



Evaluation Summaries

Emergency-Start and Improve Your Business Project: China

Quick Facts

Countries: *China-Sichuan Province*

Final Evaluation: *September, 2009*

Mode of Evaluation: *Independent*

Technical Area: *Livelihood Recovery*

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Project Start: *1st July, 2008*

Project End: *31st August, 2009*

Project Code: *CPR/08/03/UKM*

Donors: *DFID (UK) US\$ 693,069 and ILO/CRISIS US\$ 100,000*

Key Words: *Post Disaster Livelihood Recovery Assistance*

Background & Context

Summary of the project purpose, logic and structure

The E-SIYB project was launched in July 2008 as livelihood recovery assistance for business start-up training to help economic recovery after the earthquake in Sichuan province in China. The project was implemented by Sichuan Provincial Department of Labour and Social Security (SCDOLSS), under the guidance of China Ministry of Human Resource and Social Security (MOHRSS), with technical support from the ILO.

Present situation of project

The E-SIYB was a one year project funded by DFID with US\$ 693,069 (350,000 £) and the ILO programme for crisis response and reconstruction with US\$100,000. The

objective of the project was “to contribute to livelihoods recovery in selected townships in the most affected counties of Sichuan Province by re-establishing destroyed small businesses and setting up new ones for those who lost their jobs and see opportunities in the reconstruction phase”. It has commenced in July 2008 and ended by September 2009 with a no cost extension.

Evaluation: Purpose, scope and objectives

The purpose of the independent final evaluation was to review the progress, results and outcomes of the project. The immediate objective was to measure progress made towards achieving impact after a year of implementation. The evaluation was expected be a learning platform (its process and its outcomes) for ILO officials in Sichuan province, Beijing, Bangkok and Geneva as well as for the MOHRSS and SCDOLSS officials involved in the project implementation.

The evaluation examined six areas: the relevance and strategic fit of the project, the validity of project design, project progress and effectiveness, efficiency of resource use, effectiveness of arrangements for project management and impact orientation and sustainability.

Methodology of evaluation

The methodology combined both quantitative and qualitative approaches. The evaluators collected hard data from desk reviews of documents provided by the ILO office in Beijing and Sichuan. In addition, the

evaluators interviewed key stakeholders and visited two locations (Mianzhu and Anxian). The evaluation was carried out within a tight time frame. Field visit was limited to two counties out of six counties that the project covered.

Main Findings & Conclusions

- The project has achieved its objective by re/establishing over 2400 small businesses which created 14107 jobs within a period of one year. The total number of jobs created by the project was 5.6% of the targeted number of jobs that GoC aimed to create in Sichuan province in two years time.
- Gender equality and equal opportunity has been seriously considered by the project and a target of reaching at least 30% women beneficiary (720 female participates in SIYB training) has been set where as the actual has been over 50%(1243).Specially, the ‘group business approach’ has been very successful in rural areas and for creating jobs for women.
- The combining of skills training together with E-SIYB has made a considerable impact on the business start-up and job creation. The “survey on market opportunities and training needs” has significantly contributed to assess the skills needed on the labour market.
- The measures of the financial results show the high efficiency of resource use. The cost of creating a business has been US\$ 385 while the cost for creating a job has been US\$ 56 which is equal to 4% of the annual income of a semi skilled employee.
- The MOHRSS being the facilitator and its local branches in Sichuan province being implementing partners have demonstrated strong ownership of the project concept form the design phase. Under this facilitation role, the MOHRSS has adequately and timely directed the provincial government of Sichuan to establish effective communication and co-ordination with local authorities in providing effective services for new business starters. However, ownership of the project concept was not strongly visible among the micro finance institutes and non regulatory BDS providers.
- Potential strategic collaboration with other partners is likely to be happening as a result of the satisfactory progress that the E-SIYB project made in Sichuan province. However, there is no clear evidence of the financial sustainability of the SIYB training in future, since most of the participants expect government to provide the training on a free of charge basis.
- The E-SIYB project was closely aligned with Development Plans of GoC, DWCP and many other ongoing development projects of UN and other INGOs in Sichuan province.
- Overall, the ILO intervention through the E-SIYB project was very relevant in the context where re-establishing of destroyed small businesses and setting up new ones were among needed livelihood recovery assistance. The design of the project has taken the needs of stakeholders into consideration and articulated them into realistic and reverent goals and objectives. The project has greatly contributed to broader and longer-term development and it is very likely that the SIYB become an integral part of business start-up training in the model business cities (Chengdu and Mianyang). The MOHRSS and its local branches are expecting a follow up phase for the E-SIYB project. The current project has covered 6 affected counties, while 33 of the 39 seriously affected counties are still in need of livelihood recovery assistance where the E-SIYB intervention is very relevant.

Recommendations & Lessons Learned

Main recommendations and follow-up

1. ILO should launch the second phase of the project focusing on providing technical assistance, training more master trainers and trainers, tailoring the training contents to new needs due to the phase out of the construction and infrastructure sectors.
2. Widen the scope of beneficiaries, especially extend to people with disabilities, who have recovered from treatment and are able to start up or improve their business.
3. Widen the coverage of SIYB trainees from emerging local economic sectors after the reconstruction phases out, such as young university graduates and ex-military personnel.
4. Tailor training materials to accommodate new needs due to the phase out for construction and infrastructure.
5. Ensure Senior PRC Government Officials continue regard E-SIYB as top priority and be the key project implementation team members.
6. Ensure the national partners continue to provide financial support such as SIYB and employment training subsidies and tax incentives.
7. Ensure that the Chinese Government agencies, women federations, disability associations and trade unions continue to provide vertical and horizontal coordination and support.
8. It is recommended to provide follow-up support for training institutes to identify potential markets to deliver SIYB training (particularly IYB) on a commercial basis and to develop strategies to implement SIYB training in a sustainable manner.
9. Training institutes should calculate the cost of SYB and IYB training to establish a price for training and make an effort to recover part of the cost of the training.

10. In future, where there is financial grant or credit component included in the SIYB project, it is advisable to select a suitable financial institute to handle that component in collaboration with training institutes.
11. Experiences and lessons supplemented by good cases that could be replicated to other affected areas in Sichuan and other countries.
12. ILO and the PRC Government should screen and identify model project managers, trainers and trainees, and award them with certificates (or financial reward from the government agencies if possible). For instance, Anxian Government hoped the ILO to train more E-SIYB trainers and budgeted RMB 300,000 for 2009 and 2010 respectively as the business creation fund, which will be used for promotion, support and reward for business creation. This action will enhance the long term impact, demonstration effect and replication.

Important lessons learned

- Shared mission, goal and strategy with the PRC Government, thus the national and local project partners regard this project as a top priority in their work.
- Vertical and horizontal coordination and support by the government agencies, non-government agencies and training institutions.
- Enabling government policies, regulations, measures, subsidies, tax incentives, registration procedures for business set ups, easier access to micro-finance facilitated E-SIYB training and business start ups or improvement.
- Needs assessments were conducted before the design and during implementation of this project, and the training contents were fine tuned to accommodate the new needs, such as increasing demand in the construction or infrastructure sector.

- The E-SIYB project strengthened the project management capacity of the counterpart government agencies, the capacity of the training institutions, master trainers and trainers and some 2400 trainee. The above-mentioned capacity building under this project formed a solid technical platform for the national partners to continue cooperation with ILO, other international donor agencies or NGOs (like Red Cross).
- The E-SIYB project was the first livelihood recovery assistance project in Sichuan province. Prompt response of the ILO with secured funding from DFID has drawn very high support and attention from the government. This shows that in a post crisis situation, a rapid response is a critical factor for success, particularly for short term projects.
- In a post crisis situation, the previous work of the ILO can be strategically utilized for designing effective post crisis intervention. In the case of the E-SIYB project, ILO has selected MoHRSS and its provincial branches to implement training activities. This alliance has become a key strength of the project as well as an opportunity for the E-SIYB project to use range of facilities such as training centres, training equipments, transport facilities, accessibility to locations and also existing SIYB trainers and master trainers.
- Establishment of the local project office in Chengdu was another strong factor that contributed to effective co-ordination and communication among stakeholders. It has been considerably helpful for the local project team to monitor the quality of the training and also to provide on the job follow-up support for newly trained trainers. It is an important lesson to establish local technical team of the project geographically closer to the implementing partners (in this case training institutes) and to the intended beneficiaries.
- Some stakeholders have seen the ILO as a “technical assistance provider” plus a “financial assistance provider” due to the reason that the E-SIYB project had a grant component. Hence, this has created a perception that in future extensions, the ILO would continue to provide both technical assistance and financial assistance. Therefore, it would have been better, if the ILO had sleeked collaboration with an existing micro finance institute/organisation to disburse the grants to qualified grant applicants even in an emergency livelihood development projects.
- The E-SIYB project has not adequately considered the need of the non-regulatory business support services specially the services that are important to the 24 feasible business opportunities identified and recommended for the rural vulnerable group based businesses¹. For example organic pig and chicken breeding may need a good veterinary service available to rural entrepreneurs to be success in their businesses. The lesson learned with this regard is to incorporate a component to develop non regulatory business support services to provide follow-up services for individual and group businesses.

Good Practices

- The E-SIYB project has built synergies with other ongoing ILO projects such as the Emergency Employment Service Project (EESP), and the CSR project. EESP has been complementary in identifying beneficiaries for E-SIYB, and a channel to disseminate the information on the E-SIYB project to people in shelter areas. The CSR project has provided technical guidance

¹ E-SIYB Project, Final Report August, 2009 – page 22

for the promotion of “Green Business” concepts

- Validity of the project design has been enhanced by adding two new outputs which came out as a result of identifying changing needs and requirements of the project intervention strategy.
- Project partners had clear understanding of their roles and responsibilities. A clear division of labour and cross-sector coordination and cooperation among them had largely contributed to the effectiveness of the management.
- Capacity building for the project management, training institutions, master trainers and trainers were critical to successfully implement this project.
- Qualified, appropriate and supplementary the ILO professional staff for the project team.
- Mass and blanket promotion of the E-SIYB to all potential trainees, even the farmers in the remote mountainous areas; by all government agencies and NGOs via all means facilitate the implementation of the project.