

## Face-to-face 2013: Third E+I Network Meeting

13 – 16 May 2013 in Thun, Switzerland

*This Report summarises very briefly the presentations, discussions and next steps.*

SDC's employment and income (e+i) network held its third face-to-face (f2f) meeting from 13 to 16 May in Thun, Switzerland. Around 80 network members participated. The objective of the event was to create and foster a joint understanding of core issues in e+i topics regarding private sector development (PSD), vocational skills development (VSD) and financial sector development (FSD) as well as to identify synergies and cooperation opportunities. Therefore, the four days were dedicated to learning, listening, exchanging, collecting ideas and inspiration, meeting people and actively contributing own practical experiences.

**Day 1** focused on **fragility and systemic development**. **Day 2** was dedicated to **field visits**: After the inputs on natural disaster and the Swiss dual vocational education system, participants split in two groups, a VSD and a PSD/FSD group, and visited Swiss institutions and entrepreneurs/farmers. **Day 3** was about **results measurement**. The participants tackled the topic of results measurement with different thematic inputs, group works and discussions in the two groups (VSD and PSD/FSD). **Day 4** was the day of the **networld coffee**. In three rounds 21 topics were discussed in small groups and next steps could be defined. The event closed after an outlook and evaluation.



### Fragility & Systems Change

The focus of the input of Markus Heiniger (see [presentation](#)) was on one hand to give a clearer picture of the outline of *fragile contexts*, what are the multilateral response mechanisms for dealing with fragility in the context of development cooperation and how working in fragile and conflict affected situations has changed and is changing in SDC's work. Diane Johnson (see [presentation](#)) highlighted the market systems development approach and the differences and challenges of working in fragile contexts as well as the framework to link relief, recovery and development.

The discussion showed that fragility is a complex issue and its understanding and definition varies widely between and within contexts. Different countries feature different kinds of fragility. Dimensions of fragility and conflict can be main obstacles to sustainable development. The e+i sectors may play an important role in fragile states because they can contribute to state and peace building as well as social and economic progress and therefore reduce fragility and stabilise the country.

Hence, for development agencies like SDC, applying a fragility lens is important as fragility affects vulnerable and poor populations most and has an impact on development cooperation. For SDC it is more and more important being aware of the specific challenges of working in fragile and conflict

affected situations as the Message 2013-2016 emphasises on engage more in such contexts. A thorough analysis is critical to understand the constraints and causes of fragility and the market systems operating in fragile situations. In this context, it is crucial to understand the power dynamics (why does a specific actor have the power? What are the reasons? What functions could this player take over that has a benefit for the target group / project) and to follow *do no harm* principles. To get to know the causes of fragility there are different tools for different situations but not yet one tool combining all different dimensions. Hence, there is a strong need for an integrated tool.

Among the participants there is a common understanding that context analysis and fragility assessment are critical to understand the underlying issues and to identify causes to be able to overcome these. Nonetheless, there is still a need to narrow down the term *fragility* and to develop an integrated fragility assessment tool to integrate this analysis sustainably into the project design.

### Field Visits

The **PSD/FSD** field visit was focusing primarily on the agricultural insurance company Swiss Hail (see [presentation](#)). This private company – the only one of its kind in Switzerland – offers insurance for crops against various kinds of natural hazards and has a history of over 130 years. As being in its legal status a cooperative, the insured farmers are the owners and have a say in the general assembly. During the field visit two farms were visited. For both family farms a noteworthy aspect of the business is the level of diversification. In case of the first farm, besides farming – which generates about half of the family's income – the family works also in forestry (selling heat produced with wood pellets from the forest) and as an agent / loss adjuster for Swiss Hail. The other farm is jointly held by two families and distributed over four different patches of land. The various family members pursue different income generating activities (employee of milking machine company, trust company, agricultural consultant, farmer). However, they all help out on the farm but in different intensities. The income generated by the farm is distributed frequently according to the volume of work contributed to the farm and the land contribution made by the different parties. Lessons learned of these field visits are that:

- direct transfer of experience is not possible. However, different elements can be useful in development projects such as improving the direct contact between the insurance companies and the clients (farmers) and introducing the role of peers in the information and assessment regarding damages.
- in Switzerland, farming is subsidized by the state to an extent which is not possible in most developing countries.
- insurance is just one way of mitigating risk. Diversification of production can be a more efficient strategy. However, in SDCs partner countries this level of diversification is often not possible as among other factors farmers cultivate only small plots of land.
- it might be interesting for SDC to have a closer look at the cooperative insurance models.

The **VSD** field visit gave insight into the Dual Vocational Education System (VET) in Switzerland (see [presentation](#)). Dual VET is an integral part of the Swiss education system and has a prominent position as two third of the youth enrol in VET programmes after mandatory schooling.

Apprenticeship programmes are market oriented, permeable and offer a well-balanced theoretical and practical education. The collaboration between schools, private companies and professional associations is strong; all of them are actively involved in the development of curricula. During the field visit, a multifunctional professional school, a private company employing and training apprentices and a professional association were visited.

The lessons learned of these field visits are that:

- the role of the private sector is striking: The development of curricula in collaboration with the private sector as well as the collaboration between the local authorities and the industry association are noteworthy and have replication potential in several of the SDC partner countries.
- the dual VET system works well in Switzerland but it is too context specific to be replicated as such. Still, it serves as a source of inspiration for instance the strong position of practical experience during the training.

## Results Measurement in VSD

During the last f2f in 2011, a working group with members from SDC and partners from Switzerland and in different countries started to work on a set of **common outcome indicators (COIs)** for VSD programs. At this f2f, a draft version of the instrument was presented (see [presentation](#)) which explained the four indicators: gainful employment, systemic change, relevance of training as well as outreach and scale. Each of these indicators is defined and illustrated with practical proxy indicators for measurement. The draft version has been tested by the Employment Fund in Nepal. Based on this feedback, last adjustments will be done and after that the participants of this year's f2f are **encouraged to have a look at the instrument and test the instrument so that it will be available for everyone by the end of 2013**. This COIs have a clear benefit for different actors: Firstly, for SDC because it can improve to give an account internally but also towards parliament and taxpayers regarding expenses and project impacts. Secondly, for the actual project implementers in the field as it helps them to get a more holistic view and to measure the significant components contributing to the outcomes. Thirdly, it has a benefit for the local national governments, as politicians are enabled to monitor the achievements that were promised by project.

Since the last f2f in 2011, a general assessment of the **results framework** was done and the results of the assessment were shown (see [presentation](#)) at this year's f2f. An analysis of the 13 proxy indicators covering the 4 VSD outcome indicators has shown that the results framework is an important instrument for cooperation strategies regarding alignment and harmonisation with other donors. Furthermore, the tool also helps to think through the activities and enables to show the results of the projects within SDC and to partners. 80% of the results framework analysed is well done. The rest needs improvement especially in formulating outcome statements by focusing on outcome level (not output or activity level) and on risks and assumptions. It was **suggested to establish a joint learning project, which will address proposals on how to improve the quality of the results framework**.

**Work in Progress** – During recent years much has been discussed on strengthening extension and advisory support to rural communities but less is known about how to build the needed capacities with extension and advisory services (see [presentation](#)). The three networks Education, Food Security & Agriculture and e+i are all working with a slightly different perspective on education in rural contexts. The group discussed on potential fields for collaboration. **The focal points from the three networks will elaborate a proposal for potential joint learning and for concrete collaboration between them** to use synergies on programme and policy levels.

## Results measurement in PSD and FSD

**Financial and Economic Project Evaluation and Result Measurement** – At the last f2f in 2011 participants attended a two days workshop on how to demonstrate effectiveness and measure results, using the DCED standard for results measurement. The idea came up to make more systematic use of cost-benefit analysis (CBA) in project identification and evaluations. The Quality

Assurance Division and some e+i network members developed a method to perform CBAs and a backstopper was contracted to support the COOFs in preparing, training and accompanying evaluators who do CBAs. During this year's f2f a short training on CBA (see [presentation](#), including a project example spread sheet) was provided to build the capacities of the COOFs to check the profitability of investments over time and therefore to make better-informed decisions as to whether to invest in a project or not. At the same time the e+i focal point has been actively involved and will stay engaged in future, in the DCED working group on results measurement (see [presentation](#)).

**Work in Progress** – Already in the last f2f in 2011 **M4P and Gender** was an important issue. Since then, many things have happened (see [presentation](#)) and a **Women's Economic Empowerment (WEE)** guideline was developed and tested in Bangladesh and Tanzania. This guideline is perceived as essential for e+i projects but there is still need to provide case studies to simplify the guideline and to encourage its application. Eventually, the guideline (including case study) will be integrated into the new *M4P Operational Guide*.

**Financial components of agricultural/rural programmes** play an important role. Experiences have shown that there are do's and don'ts regarding the promotion of access to financial services in e+i projects (see [presentation](#)). The key message of the presentation is *not* to provide direct delivery of financial services (and no interest rate subsidies, no long-term subsidies and no excessive subsidies) but to facilitate a change of systems. It was strongly advised to seek advice of experts and professionals in FSD and to involve them in the design of a project or a project component as early as possible.

## **Network Coffee and Cooperation Agreements**

During the network coffee different topics were discussed in small groups and next steps formulated (see [here](#)). Some groups have formulated cooperation agreements (see [here](#)) in the areas of financial services and VET, results measurement, gender and M4P, regional exchange in Latin America on M4P, common outcome indicators (feedback and application), global facility on employment generation in fragile states and cost-benefit analysis (training, application and examples).

## **Evaluation**

The [evaluation](#) has shown that the third e+i f2f was successful. The expectations of the majority of participants were fulfilled and the objectives met. The participants were able to meet people, to exchange, to learn from each other, to get ideas and inspiration during the different group works (market stall, group discussion, network coffee), tea breaks and field visit and to take home to their countries instruments, tools and know-how to use and apply in their jobs.