources Management
- Legal obligations of small and medium sized enterprises
- Occupational Health and Safety
- Equal opportunities for men and women – gender as an issue and a potential (female entrepreneurship)

- Social welfare and productivity

These training activities were carried out in addition to the seminars where studies by the Project were presented. In all the training the different topics were linked to productivity and competitiveness. Participants received well prepared training material. In Senegal and Mali all the training was gathered on CD.

Observations:

Through this training the Project reached out to a wide audience. Enterprises which participated in these training activities were visited in Mauritania and Senegal. They were unanimous in their praise of the training material and the trainers. They had all applied the knowledge acquired and reported that this had helped them in modernizing their companies.

8.2 Immediate Objective 2

As already stated Immediate Objective 2 is

Developed and strengthened capacities of Employers' Organisations to promote productivity and competitiveness at the national policy level.

Output 2.1.: Employers' Organizations influence policies on productivity and competitiveness

Output 2.1.: Employers' Organizations influence policies on productivity and competitiveness

Activity 2.1.1: Compile position papers/info material on factors affecting productivity and competitiveness

There are already two studies presented above, which address factors affecting productivity and competitiveness (Activities 1.1.2 and 1.4.2). In addition a third study was undertaken in all three countries which addressed exclusively factors affecting productivity and competitiveness.

Activity 2.1.2: Organize national level policy meetings/workshops on competitiveness/issues arising from case studies carried out

In all the countries workshops were undertaken on the basis of the various studies undertaken by the Project where Government officials participated and policy issues were discussed.

Activity 2.1.3.: Produce brochures/advocacy and training materials to promote productivity and competitiveness.

Training material was prepared as mentioned above. In addition the two organisations in Mali and Mauritania published a special advocacy document for the promotion of P & G.

Observations:

Although the Project undertook the envisaged activities, it is difficult to say to what extent this meant the output 2.1 "Employers' Organisations influence policies on productivity and competitiveness" was achieved. The organisations claim that they exercise such an influence, but

the representatives of Government the Evaluation Team met with, did not confirm this, they did not even know about the Project.

8.3 Conclusions on Outputs and Activities

This review shows that the major elements of the Project are:

- Conceptual studies on P & C including surveys
- Preparation of analytical tools to be applied in enterprises including testing these in sample enterprises
- Workshops to discuss and disseminate studies and tools
- Preparation of training manuals on factors limiting or contributing to increased P & C in enterprises
- Training workshops for selected enterprises on P & C, applying the manuals prepared by the Project
- Making available all information prepared by the Project

The previous sections show that in all three countries the Project implemented activities in accordance with the Prodoc and brought about the expected outputs – with one exception. In none of the countries the activities were undertaken which should bring about output 1.5 Documentation and dissemination of good practices. In addition it is far from clear to which extent the Project has delivered Output 2.1 “Employers’ Organisations influence policies on productivity and competitiveness”.

9

Assessment of Indicators and Targets

The Prodoc has a section on indicators and targets to measure the achievement of the two immediate objectives. In some cases the wording is confusing as some indicators coincide with outputs and targets with activities. Nevertheless, in the following the indicators are addressed to assess Project achievements.

9.1 Immediate Objective 1

Indicator 1

	Indicator	Targets
1.	Productivity and Competitiveness Units have been established in national Employers' Organizations and these Units provide relevant services to members in cost effective manner.	- Productivity and Competitiveness Units set up in the Employers' Organizations in Senegal and Mali respectively. <i>Both countries have established such units</i>
		- The Productivity Unit in the Employers' Organization in Mauritania has expanded its services to members. <i>This has been done</i>
		- Minimum 15 workshops/seminars conducted on HRM, marketing, OSH, job quality etc. in the 3 countries. <i>In all countries there have been quite a number of workshops, probably more than 15 in each country on these topics</i>
		- Training modules and tools developed. <i>In all countries consultants have prepared training modules and topics on these topics</i>

The Productivity and Competitiveness Units are in place, but none of them have operational budgets to provide services to members beyond that of having relevant published information available upon request and to some extent on the web site. This is obviously cost effective in the sense that very little costs are incurred, but it also means that the outreach is limited and demand based.

Indicator 2

2.	Business plans developed on how to provide services on a pay basis in order to sustain the Productivity and Competitiveness Unit.	- Productivity Units in Senegal, Mauritania and Mali are operating on a self-sustainable basis. <i>In none of the countries the units are generating income and operating on a self-sustainable basis</i>
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The Business Plans have been prepared in all three countries, but yet not approved by any of the organisations. The plans will be addressed by the organisations decision-making congresses this fall. It is quite uncertain whether it is possible to make these units income generating and hardly likely that they will become self-sustainable. Sale of publications will not cover production costs. It will be difficult for the organisations to charge the

necessary attendance fees at workshops from member enterprises as these will expect these to be free or low in response to member quotas. There will probably not be sufficient demand for advisory services on an individual basis from members and the staff of the units will have to compete with specialised consulting firms.

Indicator 3

3.	Availability of reliable and up-dated information on enterprise productivity and competitiveness	- Baseline survey provides up-dated and relevant information on productivity and competitiveness. <i>Good baseline surveys have provided this type of information</i>
		- Studies carried out on strategic agreements, wage and pay systems in Mali, Mauritania and Senegal. <i>These studies were carried out in all three countries</i>
		- Three enterprises selected in each country for good practice case studies. <i>Such enterprises have not been selected and no studies have been undertaken in any of the countries.</i>

In all countries this type of information has been provided by the Project.

Indicator 4

4.	Improved productivity and competitiveness among SMEs.	- More than 15 enterprises use the Evaluation tool and show increase in productivity. <i>In Mali and Mauritania the evaluation tool is being applied in a small number of enterprises and efforts are made to increase the number. In Senegal the tool is not being applied in any enterprises, only by simulation of enterprises in different economic sectors</i>
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The wording of this indicator is very similar to that of the Development Objective. This indicator is therefore not the correct indicator for the Immediate Objective 1. None of the projects have data showing improved productivity and competitiveness of enterprises. Nevertheless, in the few factories which were visited they all claim that this has been the case.

9.2 Immediate Objective 2

1.	Action taken by Employers' Organizations to influence policies concerning productivity and competitiveness.	<p>- Brochures and advocacy materials produced for all three countries.</p> <p><i>In all countries such material has been produced, but to a varying degree and least in Senegal.</i></p> <hr/> <p>- Seminars/workshops on competitiveness and issues arising from case studies organized in all 3 countries.</p> <p><i>In all countries such seminars and workshops have been organised.</i></p> <hr/> <p>- Up-dated and reliable information available on HR policies in Mali, Mauritania and Senegal</p> <p><i>In all three countries information was part of the studies undertaken at the start of the Project. It has not been updated at a later stage.</i></p> <hr/> <p>- Sub-regional networking meeting organized.</p> <p><i>Such a meeting was organised in 2005</i></p>
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The organisations have strived to influence policies through preparation of relevant documents and the participation of Government representatives the workshops were these have been presented.

10

Evaluation of project

The ToR lists six aspects of the Project with detailed questions to be addressed, as done in the sections below:

10.1 Relevance

- a) To what extent have programme results been useful in meeting the needs and priorities of the employers' organisations concerned and addressing the identified problems?

The previous sections have identified the outputs produced by the Project in the three countries. They are all related to problems of productivity and competitiveness at the enterprise level and the macro level. The organisations have clear needs to be strengthened in their own competences on these issues in order to provide information and guidance to their members and to influence national policies on these matters.

- b) Do the initial needs and problems still exist and are they still relevant? Have new and relevant needs emerged?

The need of the organisations to be on the top of issues related to P & C vis a vis both enterprises and Government is just becoming more and more acute and relevant. The countries are becoming more and more open to international competition and tariffs. Measures to protect domestic industries are disappearing and private enterprise is becoming more and more exposed to international competition.

- c) How well did the Project complement and fit with other ILO projects/programmes in the countries of intervention?

There was particularly one project, Start and Improve Your Business, targeting small and medium size enterprises, which was of importance for Project. This had been going on for several years, a wide range of training manuals had been prepared and trainers trained. All this was of direct relevance for most of the enterprises involved in the Project. In Mauritania the Start and Improve Your business project was managed by the Productivity and Competitiveness Units, where the Project was also located.. In addition the project STEP (Strategic tools against Poverty) was an important inspiration.

Various ILO specialists from the Regional Office in Dakar also supported the Project in different ways:

- The Social Welfare specialist facilitated Mauritania's workshop on the role of social protection in improving productivity.
- The work done by the SRO «Safework» specialist was decisive in the design and delivery of occupational health and safety activities in Mali as well as the delivery of all activities for WISE (Work Improvement in Small Enterprise) in Senegal.
- The ILO/SRO/DAKAR «gender» focal team was invited to facilitate all the seminars on gender awareness and the training workshops on the mainstreaming of the gender approach in activity design, delivery and monitoring.

10.2 Validity of Design

- a) Does the Project document specify in clear and unambiguous terms the problems and needs, the strategy to be followed and the objectives of the programme?

The Prodoc has a brief, but good presentation of the macro situation in which private sector operates and an adequate presentation of the problems private enterprises are facing. The Prodoc presents well the Project strategy and approach, as well as the development objective and the two immediate objectives.

The Prodoc also has a brief presentation of the employers' organisations, but not so much about their problems and the needs they are facing.

- b) Were the Project objectives and outcomes relevant and realistic to the situation on the ground?

The Project has one Development objective on improving P & C among private sector enterprises and two immediate objectives on strengthened capacities of the organisations, one to deliver service on P & C at enterprise level and one to promote P & C issues at national policy level.

It is clear that the objectives are highly relevant and it is quite realistic that the Project will contribute to these.

However, the extent to which the Project contributes to the Development objective of improved P & C in private enterprises is very limited, if not negligible. The Project only prepares studies, undertakes workshops to disseminate these with a very small group of enterprises and likewise undertakes training of a very small group of enterprises. In general and with few exceptions, the Project does not intervene at the level of individual enterprises. But reports and training material is available to members as well as non members.

When it comes to the two immediate objectives, the extent to which they were realistic may be commented upon as follows.

Regarding the first immediate objective, the Prodoc does not make it clear what kind of services which are to be developed, indirect services by making available information and training, or more direct advisory services on individual basis. In this regard the Project has followed different strategies in the three countries. In Senegal the training consultant, with some participation of the National Expert, undertook visits and provided assistance to individual companies. This was not done in Mali and Mauritania. If one thinks of services in the way this was done in Senegal, it is clear that that the objective is not realistic.

Regarding the second immediate objective, it is of course highly relevant to have an immediate objective to strengthen the capacities to promote P & C at the national policy level. The Project has provided outputs which strengthen the organisations capacities in this regard. However, it is not clear to what extent the organisations actually influence national policies on these issues.

- c) Was the intervention logic coherent and realistic?

The logic of the intervention is coherent. However, it does not spell out the organisational structure of the organisations with their internal commissions etc and their membership organisations, which are the federations, dealing directly with their member enterprises. It would have been logic to spell out in the strategy how these different levels of the employers' organisation should be benefiting from this capacity building project.

The logic of the intervention is realistic in as much that most of the activities have been undertaken and outputs delivered rather successfully.

- d) Did the outputs causally link to the immediate objectives that link to the broader development objective?

Table 2.1 shows how the outputs are causally linked to the different objectives.

- e) What were the main strategic components of the Project?

Chapter 2 presents the strategic components of the Project, which were:

- Conceptual studies on P & C including surveys
- Preparation of analytical tools to be applied in enterprises, including testing these in sample enterprises
- Workshops to discuss and disseminate studies and tools
- Preparation of training manuals on factors limiting or contributing to increased P & C in enterprises
- Training workshops for selected enterprises on P & C, applying the manuals prepared by the Project
- Making available all information prepared by the Project

- f) Were the roles and commitments of the employers' organisations and other stakeholders and partners involved in the activities clearly defined?

The Prodoc presents in a clear manner the role of the ILO and its Regional Office in Dakar, of the employers' organisations and of the National Experts, for whom specific job descriptions were prepared. What it did not provide, was a description on how Project funds were to be administered with the duties of ILO Regional Bureau and the UNDP offices in Mali and Mauritania.

- g) How useful and appropriate have the indicators described in the Project document been in assessing the Project's progress? Are the means of verification for the indicators appropriate?

The Prodoc has indicators specified for the two immediate objectives. They are useful and appropriate, with the exception of indicator 4, which is practically the same wording as the development objective.

There are targets linked to each indicator. The wording of these targets is in some cases confusing and at times they overlap with the wording of outputs and activities.

Nevertheless, the indicators with their targets as well as the structure of outputs and activities have been useful for preparation of work programs as well as progress reports.

The Prodoc does not spell out means of verification for indicators unless the targets are to be understood as such in which case they were quite appropriate.

- h) Were the external factors affecting Project implementation identified and assumptions proven valid?

The Prodoc does not really address external factors nor make any assumptions on these. But then in fact, the Project did not experience major risks regarding external factors. The only one that is referred to is slow financial management and disbursement in the UNDP offices handling Project accounts in Mali and Mauritania as well as in some cases the ILO Regional Office in Dakar.

Another aspect is that in all the countries the Project had problems in ensuring the intended participation of women. Actions were therefore taken to strengthen women's participation in training and making gender relevant throughout the Project.

10.3 Project Effectiveness

- a) To what extent have the programmes immediate objectives been achieved for the employers' organisations concerned?

Achievement of Immediate Objective 1

Capacities of the employers' organisations to provide and deliver services to member enterprises on the issue of P & C at enterprise level has been developed and strengthened in the following manners:

- First and foremost, the knowledge base on P & C has been strengthened in the organisations.
- Secondly, analytical tools and training modules on P & C have been developed
- Thirdly, the national experts in the Project now constitute P & C units in each organisation

However, it seems that the capacities developed are much focused on the Project's national experts and not widely shared among others within the organisation beyond the General Secretary.

Achievement of Immediate Objective 2

It is absolutely clear the studies on P & C together with the workshops where these issues have been discussed with a broader audience, including both labour unions and Government, have strengthened the capacities of the organisations to promote the issue of P & C at the national policy level. All three organisations are members of Government sponsored committees working on issues related to P & C, where the organisations now have a better information basis to promote such issues.

In all three countries efforts have been made to anchor the achievements of the Project with broader audiences through the creation of sector-based technical execution units, or

Cellules Techniques Sectorielle d'Exécution (CTSE), and discussion, lobbying and monitoring groups or Groupements de Réflexion, de Proposition et de Suivi (GRPS). The CTSE were instituted closely together with the permanent secretariats of professional groups to develop and monitor the administration of sector-based action plans. The GRPS were forums where the respective partners (the State, unions and NGOs, etc.) could discuss, brainstorm, share ideas and make decisions on cross-cutting issues pertaining to business productivity and competitiveness. In the countries CTSEs and GRPS were constituted, but in no country they have come to function or play any role thereafter.

b) Have the outputs of the programme been of adequate quality and quantity?

The review of Project outputs in chapter 3 shows that all outputs with one exception (1.5 Documentation and dissemination of good practices) have been delivered. All concerned, including ILO, confirm that the quality of the different outputs has generally been good.

c) Have the outputs been useful?

It follows from all that has been stated throughout this report that all the outputs have been useful. The general secretaries of the organisations confirm this. The same is the case of the few enterprises interviewed, which have either participated in training, in different workshops or where analytical tools were tested out. However, none of the representatives of Government or labour unions were familiar with Project outputs or activities and could refer to any particular usefulness of Project outputs.

d) Do the benefits accrue equally to men and women?

The benefits of the Project do not in any way accrue equally to men and women. On the contrary beneficiaries are almost exclusively men. In Mauritania, for instance, only 5 % of participants in workshops and training have been women. Nevertheless, the training material developed and applied address gender issues and one training workshop was exclusively on gender as a contributing factor to productivity.

e) Are the Project partners/employers' organisations using the outputs?

The extent to which the organisations and the Project partners are using the outputs is not quite clear.

In all three organisations the material produced is made available for those who request this. This information and knowledge is applied in the work of key personnel such as the General Secretary and the former National Expert who is now chief of the P & C unit. But beyond this, other units of the organisation and their member federations are not using the outputs. At present none of the organisations have budgets which would allow the P & C units to undertake training or dissemination activities related to the different outputs. The business plans for the P & C units prepared by the Project have not been approved by any of the organisations' decision making bodies.

When it comes to the extent to which enterprises which have been involved in surveys, testing of tools, workshops or training, there are no records on whether they are using any of the outputs. The Evaluation Team met some enterprises in Dakar, who successfully applied the material they had received during training and in Nouakchott with enterprises

where the tools for measuring productivity had been tested out. These last enterprises were relatively big and they already applied this type of instruments, but recognised that what the Project provided was useful complements.

Meetings with Government representatives revealed that they did not know about the Project and its outputs.

f) Has the Project approach demonstrated successes

It is difficult to assess whether the Project approach has demonstrated a success. The Project has been a success in as much that overall the Project outputs have been delivered and activities undertaken according to plans and mostly in a relatively timely manner.

However, the results have not been well disseminated within the organisations and impacts not well anchored.

g) What have been the Project's main achievements?

The main achievements of the Project may be summarized as:

- Important studies of good quality on issues related to P & C have been prepared
- Instruments for measuring of productivity in enterprises have been prepared and tested
- Training material has been prepared and training activities undertaken on issues which limit or contribute to P & C
- Knowledge on P & C in the organisations have been strengthened

h) What have been the main challenges or constraining factors of the Project and how have they been overcome?

The Project has not faced major challenges or constraints in any of the countries. The only ones that have been brought to the attention of the Evaluation Team have been slow financial management and disbursements by UNDP and in some cases in the ILO regional office in Dakar. But these constraints were overcome to the satisfaction of the Project.

i) What, if any, alternative strategies would have been more effective in achieving its objectives?

Actually, the Project strategies have proven good with a view to the problems and needs the Project was to address and its objectives. There are only two elements which have come up and which could have been complements to the strategies, but not alternatives.

Firstly, in none of the countries they have tried to develop a network of enterprises that have benefited from the Project. This could very easily have been done through e-mails and networking to build up a network of people and enterprises motivated to apply and promote P & C work.

Secondly, in none of the organisations the Project has been used actively and successfully to promote and disseminate knowledge on P & C issues and tools throughout the organisation and its member federations.

10.4 Efficiency of Resource Use

- a) Have the inputs (funds, project personnel, expertise, partners, training materials and equipment) been adequate, timely and relevant?

Chapter 2 presented Project inputs from ILO and the organisations themselves. It is confirmed by all interviewed by the Evaluation Team that all these inputs have been adequate, timely and relevant and provided as scheduled by those concerned.

- b) Have resources been used efficiently?

The use of resources was monitored by ILO Regional Office in Dakar and ultimately by ILO in Geneva. Resources seem to have been used efficiently as most activities were undertaken as prescribed.

- c) Have activities supporting the strategy been cost effective?

According to the National Experts and the ILO Regional Specialist activities have been cost effective. In particular it is mentioned that all consultancies were undertaken at low cost compared to other donors.

- d) In general, have the results achieved justified the costs?

In each of the countries this is a relatively small project. As such it seems that the results achieved have justified the costs.

- e) Could the same results have been obtained with fewer resources?

In line with the above, it is not likely that the same results could have been achieved with fewer resources.

10.5 Effectiveness of Management Arrangements

- a) Was the technical and administrative guidance and support provided by the ILO Offices in the field and ACT/EMP headquarters adequate?

In conversations with National Experts and General Secretaries of the organisations they have all emphasised the important technical guidance provided by the ILO Specialist in Dakar and the consultants provided by ILO. As already stated there were some constraints or shortcomings on administrative support, but apparently this was not a major constraint for the Project.

- b) Did the Project governance facilitate good results and efficient delivery?

Project governance has primarily been with the National Experts and the General Secretaries of the organisations. Generally speaking this has worked well with a good cooperation between these, which facilitated good results and efficient delivery.

There are a few cases where the General Secretary tended to use the National Expert for non-Project activities and where the Regional Specialist had to intervene.

- c) Was there a clear understanding of the roles and responsibilities by all parties involved?

There were well prepared job descriptions for the National Experts with clear definitions of roles and responsibilities. Otherwise there were clear statements on what the organisations and ILO should contribute and the role of the Regional Specialist. Those interviewed confirm that there were no issues on the understanding of the roles and responsibilities by the parties throughout the implementation of the Project.

- d) Did the various partners contribute to Project implementation as planned and was this contribution effective?

It follows from previous sections that the assessment is that the various partners contributed to Project implementation as planned and that was this contribution was effective.

- e) To what extent have the various ILO units and technical specialists cooperated? How has this cooperation worked?

Among the ILO units and technical specialists the most important was the Regional Specialist for Employer's Organisations. He supervised Project implementation in the three countries and provided technical guidance on various issues. Most important was his participation in preparing Terms of Reference for the different consultancies. He also participated in some of the most important workshops and undertook regular supervision missions. He provided guidance on preparation of work plans and consolidated progress reports to ILO Head Quarters.

Other technical advisors at the Regional Office in Dakar also contributed. They include

- The Social Welfare specialist who facilitated the workshop in Mauritania on the role of social protection in improving productivity.
- The work done by the SRO «Safe work» specialist was decisive in the design and delivery of occupational health and safety activities in Mali as well as the delivery of all activities for WISE (Work Improvement in Small Enterprise) in Senegal.
- The ILO/SRO/DAKAR «gender» focal team facilitated all the seminars on gender awareness and the training workshops on the mainstreaming of the gender approach in activity design, delivery and monitoring.

Administrative services were also provided from the Regional Office in Dakar. Technical backstopping was provided by ACT/EMP Project Manager in Geneva in charge of the Project both in West Africa and South Asia.

As already stated, this cooperation worked well.

10.6 Impact Orientation and Sustainability

- a) Can observed changes be causally linked to the Project interventions

It is very easy to conclude that none of the achievements in the organisations discussed above would have come about without the Project.

- b) Have the capacities of employers' organisations to address the issue of productivity and competitiveness been strengthened?

It is quite clear that the capacities of the employers' organisations to address the issue of productivity and competitiveness have been strengthened in various ways: Firstly, through the various studies undertaken, the organisations' knowledge of most aspects connected to productivity and competitiveness has been strengthened. This is both at macro level as well as at enterprise level, where tools for analysis for measuring productivity have been developed and tested. Secondly, training tools to enhance productivity and competitiveness in enterprises have been developed and tested by the Project. Thirdly, in all countries Productivity and Competitiveness units have been established. In two of the countries the National Experts of the Project are now in charge of these units. In the third the person was recruited when the Project was about to finish.

- c) Have employer organisations' membership services been improved or enhanced

The points in the previous section b) imply the membership services have been improved. Actually, this type of information is now available for the members and also for a larger public. However, at present none of the organisations have the budgetary means to disseminate this information through workshops and training. However, all the organisations intend to make this information available through their web sites and have already done so to a varying degree.

- d) Did the Project contribute towards the longer term development objective

The longer term objective of the Project is "improving the productivity and competitiveness among the private sector enterprises".

The Project has only involved a very limited number of enterprises and none of the outputs of the Project has been to directly improve productivity and competitiveness of individual enterprises. Nevertheless, it is evident that the knowledge provided by the various studies as well as the analytical tools and the training material will contribute to "improving the productivity and competitiveness among the private sector enterprises" if this is applied by policy makers and individual enterprises.

- e) Are the programme results, achievements and benefits sustainable and, if so, in what way? If not, how could the programme have been implemented differently to ensure sustainability?

To a certain extent some of the results, achievements and benefits of this Project are sustainable. The knowledge that has been acquired on P & C through the different studies is now the property of the organisations and will be the basis for their services to member organisations and in their policy dialogue with Government. This knowledge as well as training material is now available in different publications and to a varying degree on the Web.

Within the organisations this knowledge is first and foremost anchored in the P & C units developed through the Project. The staff of this (1 or 2 persons) are now paid by the organisations. Through the Project business plans were made to make these units cost effective and operating on a sustainable basis, selling P & C services to member enterprises. For various reasons it is not likely that such economic sustainability may be

achieved. There is limited willingness in member enterprises to pay for services which they think should be provided by the organisation to which they pay membership fees. Furthermore, the P & C units will probably not be able to compete with specialised management consultants.

The ownership of the knowledge that has been generated through the Project is to a certain degree shared with the General Secretary of each organisation, but to a much lesser degree with other staff or members of the organisations, which are the sectorial federations with their own members and general secretaries.

In hindsight it seems that a complementary strategy to ensure increased sustainability would have been to have made more efforts to anchor the Project with its different activities with the organisation itself and its different member federations.

11

Summary Conclusions

The Terms of Reference lists four items to assess by the evaluation. These summary conclusions address each of these.

- 1) Review evidence of the direct and indirect impact of ACT/EMP's work on strengthening the capacities of national employers' organisations through the programme on Productivity and Competitiveness.

It is the overall conclusion of this evaluation that the capacities of national employers' organisations have been strengthened through this Project.

- 2) Assess the relevance of the Project objectives and approach and establish how far the Project managed to achieve its planned outcomes and objectives.

It is the conclusion of this evaluation that both the objectives and the approach of the Project are relevant. The overall assessment is that the Project has delivered the most important outputs. They all contribute to the achievement of the objectives and the planned outcomes at the organisational level, which are increased capacities to deliver services. Those relatively few enterprises which were directly involved in Project activities express that there were positive impacts on their own productivity.

- 3) Assess the extent to which the Project strategy proved efficient and effective and whether it is likely to have sustainable impact.

It is the conclusion that the Project strategy was both efficient in undertaking activities at a relatively low cost as well as effective in producing the outputs. There are several indicators that the Project is likely to have sustainable impact, particularly at the level of the organisations.

- 4) Assess the management arrangements and structures of the Project and the level of contribution and coordination of the various stakeholders.

It is the conclusion of the evaluation that the management arrangements and structures were adequate and conducive. Furthermore, the contributions of the various stakeholders were also adequate and provided in a timely and coordinated manner.

Annex 1**LIST OF PERSONS MET IN THE REGION**

Ousmane Toure	Spécialiste Technique Principal pour les Organisations d'Employeurs, BSR/OIT, Dakar
Dramane Haidara	Directeur a.i., Bureau sous-régional de l'OIT pour le Sahel
Mali :	
Modibo Tolo	Secrétaire General Adjoint, Conseil National du Patronat du Mali
Mamadou Landoure	Expert National Projet Productivité, Conseil National du Patronat du Mali
Senegal :	
Alioune Mawa Faye	Expert en Gestion des Ressources Humaines, Président ANDCPS, Conseil National du Patronat du Sénégal
Baye Ibrahima Diagne	Président Preconseils Président Commission Bonne Gouvernance Publique Privée, Conseil National du Patronat du Sénégal
Amadou Massar Sarr	Directeur SATS Membre Commission Dialogue Social Conseil National du Patronat du Sénégal
Omar Cissé	Directeur 2SI, Dakar
Kevin Kamdem	Assistant Directeur General Global Business Group
Papa Nalla Fall	Président Groupe Afrique Gestion Président Commission Formation et Valorisation des Compétences Professionnelles Conseil National du Patronat du Sénégal
Alioune Ba	Expert programme Productivité Conseil National du Patronat du Sénégal
Aboubacry Gueye	Directeur Optimance Membre Preconseil Conseil National du Patronat du Sénégal
Hamidou Diop	Secrétaire General Exécutif Conseil National du Patronat du Sénégal
Ludovic Nguessan	Expert National antérieur Conseil National du Patronat du Sénégal
Paul Monteiro	Directeur, Imprimerie Papeterie Monteiro, Dakar
Marie Antoinette Monteiro	Directeur Financier, Imprimerie Papeterie Monteiro, Dakar
El Hadji Malick	Chef d'atelier, Imprimerie Papeterie Monteiro, Dakar
Malang Mane	Directeur General, Socoplast, Dakar
Mansour Sall	Responsable Service Commercial, Socoplast, Dakar
Fatou Sidibe Fall	Ressources Vision, Dakar
Ibrahima Mbaye	Association Nationale des Directeurs et Cadres du Personnel Sénégal, Dakar
Sow Aolama Wade	Responsable Formation CNP, Dakar
Ibrahima Sene	Secrétaire General Adjoint, Confédération Syndicale Autonome, Dakar
Abdatou Kane Ba	Ministère du Travail, Dakar
Hady Gueye	Responsable Productivité, Union national des Syndicats Autonome du Sénégal, Dakar
Mauritanie :	

Diallo	Expert National Projet, Nouakchott
Seyid Ould Abdellahi	Secrétaire General, CNPM, Nouakchott
Sbai Moulay Ahmed	Secrétaire General Fédération Bâtiments et Travaux Publiques
Mohamadou Moussa Wague	Consultant – Economiste, Nouakchott
Mohamed Ould Wthmane	Directeur General Adjoint, Groupe MIP, Nouakchott
Sidi Mohamed Mustapha	Eau Mineral ZEM ZEM, Nouakchott
Mamadou Hamady Ba	Union des Travailleurs de Mauritanie, Nouakchott
Wague Ousmane	Chef de Service Cellule Etudes et de Promotion Industrielle, Ministère du Commerce et de l'Industrie, Nouakchott
Cheikh Sid Ahmed el Mohamed	Société d'Equipement Portuaire, Nouakchott

Annex 2
OVERVIEW OF OUTPUTS AND ACTIVITIES

Output 0.1.: Preparatory phase: Project design and implementation arrangements made.
Activity 0.1.1.: Identify and select national experts for Productivity Units in collaboration with Employers' Organizations
Activity 0.1.3: Prepare detailed work plans and budgets in consultation with Employers' Organizations
Output 1.1.: Baseline surveys on productivity and competitiveness
Activity 1.1.1.: Prepare TOR, identify and select consultant(s) in to carry out baseline studies.
Activity 1.1.2.: Conduct baseline surveys on productivity and competitiveness
Activity 1.1.3.: Organize national workshops to discuss findings, finalize work plans.
Output 1.2.: Effective Productivity and Competitiveness Units have become operational in national Employers' Organizations
Activity 1.2.1.: Provide advisory services on establishment of Productivity Units
Activity 1.2.2.: Establish Productivity and Competitiveness Units in Employers' Organizations in Mali and Senegal.
Activity 1.2.3.: Strengthen existing Productivity Unit in Employers' Organization in Mauritania.
Activity 1.2.4.: Develop Business Plans for Productivity Units.
Output 1.4.: Up-dated and reliable research and information on productivity and competitiveness in enterprises in selected sectors
Activity 1.4.1.: Develop evaluation tool for measuring enterprise productivity.
Activity 1.4.2.: Carry out studies on strategic agreements, wage and pay systems
Activity 1.4.5.: Publish and disseminate tool-kit.
Output 1.5. Documentation and dissemination of good practices
Activity 1.5.1.: Identify enterprises for good practice case studies.
Activity 1.5.2.: Organize workshops to share experiences on good practice and social dialogue based on case studies.
Output 1.6.: Training materials developed, and training undertaken on enterprise level
Activity 1.6.1.: Identify trainers and institutions
Activity 1.6.2.: Develop training programme and methodologies
Activity 1.6.3: Design/ produce/adapt training materials/modules.
Activity 1.6.4.: Conduct training workshops and seminars. Topics: HRM, OSH, job quality, market, equal opportunities, enterprise environment.
Output 2.1.: Employers' Organizations influence policies on productivity and competitiveness.
Activity 2.1.1: Compile position papers/info material on factors affecting productivity and competitiveness
Activity 2.1.2: Organize national level policy meetings/workshops on competitiveness/issues arising from case studies carried out
Activity 2.1.3.: Produce brochures/advocacy and training materials to promote productivity and competitiveness.

EVALUATION REPORT

CAPACITY BUILDING FOR EMPLOYERS' ORGANISATION ON PRODUCTIVITY AND COMPETITIVENESS – THE REGION OF SOUTH ASIA

Robert Salomon, Work Research Institute, in collaboration with
Inger Østby, NHO - Confederation of Norwegian Enterprise
Oslo, August 2007

12.1 Background and Purpose of Evaluation

The Project “Capacity Building of Employers’ Organisation on Productivity and Competitiveness”, financed by the Norwegian Government under the Social Dialogue component of the ILO-Norway Framework Agreement, was launched in 2004 and was gradually phased out in 2006-2007. Originally the Project covered three West African countries, Mali, Mauritania and Senegal, and three countries in South Asia, Bangladesh, Nepal and India. In 2005 countries in Caucasus and Central Asia were also included (Armenia, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan and Uzbekistan).

The ILO Bureau for Employers’ Activities (ACT/EMP) is now carrying out an evaluation of this inter-regional technical cooperation program. According to TOR of the evaluation:

“The purpose of the evaluation is to assess the validity of the overall strategy and approach to programming the Norwegian funds, to assess the processes of planning and implementation, as well as obtain a better understanding of the impact and the results of the programme of assistance”.

The overall development objective of the program is to contribute to improving productivity and competitiveness among the private sector enterprises in the countries encompassed by the Project. In all the regions covered by the Project, the Project should:

- Strengthen capacities of employers’ organisations to provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level.
- Develop and strengthen capacities of employers’ organisations to promote the issue of productivity and competitiveness at the national policy level.

The evaluation includes missions to two countries in each of the three sub-regions. This report covers the evaluation of South Asia.

Terms of Reference follows as annex 1 to the main report.

12.2 Methodology and Field Work

The work has consisted of review of background material included briefing at ACT/EMP in Geneva and visits to New Delhi and Kathmandu. During the field visits the evaluators were accompanied by the ILO employers’ specialists. The evaluators met representatives of employers’ organisations and supporting staff linked to the Project, and local ILO representatives. The project specialist from Bangladesh met the evaluators in New Delhi.

The evaluators met representatives of enterprises that were involved in the Project in Nepal, and also visited the site of one of those enterprises. In India the evaluators did not meet any enterprise representatives. Instead they sent an e-mail including some simple questions to some enterprise representatives, but got no response.

Interviews were based on a common interview guide for all three regions covered by the Project and worked out during the first briefing for the evaluators in Geneva. Due to the different situations in the countries visited, the interview guide had to be used in a flexible way.

List of persons met follows as annex 1 to this report.

The Evaluators were accompanied by the previous Employer Specialist at ILO Regional Office New Delhi during the whole field work. He also provided the evaluators with most of the material used in the evaluation. It is always a danger that such close contact during the evaluation mission may bias the observations. However, we are quite convinced that the quality of the evaluation increased by this close contact.

13.1 Challenges for the Private Sector

All the three S. Asian countries are undergoing a period of transition from partly protected economies with high share of public owned companies and protected national markets to open market economies in a competitive global context. This situation gives a tremendous challenge to management thinking on productivity and competitiveness. Actors who have not been involved in tough market competition before are challenged, and their experiences, notions, routines, strategies and actions on productivity and competitiveness may be altered. Another problem is that well educated youth who have no family business to take over, leaves the country since they do not find satisfactory employment.

In Bangladesh the Multi-Fibre agreement that protected the domestic ready made garment industry expired in December 2004. As a consequence, this industry would face strong competition and had to go through a period of serious restructuring processes.

In Nepal most companies producing for the domestic market and export industries are small and medium sized. Nepal became members of WTO on 23 April 2004 and does also take part in regional free trade arrangements. One important consequence of these arrangements is that the Nepalese economy is integrated in open regional and international markets to a much greater extent than before. They face hard competition especially from India and China. The open market economy challenges traditional ways of production and marketing. Enterprises have to increase their productivity and competitiveness to cope in this new economic atmosphere.

In addition to opening up the economy, Nepal industry faced serious constraints during the last years due to the Maoist uprising. The disturbances in Nepal are very serious, also for project implementation since traffic is blocked and there has been limited access to transport of input goods. There are also incidences of people asking for “protection money” in a Mafia style. The insurgents have come to a peace process, but the Nepalese economy (e.g. tourism), still suffers from the direct and indirect effects of the unrest.

The situation in India is somewhat different than for the other two countries involved in the Project in the region. With more than one billion people, the country is much larger than the other project countries and the middle class population of 200 million gives room for a great domestic market and a modern economy. However, also major Indian industries have gone through important restructuring processes.

The public sector enterprises accounts for two-third of the employment in the formal sector, 27.5 % of the industrial production and 1/3 of total revenue receipts of Central government exchequer. After liberalisation of the Indian economy, the public enterprises have to act in a market economy and work within the concepts of the geopolitical changes. After 1990 public owned industries did not any more receive subsidy. In 1991 2.2 million people were employed in these companies, while the figure dropped to 1.7 million in 2006.

Today, bottom line is of most importance, while social and regional objectives for these companies now play a less prominent role.

60 % of the public enterprises are profit making today, but still 40% run at loss. This indicates that the restructuring process is not over. There is a continued need to increase productivity and competitiveness.

13.2 The main Employers' Organisations in the Project

The role and situation for the main employers' organisations (EmOs) vary in this region. In the following we will give a brief presentation of EmOs that are important for the project implementation.

India

Council of Indian Employers (CIE) was established in 1956. CIE is primarily a confederation of Indian employers, constituted by three apex organisations of employers, representing both the public and private sectors. There is no subscription for membership of the Council.

CIE's primary mission is to interact with the Government in the formulation of long-term labour, economic and social welfare policies. CIE is also focussing on cooperation among workers' organisations and the employers in the country.

The three apex organisations organise seminars, training programmes and workshops on important issues such as: "Improve Your Business for Small Entrepreneurs", productivity, collective agreements, strengthening the effectiveness of employers' associations through workshops for the executives of these bodies in collaboration with the ILO, seminars on labour reforms, etc.

All India Organization of Employers (AIOE)

The All-India Organisation of Employers is composed of 50 regional Associations of Employers/Chambers of Commerce and 149 corporate companies (public and private). The office is located to New Delhi.

The objectives of AIOE are to encourage the formation of Employers' Associations and to foster cooperation between Employers' Associations in India and abroad. AIOE give advices to members on labour matters and seeks to influence legislative and other measures affecting industries. AIOE also represents employers at the International Labour Organisation (ILO) and other international forums.

AIOE is organising seminars and workshops on topical subjects like Productivity, HRD, Quality, Corporate Social Responsibility, Grievances redressal mechanisms, Social Security, implementing welfare, Health and Safety Measures, Communication and Employees motivation etc. both at enterprise level and outside.

The annual turnover for AIOE for 2005 was Rs 4163553 while the figure for 2004 was Rs 3475787. The main sources of income are fees from meetings and conferences and membership fees. The main expenditure items are the recurrent cost of the secretariat and the membership fee to IOE (International Organisation of Employers). The membership fee of IOE (Rs 835498) counts for actually 20% of the annual expenditure.

Employers' Federation of India (EFI)

EFI was established in 1933 and has its office in Mumbai. It has in its membership 30 regional Associations of Employers/ Chambers of Commerce and industry and 173 corporate companies.

As such, the Employers' Federation of India (EFI) plays a special role as an apex body of Employers' Organisations and Industries on matters concerning labour, industrial relations, human resource management and other related issues. The Federation presents the employers' concerns and views at the Tripartite Labour meetings, such as Indian Labour Conference

The Federation organizes special programmes in the area of training and Human Resource Development. The Federation also organizes "in house" Management Development Programmes for the members, holds conferences, seminars and round table and social dialogue on matters affecting industry and concerning people in industry. EFI develop strategy for negotiating long-term settlements on behalf of the employers, conduct Employee Satisfaction Surveys, attitudinal surveys and image studies and provides advisory services.

The annual turnover (including Credit balance) for EFI in 2005 was RS 5662315. Their main sources of income were membership fees and income from seminars. Also for EFI the main expenditure items are the recurrent cost of the secretariat and the membership fee to IOE (15% of total expenditure).

Standing Conference of Public Enterprises (SCOPE)

Standing Conference of Public Enterprises (SCOPE) is representing the Central/State Public Enterprises, Banks and Other Institutions. Headquarters is located to New Delhi while it is spread out over the whole country. Its objective is to promote excellence in organisations where public investment is involved.

Scope has approximately 200 members. 5 of the member companies are now privatized. Scope is also open for membership by the 1000 state level enterprises. However, today only 10 of them are members. Nevertheless SCOPE is a more resourceful organisation than the two previous ones and covers a wide range of activities.

SCOPE has set up a Centre for Development to help enterprises develop strategic direction and capabilities, to facilitate and provide a range of management services to the enterprises.

Among the members there is a need for re-skilling and retooling; competence development on restructuring processes, new technologies, strategic management, process reengineering, gender sensitivity, CSR etc. SCOPE organise courses and workshops for members, and also private companies, on these issues. SCOPE also coordinates and organizes numerous programmes on labour matters independently and in collaboration with ILO.

Karnataka Employers' Association

Karnataka Employers' Association (KEA) a leading employers' organisation in the state of Karnataka was established in 1961. It is the first employers' organisation in the state with the objective to promote, safeguard and protect legitimate interest of employers and to foster harmonious relationship between employers and employees.

This organisation has been educating its members on various labour legislations, including Occupational Safety and Health. It guides the members in collective bargaining processes and offers training programs to its members in the areas of collective bargaining, productivity, industrial relations, labour legislations, disciplinary issues etc. KEA is also addressing gender issues and in 2006 they published a book on "Gender Sensitivity at Workplace" in collaboration with ILO.

KEA is not a direct member of the CIE, but is a member of AOIE and EFI, and is included in this list since they were involved in implementing the project in Bangalore.

Bangladesh

The Bangladesh Employers' Federation (BEF)

This EmO is an all-country organisation representing banking, insurance and all other major sectors of industry and trade. It is the only Federation of its kind in the country and represents nearly 90 percent of the established employers in the private sector, and all the Sector Corporations and autonomous bodies. Most large sized companies in Bangladesh are members of BEF. Headquarters is in Dhaka. Services to members on training, industrial relations, productivity, international standards, labour court assistance etc are provided both from the offices in Daka and Chittagong. BEF is very closely connected with the Metropolitan chamber of commerce and Industry (MCCI).

The Federation is recognised by the government as the only representative organisation of employers. Accordingly, it has been given representation on all national Bodies/Committees concerning labour-management relations and represents employers' viewpoints at the Tripartite Consultative Committee meetings. The Federation is also represented on the Council of International Organisation of Employers.

BEF organise monthly meetings with representatives of members companies and distributes a monthly bulletin covering relevant topics.

Nepal

Federation of Nepalese Chambers of Commerce and Industry (FNCCI): FNCCI is an umbrella organisation of local chambers and works also as a national employers' organisation of Nepal. Its office is in Kathmandu.

FNCCI was established in 1965 with only 25 members. Today there are 531 members; 90 district/municipality level chambers, 64 commodity/sectoral associations, 367 business enterprises and 10 bi-national chambers. The FNCCI secretariat is headed by the Director General. The total number of full time staff at present is 106, out of which professional and project staff is 35.

The major function of FNCCI is to facilitate and provide help to businesses through policy lobbying and technical support to its members on issues related to labour, management,

enterprise development and productivity enhancement. FNCCI has taken a special interest in social dialogue and has e. g. for more than five years been involved in work preparing for a labour law reform in dialogue with trade unions.

The sources of income for FNCCI is revenue generated through the service charge levied on issue of “Certificate of Origin” for export trade, membership fees and program based support received from ILO and other external sources. The estimated income for the fiscal year 2005/2006 was around NR 30.5 million (0.5 Mill US\$), while the expenditure was around NR 30.1 Million. For some years FNCCI faced a decline in income and a significant rise in expenditure.

Observations on the Employers Organisations in the Region

Our main impression of the employers’ organisations in the region is that they are well aware of the changes their member enterprises are facing in a global competitive environment. They are especially concerned about revision of old established labour laws which are seen as a great hindrance for restructuring the industries. As for most employers’ organisations around the world they argue for a revised legislation that gives room for much more flexibility in working life.

In addition, the employers’ organisations are much engaged in common HRM issues, including Corporate Social Responsibility (CSR) and measures and methods to improve the productivity and competitiveness of the enterprises. Social dialogue is also explicitly on the agenda for the employers’ organisations we have been in touch with.

The resources of the EmOs in the region are quite limited both in terms of annual income and human resources. Compared to Western countries there is likely a great potential for much more members and a substantial higher income base, especially in India.

It seems that both the key elected persons and the top management in the employers’ organisations in the region are senior people who have been in this business for many years. For the organisations this is a strength in terms of experience and networking. However, there is also a challenge for these organisations to recruit and give room for new and younger staff with management training. Quite a number of the staff in the member companies are trained in business schools and are well acquainted to modern management principles. These people will require high quality and relevant services from the employers’ organisations and the EmOs will have to act in accordance with this demand.

13.3 The Project Design in South Asia

There is one Project Document (Prodoc) covering West Africa and South Asia, but these are covered in separate sections. The Project has the same development objective and immediate objectives for all regions, but outputs, activities, indicators and targets are not always the same, as these are formulated in response to local conditions in each country

The Prodoc describes the strategy and approach of the Project where the main elements are:

- Recruit one national expert in each country to work inside the employer’s organisation and be in charge of project planning and implementation
- Undertake studies and surveys on P & C with local consultants
- Workshops to validate findings of studies and discuss project activity plans

- Identify and develop training modules and training consultants to undertake training on P & C issues of selected enterprises

The Project was to provide a combination of direct support and institutional development. The direct recipients of institutional support would be the national Employers' Organisations, in countries targeted. The intended beneficiaries of project interventions would be the corporate sector, individual enterprises and sector organisations with membership in the national Employers' Organisations and potential members.

The strategy followed in Bangladesh, Nepal and India was two-pronged:

- To improve Employer Organisations' capacity to effectively influence the policy and legal environment for enterprise development and
- To improve productivity and competitiveness on the sector- and enterprise level through specific project interventions based on identified needs.

13.4 Project Inputs

At the outset the Project budget for S. Asia and W. Africa was of US\$ 1,328,519 divided equally between West Africa and South Asia. The table below shows the Project budgets for the regions in the Project and the main budget items.

At the outset the Project budget of US\$ 1,328,519 was divided equally between West Africa and South Asia for the following budget items

International Expert ACT/EMP	66 500
Administrative Support	20 000
Travel costs	31 501
Mission costs	17 500
National professional personnel	181 500
Sub contracts	42 500
Seminars	187 500
Equipment	6 000
Sundries	5 001
Program support cost	72 540
Cost increases	31 527
Total	662 067

All figures are in US\$.

Although the project was a two year project the implementation of the project has taken three years for various reasons. As in many projects it takes time to get the projects established, to recruit consultants, to sell the project idea to the major stakeholders, to make studies and collect an analyse information before actions start etc. The evaluators fully accept the three years implementation period and assess the progress of this project reasonable.

As shown in the table below, most of the project expenditure has been in India. Most of the expenditure was during the first two project years with 2005 as the peak year. In total US\$ 356,370 has been spent on the project in South Asia.

Expenditure in UT \$

Year	Bangladesh	India	Nepal	Total
2004	20,322	69,121	12,433	101,876
2005	41,577	111,198	30,654	183,429
2006	7,800	46,600	16,665	71,065
Total:	69,699	226,919	59,752	356,370

In addition to the figures above the project also covered expenses for the project coordination at headquarters in Geneva and salaries for Employer specialist in New Delhi. Nevertheless, the project is a modest one in terms of financial resources. This fact has to be kept in mind when we in the following will examine what the project has achieved. But already now we will conclude that the project has given value for money.

The annual reports for the years 2004 -2006 give detailed reports on all activities carried out. For our purpose it is not necessary to repeat these reports in detail here. We have examined the list of activities together with the previous Employer Specialist for the project. As a guideline for our examination we used the format used in the project document “Output and Activities” page 16-18. In the following we will give some key information on the activities¹

¹ Please note that we use the same numbering as in the referred project document. Missing numbers refers to West Africa and is not included in this document.

The Project included a wide range of activities which varied somewhat according to the needs of each country. Basically the Project consisted of the following elements:

14.1 Objective 1: Services to member Enterprises

Objective 1 was Develop and strengthen capacities of Employers' organisations to provide and deliver services to member enterprises and potential members on issues on productivity and competitiveness

Preparatory Phase: Recruitment of National Professionals

In each country national professionals, who were conversant with the various techniques of productivity improvement, were engaged by the Project for one year. Their tasks were to coordinate the various project activities at the country level and to liaise directly with the enterprises that had been identified for project interventions. In South Asia the Project was organised with a National Expert in Bangladesh and Nepal respectively linked to EmOs in these two countries, while the Senior Employer Specialist at the ILO Sub Regional Office in New Delhi was handling India and giving technical and administrative support to the national experts.

In South Asia the national experts functioned well. However, due to lack of resources they are not permanently employed by the employers' organisations after the Project ended. As an alternative to long term assignment for a national expert, so-called faculties linked to employers' organisations were established. The faculties are networks of resource persons from the member enterprises of the EmOs.

In all the countries detailed work plans and budgets were worked out in consultation with employers' organisations. This worked quite well.

The Senior Specialist from ILO/New Delhi with backstopping from ACT/EMP headquarters played an important role in organising the activities to be undertaken. The activities were in line with the Prodoc. However, as in most projects of this nature it took time to establish good relations with major stakeholders and to get started. The Project will therefore not end before 2007.

Productivity and Competitiveness Units

The idea of establishing Productivity and Competitiveness Units in the EmOs was to provide advisory services for members and potential members of employers' organisations. The Regional Specialist in S. Asia provided this type of advisory services to the organisations together with the National Experts recruited by the Project.

The Project also contributed in preparing business plans for the P & C units to make them sustainable when the financial support from the Project was over. In S. Asia the conclusion was that the P & C units could not be financially sustainable for the first years to come. Therefore, the idea of faculties (network of supporting key persons) was developed as an alternative solution.

The very idea of P & C units is fruitful and relevant. The fact that virtually all envisaged activities were undertaken shows that these units have been operational and effective during the project implementation.

Studies and surveys on Productivity and Competitiveness with Local Consultants

In all three countries, baseline studies were prepared to give an overview of the current situation with regard to productivity and competitiveness. The studies should identify key indicators for productivity and competitiveness as well as the economic sectors that are most likely to benefit from the Project. In the case of India, the baseline study should also select the most relevant regional or sector Employers' Organisations for project intervention at the enterprise level.

There were also carried out several separate studies supporting and supplementing the baseline studies. E.g. in Nepal research was carried out to identify sectors in which Nepal has core competency. The main target group for the research was FNCCI and the Nepalese Government. In India, a research study on retention of talent at the enterprise level was also undertaken. In Bangladesh research was undertaken on the leather industry and this resulted in skill upgrading as described later under the heading "Trial Projects".

In all countries the studies stand out as technically solid and of good quality. These studies identified the major barriers to improving productivity and competitiveness, and contributed towards efforts to devise appropriate strategies for overcoming them.

However, it is reasonable to discuss what should be the content of the baseline studies. In our opinion the studies should also include more on institutional issues and on status, capability and capacity of the employers' organisations taking part in the Project.

Seminars, National Roundtables and Workshops

These activities were organised to validate findings of studies and discuss project activity plans and to make recommendations on work to be undertaken. These meetings brought together several participants, including representatives of professional groups affiliated to the employers' organisations, business enterprises involved in the Project, research institutes, ILO representatives, and in some cases trade unions.

In all countries workshops/National Roundtables based on baseline studies were important for the implementation of the Project. It provided

- legitimacy for the Project both within the EmOs and for a wider circle
- platform for project work
- platform for development work within EmOs
- ownership of the Project by broad range of stakeholders both within and outside the EmOs.

In the workshops in all the countries issues related to Human Resources and work environment were identified as crucial elements with a view to strengthen productivity, and in many cases these issues became the focus of project training activities.

In all three countries most of the planned output was delivered. It is agreed that these studies and the workshop/National Roundtables were important for the implementation of

the Project. However, compared to W. Africa and Caucasus/Central Asia, these activities were of less importance in e.g. India.

Learning forums were organized in all the three countries on Corporate Social Responsibility (CSR) and Global Compact. Also Round Tables on corporate governance were organized in Nepal and India and may in the future be extended to Bangladesh.

Evaluation Tools for measuring Enterprise Productivity

A tool-kit for measuring productivity and competitiveness was developed in the preparatory phase of the project and validated through national workshops in each of the three countries. The tool-kit is a self-assessment exercise on productivity and competitiveness designed for enterprises. In fact, the tool-kit is a structured questionnaire where the enterprises representative(s) shall fill in their own opinion about the performance of their enterprises concerning rate of growth, turnover, profitability, market share, environmental results and social results.

In addition to the tool-kit ILO also prepared a guideline for an enterprise survey on productivity and competitiveness. If the guideline is properly followed, it will give a very good overview of the productivity and market position of the company.

The idea is that the tool-kit shall function as a benchmark compared to the competitors, and as an indicator of progress/shortfalls for the company over time. Enterprises that have participated in the validation of the tool-kit, as well as enterprises interested in participating in the project were identified at this stage. The next step was to design and implement various project interventions using the tool-kit.

The tool-kit was translated to Bengali and Nepalese and published in 2005. Furthermore, a training module/productivity game was also developed and used to train executives, especially in India.

Trial Projects

The Project also used the opportunity to broaden the base for the Project by e.g. including the informal sector of the economy. One example is a training program for the leather industry in Bangladesh where the project managed to organise a training program for people involved in the first phases of hide production. Calculations had shown that leather producers lose 20% of the value of leather due to poor cutting and salting techniques. By learning improved techniques participants in training program managed to improve the quality of their products and thus increase the price of their hides. Similar training activities were also carried out for people producing metal statues in Nepal.

It is important to notice that the trial project came up as result of a national round table for the leather industry. It also illustrates how and why EmOs organising enterprises in the formal sector, may take an interest in the whole value creation chain of a product, including the informal part of the chain.

Documentation and Dissemination of Good Practices

In S. Asia after the enterprise studies were completed there were organised several national workshops and seminars on documenting and sharing experiences of good practices and social dialogue. Originally it was also planned to organise a sub-regional meeting on identifying common approaches and solutions in south Asia. However, this meeting was never organised.

Development of Training materials and Training Activities for Enterprises

In all countries trainers and training institutions were identified. Trainers in workshops were consultants who had prepared studies or training modules and ILO consultants who either were working on other ILO projects or ILO specialists working in the ILO regional offices or country offices. Training was a major component of the Project and training took place in all involved countries. A broad range of topics were addressed:

- Business management
- Human Resources Management
- Legal obligations of small and medium sized enterprises
- Occupational Health and Safety
- Equal opportunities for men and women – gender as an issue and a potential (female entrepreneurship)
- Social welfare and productivity

These training activities were carried out in addition to the seminars, where studies by the Project were presented. In all the training the different topics were linked to productivity and competitiveness. Participants received well prepared training material. As part of the Project training materials and brochures were produced in Nepalese and Bengali. In Nepal training material in Nepalese went out of stock and request for reprinting was made.

In general, the training material and the trainers were praised in the countries visited. In Nepal the evaluators got positive feed-back from enterprise representatives who had undergone training. However, some of the enterprise representatives expressed a need for more tailor made training modules for their particular company.

14.2 Productivity and Competitiveness at the National Policy Level

Objective 2 was developing and strengthening capacities of Employers' organisations to promote productivity and competitiveness at the national policy level.

Activities at National Policy Level

While the previous set of activities and outputs were directed toward enterprise representatives and focussing on activities that can take place in enterprises, the second set of activities and outputs are focussing on issues at national policy level. However, these issues are interlinked, and issues at national policy level will influence activities in enterprises and vice versa.

The baseline studies and separate studies on production, innovation, entrepreneurship, labour legislation and competitiveness described under output 1 are also quite relevant for influencing the national policies. Quite a number of the workshops and roundtables organised in the Project are also directed to national policy makers. Important examples are workshops on labour laws, social dialogue, gender sensitivity, Youth employment, outsourcing, remuneration policies etc. Both government officials and trade union representatives took part in some of these activities where policy issues were discussed.

In 2005 FNCCI undertook a research study on reforms in labour legislation in Nepal for responsive and productive work. The report from the study was presented on 31 Jan 06 in Kathmandu. There were also plans for national level meetings and seminars on trade, fiscal policy and migration issues. Not all of the planned meetings were actually organised

Addressing HR and Educational Issues at National Level

There were some objectives on educational issues included in the Project mainly for S. Asia. To address these issues there are established HRM/Education committees in India, Nepal and Bangladesh, but they have not moved yet. There were also plans to prepare papers on education policies engaging national consultants in each of the three countries and organise national symposia on education politics in these countries. This was not done and could not be pushed. However, a modified paper was prepared in Nepal in Nov 2006.

14.3 Conclusions on Outputs

This review shows that the major elements of the Project are:

- Conceptual studies on P & C of relevance both for company implementation and national policies
- Preparation of analytical tools and training manuals to be applied in enterprises including testing these in sample enterprises
- Workshops to discuss and disseminate studies and tools
- Training workshops for selected enterprises on P & C, applying the manuals prepared by the Project
- National workshops, roundtables and seminars to discuss and influence major policy issues as e.g. legislation, fiscal policies and education.
- Making available all information prepared by the Project

The previous sections show that in all countries the Project implemented activities in accordance with the Prodoc and brought about the expected outputs – with few exceptions.

Observations:

Although the Project undertook the envisaged activities, it varies from region to region to what extent Employers' Organisations influence policies on productivity and competitiveness as a result of the Project.

In S. Asia the Project had modest ambitions on influencing national policies. Actually, the assessment that the Project, especially in India, could only influence national policies to a modest degree was the main argument for focussing so much at enterprise level in the S. Asian countries

The annual reports for the years 2004 -2006 give detailed reports on all activities carried out. For our purpose it is not necessary to repeat these reports in detail here. We have examined the list of activities together with the previous Employer Specialist for the project. As a guideline for our examination we used the format used in the project document “Output and Activities” page 16-18. In the following we will give some key information on the activities²

15.1 Services to member enterprises

Output 1, was Develop and strengthen capacities of Employers’ to provide and deliver services to member enterprises and potential members on issues on productivity and competitiveness. (Output 1)

Output 0.1

Project staff in India, Nepal and Bangladesh were identified and assigned. The South Asia project was headed by Employer Specialist attached to ILO office, in New Delhi. In Nepal and Bangladesh the assigned specialist were attached to the employers’ organisations.

Detailed work plans and budgets were worked out for all the three countries.

Output 1.1

Baseline studies on productivity and competitiveness for each country were also carried out. The main impression is that all countries face great challenges due to a shift from a protected home market economy, partly by government owned companies, to an open and very competitive global economy. In addition there have been turbulent political environments in Bangladesh and Nepal. Especially in the case of Nepal political disturbances and unrest have hampered the economy for several years. However, the situation has improved the last years.

The baseline studies give a good overview of the present situation in each of the countries concerned, and it helped identifying sectors of the economy for special attention in this project. However, it would have been an advantage if the baseline studied also included more institutional and organisational issues. We lack an analysis of the employers’ organisations in the countries, on their membership and organisational set up, on their roles in the society, political links, relations to unions and other important stakeholders, sources of income and other resources and their potential for development.

Output 1.3

A number of executives were trained to provide services on productivity and competitiveness in Nepal (Dates: 22,28 & 30 Sept 05) Bangladesh (30 Aug 05, 01 & 04

² Please note that we use the same numbering as in the referred project document. Missing numbers refers to West Africa and is not included in this document.

Sept 05, BEH staff: 31 July – 05 Aug 05)) and India 01 & 02 Dec 04, 18 Aug 05, 01 Sept 05, 03 Sept 05)

There were also organised learning forum on CSR and Global Compact for senior personnel in the three countries, (Dates: 30 Mar 04, 10 Dec 04, 28 June 05 Nepal, 28 June 04, 30 Dec 05 India, 19 Aug 04 Bangladesh) and round table meetings on corporate Governance in Nepal and India. (Dates: 09 Dec 04 Nepal and 19 Dec 05 India).

Output 1.4

After the tool-kit was developed several national workshops were organised in the three countries (26 Apr 04 in Bangladesh, 30 Apr 04 in Nepal and 28 Oct 04 in India) then baseline studies took place in a number of enterprises in the three countries; 15 in India, 7 in Bangladesh and 6 in Nepal. The tool-kit was published and translated to Nepali and Bengali in 2005.

After the enterprise baseline studies were completed, the findings were discussed in the enterprises, and strategies and plans for the individual enterprises were worked out. In addition there were organised several national level meetings to discuss the findings and strategies (28 May 04, Nepal, 04 & 05 July 04, Bangladesh and 02-03 July 04, 21 July 04, 23-25 Aug 04 and 20-21 Sep 04 various places in India)

In this period a research study on innovative strategy for retention of talent at the enterprise level was carried out in India (Sep/Oct 2004, Nov 2005).

Output 1.5

After the enterprise studies were completed there were organised several national workshops and seminars on documenting and sharing experiences of good practices and social dialogue. (In India: 19 Oct 04, 20 Oct 04, 22 Apr 05, 25 June 05, 13 Sept 05, 20 Sept 05, 22 Sept 05, 30 Sept 05). In Nepal: 10 Aug 05, 12 Aug 05 13 Aug 05. In Bangladesh: 15 June 05).

Originally it was also planned to organise a sub-regional meeting on identifying common approaches and solutions in south Asia. However, this meeting was never organised.

Output 1.6 Development of training materials. Training at enterprise level

In addition to the tool-kit a training module/productivity game to improve productivity and competitiveness at enterprise level was also developed and tested in cooperation with academic institutes and industry representatives. (Development and testing took place 27 Feb 05, 28 Feb 05, 07 March 05, 12 Aug 05, 18 Oct 05, 02 Dec 05 and 15 Dec 05)

4 training programs based on the module were organised in India (22 March 05, 28 May 05, 09 & 10 Sept 05, and 17 Sep 05, one in Bangladesh (15 Jun 05) and one in Nepal (30 Jun 05).

There were also organised training programs on improving competitiveness in the area of HR in Nepal (06 Apr 05) and India (08 & 09 Nov 04, 04 – 06 Sep 04).

In addition to the training activities above there were also organised two skills training programs for **women entrepreneurs** for improving productivity and competitiveness (31

Aug – 02 Sept 04, 04 – 06 Sept 04) in cooperation with BEF Bangladesh, and training for BEF on Occupational Safety and Health (29 Feb 04, 30 & 31 May 05)

15.2 Productivity and competitiveness at the national policy level

Output 2 was Development and strengthened capacities of Employers' organisations to promote productivity and competitiveness at the national policy level.

Output 2.1.: Production of Brochures and Training Materials

As already mentioned, the tool-kit was produced in English, Nepali and Bengali. The Nepali issue is now out of stock and it is a request to reprint it. Some training materials were also copied to local in-house magazines and the media.

Output 2.2.: Addressing HR and Educational Issues at National Level

There are established HRM/Education committees in India, Nepal and Bangladesh, but they have not moved yet. There were also plans to prepare papers on education policies engaging national consultants in each of the three countries and organise national symposia on education politics in these countries. This was not done and could not be pushed. However, a modified paper was prepared in Nepal in Nov 2006.

Output 2.3.: Strengthen Trade and Negotiation Capacities

In 2005 FNCCI undertook a research study on reforms in labour legislation in Nepal for responsive and productive work. The report from the study was presented on 31 Jan 06 in Kathmandu. There were also plans for national level meetings and seminars on trade, fiscal policy and migration issues. Not all of the planned meetings were actually organised.

Comments on Output and Activities

Our impression is that the planned activities are carried out more or less according to the plans. There is an impressive list of activities and output within a very short period. If we examine the project report by the Employer Expert for 2006 there are listed 37 proceedings of training programs and workshops. There are also reported 5 study reports which are completed and available in electronic form. The seminars and workshops cover a wide range of topics; productivity and competitiveness, outsourcing, testing of tool-kit, conflict management, labour act, social dialogue, effective management and contract labour innovative strategies for talent retention, gender sensitivity at workplace, HRM, brain storming on youth employment etc.

The evaluators had the opportunity to learn in detail about some of the activities carried out in Nepal and Bangladesh. In Nepal we got access to the logbooks of the national expert in Nepal on his contact with an insurance company, a hotel and a pharmaceutical company in Kathmandu. The logbook shows that he had 30 contacts with the insurance company between 16th June 2004 and 31 March 2005. Almost all the contacts were personal meetings. From 9th June 2004 to 29th March 2005 there were around 35 contacts between expert and the hotel. Several of the contacts were by phone and mail. He was in touch with the pharmaceutical company around 25 times during the project period. Based on these figures and the interviews with enterprise representatives, we can conclude that there was a relatively close contact and a good dialogue between the expert and the enterprises during the project period.

16

Evaluation of project

The ToR lists six aspects of the Project with detailed questions to be addressed, as done in the sections below:

16.1 Relevance

The employers' organisations in South Asia are relatively weak concerning human and economic resources. Both the employers' organisations and their members face great challenges in these countries. The economy is undergoing a transformation from closed economies dominated by government own companies with a blend of economic, social and regional objectives, to open market economies exposed to hard international competition.

There is therefore a need to strengthen almost all aspects of these organisations if they shall play a role in the recurrent transformation processes. Employers' organisations have a role to play both concerning policy making at national level and on training activities and advices directed towards members.

The project in south Asia gives most attention to activities directed directly towards member enterprises, but there are also certain activities directed to policy making. The tool-kit, the management game and most of the seminars and workshops addresses directly the needs of member companies to improve their productivity and competitiveness. Training activities in the informal sector as e.g. the leather industry address the whole supply chain for an industry and demonstrates that value added can be made many places in the chain.

Planned activities in the project on education policies, legislation and trade- and fiscal policy are all quite relevant for employers' organisations. However, these components of the project were not implemented with the same force as the activities directed directly to the enterprises.

Links to other ILO Projects/Programs

The project fits very well into other ILO projects and activities in all the three countries. The project is contributing to central ILO issues such as social dialogue, youth labour, gender issues and women skills training, CSR and Global Compact, HRM and labour legislation. All these issues come in addition or as integral parts of the main focus on productivity and competitiveness.

In S. Asia numerous seminars and workshops were organised in collaboration with other ILO staff or based on previous ILO projects in the region. Various ILO specialists from the Regional Office in the region supported the Project in different ways and the regional experts played a major role to make this cooperation work smoothly.

Our impression is that this project sometimes subsidized other activities on the borderline of the main scope of the project (e.g. leather industry in Bangladesh) or included activities that were not strictly financed by the project. However, we find this flexible use of

financial and human resources positive and well justified since it may give important synergies for all parties involved.

16.2 Validity of Design

The project document covering South Asia specify in a clear way what are the main challenges for the enterprises and for employers' organisations in the region. The challenges of the open market economy and the political unrest in some of the involved countries are clearly spelled out. The selected approach is very clear in the sense that it mainly focused on the enterprises, less on direct capacity building in the employers' organisations. Since the employers' organisations had limited resources, the Employer Specialist found it most useful to address directly the main members and users of the organisations. The argument was that the organisations were too weak to be strengthened in a sustainable way by the limited resources in the project. It was therefore necessary to involve the main users by developing useful instruments for them, and by organising certain processes within the enterprises of members and potential members. In a way, the project can be characterised as a *productivity campaign*.

The selected strategy is not obvious, but the result of an analytical reasoning by the Employer Specialist for the project. Before assessing the selected strategy it may be useful to discuss some alternative strategies for strengthening the employers' organisations in the region. Several alternatives come into mind:

Professional Campaigns for Widening the Membership Base

Donor money could have been spent on professional campaigns to extend the membership base, especially to include more companies. Marketing research among present and potential members could have been a natural activity. In India for example, only ten out of one thousand potential SCOPE members at state level are members.

Organisational Measures

The employers' organisations were established years back were the socio-economic environment were quite different than today. New challenges have turned up, and to serve their members in a global market, tasks may be organised and performed in a different way than earlier. Also for EmO there is a need for a need for restructuring and renewal. One challenge, for example is how to bring in more young people and new management thinking into these organisations.

Internal Training

One quite natural and also quite common task is to train the staff in the organisation on how to run a modern EmO. This was partly done in the project, but an alternative strategy could have been to spend much more money on this internal training.

External Factors

The Prodoc does not really address external factors nor make any assumptions on these. Although in the general description the recent unrest in Nepal is mentioned. It also turned out that in Nepal the implementation of the Project was seriously affected by the recent unrest in the country. Despite these restricting factors quite a number of enterprise managers actually took part in the Project.

Assessment of Validity of Design

By developing the tool-kit, the game and a comprehensive format for company surveys, the enterprises became involved in a self assessment process. The survey is a good instrument for the companies to examine their own positions on relevant parameters in a competitive environment. By the seminars and workshop they got an opportunity to learn how to use the tool-kit etc and to benchmarking their self assessments with assessments of other companies.

Since the employers' organisations were too weak to operate the tool-kits themselves, there were established **faculties** of key persons who could be brought in as resource persons for teaching and demonstration of the tool-kit. These key persons were often general managers (Executives) in companies that have tried the tool-kit. They were also members of the employers' organisations.

As in most projects of this nature, the role of the main stakeholders varied according to their links to the project. Our impression is that the involved experts were very much committed, that some key persons in the employers' organisations also were committed, while the commitment in the companies only included one or two persons. In Nepal it seems that there was a great interest for the tool-kit. It was available both in English and Nepali. The instrument had been utilised by FNCCI at several occasions without any further assistance of ILO. This illustrates that the selected approach for the project in South Asia is valid.

16.3 Project Effectiveness

Impressive List of Products

The main objectives of the project are to develop and strengthen capacities of employers' organisations in the participating countries and deliver services to member enterprises and to potential members on the issues of productivity and competitiveness at enterprise level, and at national policy level. These objectives are quite general. Productivity and competitiveness have to be built over a long time both at national and enterprise level. It is unrealistic to establish a direct causal link between the activities in this project and increased productivity and competitiveness among the stakeholders. However, it is possible to assess to what extent the planned activities actually have been carried out and to assess if the activities are relevant tools for increased productivity and competitiveness.

As mentioned earlier there is an impressive list of relevant activities and products in the project. In this respect the project has been effective and efficient. Since most of the efforts have been directed directly to enterprises it is natural to examine the project at enterprise level first.

Experiences at Enterprise Level

The companies were approached via the employers' organisations to take part in the project. During the project implementation most of the contact was between company and the Employer Specialist or the assigned expert. As already shown for Nepal there were many steps and meetings during the projects. The use of the tools in the companies varied.

Although most of the companies saw the value of the tool-kit, they also considered it a little bit too general. They felt that only parts of it fit into their situation³.

If the tool-kit and the surveys shall be useful instruments, they have to be used repeatedly, e.g. once a year. A challenge is to repeat the survey on a regular basis without too much use of resources. The full company survey is a labour-intensive exercise while the tool-kit is somewhat simpler to handle. Another important problem is that only some few people in the companies were involved in the project. Both in a biscuit company, the insurance company and the paper company in Nepal, staff members we were interviewing, did not know much about the project. It showed that information on the project had not been disseminated to a wider group of staff members. Many projects of this nature are completely dependent of some few enthusiastic key persons who take a role in the implementation of the project. If she or he get sick or leave the company there are often no one else to take over (at least the enthusiasm). At enterprise level it seems that the project is vulnerable. It seems that many of the companies lack both institutional learning capacity and institutional memory.

The project did not focus so much on policy making and lobbying at national level. As shown in the list of activities, the project organised several national workshops on education policies, fiscal policies etc, but as already stressed several times – the main focus was at enterprise level. However, we should not underestimate the links between the activities directed to the enterprises and national measures and policies. Needs identified in enterprises e. g. concerning improvements of certain skills may in the next round be taken up at national workshops to influence national education policies.

The people we meet in the employers' organisations were positive to the project. They understood and supported the idea of spending most of the project money on enterprises, and not directly on the Employers' organisations. There were some few examples of new members recruited due to the project, but so far the project has not been in a position to contribute to recruitment of a substantial amount of new members. In Nepal this may be due to external factors.

Gender Issues

As for many development projects in our time gender aspects of projects have to be taken care of. Women have been involved in all the workshop and training activities of the project. But in most training activities the share of female participants are small or quite modest. Out of the reported 1216 participants in seminars, workshops etc of the project in 2006, only 170 (16%) of the participants was women. In a workshop on conflict management and also in a FNCCI workshop there was only one female participant in each of the workshops. We presume this low female participation is a reflection of the position of women in the participating enterprises. However, since many of these enterprises engage a high number of females, the potential for higher female participation is definitely present.

The project included several activities directly addressing women. In Bangalore the project organised a program on Gender Sensitivity at Workplace in cooperation with Karnataka

³ Our observations are limited to Nepal, as we did not meet representatives of companies from Bangladesh and India. We sent e-mails to some enterprise representatives in Bangalore asking about their experiences with the program. However, we did not get any reply. Nor did we send any reminder.

Employers' Association (KEA) and in 2006 KEA published a book on "Gender Sensitivity at Workplace" in collaboration with ILO. In a seminar summing up experiences 32 men and 18 women took part.

In Nepal, ILO has been involved in gender issues for years. Also in this program they organised a workshop on gender sensitivity in Kathmandu with 38 female and 26 male participants.

The project also organised two skills training programs for *women entrepreneurs* for improving productivity and competitiveness (31 Aug – 02 Sept 04, 04 – 06 Sept 04) in cooperation with BEF Bangladesh.

Conclusion: The general tools used in the program have to some, but a small degree, been able to include women in the activities. The evaluators therefore fully support the inclusion of special activities directed towards women in this program.

Efficiency of Resource Use

It is confirmed by all interviewed by the evaluation team that inputs have been adequate, timely and relevant and provided as scheduled by those concerned. The use of resources was monitored by ILO Regional Offices, and ultimately ILO in Geneva and seems to have been used efficiently as most activities were undertaken as prescribed.

According to the National Experts and the ILO Regional Specialist activities have been cost effective. In each of the countries this is a relatively small project. As such it seems that the results achieved have justified the costs and it is not likely that the same results could have been achieved with fewer resources. Our main conclusion is that the Project has given value for money.

A relatively high share (21% for W. Africa and S. Asia,) of the total budget covers the cost of international expert and program support cost in Geneva. Of course, there was a need for some coordination at headquarters, but could some of this money be better spent in the project regions? The 13% program support cost is in line with ILO's policy on overhead costs. This policy may be questioned, but is nothing special for this particular project.

Effectiveness of management arrangements

As mentioned earlier the regional employer specialists in New Delhi played a crucial role for the Project. The appointed National Experts and the management of the EmOs also played an important role in project implementation. For Nepal we had the opportunity to examine quite a lot of the documentation of the work of the National Expert, especially his contacts with enterprises in the country. All the material we examined documented effective management arrangements. The various partners also contributed to project implementation as planned, and this contribution was effective.

Impact and Sustainability

The impact of the project on the employers' organisations is an indirect one. Since most of the activities have taken place in member enterprises it is crucial how the tools have been received and utilised in the enterprises. The tools are relevant and have been well received and also utilised in several enterprises. The tool-kit is also translated and printed in local

languages and is already out of stock in Nepalese. The request for printing new issues is an indicator of relevance and impact.

The intention of taking up the use and results of the tool-kit in national seminars and workshops was not only a mechanism for benchmarking and learning for enterprise representatives, but also a means to address productivity issues at national level. This intention is a valid one and could be a good way to bridge productivity and competitive approaches at company level with the national productivity measures. To what extent this bridging approach actually has been a success is somewhat uncertain.

Since the employers' organisations taking part in the project had limited resources to establish resource centres that could serve their members on training and guidance on tool-kit and similar tools, the project decided to establish the so-called faculties. This is a reasonable idea, but as mentioned earlier; this approach is vulnerable. It is questionable to what extent the employers' organisations can rely on these faculties for support. Enterprise managers are busy people and it is limited to what extent they can contribute as a faculty over a longer period. We also saw there were limitations on willingness and capability of the enterprises to follow up the use of tool-kits in their own company.

One alternative to make these activities more sustainable is to establish resource centres within the employers' organisations or to establish more permanent efforts together with other stakeholders in the field as private management consultants, other employers' organisations, trade unions, local governments and e.g. further cooperation with ILO. Since it seems that the employers' organisations are much concerned about social dialogue, a tripartite or bipartite approach to dissemination and implementation of tool-kits may be a viable approach.

17.1 Summary and Conclusions

The main objectives of the project were: to develop and strengthen capacities of Employers' organisations (EmO) to provide and deliver services to member enterprises and potential members on issues on productivity and competitiveness both at enterprises and at the national policy level.

The resources of the employers' organisations in the region are quite limited both in terms of annual income and human resources. The EmOs in the region are well aware of the changes their member enterprises are facing in a global competitive environment. There is also a continuous need to upgrade the skills in the employers' organisations in South Asia.

In South Asia the project focused mainly on activities at enterprise level by developing tool-kit, enterprise surveys and games for self assessment on productivity and competitiveness status. The project also organised workshops, seminars, round table discussions and conferences on various productivity and competitiveness issues both addressing national and enterprise level.

The tool-kits, games and enterprise surveys and the workshops and seminars are all relevant both to ILO objectives and to the main objectives of the project.

The project has been highly efficient in developing the tools and organising workshops and seminars. The output of the project is an impressive list of activities and products. There was a close contact and a good dialogue between the project experts and the enterprises during the project period. Some of the developed tools can be utilized also after the project is completed. However, there will also be a need for revisions and further improvements of some of the tools.

The baseline studies give a good overview of the present situation in each of the countries concerned, and it helped identifying sectors of the economy for special attention in this project. In our opinion the baseline studied should also include more institutional and organisational issues, especially more information on the employers' organisations in the region. We lack a brief description of the EmOs, their organisation, main activities and resources, and their main challenges in operational terms.

Gender issues have been given attention in the project. There are good records on number of males and females taking part in the various activities. In general the seminars and workshops in the program have to some, but a small degree, been able to include women. The project also organised several workshops on gender sensitivity and women entrepreneurship with many participants, both men and women. In South Asia this turned out to be a good strategy. In this region gender mainstreaming does not seem to be sufficient to include more women. It is timely to organise special seminars directed to women to include a greater share of them in the project.

Productivity and competitiveness have to be built over a long time both at national and enterprise level. It is unrealistic to establish a direct causal link between the activities in this project and increased productivity and competitiveness among the stakeholders. We have observed that the activities in the project are relevant and sometimes efficient to promote productivity. They contribute to awareness creation of productivity and competitiveness issues in the companies.

The project also addressed productivity challenges in the informal sector of the economy and demonstrated several interesting and promising methods both in Bangladesh and Nepal on how to promote productivity and competitiveness in the informal economy.

In general we feel that the project in South Asia has given value for money. Nevertheless, the most critical factor of projects of this nature is sustainability. Based on our interviews with enterprise representatives in Nepal and the general impression from India we feel that the development of tools for enterprises is the most vulnerable part of the Project. Information on the tool-kit was not very well known by staff in the participating companies except for a limited number of key persons. To ensure continued use of the tool-kit is necessary to reprint the handbooks which now are out of stock.

EmOs are not financially strong enough to serve their members with the tool-kits on a commercial basis. It is uncertain to what extent the use of the tools will contribute to strengthen the membership base of the EmOs in the region.

The evaluation team has also considered if the money for this project could have been spent in alternative and more effective and sustainable ways in this region, and we did not come up with any obvious better alternatives.

17.2 Some recommendations

In our opinion the project period was too short. We also learnt that originally the donor gave ILO quite some freedom concerning the direction of the project. At the same time the donor wanted ILO to focus more on enhancing social dialogue. This request was relevant and in line with ILO objectives, but not clearly communicated from the beginning of the project. Some Recommendations

- 1) To ensure proper implementation, projects of this nature should be of longer duration than two years, and there should be no donor influenced shift in focus during the implementation period.
- 2) On national policy issues the social partners could have been brought in to an even greater extent since social dialogue is useful also for achieving the objectives for this Project.
- 3) Sufficient in house training of staff in the EmOs on the use of training material and tool-kits introduced in the Project should be ensured. Representatives of regional branches and member organisations should also be included in such training.
- 4) In enterprises more staff should be involved in trial projects and implementation of tools kits. Both management and employees should learn about and use the tools. Thus, also in enterprises social dialogue should be utilised when introducing tool-kits.

5) To ensure continued use of the tool-kit and other training material it is necessary to reprint handbooks which now are out of stock and ensure future revisions and reprints. ILO should play a role in following up this need.

Annex 1

List of Persons Met

Navn	Tittel	Bedrift
Anandan P. Menon	Programme Officer	ILO Subregional Office, New Delhi
Anne-Britt Nippierd	Project Manager	ILO, Geneva
Arun Karki	Account Manager	Radisson Hotel Kathmandu
B.C. Prabhakar	President	Karnataka Employers' Association
B.P. Pant	Secretary	Council of Indian Employers
B.P. Shrestha	Chairman & Managing Director	Nepali Paper Products (P) Ltd.
Christian Hess	Senior Advisor	ILO, Geneva
Dr. Rajen mehrotra	Employer speacialist	ILO, Sub Regional Office, New Dehli
Engr. Sekander Ali Khan	Project Officer, ILO	Engineering & Management Consultant, Bangladesh
Gopesh S. Maskay	Manager- Corporate	Vijayadeep Laboratories Ltd
Hansa Ram Pandey	Assistant Director	FNCCI
Henrik Moeller	Project Manager	ILO, Geneva
Inge Tveit	Counsellor	Roual Norwegian Embassy New Delhi
Jean-Francois Retournard	Director	ILO, Geneva
Jeevan Kansakar	Director	FNCCI
K. S. Ravichandran	Programme Officer	ILO, Subregional Office, New Delhi
Kanagarani Selvabumar	Project Officer	ILO, Sub Regional Office, New Dehli
Leyla Tegmo-Reddy	Director and ILO Representative in India	ILO Subregional Office, New Delhi
Manohar B. Shrestha	Treasurer	Network for Quality Productivity and Competitiveness Nepal
Megh Nath Neupane	Act. Director General	FNCCI
Pong-Sul Ahn, Ph.D	Senior Spesialist on Workers' Activities	ILO Subregional Office, New Delhi
Rabindra Shrestha	Ex-officio Vice President & Chairman. Employers' Council	FNCCI
Rajesh Prasad Shrestha	Assistant Manager HRD, Adm & IT	Premier Insurance Co (Nepal) Ltd.
Rie Vejs Kjeldgaard	Deputy Director	ILO, Sub Regional Office, New Dehli
Roy J. Chacko	Senior Advisor	ILO, Geneva
Saed Ahamed Kahn	Chief Manager (HR)	Scope
Saloman Rajbanshi	Program Officer	ILO Nepal
Shengjie Li	Director	ILO Nepal
U.K.Dikshit	Director (Programmes)	Scope

EVALUATION REPORT

CAPACITY BUILDING FOR EMPLOYERS' ORGANISATION ON PRODUCTIVITY AND COMPETITIVENESS – THE REGION OF CAUCASUS / CENTRAL ASIA

Anne Inga Hilsen, Work Research Institute
Oslo, August 2007

18.1 Background and Purpose of Evaluation

The Project “Capacity Building of Employers’ Organisation on Productivity and Competitiveness”, financed by the Norwegian Government under the Social Dialogue component of the ILO-Norway Framework Agreement, was launched in 2004 and was gradually phased out in 2006-2007. Originally the Project covered three West African countries, Mali, Mauritania and Senegal, and three countries in South Asia, Bangladesh, Nepal and India. For 2005 the Project received additional funding, and it was decided to include six new countries in Caucasus and Central Asia; Armenia, Azerbaijan, Georgia, Uzbekistan, Kyrgyzstan and Tajikistan. This enlargement of the Project also meant enlarging ACT/EMP's activities into a less established field than for the two other regions.

Capacity building for employers' organisations constituted a new theme in Caucasus and Central Asia and in many ways this region, and in particular the Central Asia countries, can be seen as a “Greenfield site”. In town planning, ‘brownfield land’ is an area of land previously used or built upon, as opposed to ‘greenfield land’ which has never been built upon (Source: Wikipedia). Countries with a longer history of industrial relations and a tentative system of tripartism view the challenge of capacity building for employers' organisations in the field of productivity and competitiveness quite differently to countries without such provisions. In this Project there is a marked difference between the three regions (West Africa, South Asia and Caucasus/Central Asia), and even between the three Caucasus countries and the three Central Asian countries. This challenges the evaluation to define on which basis the evaluation is conducted. Brownfield/Greenfield starting points allow consideration of how a project should be designed and applied in a given national context. Applying Brownfield/Greenfield mindset (to understand why, when, how and if a given project should happen on the basis of what we know of the operational context) is necessary to avoid an evaluation that lacks context sensitivity and an understanding of the local starting point for change.

The ILO Bureau for Employers’ Activities (ACT/EMP) is now carrying out an evaluation of this inter-regional technical cooperation programme. The evaluation includes missions to two countries in each of the three regions. This report covers the evaluation of the Caucasus/Central Asia region.

18.2 Methodology and Field Work

The work has consisted of review of background material included briefing at ACT/EMP in Geneva and visits to Yerevan, Armenia and Dushanbe, Tajikistan, in May 2007. During the visits, the evaluator was accompanied by the newly appointed ILO employers' specialist from the regional head-office in Moscow. This evaluation coincided with her first visits to the two countries.

In addition the evaluator participated in a study tour to Bulgaria, May 2007, where all the six countries of the region participated. On this occasion the evaluator gave a brief presentation of the evaluation and presented impressions from visits to the two selected

countries in the region. Based on this presentation, the participants from all countries in the region were invited to discuss how well these impressions were in accordance with their experiences and understanding of the Project. The purpose of this exercise was to invite the participants to jointly reflect on the conditions for the Project as well as its outcomes and results. This was in line with one of the objectives of the evaluation: to enable the ACT/EMP headquarters and field staff, as well as partners, to **engage in critical reflection and information sharing** as part of the capacity building efforts on technical cooperation. Given this, inviting the national participant to share their reflections as part of the evaluation is both a valuable contribution to the quality of the evaluation as well as serving a role in furthering critical reflection and information sharing for the participants. For some of these countries, particularly the Central Asian countries, participating in such ILO projects is a new experience. For countries/participants with little experience with evaluations, "opening the evaluation" to participation and scrutiny from the participants in this way is also part of the learning in the Project and contributed to valuable information sharing between participants, between participants and ACT/EMP headquarters and field staff, as well as between participants and the evaluator.

List of persons met during the field visit to Armenia and Tajikistan follows as annex to this report.

There is one project document (Summary Project Outline) for the region and detailed project document for each country. These documents describe background & justification, objectives, performance indicators, outcomes, activities and assumptions, but the text is differently organized. For the Caucasus countries the Prodocs (titled “International Labour Organisation - Technical Cooperation Summary Project Outline (SPROUT)”) are structured more or less the same way as the Prodoc for the West Africa and South Asia regions. It has detailed tables linking objectives to general indicators and means for verification, and also to outputs and main activities, as well as a preliminary budget estimate. For the Central Asian countries the Prodocs (titled “A Project Proposal - Capacity Building of Employers’ Organisations on Productivity and Competitiveness – [name of country]”) are less formally structured. They describe the main objectives, performance indicators, outcomes, activities and assumptions, but do not link them in any structured way. Given the different situation in Caucasus and Central Asia, the different templates seem to reflect the different starting points for the Project in these two set of countries. In a typical Greenfield site, like the three Central Asian countries, just defining the possible Project partners is a major task, and the Prodocs reflect *the start* of a process, rather than the well-organised continuation.

The preparation and planning of the technical project activities started in the second part of 2004. Consultants were identified and, in close cooperation with employers’ organisations or organisations chosen in lieu of employers’ organisation where such organisations did not exist, detailed project documents with objectives, indicators, outputs and activities was developed. According to ILO’s Annual Progress Report for the Project (Capacity Building of Employers’ Organisations on Productivity and Competitiveness) for 2005 “Two senior consultants with extensive knowledge of the region were used. The detailed projects were completed in December 2004 for Central Asia and in March 2005 for the Caucasus. The implementation of the technical activities commenced immediately thereafter.” Also the national projects developed links to the main social partners and NGOs through establishment of National Advisory Committees.

According to the Annual Progress Report “The employers’ organisations in the six countries were found to be at two different levels of development. On the one hand, there are the three Central Asian countries – Kyrgyzstan, Tajikistan and Uzbekistan – where democratic and independent employers’ organisations are still in the emerging stages. In all three countries, the Chambers of Commerce (state-funded) are considered as employers’ organisations, and in some cases these have important working relations with the governments as well as with trade unions. On the other hand, there are the three Caucasian countries – Armenia, Azerbaijan and Georgia – with developed structures of employers’ organisations, and in the case of Azerbaijan, with a secretariat comprising a number of professional staff.

The two different levels of development also mean that the operational implementation of the technical project activities is done in two different ways. For the three Central Asian countries, a regional advisor has been appointed on a consultancy basis. This person has a proven track record in the region in establishing a viable and strong employers’ organisation. In the three Caucasian countries, a key staff member within the employers’

organisation has been appointed as responsible for the implementation of the technical activities, with the assistance of local technically specialized consultants, the latter financed by the Project. These appointed officials, together with the regional advisor, work in close contact and coordination with ACT/EMP Geneva and the ILO Moscow office.”

The presentation in this chapter covers all six countries in the Caucasus/Central Asia region, but with particular attention to the two countries covered by the field visit; Armenia and Tajikistan.

19.1 Background and Justification

All six countries in the Caucasus/Central Asia region face the challenge of reforming/-replacing the former Soviet command economy with a market economy after the fall of the Soviet Union. This challenge is more strongly felt in the three Central Asian countries than in the three Caucasian countries, but is never the less very much present in both parts of the region. As described in the Prodoc for Uzbekistan: “Following independence in 1991, Uzbekistan faced the same challenge as the rest of the former Soviet Union: the need to reform a command economy at a time of economic and political collapse.”

The even more poignant description of background and justification for the Project is given in the Prodoc for Tajikistan: “As in the other former Soviet republics, the socio-economic situation in Tajikistan is characterized by some specific conditions; namely, the destruction of the old economic relations and management system, as well as the civil war of 1992-1997, which had a negative impact on all spheres of social and economic life of the country. Tajikistan's independence from the Soviet Union, and its transition from command to market economy, came with significant economic costs, including disruption to traditional trading links, sharp increases in energy and other input costs, and loss of subsidies upon independence. These resulted in a sharp decline in Tajikistan's economy. The average annual income per head in 2003 was estimated at just 180 USD, making Tajikistan one of the poorest countries in the world. Despite its rich natural resources, namely minerals (gold, silver, and uranium), water and hydropower; and considerable international assistance, the country remains one of the poorest countries in the world and the poorest of the new Central Asian states.”

Such are the conditions and challenges that define the need to support employers' organisations (or their equivalents) in the field of productivity and competitiveness. Given this starting point, it is easy to see that just introducing the idea of linking productivity to competitiveness is unfamiliar, although much needed. Within the Soviet command economy production targets were set, and productivity was about meeting these targets. Within a market economy, productivity is more about knowing what the market wants and supplying this at a competitive quality and price. The evaluation clearly demonstrated that they were still struggling to adapt to the new market economy demands, even if there seemed to be a marked difference between the Central Asian countries and the Caucasian countries.

A Caucasian country, as Armenia, is closer to Europe, more involved in international trade and with a higher level of literacy and education than the Central Asian countries, as Tajikistan. Also Tajikistan has a road and rail network basically oriented towards Russia (Moscow), thus making trade with other international partners more costly and difficult. Typically main exports are raw materials (primary aluminium and cotton fibre) that the

international market is willing to pay the transport costs for and not processed materials and goods that contribute to value creation within the Tajik borders.

The justification for the Project seems well received and understood in the participating countries, and both employers' organisations (or their equivalents), government representatives and employers acknowledged the need for support in the transition process. They also saw the need and the value of strengthening the social dialogue through establishing/strengthening employers' organisations.

19.2 Project Design

In all countries the Project followed the same basic design.

After establishing contact with the employers' organisation (or their equivalent), the **project design** was developed in cooperation with them.

The Project started by commissioning a **baseline survey** on productivity and competitiveness. This was conducted and results presented at **national conference/roundtable** where all social partners (employers' organisation, employee organisation (unions) and government) participated. In most of the countries this survey was the first ever in this field, and conducting it and presenting results represented an important first step in introducing the linked concepts of productivity and competitiveness into the national discourse. For some of the countries just bringing the social partners together on shared issues was important. Many of the national participants at these events emphasised the value of coming together as a major contribution of the Project in itself.

Trainers were selected, trained and **training material** developed to address the productivity and competitiveness issue. Training material was developed in the country's own language and English or Russian. Trainers were recruited, among others, from people who had been trained and involved in somewhat similar projects earlier. E.g. in Tajikistan trainers were recruited among trainers trained as part of an earlier ILO- programme "Start up and improve your business". In this way different projects can support each other and ensure that learning from one project is made more sustainable. **Training modules/sessions** were conducted by the trainers, using the training material. The training modules/sessions lasted 1-3 days and covered several regions within the countries.

Discussions on establishing **Productivity and Competitiveness Centres or Units** were initiated and, in some countries, P&C Centres were established.

Documentation and dissemination of good practice was achieved through national and regional conferences/roundtables at the country level and dissemination between the six participating countries through a sub-regional workshop for all six countries in Georgia January 2007 and a study visit to Bulgaria May 2007.

19.3 Project Organisation

19.3.1. Brief presentation of employers' organisations

Caucasus

The Union of Manufacturers and Businessmen (Employers) (UMBA/UMEA) of Armenia, which has its office in the capital Yerevan, protects and represents the individual and collective interests of a large group of Armenian entrepreneurs, businesses of large, medium and small sizes engaged in all sectors of the economy. It has small staff (some 11 persons) and support from large member-companies. According to the Prodoc UMEA is recognised as a voice in public debates and as a competent social partner in tripartite dialogue. The UMEA is also the main and reliable partner in a number of national and international development programmes. It has developed good working relationships with other business organisations and NGOs in Armenia and abroad.

The National Confederation of Entrepreneurs' (Employers') Organizations of Azerbaijan Republic (ASK), which has its office in the capital of Baku, is the main organisation of employers in Azerbaijan. According to the Prodoc, it has a small staff and support from member-companies. It is recognised as a voice in public debates and as a social partner in tripartite dialogue. The ASK is also the reliable partner in a number of national and international organisations and their development programmes. It has developed good working relationships with IOE, World Association of NGOs, Azerbaijan-British Trade Industrial Council, ILO, UNDP and other organisations.

Employers' Association of Georgia (EAG), which has its main office in the capital, Tbilisi, is considered as a main organisation of employers. According to the Prodoc, it has a small staff and support from member-companies. It is recognised as a voice in public debates and as a social partner in tripartite dialogue. The EAG is also the reliable partner in a number of national and international development programmes. It has developed good working relationships with other business organisations and NGOs.

Central Asia

In Tajikistan the Project partner initially was *The National Association of Small and Medium Business of the Republic of Tajikistan (NASMB)*. Due to the impact of the Project, the *Union of Employers of the Republic of Tajikistan*, was established and officially registered on January 31, 2006. NASMB became a member of the Union of Employers and continued cooperating as a partner in the Project.

NASMB was established in 1993 in the capital, Dushanbe, and is a public, non-governmental, non-commercial organisation, which unites 176 private enterprises, "dehkan" - farmers' enterprises, non-governmental organisations and individual entrepreneurs. The mission of NASMB consists of all-round support of small and medium-scaled businesses, developing and improving the market infrastructure of the Republic of Tajikistan on the basis of unification and coordination of entrepreneurs' efforts. The NASMB is an active member of the Public Council of Tajikistan and contributed to the development of the project paper of the "National Programme on the strategy to reduce the poverty rate". Being a member of the working group on "Privatization and entrepreneurship support", the Association represents the interests of entrepreneurs in the

General Agreement signed between the Government of the Republic of Tajikistan and Trade Unions' Federation for 2003-2005.

The Business Women's Association of Uzbekistan ("Tadbirkor Ayol") is an independent and representative non-governmental, non-commercial organisation, established in 1991. According to the Prodoc, the Association is represented by Tashkent, regional and districts departments of Uzbekistan. It has 14 regional branches and unites more than 5000 women entrepreneurs, who created 70,000 work places. The Association has a good staff with experience and skills in preparing and implementation of international projects in Uzbekistan, such as "Micro-credit programmes" (UN project), "Management of changes" (UN), training and seminars for employers (ILO), "Centre for SME promotion" (GTZ, Germany), seminars for young entrepreneurs (with Konrad Adenauer Fund, Germany). The Business Women's Association of Uzbekistan takes an active part in all events, seminars and conferences, held by international and national organisations on the development of SMEs, and issues on social protection of women. The Business Women's Association of Uzbekistan is one of the key ILO partners in Uzbekistan. This cooperation has provided a chance to participate in numerous ILO workshops and conferences at international and national levels. In each region of Uzbekistan there are Business Women's Association regional departments, which have informational and consultative centres.

The Confederation of the Employers' Union of Kyrgyzstan (CEU), according to the Prodoc, was established in 2001, with the adoption of the Law of the Republic of Kyrgyzstan on "Employers' Organisations" dated 20 May 2004. It passed in the Ministry of Justice after holding a conference during the second quarter of 2004. The Confederation has institutionalized relations with social partners – Government and trade unions. The General Agreement between the Government of the Republic of Kyrgyzstan, Trade Union Confederation and Employers' Organisation of the Republic was signed for 2002-2004, which defines the coordinated positions of the Parties on principal subjects of regulation of economical, social and labour relations at the national level and joint measures in its realization.

19.3.2. Project Organisation in each Country and at ILO ACT/EMP

Because the position of ILO employers' specialist at the regional head-office in Moscow was vacant during most of the Project period, the Project was coordinated directly from the ACT/EMP, Geneva. Technical implementation and activities was carried out at the country level. The national projects also communicated with national research institutions and consultants dealing with productivity and competitiveness. Also the national projects developed links to the main social partners and NGOs through establishment of National Advisory Committees.

The employers' organisations (or their equivalents) identified its responsible officials, as focal points of this Project and responsible for developing detailed plans, their implementation and coordination, monitoring and regular reporting on the Project operational activities. The employers' organisation (or their equivalent) also recruited the national and international consultants in the areas when the local expertise was not available.

19.4 Project Inputs

According to ACT/EMP Geneva, the full budget was USD 826.000, which minus the standard UN programme support cost (13%) makes an available operational budget of approx. USD 731.000. USD 435.000 was utilized directly for country level implementation.

Expenditure in US \$

	Region							
Year	Armenia	Azerbaijan	Georgia	Tajikistan	Uzbekistan	Kyrgyzstan		Total
006	52.027	43.633	78.430	37.432	40.442	37.497		289.461
2007	23.400	46.335	25.085	22.802	13.110	15.453		146.185
<i>Not specified*</i>							295.000	435.646
Total:	75.427	89.968	103.515	60.234	53.552	52.950	295.000	731.000

*The Not specified amount was utilized on the below main interventions, which in one way or the other were meant to support the country level activities:

- project formulation missions, fees and mission costs.
- 2 year and 3 months contract with the consultant in Central Asia and mission costs. He undertook 4-5 missions to each country in the course of project implementation period
- short term contract with international consultant to undertake training in Armenia
- short term contract with future Employers Specialist to participate in January 2007 Georgia meeting
- Study tour in Bulgaria
- CD ROM publication underway
- Missions undertaken by ACT/EMP
- Secretarial and administrative staff support in ACT/EMP HQ

The ILO Project had two main objectives:

1. Developed and strengthened capacities of employers' organisations in Mali, Mauritania, Senegal, Bangladesh, Nepal, India, Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Tajikistan and Uzbekistan, to provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level.
2. Developed and strengthened capacities of employers' organisations in Mali, Mauritania, Senegal, Bangladesh, Nepal, India, Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Tajikistan and Uzbekistan to promote the issue of productivity and competitiveness at the national policy level.

In the following chapter activities and outputs supporting these two objectives are presented. In the Caucasus/Central Asia region, both objectives received much attention. In addition to extensive activities aimed at enterprises (members or potential members), the employers' organisations (or their equivalents) worked closely with the government and unions to affect the national policy level.

20.1 Preparatory Phase: Project Design and Implementation Arrangements

As described, for the three Central Asian countries, a regional advisor was appointed on a consultancy basis. This person had a proven track record in the region in establishing a viable and strong employers' organisation. In this region, one of the challenges was to identify national partner for the Project in the place of an official employers' organisation. In both Tajikistan and Uzbekistan, organisations were selected based on previous experiences, local knowledge and repeated conversations with several representatives for social partners and possible organisations organising businesses.

All three Caucasian countries had well-established employers' organisations already, and here a key staff member within the existing employers' organisation was appointed as responsible for the implementation of the technical activities, with the assistance of local technically specialized consultants, the latter financed by the Project.

20.2 Baseline Surveys on Productivity and Competitiveness

Output: The survey on productivity and competitiveness is completed

Main activities:

- Prepare the survey framework, identify and select consultants
- Conduct baselines survey on key aspects of productivity and competitiveness.
- Organize national workshops to discuss findings and make recommendations for subsequent steps
- Disseminate findings to relevant national institutions

- Use findings vis-à-vis government for discussions and lobbying on social and economic policy – and on national poverty reduction efforts

Resulting measurable outputs: Research reports

Region	Country	Research reports
Caucasus	<i>Armenia</i>	“Capacity Building of Employers’ Organisations in Productivity and Competitiveness” (Armenian and English)
	<i>Azerbaijan</i>	“Capacity Building of Employers’ Organizations on Productivity and Competitiveness in the Azerbaijan Republic” (Azeri and English)
	<i>Georgia</i>	“Competitiveness and Productivity of GEA member companies” (Georgian and English)
Central Asia	<i>Tajikistan</i>	“Capacity Building of Employers’ Organizations on Productivity and Competitiveness in the Tajikistan Republic” (Russian and English)
	<i>Uzbekistan</i>	“Capacity Building of Employers’ Organizations on Productivity and Competitiveness in the Uzbekistan Republic” (Uzbek and English)
	<i>Kyrgyzstan</i>	“Capacity Building of Employers’ Organization on Productivity and Competitiveness in the Republic of Kyrgyzstan” (Kyrgyz and English)

In all countries results of surveys were reported at national roundtables gathering the social partners, enterprises and others to discuss findings and impact on national policy in the field of productivity and competitiveness. This and other efforts at dissemination of findings and lobbying vis-à-vis government are described detailed under output 3.5 Documentation and dissemination of good practice.

20.3 Training Materials Developed and Training Undertaken

Output: Training materials developed and training undertaken

Main activities:

- Identification of national training institutions and trainers
- Design/produce/adapt training materials/modules
- Conduct training workshops/programmes for member enterprises

Resulting measurable outputs: Training materials

Region	Country	Training materials
Caucasus	<i>Armenia</i>	<p>10 training modules (Armenian and English) – the 10 modules were developed on the basis of 26 training programs, that were conducted and then condensed into ten modules that were then conducted</p> <p>Handbook: Productivity & Competitiveness (Armenian version – 500 copies and English version 150 copies)</p> <p>Additional material developed: Publication of First National Symposium Materials (Armenian – 500 copies) Magazine “Economica” with a series of articles (Armenian and English)</p>
	<i>Azerbaijan</i>	<p>8 training modules (Azeri and English versions, 325 copies printed in Azeri version).</p> <p>Handbook: Productivity & Competitiveness (Azeri and English versions – 2200 copies printed in Azeri version)</p> <p>Additional material developed: Leaflets for participants during round-table meetings</p>
	<i>Georgia</i>	<p>7 training modules (five for company managers’ group and two for Women entrepreneurs groups, according to documentation training material was developed)</p> <p>Handbook: None reported</p> <p>Additional material developed: Brochure about the standards and frames of the organization activities (11 000 copies in English and Georgian)</p>
Central Asia	<i>Tajikistan</i>	<p>8 training modules (25 copies printed in Russian language, 200 copies printed in Russian and Tajik languages)</p> <p>Handbook: Productivity & Competitiveness (Tajik and Russian versions – 1900 copies printed in Russian and Tajik versions)</p> <p>Additional material developed: None</p>
	<i>Uzbekistan</i>	<p>8 training modules (Uzbek, English and Russian versions: 25 copies printed in Russian language, 200 copies in Uzbek and Russian languages)</p> <p>Handbook: Productivity & Competitiveness (Uzbek and Russian versions – 1900 copies printed in Russian and Uzbek versions)</p> <p>Additional material developed: None</p>
	<i>Kyrgyzstan</i>	<p>8 training modules (Russian and English versions, 25 copies printed in Russian language, 200 copies printed in Russian and Kyrgyz languages)</p> <p>Handbook: Productivity & Competitiveness (Russian and Kyrgyz versions – 1900 copies printed in Russian and Kyrgyz versions)</p> <p>Additional material developed: None</p>

Training, using the training material was conducted in all six countries.

Resulting measurable outputs: Training undertaken

Region	Country	Training undertaken
Caucasus	<i>Armenia</i>	26 training programs (1 or 1-3 days duration) - Feb-Apr 2006 and Oct-Nov 2006, 778 persons trained (538 women and 240 men)
	<i>Azerbaijan</i>	2*3 days Training of Trainers Course – first in July 3-5, 2006, 10 trainers (3 women and 7 men), second in 4-6, April 2007, 15 trainers (1 woman and 14 men) 7 regional training seminars/courses , held in November 2006, each seminar/course with approx. 25 participants, i.e. a total of 175 participants.
	<i>Georgia</i>	Training of trainers May-June 2006: Georgian Employers' Association (GEA) and Competitiveness and Innovations Centre (CIC) central staff – 9 participants GEA regional staff – 11 participants GEA trainers and consultants network – 11 participants 6 regional training seminars/courses November 2006: 3 for Managers and employees of member and potential member organizations with 43 participants, 3 for women entrepreneurs with 38 participants
Central Asia	<i>Tajikistan</i>	3 days Training of Trainers Course – August 2006, 15 trainers (5 women and 10 men), 6 regional training seminars/courses , held in November - December 2006, each seminar/course with 25 participants, i.e. a total of 150 participants.
	<i>Uzbekistan</i>	3-days Training of Trainers Course – July 2006, 15 trainers (10 women and 5 men), 6 regional training seminars/courses , held in November - December 2006, each seminar/course with 25 participants, i.e. a total of 150 participants.
	<i>Kyrgyzstan</i>	3 days Training of Trainers Course – August, 2006, 13 trainers (7 women and 6 men) 6 regional training seminars/courses , held in November 2006, each seminar/course with approx. 30-40 participants, i.e. a total of 210 participants.

20.4 Productivity and Competitiveness Units

Output: Productivity and Competitiveness Units have been established

Main activities:

- Develop feasibility study/business plan for operation of a productivity unit
- Establishment of productivity/competitiveness units
- Provision of advisory services to member enterprises on key productivity and competitiveness issues

Resulting measurable outputs: Productivity and Competitiveness Units established

Region	Country	Productivity and Competitiveness Units
Caucasus	<i>Armenia</i>	“Center of Independent Analysis, Productivity and Competitiveness” founded in February 2007
	<i>Azerbaijan</i>	“Productivity & Competitiveness Center” founded (within ASK structure) in May 2006
	<i>Georgia</i>	Competitiveness and Innovations Center (CIC) (within GEA) Also: Training and employment training service-center Innovations and IP (Intellectual Property Rights Protection) department under GEA
Central Asia	<i>Tajikistan</i>	None First step was establishment of Union of Employers of the Republic of Tajikistan, 31 January 2006.
	<i>Uzbekistan</i>	“Productivity & Competitiveness Center” is in progress of creation
	<i>Kyrgyzstan</i>	On December 2005, the Agribusiness Competitiveness Centre was established (not directly an outcome of the Project activities).

20.5 Documentation and Dissemination of Good Practice

Output: Documentation and dissemination of good practices have been conducted

Main activities:

Organise workshops/learning forums for sharing of good experiences

Organise sectoral workshop/learning forums for sharing of good experiences and develop sectoral action plans for use of good enterprise experiences

Resulting measurable outputs: Documentation/dissemination activities

Caucasus		
Country	Outputs	
<i>Armenia</i>	<i>National round-tables</i>	February 2006 (1 ½ day) with 178 participants and 80 participants June 2006 (½ day) with 82 participants
	<i>Regional round-tables</i>	4 held between October and November 2006 with 54 participants
	<i>Media exposure</i>	The activity of the UMEA and outcomes of the “Capacity building for Employers’ Organization on productivity and competitiveness” Project were presented through mass-media, in journals, newspapers Delovoy Express - business journal (particularly, the difficulties and bureaucracy of tax legislation by opinion of employers. Through the journal an idea that the “punisher should become a consultant” was raised), Economica - economical journal (Presenting the example of successful businesses in different articles of the journal where the development of competitiveness of Armenian economy in order to limit the monopoly of oligarchs in business), Golos Armenii -newspaper with wide auditorium, Respublika Armenia - newspaper with wide auditorium, Hayastan, Azg, Noyan Tapan Information Agency, TV channels (Armenia TV, Kentron, H1 (state central television), H2). Hence, summarizing the general pieces presented in newspapers, journals and television programmes, the

		principal issues were: Tax legislation and bureaucracy; the need of legislative changes that can promote equal concurrence and entrepreneurship development; Development of amelioration of education system and strengthening of university /college/-enterprise cooperation, in correspondence with the requirements of labor market; Labor code, labor relations and labor protection; Employment and migration, youth employment; Social partnership, the forming and development of social partnership institute in RA
Azerbaijan	National round-tables	July 2005 (1 day) with + 50 participants January 2007 (1 day) with +50 participants
	Regional round-tables	2 held in February and March 2006 – each with 40 participants
	Media exposure	The close cooperation with mass media, interviews to some leading newspapers and information agencies (“Republic”, “Azerbaijan”, “Zerkalo”, “Azertaj”, “Trend”, “Olaylar”, “DayAZ”), participation of ASK representatives in radio and TV programmes (Public TV, “Space” TV, ANS TV) highlighted all ASK productivity and competitiveness activities, the provision of ASK web-site and monthly bulletin with relevant information gave a great opportunity to ASK to attract wide audience to the issue; Participation of ASK President, “Productivity and Competitiveness” Project Coordinator, Mr. Alakbar Mammadov, in actual among population TV programmes “Nazar nogtesi” (“Point of view”) of ANS TV, “Dialogue” of AzTV, “Yeni Gun” (“New Day”) of Public TV, articles in popular newspapers “Bizim era” (“Our era”, Lerik district) from 08 November, 2006 and “Republic” from 19 January, 2007, Baku and many other articles on productivity and competitiveness Project and its role in Azerbaijan made a great resonance among broad population and increased the number of interested parties and ASK members. The special interest caused the interview of ASK Business Development Department senior specialist, certified trainer within P&C Project, Mr. Majid Majidov to the Programme “Women’ hour” of ANS Radio (August, 2006) dedicated to women entrepreneurship in Azerbaijan, where he accented on ASK activity in the women entrepreneurship development in the country and role of P&C Project in that direction.
Georgia	National round-tables	12 2006 Georgian Employers’ Association (GEA) held a Conference “Improvement of Competitiveness and Productivity of Georgian Companies”
	Regional round-tables	None (<i>Uncertain results. The final report and documentation of measurable outputs and key figures for Georgia was delayed, is written in a different format from the others and the country was not covered by the evaluation fieldwork.</i>)
	Media exposure	Media coverage of the Sub-regional International Conference on Productivity & Competitiveness for Caucasus and Central Asia Employers’ Organizations held on 23-24 January, 2007, Tbilisi: <u>TVs:</u> Public TV; TV company MZE – CAPITAL; TV company “MIR”; ALANIA <u>RADIO:</u> Fortuna; Imedi <u>NEWS AGENCIES:</u> GBC; INTERPRESSNEWS; MEDIANEWS; GHN; Georgian Business Consulting Group; PRIMENEWS; CAUCASUSPRESS;

		<p>SARKE; BS Press <u>NEWSPAPERS:</u> Akhali Taoba - 24.01.07 Svobodnaya gruzija - 24.01.07 Georgian Business Week - 24.01.07 Georgia Today - 24.01.07 The Messenger -24.01.07 24 HOURS -24.01.07 Rezonansi- 24.01.07 Akhali taoba - 24.01.07 Akhali Versia 27.01.2007</p>
Central Asia		
<i>Tajikistan</i>	<i>National round-tables</i>	<p>March 2005 (1 day) with + 50 participants January 2006 (1 day) with + 60 participants February 2007 (1 day) with + 60 participants</p>
	<i>Regional round-tables</i>	<p>December 12, 2005 (1 day) with + 55 participants December 15, 2005 (1 day) with + 59 participants</p>
	<i>Media exposure</i>	<p>Mass media played its certain role in awareness-raising campaign among interested parties; information about all activities of the Project was sent to different information agencies. Representatives of mass-media, namely news agency "Avesto", the newspaper "Businessman", news agency «Asia plus» and the state TV of Tajikistan also took active part in the work of round-table meeting on survey results to be held on January 05, 2005 in Dushanbe. The same day, at 18.00 and 19.00 of the local time, there have been shown 3 minute video-reporting on National Round-Table, devoted to the first research work on productivity and competitiveness issues in the country, on the Tajik state TV's program "Ahbor"("News").</p>
<i>Uzbekistan</i>	<i>National round-tables</i>	<p>January 2005 (1 day) with + 50 participants December 2005 (1 day) with + 55 participants February 2007 (1 day) with + 45 participants</p>
	<i>Regional round-tables</i>	<p>November 2005 (1 day) with + 32 participants December 2005 (1 day) with +30 participants</p>
	<i>Media exposure</i>	<p>The close cooperation with mass media, interviews to some newspapers ("Economy", «Pravda Vostoka», «Business-Vestnik Vostoka», «Halk Suzi», etc.), 5 interviews on local and international broadcasts</p>
<i>Kyrgyzstan</i>	<i>National round-tables</i>	<p>February 2005 (1 day) with + 50 participants December 2005 (1 day) with +54 participants February 2007 (1 day) with + 52 participants</p>
	<i>Regional round-tables</i>	<p>2 held in November 2005: 22 November (1 day) with + 35 participants 26 November (1 day) with + 40 participants</p>
	<i>Media exposure</i>	<p>The training-seminar in Talass region was shot by Talass Television and broadcasted everywhere in Kyrgyzstan. (Nov, 2006) Through mass media a number of public speeches of Project participants were performed.</p>

20.6 Legislative Changes

Output: Legislative changes aimed at promoting productivity and competitiveness at the national policy level.

Main activities:

Lobbying, done or underway to affect legislative changes or policy changes at the national policy level.

Region	Country	Legislative changes (lobby, done or underway)
Caucasus	<i>Armenia</i>	Discussion and preparation of proposal portfolios of 17 laws, as well lobbying in government and National Assembly, particularly the Law on LTDs, Law on Licensing, Law on Foreign Investments, Law on State Labour Inspection, Labour Code, Law on Foundations, Law on Remuneration, Law on Employers' Union, Law on Chamber of Commerce, Law on NGOs.
	<i>Azerbaijan</i>	<p>Taking the ASK proposals into consideration:</p> <ul style="list-style-type: none"> ➤ the Competition Code in its first reading in Parliament was adopted on 28 December, 2006; ➤ by presidential decree of Azerbaijan Republic there were created Antimonopoly State Service and State Service on Consumers' Market Control under the Ministry of Economic Development; <p>The facilitating amendment to the Regulations on use of resources of the National Fund to Support Entrepreneurship of the Azerbaijan Republic was adopted.</p>
	<i>Georgia</i>	Two Competitiveness and Innovations Centre (CIC) surveys are under progressing status. The intensive cooperation of the CIC and the Tourism Department of the Ministry of Economic Development of Georgia has the aim: to prepare the Competitiveness Strategy of Georgian Tourism Sector. Other area of cooperation is the SMEs. CIC keeps intensive endeavours to outline long-term vision on SMEs progress in Georgia. Both efforts are clear examples of visible results achieved in terms of influence on national policy.
Central Asia	<i>Tajikistan</i>	From the beginning of the Project the Association has involved all the state structures, including Ministry of Labor and Social Protection, Trade Unions' Federation, Association of Deckhand Farms, relevant establishments and departments which could promote and improve work of the Project.
	<i>Uzbekistan</i>	From the beginning of the Project the Business Women Association of Uzbekistan (BWA) has involved all the state structures, including Parliament and the Cabinet of Ministers, establishments and departments which could promote and improve work of the Project and at the present time collaborates with the government in the direction on productivity and competitiveness increase
	<i>Kyrgyzstan</i>	<p>On May, 2005 it was signed the tripartite General Agreement represented by Government, Trade Unions' Federation and Employers' Confederation. The Project gave good results for realization and inclusion of questions on productivity and competitiveness into agreement with social partners.</p> <p>In light industry it was found way out from shady business. More than thousand workers of the sewing industry and more than 195 workshops</p>

		<p>have started to work in formal sector of economy.</p> <p>There adopted declaration (August, 2005) where obligations of all 3 social partners, i.e. government, employers and trade unions, were determined. Problems of low P&C were also included into those obligations as main tasks to be resolved.</p> <p>As a Project product, the Coordination Council of social partners in the vocational educational field created under the Employers' Confederation of Kyrgyzstan obtained a license to conduct educational activity on principles of business.</p>
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20.7 Attracting new Members, developing a Broader Member Basis

To provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level, attracting new members and thus extending the member basis for the organisations was a desired outcome of the Project.

Output:

Recruited new members

Main activities:

Through the many activities of the Project, as described, new members were recruited.

Region	Country	New members
Caucasus	<i>Armenia</i>	In the Project implementation period, them membership increased by 50 to reach a total membership of 550 members.
	<i>Azerbaijan</i>	In the Project implementation period, the membership increased by 540 members. The quantity of new members accounted 1/5 (20%) of ASK total members (2500), where 182 represented regional branches with majority in Gusar, Lerik, Barda and 358 members from Baku (capital).
	<i>Georgia</i>	Both the implementation and post-Project phases were characterized by inflow of new members and as a final point the membership base of the GEA grew up substantially. 32 new members joined the GEA in total following the Project.
Central Asia	<i>Tajikistan</i>	In the period of Project implementation, 60 employers became members of Association (NASMB).
	<i>Uzbekistan</i>	none
	<i>Kyrgyzstan</i>	107 regional entrepreneurs-employers became members of Confederation (EKK). Moreover, three associations and two social organizations became the members of EKK. The other social organization was created among directors of Lyceums (112), and that organization became the EKK's member as well. The "Qyrgyz Project" Company also became the EKK's member. Totally: 114 new members (107 from regions, 7 from capital).

Important factors to analyse how well the Project has achieved its main objective are: Relevance; Validity of design; Project effectiveness; Efficiency of resource use; Effectiveness of management arrangements; Impact orientation and sustainability; and how well the Project fitted in to the ILO and ACT/EMP overall strategy. These factors are discussed in this chapter.

The following conclusions are based on extensive discussions with key informants within the employers' organisation (or their equivalents), managers of member enterprises, participants at national roundtables and training seminars, as well as government representatives and trade unions in the two countries covered by the fieldwork (Armenia and Tajikistan). The conclusions are supported by comprehensive documentation as well as responses from the other countries in the region during the study visit in Bulgaria may 2006.

21.1 Relevance

Productivity and competitiveness is important issues to the emergent economies of the Caucasus/Central Asia region. Especially introducing the connected concepts of productivity and competitiveness constitute a dramatic break with the former command economy. Market economy demands different logic, different criteria for success, and the Project have supported this shift.

According to all sources we talked to these emerging economies face two major challenges: Changing legislation to promote productivity and competitiveness at the enterprise level and changing the mindset of business(women) to understand the challenges and see themselves as employers.

Information on existing legislation was an important element in training seminars. This was seen as a very important service for employers' organisations to provide to their members. Employers need access to existing legislation, and in countries lacking both paper based and electronic access, the training seminars and training material played an all-important role in this field. Providing information/knowledge about legislation may also be the area where short interventions succeed the best. Much can be learned during short seminars, and training seminar participants valued these seminars highly.

Knowledge about existing legislation is important to employers running businesses, but even more important is legislative changes to promote productivity and competitiveness for enterprises. Legislation conducive to running businesses was seen as extremely important. The Project supported employers' organisations (or their equivalents) in influencing the national policy level. Suggesting new or changed legislation, working with government agencies in developing new policy, introducing discussions on productivity and competitiveness into the public discourse or fighting corruption are all activities supported (or made possible) by the ILO Project. Capacity building for employers' organisations means strengthening their ability to participate in the social dialogue as an equal partner. All we spoke to emphasised the relevance of such efforts to these former

Soviet republics in the Caucasus/Central Asia region, both at the government level and at the trade unions as well as within the employers' organisations and their members.

The Project was relevant to national challenges also in changing the mindset of business(wo)men to understand the challenges and see themselves as employers. We spoke to managers who said that they had not seen themselves as employers before, but only as businessmen or –women out to make profit for themselves. The role as employer was unfamiliar to them with its responsibility towards employees and role within the social dialogue as member of one of the social partners. Realising what it meant (could mean) to be an employer was seen as opening new possibilities and new actions. One manager told us how participating in a training seminar had made him realise it could be useful to discuss productivity and competitiveness with his employees, as well as inspired him to introduce some kind of bonus for good production. The positive results of this changed practice amazed him and he accredited it solely to the Project.

21.2 Validity of Design

The Prodocs for the six countries describe in clear and unambiguous terms the problems and needs, the strategy to be followed and the objectives of the Project. Although the Prodocs for the three Caucasus countries are design in a more structured way than the three Prodocs for the Central Asian countries, they all contain the same information. The difference seems to reflect the different levels of development in the two parts of the Caucasus/Central Asia region.

The objectives and outcomes were relevant and realistic to the local situation in the six countries, as demonstrated by the achievements of the Project (described in chapter 3).

The same basic model was followed in all six countries in the Caucasus/Central Asia region: a survey on productivity and competitiveness, presentation of research report at national conference (roundtable), training of trainers (or selecting trainers), training seminars and national conference (roundtable), Productivity and Competitiveness Units either planned, implemented or next step and lobbying at national level to promote productivity and competitiveness.

The main objectives of the ILO Project was to develop and strengthen capacities of employers' organisations to provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level and at the national policy level. There is a clear connection between these objectives for the Project, the identified main activities and the results. It is hard to see how the main objectives could have been better achieved by some other strategy or project design in the Caucasus/Central Asia region.

Given the Greenfield nature of these emerging economies, there are some necessary first steps to take. Just developing and strengthening capacities of employers' organisations to provide and deliver services to member enterprises and potential members on *any issue* seems to be such a necessary first step. Introducing the concepts of productivity and competitiveness to employers as well as to government and trade unions is also different kind of first step at both the enterprise level and the national policy level.

Development project for Brownfields (more developed countries) would seek to: Inform/-Empower employers' organisations in the field of productivity and competitiveness; Improve upon an existing level of service delivery to member enterprises; and Fulfil satisfaction with employers' organisations. That is, in a Brownfield site, existing structures are improved upon, while in a Greenfield site, structures have to be established initially. Development project for Greenfields (developing countries) would therefore rather seek to: Reform/Enable employers' organisations in the field of productivity and competitiveness; Establish a standard for service delivery to member enterprises; and Facilitate interactions with government and trade unions (to strengthen tripartism and the social dialogue). Given this distinction the project design seems very well fitted to the Greenfield nature of this region.

This distinction can also be used to understand the difference *within* the region. The three Caucasus countries all had existing employers' organisations already functioning. To some extent they compete on an international market and feel the pressure for increased productivity and competitiveness. E.g. in Armenia international quality standards were referred to as an important motivator in the economic development. ISO standards forced Armenian enterprises to change and develop their mode of production in order to be competitive, and thus also linked Armenian economy to the world market. In Tajikistan, ISO standards were not seen as relevant to Tajik enterprises, according to our informants, and the challenge was to *enter* the international market. The Central Asian countries did not have well established employers' organisations; they had suffered different kinds of political unrest and economic setbacks, and their challenges were those of a true Greenfield site. Under these conditions the ILO Project can have a more important impact than for countries with more advanced economies, infrastructure and stronger social partners.

For an evaluation of a development project in such different countries, it is important to realise what is being evaluated. Have the Project supported building something new or improving existing structures? Has it been about introducing the concepts of productivity and competitiveness in a Greenfield site or becoming *more* productive and competitive in a Brownfield site? Even if the Project may have come further in more mature economies, the important first steps taken in the Greenfield sites may constitute a more important contribution in the long run.

This kind of thinking is visible in the Project design, and explains why the Project was differently organised in the Caucasus countries than in the Central Asian countries. The use of a regional adviser with a proven track record in establishing a viable and strong employers' organisation, as consultant to the Central Asian countries, reflects this kind of context sensitivity. This adviser visited the countries frequently during the Project period and was seen as crucial to the success of the Project, according to local partners and stakeholders.

An important question to the validity of the design is how well the Project fitted to ILO and ACT/EMP strategy. The ILO's diverse tasks are grouped under four strategic objectives:

- Promote and realize standards and fundamental principles and rights at work
- Create greater opportunities for women and men to secure decent employment and income

- Enhance the coverage and effectiveness of social protection for all
- Strengthen tripartism and social dialogue

Capacity Building of Employers' Organisation on Productivity and Competitiveness supports not only the immediate objectives of the Project, but also the ILO and ACT/EMP strategy in the fields of fighting poverty, strengthening the social dialogue and promoting gender equality in the labour market.

Productivity and competitiveness is linked to fighting poverty, and this seems to be firmly acknowledged in all participating countries in the Caucasus/Central Asia region. These emerging economies need external support to develop, and the Project has provided this for a brief period. Prolonged involvement in the countries in related projects can ensure continuation of the positive development started in the Project on Capacity Building of Employers' Organisation on Productivity and Competitiveness.

Gender equality is important to create greater opportunities for both women and men to secure decent employment and income. The gender dimension is specifically addressed in the Prodocs for the three Caucasus countries. All three Prodocs define the strategy thus: Besides general training programs for entrepreneurs and managers, in which women are welcome to participate, the employers' organisation organise a series of training programs for businesswomen and women-managers.

In spite of these activities there were problems also in this part of the region. One description of the problems faced is from the final report from Azerbaijan: "The second problem was connected with gender parity, which was impossible among respondents, participated in the survey and among seminar participants. Despite recent years, women have been more active in various business spheres. This is more common in major cities of Azerbaijan. However, the fact that female respondents were in the minority (7.1 per cent that made 32 respondents among 450 ones) among the respondents is explained by the slow pace of this process in districts of our republic. Here, it should be mentioned the appraisal of observers about seminars. Of course, seminars, as a whole, were successfully held. But, the northern region was more active and dynamic as compared with the southern region. Sometimes, even, it is very difficult to group several people together to hold any meeting, workshop or seminar, as rural population is not aware of the role, importance and use of seminars, and ignore them. For example, southern seminars were attended by none of women justified by two major reasons: first, according to local customs women can not participate in such kind of measures, second, simply, they have no time, as nearly all works are done by women, because men for the most part emigrated abroad in search of jobs."

Gender issues are almost absent in the Prodocs for the three Central Asian countries, with the notable exception of Uzbekistan, maybe because the main partner there is The Business Women's Association of Uzbekistan. The absence of gender issues in the Prodocs may reflect the way they are structured more than any strategic decisions, as the evaluation discovered that, at least in Tajikistan, gender equality was acknowledged as a dimension of the Project. Also many women participated in activities and were also trained as trainers, although there were no training seminars directly aimed at gender issues. Tajikistan has adopted a state policy on ensuring men and women have equal rights and opportunities in Tajikistan during the years 2001 – 2010. The position of women in work life receives a lot of attention, and there are women in managerial and ministerial

positions. Still there are great challenges, not at least in the rural areas. Tajikistan also have a large surplus of women resulting from the civil war (35 000 widows), and their survival depends on getting a job or starting their own businesses. Thus, gender issues are strongly linked to fighting poverty, and are therefore doubly important to Tajik society and the Project partners.

The social dialogue and tripartism is central in the work of ILO. The basic philosophy and objectives of the ILO are based on the goals of industrial democracy and social justice for all the parties concerned. Social dialogue and tripartism provides an explicit conceptual and institutional framework for the Project in the Caucasus/Central Asia region, and development of this in the participating countries was a goal from the start of the Project and is explicitly stated in the Prodocs. It is unclear to the evaluators of how this was influenced by signals from the Donors or by the fact that the Project was technically coordinated by ACT/EMP headquarters in the absence of an Employers' Specialist in the ILO Sub-Regional Office in Moscow during the Project period. This may have connected the Project in the Caucasus/Central Asia region closer to the ACT/EMP strategy than in other regions. It may also be because of the Greenfield nature of this region, which made the basic establishment of social partners as such a major concern. The establishment of a National Employers' Organisation in Tajikistan during the Project period can be considered a major success and a central contribution to strengthening, or even making possible, the social dialogue.

External Factors

The Prodocs address external factors and assumptions that are critical to the success of the Project in part of the region (Caucasus).

In the Caucasus countries the following external factors and assumptions are defined:

- There is no political or economic interference in the activities of the employers' organisations from the outside
- The political and social-economic situation in the country is stable and does not prevent the employers' organisations in its project implementation activities
- Policy makers and top management in the employers' organisations fully support the project and its staff in implementation, providing necessary contributions in kind, mentioned in the project document
- External consultants are provided with visa and favourable conditions for the working in the country in accordance with the project work plan

The final reports for these three countries discuss problems/constraints, but without linking it to the above list of critical external factors and assumptions. In spite of no specific discussion about this, there are several mentions of improper external conditions (inaccessibility of financial resources, heavy tax burden, bureaucracy, corruption, etc). These conditions are obviously external factors influencing the Project, although the validity of the Project design proved able to produce its objectives in spite of such unfavourable conditions.

The Central Asia part of the region does not define critical external factors in the Prodocs, but cover this area in the national final reports, pointing particularly to constraint because of the unfavourable political and social-economic situation in the countries. E.g. Kyrgyzstan reports: "Because of People's Revolution on the 24th of March, 2005, the work

of the project was delayed, where additional time and resources were required in overcoming the consequences”.

Just *starting* the process of capacity building for employers’ organisations in the field of productivity and competitiveness is a major challenge for the Caucasus/Central Asia region. The concepts of productivity and competitiveness are new and difficult, and unfavourable national conditions hinder progress. One of the trainers from the Central Asia region pointed to the lack of dependable electricity supplies as a severely limiting factor to the country’s development: “How can we speak of productivity and competitiveness if we have no light?”

21.3 Project Effectiveness

That the Project is effective seems beyond questioning. The Project partners were obviously strengthened through the Project. Employers’ organisations improved their services to their member enterprises in the field of productivity and competitiveness, as well as attracted new members through the activities of the ILO Project. They also played an active role in influencing national policies and legislation in the field of productivity and competitiveness. Through the established National Advisory Committees in each country, they involved close links to the main social partners and NGOs, thus ensuring that the Project involved more than employers and enterprises. The businessmen and -women (employers) we talked to, had received valuable and practical, useful help and learning. They seemed also to start recognizing their role as employers, with all that entailed.

It is different to work with emerging partners, rather than long established employers’ organisations. One critical factor for the further implementation of new practice developed in the Project concerns the handing over from Project partner organisations to emerging employers’ organisations. E.g. in Tajikistan the main Project partner was The National Association of Small and Medium Business of the Republic of Tajikistan (NASMB), as the Union of Employers of the Republic of Tajikistan was not established till January 2006. The new Union of Employers needs to incorporate the experiences of the national partner (NASMB), and this phasing in of a new partner may be critical to the long-term success of the Project. In Tajikistan our impression is that the shared learning process is well under way, as NASMB also became a member of the Union of Employers, but it still constitutes a major challenge. How this will be handled in the other countries in similar circumstances is not possible to answer in this evaluation. It is particularly important that ILO continues cooperation with established and emerging partners in these countries also in the years to come, to support a continuation of a positive development started under this Project.

The social dialogue was strengthened in the participating countries in the Caucasus/Central Asia region through strengthening the role of the social partners. A question for the evaluation is what, if any, alternative strategies would have been more effective in achieving its objectives. In the Caucasus/Central Asia region the cooperation between Project partner and the other social partners, particularly the trade unions, may have been a critical factor. The social partners were involved at all steps in all six countries, but trade unions and government are also facing changing roles and also need capacity building in the new roles. To the extent something could have been done differently, targeting only one of the social partners for an intervention might lessen the impact, particularly in the Greenfield sites. On the other hand, targeting all three social partners (government,

employers' organisations and trade unions) at the same time within the same project design might require time and resources beyond ILO's resources and organisation to accommodate. It would also mean expecting ILO to turn the project into something different than originally envisaged by the donor, and is therefore outside the scope of this evaluation.

21.4 Efficiency of Resource Use

The inputs (funds, project personnel, expertise, partners, training materials and equipment) seem to have been adequate, timely and relevant. Resources have been used efficiently, as far as the evaluation can assess. This is a small-scale project which has achieved much within a very tight budget, and the results seem clearly to have justified the costs. It is hard to point to any field where the same results could have been obtained with fewer resources.

There seems to have been a very prudent, as well as detailed, budget control from ACT/EMP headquarters. This reflects the Greenfield nature of the region, where it was important to demonstrate to the partners how such projects need to be design and conducted to meet international standards for accountability and quality. The partners we talked to stress that participating in the Project had been a learning experience for them, also in project management. At all stages of the Project detailed requests had to be submitted, resulting in detailed allocation of funds.

The three Caucasus countries (of the 12 countries in the ILO Project in the three regions of West-Africa, South Asia and Caucasus/Central Asia) were also exposed to a financial review and assessment for Project on Productivity and Competitiveness by ACT/EMP. According to the existing documentation, the review encompassed the following main tasks:

- Control of the Employer Organisations activity files: one file per External Payment Authorisation from ACT/EMP, including justification of the expenditure, verification of supporting documents and contracts
- Checking of similarities between the request and budget sent by the Employers Organisations and the actual expenditures realized
- Payment process through the local UNDP offices and their handling of the EPA sent from ILO to the Employers' Organisation concerned

The aim of the financial review and assessment was to check the application of procedures and administrative processes as contained within the ILO Financial Rules and Regulations in the financial and administrative handling of the Project implementation. ACT/EMP writes that "Primarily this is a learning exercise for the administration of our technical cooperation programme, ensuring that we operate both within the ILO financial rules and regulations, and vis-à-vis the financial and administrative requirements of our donors." The resulting reports were confidential and only accessible to ACT/EMP and their financial department, and so not available to the evaluators.

Our impression is that the financial review and assessment was well received by the three Caucasus countries and perceived the same way it was presented by ACT/EMP in the description above. Learning how to manage such a project is useful, and the financial review supplied important feedback on what was expected of the local partners. As one of the partners said, it was also useful for ACT/EMP financial personnel to "meet the practicalities of the field", to experience local conditions and challenges. In this way the

financial review and assessment seems to have contributed to the learning in the Project for all partners.

The resources in the Project were efficiently used to fulfil the main objectives for the Project and results are well accounted for. Some of the countries report some delays in the transfer of funds from ACT/EMP headquarter via UNDP in the countries to the Project partners, although this does not seem to have hindered the Project in any substantial way.

One difficulty that came up in the evaluation concerned the printed material. Most of the people we spoke to said that training material was initially printed in too low number. The demand vastly exceeded supply, and few alternative ways of distribution was available due to the local situation. In some of these countries, paper for printing or copying is in short demand and unstable electricity supplies make electronic publication less relevant. At the time of the evaluation we were told by ACT/EMP that more copies were in print and will be supplied. This is very important, as the material is the first produced on the subject of productivity and competitiveness in most of these countries.

A more serious limitation or obstacle to long-term success was the insufficient project timeframe. As Greenfield sites, the countries are now at the stage where they see the direction they need to move, but the Project is finished and money stopped. It is therefore important how cooperation continues after the Project is finished. This will be further discussed in chapter 4.6 Impact Orientation and Sustainability.

21.5 Effectiveness of Management Arrangements

Effectiveness of management arrangements is about the technical and administrative guidance and support provided by the ILO Offices in the field and ACT/EMP headquarters, about whether project governance facilitated good results and efficient delivery and to what extent the various ILO units and technical specialists cooperated.

According to the people we talked to support from ACT/EMP headquarters was perceived as good and timely. The support by the external expert in Caucasus in the initial phase (developing Prodocs) was effective and efficient, and his contribution was highly valued. The support by the regional adviser during both project establishment and as consultant during the Project in the Central Asian countries was greatly appreciated, and contributed to good results. The Project partners stressed the value of having support throughout the Project from someone with a proven track record in establishing a viable and strong employers' organisation under similar conditions to those faced by the Central Asian countries.

Contact with ACT/EMP headquarters throughout the Project was basically described as unproblematic and supportive. The lack of an ILO employers' specialist from the regional head-office in Moscow did not seem to have hindered the Project, and local partners had not experienced problems resulting from this situation.

In both the visited countries (Armenia and Tajikistan) there were other ILO projects or activities outside ILO. The coordinating mechanisms in the two countries varied:

In Armenia ILO had a National Correspondent who coordinated all ILO activities, as well as other international projects outside ILO. This seemed to work well and the ILO National

Correspondent was very familiar with ongoing activities and their potential overlaps. This also helps in identifying possible links and opportunities for reuse of any products or material developed within one project in others.

In Tajikistan there were no ILO National Correspondent, and coordination between ILO activities in the countries seemed to suffer. We talked to the Project coordinator for another ILO Project focusing on the families of migration workers and establishing businesses in the field of honey production (connected to SIYB - Start and Improve Your Business Project). He knew about the ILO Project on Capacity Building of Employers' Organisation on Productivity and Competitiveness and participated at the first National Roundtable. We also visited ILO's International Programme on Elimination of Child Labour (IPEC) in Tajikistan. They shared offices with UNDP. They also knew about the ILO Project on Productivity and Competitiveness, but had not attended any activities. Their relationship to the employers' organisation seemed less close and potential collaboration between IPEC and the other ILO projects seemed poorly developed.

How the ILO Project on Capacity Building of Employers' Organisation on Productivity and Competitiveness could have benefited from better integration and coordination between different ILO activities in Tajikistan is hard to say. Still, it seems obvious that ILO activities in Tajikistan could have benefited by having one person in charge of coordination, like the ILO National Correspondent was in Armenia.

21.6 Impact Orientation and Sustainability

Impact orientation and sustainability is a critical issue for the Project. This is not just a question about causing changes, but about causing long-term changes. Given the description of the activities and outputs of the Project, it seems clear that the capacities of employers' organisations to address the issue of productivity and competitiveness been strengthened, and also employer organisations' membership services have been improved or enhanced.

In the Caucasus/Central Asia region, just getting the social partners to meet around the same table at national conferences/roundtables to discuss productivity and competitiveness was probably the most important event in the process of developing social dialogue and strengthening the social partners in this field. As already pointed out the first steps may be small, but they are the all important first steps in a new direction, and results must be judged on that basis.

Training material and trained trainers are also useful in other projects, ensuring continuous learning beyond the scope of this Project. We were told about several cases of reuse of training material.

Particularly in Armenia (according to our information) the cooperation between education and the labour market were considered to be important and were in the centre of attention of the Project and UMEA. In the final report they point out that in order to develop the Enterprise – University/College cooperation, to provide youth with practical education, as well as to represent requirements on education quality and labour market, 3 visits to colleges/universities in participation with high-profile businessmen were organised. Viewpoints on business ethics, development of entrepreneurship activity and productivity

and competitiveness culture development were discussed. The preparation (October 2006) and realization of visits were carried out in November, 2006. 139 persons participated.

Also in order to strengthen the connection between the entrepreneurs and students, and for development of entrepreneurship skills, UMEA in collaboration with the magistracy “Entrepreneurship and SME development” of the French University of Armenia cooperated for the participation of UMEA members to the Lyon International Fair (March, 2007). During these processes the students worked with businessmen in order to better present companies, products; the students also participated at the Fair, and assisted employers for pavilions’ design and preparation, negotiation processes and translation. This was important to give students the opportunity to get some entrepreneurial skills; to be able to assess the development of branches and competitiveness of companies, as well as to create direct connections with businessmen. This creates potential opportunity to work in those companies.

The close attention to the educational system also resulted in training material being introduced in the curriculum of vocational education institutions/universities, thus forming a continuous basis for changed thinking in the field of productivity and competitiveness far beyond the timeframe of the ILO Project.

In all countries there are reports of participating business(wo)men starting to develop new practice on productivity and competitiveness as well as developing in their role as employers. This is only the start of a process, but it is hard not to expect this acquired knowledge to continue the process. As one employer told us, sharing his new knowledge on productivity and competitiveness with his employees (workers) served to improve production. Introducing “the modern way of working in a small company” also introduced the idea that all are part of the company and that improvements also benefits the workers. Information and knowledge, combined with some kind of production bonus, helped the company work better and increase production.

That this is only a first start is well documented in the final national reports. Here, one of the participating countries states as one of the aims of the produced handbook on productivity and competitiveness to “Give definitions to the concepts of “employer”, “productivity”, “competitiveness”, “quality”, as well as acquaint with the methods on increasing productivity and competitiveness”. This knowledge is new and vital to Greenfield sites as the Caucasus/Central Asia region.

List of persons met during the field visit to Armenia and Tajikistan May 2007:

Armenia

Mr. Gagik Makaryan, Executive Director of UMB(E)A and CIAPC (Center of Independent Analysis, Productivity and Competitiveness) – Project Coordinator
Ms. Manasyan, Caucasian Research Resource Center
Mr. Hergnyan, Economy and Values Research Center
Mr. Vahan Simonyan, Ministry of Labour and Social Affairs
Mr. Chilingharyan, Aharon Paradigma Consulting Company
Mr. Kharatyan, Vice Chairman, Confederation of Trade Unions
Ms. Nune Hovhannisyanyan, ILO National Correspondent
Mr. Pipoyan, Head of Middle Professional Education Department, Ministry of Education and Science
Mr. Kocharyan, Head of Department, Ministry of Trade and Economic Development
Mr. Jrbashyan, Armenian-European Policy and Legal Advice Center
Mr. Arzumanyan, Executive Director, Armenian Copper Programme
Mr. Hairyan, Deputy Director General, “Beer of Erevan” company (followed by visit to enterprise)
Mr. Arzumanyan, Executive Director and Mr. Khachatryan, Chief Financial Officer, Armenian Copper Programme
Number of participants of ToT and training organised under the project.

Tajikistan

Ms. Uldjababaeva, Chair of National Association of Small and Medium Businesses
Ms. Nasirova, Executive Director of NASMB, the Project Coordinator
Mr. Sharipov, Chairman of Union of Employers of RT
Mr. Kuddusov, ILO-projects coordinator
Ms. Turakhanova, ILO-IPEC Country Project Coordinator and colleague
Legal Consultancy Group, Consulting Company which made the survey
Mr. Dovlatov, Executive Director, Union of Employers
Mr. Saidrahmonov, Head of NGO “Surhob”, member of Union of Employers
Mr. Azizov, Head of Department, Union of Employers
Mr. Dodobaev, Director, External Relations Department, Ministry of Labour and Social Welfare
Mr. Vahobov, Ministry of Labour and Social Welfare
Mr. Rahimov (SIYB trainer and author of the Guidebook for employers on C&P)
Mr. Niyazov, SIYB trainer
Ms. Glotova (Officer, President Administration), participant of round tables
Mr. Jamshed Kuddusov, NPC ILO project
Mr. Phatoev, Head of Department, Ministry of Agriculture and Environment
Mr. Homidov, Ministry of Agriculture and Environment
Mr. Sahibov, Ministry of Agriculture and Environment, officer in charge of OSH
Mr. Salihov, Chairman, Federation of Independent Trade Unions of Tajikistan
Mr. Abdullaev, Deputy Chairman, Federation of Independent Trade Unions of Tajikistan
Mr. Shokirov, Head of Department, Federation of Independent Trade Unions of Tajikistan
Mr. Nabiev, Deputy Head of Legal Department Federation of Independent Trade Unions of Tajikistan
Number of participants of ToT and training organised under the project.

ILO/BIA Study visit to Bulgaria, Sofia, Stara Zagora, 14-18 May 2007

Participants list:

Armenia

Mr Makaryan, Executive Director, Union of Manufacturers and Employers of Armenia/Centre of Independent Analysis, Productivity and Competitiveness Foundation

Ms Barseghyan, Legal Consultant, Centre of Independent Analysis, Productivity and Competitiveness Foundation

Ms Malkhassyan, President, Small and Medium Entrepreneurship Development Centre NGO

Azerbaijan

Mr Mammadov, President, National Confederation of Entrepreneurs (Employers') Organizations of Azerbaijan Republic

Mr Asadov, Director of Business Development Department, National Confederation of Entrepreneurs (Employers') Organizations of Azerbaijan Republic

Ms Niftaliyeva, Senior Specialist of Labour Relations Department, National Confederation of Entrepreneurs (Employers') Organizations of Azerbaijan Republic

Georgia

Mr Sikharulidze, Director, Department of Relationship with Employers, Georgian Employers Association

Mr Nanobashvili, Executive Director, Department of Relationship with Employers, Georgian Employers Association

Ms Tamazashvili, Expert/Consultant, Department of SMEs, Department of Relationship with Employers, Georgian Employers Association

Kyrgyzstan

Mr Borodavkin, First Vice President, Confederation of Employers of the Kyrgyz Republic

Mr Kadyrov, Chairman, Confederation of Employers of the Kyrgyz Republic

Ms Eremina, Chair of Coordination Union in field of professional education, Confederation of Employers of the Kyrgyz Republic

Tajikistan

Ms Nasyrova, Executive Director, National Association of Small and Medium Business of Tajikistan

Ms Uljabaeva, Chairperson, National Association of Small and Medium Business of Tajikistan

Mr Sharipov, Chairman Union of Employers of the Republic of Tajikistan

Uzbekistan

Mr Sultan-Mukhamedov, Executive Officer, Head of Business Development, Chamber of Commerce and Industry of Uzbekistan

Ms Mirzakhalilova, Head Specialist on SME Development, Businesswomen's Association of Uzbekistan

Mr Khadaev, First Deputy General Director, Market Skills Development Centre

Annex

Evaluation Terms of Reference

ILO - Bureau for Employers' Activities (ACT/EMP)

Social Dialogue component of ILO-Norway Framework Agreement

Project Title: Capacity Building for Employers' Organization on Productivity and Competitiveness

INT/04/M06/NOR and INT/04/39/NOR

Financing agency: Ministry of Foreign Affairs, Norway

Implementing agency: International Labour Organization (ILO)

Type of evaluation: Independent, end-of-project evaluation

Geographical Coverage: West Africa, South Asia, Caucasus and Central Asia

Countries of project intervention: Mali, Mauritania and Senegal, Bangladesh, Nepal, India, Armenia, Azerbaijan, Georgia, Kyrgyzstan, Uzbekistan, Tajikistan

Languages: English and French

Tentative dates for evaluation: In the period 7 April – end May 2007

Preparation date: January 2007

Evaluation Terms of Reference

I. Introduction and rationale for evaluation

The ILO Bureau for Employers' Activities (ACT/EMP) is carrying out an evaluation of its inter-regional technical cooperation programme on "Capacity Building for Employers' Organizations on Productivity and Competitiveness".

The Productivity and Competitiveness programme, financed by the Norwegian Government under the Social Dialogue component of the ILO-Norway Framework Agreement, was launched in 2004 and gradually phased out in 2006-2007.

The purpose of the evaluation is to assess the validity of the overall strategy and approach to programming the Norwegian funds, to assess the processes of planning and implementation, as well as obtain a better understanding of the impact and results of the programme of assistance.

An envisaged outcome of the evaluation is that it promotes organizational learning in improving performance for future planning and implementation of technical cooperation programmes by ACT/EMP headquarters and Employer Specialists in field.

The evaluation is an independent and final evaluation of the project. The evaluation team will be composed of external consultant/s and an ILO evaluator who are independent of the Productivity and Competitiveness programme.

II. Background on project and context

Employers' organizations are one of the three constituents of the ILO and are central to the social dialogue process, which helps to ensure that national social and economic objectives attract wide support and are achieved. However, social dialogue cannot function effectively unless the partners participating in the process are representative, independent and effective. In most developing countries and countries in transition, employers' organizations need to be further strengthened in order to be able to play a more effective role in social dialogue. The ILO programme of technical cooperation with employers' organizations is designed to provide such assistance. The programme of assistance to employers' organizations is financed from both regular budget technical cooperation allocations of the ILO (RBTC) and extra-budgetary resources from donor countries such as Norway.

The Bureau for Employers' Activities is the link between the ILO and its employer constituents. In its technical cooperation activities, the Bureau assists employers' organizations in developing countries to enable them to play a meaningful role in national and social policy and advocate for employment friendly environment. Through Employers' Specialists in the field, the ACT/EMP strategy focuses on in-depth dialogue and strategic planning to enable identification of employers' organizations' priorities. These priorities include enhancement of enterprise-level and national competitiveness and productivity in the workplace; corporate social responsibility and human resources development at all levels.

In December 2003, the Norwegian Government signed a Framework Agreement on Programme Cooperation with the ILO, pledging financial support towards two priority

areas, namely Social Dialogue and Child Labour, for the biennium 2003-2004. (This was later extended for 2005-2006).

Under the Social Dialogue component, the Agreement stipulated that the allocation should contribute to ILO's operational objective 4a (Stronger social partners): To strengthen the representation, services and influence of the social partners.

The ILO measures the degree of attainment of this operational objective through performance indicators. In the ILO Programme and Budget for the period 2004-2005, the performance indicators were as follows:

- 4a.1: Employers' or workers' organizations that provide new or improved services to their members or strengthen their capacity to provide such services.
- 4c.2: Employers' or workers organizations that take policy or practical initiatives to extend representation of their organizations.

In 2004 ACT/EMP thus launched a technical cooperation programme that would contribute to the achievement of the operational objective 4a by strengthening the capacity of selected employers' organizations to provide new services to their members on enhancing productivity and competitiveness. This theme was selected as it was considered a key priority area for employers' organizations across the globe. The programme was launched in early 2004 in West Africa and South Asia. With the second allocation of funds from Norway in late 2004, the project was extended to the Caucasus and Central Asia.

The overall development objective of the programme is similar in all three regions, namely to contribute to improving the productivity and competitiveness among the private sector enterprises in the countries encompassed by the project.

By the end of the project, it was envisaged that the following objectives would be achieved:

- Developed and strengthened capacities of employers' organizations in Mali, Mauritania, Senegal, Bangladesh, Nepal, India, Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Tajikistan and Uzbekistan, to provide and deliver services to member enterprises and potential members on the issue of productivity and competitiveness at enterprise level.
- Developed and strengthened capacities of employers' organizations in Mali, Mauritania, Senegal, Bangladesh, Nepal, India, Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Tajikistan and Uzbekistan to promote the issue of productivity and competitiveness at the national policy level.

The evaluation will focus on the activities conducted under the programme on "Capacity Building for Employers' Organization on Productivity and Competitiveness" in the three regions mentioned above, Africa, Asia and Caucasus/Central Asia.

III. Purpose, scope and clients of evaluation

The overall purpose of the evaluation is to enhance the capacity of ACT/EMP headquarters and field staff in the delivery of TC programmes which contribute to ILO's Operational objective 4a on strengthening social partners. As this is the final evaluation of the programme on "Capacity Building of Employers' Organizations on Productivity and Competitiveness", the evaluation will more specifically:

- 4) Review evidence of the direct and indirect impact of ACT/EMP's work on strengthening the capacities of national employers' organizations through the programme on Productivity and Competitiveness.
- 5) Assess the relevance of the project objectives and approach and establish how far the project managed to achieve its planned outcomes and objectives.
- 6) Assess the extent to which the project strategy proved efficient and effective and whether it is likely to have sustainable impact.
- 7) Assess the management arrangements and structures of the project and the level of contribution and coordination of the various stakeholders.
- 8) Enable the ACT/EMP headquarters and field staff, as well as partners, to engage in critical reflection and information sharing as part of the capacity building efforts on technical cooperation.

Regarding the scope of the evaluation, it is proposed that all three sub-regions be targeted:

- The ILO Sub-Regional Office in Dakar, covers all the three countries included in the programme in West Africa, namely Mali, Mauritania and Senegal.
- The ILO Sub-Regional Office in New Delhi covers all the three countries included in the programme in South Asia, namely Bangladesh, Nepal and India.
- The ILO Sub-Regional Office in Moscow covers all six countries included in the programme in Caucasus and Central Asia, namely Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Tajikistan and Uzbekistan.

In South Asia and West Africa the Productivity and Competitiveness programme has been technically backstopped by the ACT/EMP Senior Employer Specialists in the ILO Sub-Regional Offices in Dakar and New Delhi, and coordinated by ACT/EMP headquarters.

Since there has been no Employers' Specialist in the ILO Sub-Regional Office in Moscow during the project period, the programme in the region has been technically backstopped and coordinated by ACT/EMP headquarters.

The main clients of the evaluation are ACT/EMP headquarters, the Employers' Specialists in New Delhi and Dakar, the employers' organizations in all countries covered by the project, the relevant ILO field offices and the donor, the Ministry of Foreign Affairs in Oslo, Norway.

IV. Suggested Analytical framework

The following Analytical Framework contains the main evaluation criteria with suggested questions under each criterion to guide the evaluation team and the evaluation process. The evaluators will attempt to address the aspects outlined below to the extent possible based on the chosen evaluation methodology described in Section VI

- Relevance
 - a) To what extent have programme results been useful in meeting the needs and priorities of the employers' organizations concerned and addressing the identified problems? Do the initial needs and problems still exist and are they still relevant? Have new and relevant needs emerged?

- b) How well did the project complement and fit with other ILO projects/programmes in the countries of intervention?

- **Validity of design**

- a) Does the project document specify in clear and unambiguous terms the problems and needs, the strategy to be followed and the objectives of the programme?
- b) Were the project objectives and outcomes relevant and realistic to the situation on the ground?
- c) Was the intervention logic coherent and realistic?
 - Did the outputs causally link to the immediate objectives that link to the broader development objective?
 - What were the main strategic components of the project?
 - Were the roles and commitments of the employers' organizations and other stakeholders and partners involved in the activities clearly defined?
 - How useful and appropriate have the indicators described in the project document been in assessing the project's progress? Are the means of verification for the indicators appropriate?
 - Were the external factors affecting project implementation identified and assumptions proven valid?

- **Project effectiveness**

- a) To what extent have the programmes immediate objectives been achieved for the employers' organizations concerned?
- b) Have the outputs of the programme been of adequate quality and quantity? Have the outputs been useful and do the benefits accrue equally to men and women?
- c) Are the project partners/employers' organizations using the outputs?
- d) Has the project approach demonstrated successes and what have been the project's main achievements?
- e) What have been the main challenges or constraining factors of the project and how have they been overcome?
- f) What, if any, alternative strategies would have been more effective in achieving its objectives?

- **Efficiency of resource use**

- a) Have the inputs (funds, project personnel, expertise, partners, training materials and equipment) been adequate, timely and relevant?

- b) Have resources been used efficiently? Have activities supporting the strategy been cost effective? In general, have the results achieved justified the costs? Could the same results have been obtained with fewer resources?

- **Effectiveness of management arrangements**

- a) Was the technical and administrative guidance and support provided by the ILO Offices in the field and ACT/EMP headquarters adequate?
- b) Did the project governance facilitate good results and efficient delivery? Was there a clear understanding of the roles and responsibilities by all parties involved? Did the various partners contribute to project implementation as planned and was this contribution effective?
- c) To what extent have the various ILO units and technical specialists cooperated? How has this cooperation worked?

- **Impact orientation and sustainability**

- a) Can observed changes be causally linked to the project interventions? Have for example the capacities of employers' organizations to address the issue of productivity and competitiveness been strengthened? Have employer organizations' membership services been improved or enhanced?
- b) Did the project contribute towards the longer term development objective?
- c) Are the programme results, achievements and benefits sustainable and, if so, in what way? If not, how could the programme have been implemented differently to ensure sustainability?

V. Main outputs

On the basis of the Suggested Analytical Framework above, the evaluation team will prepare a report which will address all the main evaluation criteria. The gender aspect should also be reflected in the report. The report will also include a section with conclusions, recommendations and lessons learned. Any findings and conclusions which may result from the evaluation but which were not specifically mentioned in the terms of reference should also be included in the report.

The evaluators will also be required to conduct one-day workshops in central locations with the project partners as mentioned below.

VI. Methodology

The evaluation will involve interviews and field visits. The evaluation will start at headquarters where the evaluation team will undertake a desk-based review of background documents followed by briefings and interviews with key personnel in ACT/EMP.

Thereafter the team will individually undertake missions to two countries in each region accompanied by the ILO Employers' Specialist for the region. Interviews will be

conducted with the key officials in the employers' organizations as well as with ILO officials in the Sub-Regional Offices and other relevant stakeholders. Visits to several enterprises will also be undertaken in the countries visited in order to obtain first-hand information and perspectives of employers on the ground.

On completion of the evaluation missions, a draft report will be prepared by the evaluation team. This draft report will be discussed with the responsible officials in ACT/EMP and circulated to the various key stakeholders (to be determined by ACT/EMP) for their comments and corrections in case of factual errors. When this process of review has been completed and the evaluation report finalized, the evaluation team will present the report to ACTEMP Headquarters at a briefing meeting.

Sources of information

Prior to the evaluation the evaluation team will receive all relevant project documentation as listed below from ACT/EMP headquarters. This will be supplemented during the missions to the regions by documents provided by the Employer Specialists in Dakar, New Delhi and Moscow.

Documents to be reviewed include:

- ILO-ACT/EMP Project Document on “Capacity Building of Employers’ Organizations on Productivity and Competitiveness”.
- Annual Progress Reports on the Productivity and Competitiveness Programme (2004-2006)
- Selected publications, tools and reports produced by the Productivity and Competitiveness Programme, such as productivity assessment reports/case studies, measurement tools, management game etc.

VII. Management arrangements, work plan and timeframe

It is proposed that after a desk review and briefings at the ILO in Geneva (in April), that members of the evaluation team undertake missions to two countries in each of the three sub-regions, namely Senegal and Mauritania; India and Nepal; and Armenia and Tajikistan. As mentioned above, the evaluator will be accompanied by the ILO Employer Specialist for each of the regions.

The evaluation team should be composed of two or three external consultants, one of whom should be the team leader. It is essential that the evaluator assigned to West Africa speaks fluent French. It would also be preferable if the evaluator assigned to Armenia and Tajikistan can converse in Russian.

It is proposed that the evaluation follow the timetable below.

- 2 days for a desk review of the background documents prior to the start of the evaluation mission in ACT/EMP
- 1 day for briefing at ILO
- 8-10 days field mission to each region
- 5 days for the preparation of the draft report

- 2 days for finalization of report
 - ½ day debriefing at ILO headquarters
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Approximately 20 working days per evaluator = 60 working days.

The practical arrangements for the missions to the regions will be the responsibility of ACT/EMP Headquarters.

Upon completion of the evaluation missions, a final report will be drafted by the evaluation team which will be completed and submitted to ACT/EMP by (July?) 2007. The report will be the joint responsibility of the evaluation team with the team leader designated with primary responsibility for completing the report.