



Sustainable Livelihoods Programme for Afghan Refugees: Development of Pro-Poor Footwear Clusters and Value Chains in Border Region of the Islamic Republic of Iran

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Background

- “The Afghan displacement is one of the most complex and protracted refugee situations in the world” (**UNHCR, 2012**)
- *Solution Strategy for Afghan Refugees* places emphasis on **capacity building** and **community based economic (!) development**
- **Objective:** development of (pilot) initiatives **to improve the livelihood** of the Afghan refugees (in Iran, i.a.) **by increasing their income and employment opportunities**
- **UNIDO** well placed to contribute to the Strategy by providing tailored technical assistance (TA) and advisory services
- Main insight following Prep. Assist.: need for a **private sector development** led approach with a strong “**pro-poor**” flavor

Project Description

- **Development approach:** (Pro-poor) *cluster development* and *enterprise upgrading* in the footwear industry in Khorazan-Razavi province, Iran
- **Target population:** home-based units (>1.000 in/around city of Mashad)
- **Duration:** 36 months (ongoing)
 - Phase I (12 mths, 2013): creation of physical infrastructure – completed!
 - Phase II (24 mths, 2014): active contribution to “capacity building”
- **Program components (Phase II):** sector-specific delivery of TA, incl. trainings and advisory services, related to:
 - social capital formation (UNIDO cluster development methodology)
 - skills/product/process upgrading (UNIDO upgrading methodology)
- **Evaluation objective:** provide systematic evidence on the effectiveness of proposed initiative and UNIDO approach to cluster development & upgrading in particular!

Preliminary Research Ideas

- **Evaluation Strategy:** use of RCTs and quasi-experimental methods in order to answer following questions:
 - i. To what extent does UNIDO's approach to cluster development, in particular, foster creation of *social capital* among target beneficiaries?
 - ii. To what extent does *(a higher) endowment with social capital* facilitate diffusion of information and knowledge within networks?
 - iii. What is the relative cost-effectiveness of skill & knowledge transfer through a more tailored (> intensive) training approach versus a standardized (< intensive) one?