



International
Labour
Organization



STRENGTHEN2



Co-funded by
the European Union

► Employment impact assessment of the Talaky Be project in Madagascar

Objectives of STRENGTHEN2

The **STRENGTHEN2** project is a joint initiative of the European Union (EU) and the ILO that aims at leveraging the potential of employment impact assessment (EmpIA) to promote the creation of more and better jobs in sub-Saharan Africa through investments.

Talaky Be Project

The objectives of the Talaky Be project are to enhance the living conditions, improve food security and strengthen the overall resilience of the rural and agriculture populations to withstand the impacts of climate change. This will be achieved by sustainable and climate-smart agriculture within the framework of integrated land management and sustainable restoration of landscape and forests in the Anosy region (see the map of the intervention area below).

Targeted communities where Talaky Be operates



Source: AFD, 2022.

Sector



Agriculture

Technical assistance

Financing



40 million
euros

EU, AFD

Between 2023 and 2029

Specific objectives



1. Adapt agriculture to climate change through the promotion and development of diversified agriculture.
2. Restore and preserve forest landscapes and leverage these and other Nature-based Solutions for adaptation.
3. Contribute to strengthening social and territorial cohesion through the involvement of regional and local stakeholders in climate change adaptation.

Methodology

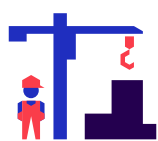
The Input-Output (IO) multipliers provide estimates of direct, indirect and induced employment effects. As the interventions of the Talaky Be project focus mainly on technical assistance, the direct employment effect is considered as the employment created/supported in the sector where the activities take place – business services; the indirect effect is the employment created in other sectors (non-business services). The induced effect is generated by the additional income of households benefiting from the direct and indirect employment

effects, which is subsequently spent on products and services, thus generating additional demand.

Meanwhile, the ILO Structural Model for Sustainable Development (SMSD) provides estimates of economy-wide temporary employment effects according to model simulation. The SMSD is used to assess economy-wide employment and other macro-economic and socio-economic impacts. It combines direct, indirect and induced quantity, price and distribution effects. It also takes into account short-term production constraints that IO multipliers cannot.

Employment impact of the Talaky Be project

Total employment



Lower bound

Upper bound

IO multipliers

24,011

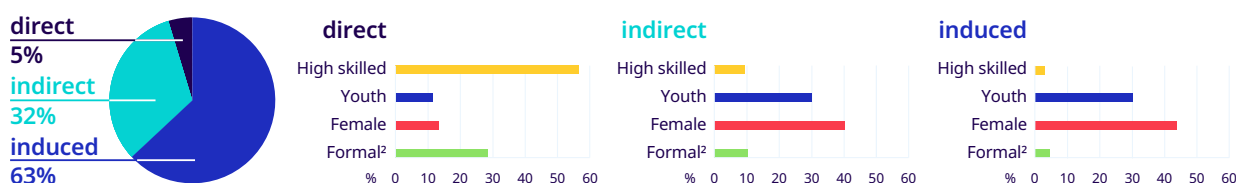
30,956

SMSD

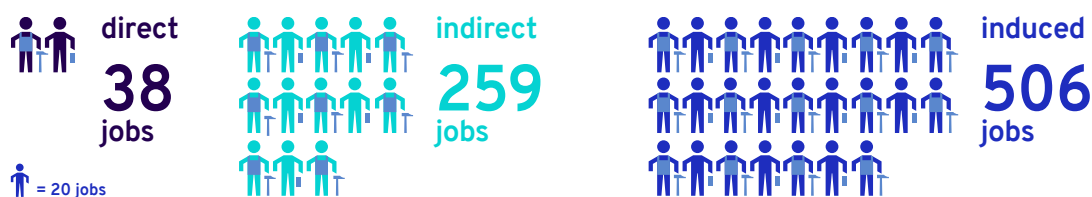
9,676

12,513

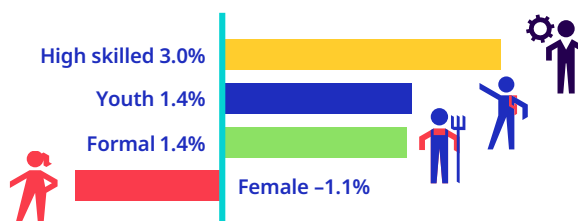
Employment type and its characteristics¹



Employment per million euros invested¹



Total employment bias compared to national labour structure¹



Recommendations

- ▶ Include specific activities aimed at creating a conducive environment to facilitate the transition from the informal to the formal economy in the Anosy region.
- ▶ Systematically include on-the-job training and strengthen skills development activities whatever the jobs are.
- ▶ Direct more investment to the sector where more jobs (or more hours of work) can be created. Using an employment-intensive investment approach would make the project's interventions more inclusive, impactful and sustainable.
- ▶ Promote social enterprises to generate income while pursuing social or environmental objectives.

¹ The statistics are actually based on IO multipliers upper bound estimates.

² The estimate is based on sector averages and for this project the actual share of informal employment is expected to be lower.

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[Full report](#)

