SCOPE OF WORK

Title: Labor Market Assessment - EU Consortium

Primary Location: 14 provinces of Afghanistan

BACKGROUND:
Mercy Corps, in a consortium led by the Danish Refugee Council (DRC) and including Aga Khan Foundation - Afghanistan (AKF-A) and the Danish Committee for Aid to Afghan Refugees (DACAAR), will work jointly to promote inclusive (re)integration of returnees, IDPs, and potential migrants in communities which are highly susceptible to migration or which experience high return rates. The program is strongly committed to provide returnees with the skills to enter the job market, by working with vocational training centers and giving post-graduation support to beneficiaries. Mercy Corps is the Monitoring and Evaluation lead of the consortium, providing leadership in tools design and standardization as well as M&E coordination among the NGOs involved.

PURPOSE:
The consultancy is a crucial component of the EU Consortium implementation. As a part of the TVET program design, consortium partners will conduct a comprehensive labor market assessment (LMA) across fourteen provinces (Bamyan, Badakshan, Balkh, Takhar, Logar, Samangan, Khost, Kandahar, Laghman, Nangarhar, Helmand, Parwan, Kabul and Kunar), with six provinces overlapping with the IOM assessment (in green). The NGO partners will conduct the LMA at the provincial with the consultant as lead in methodology development, setup and final report writing. The main objective of the LMA is to assess the status and context of the market in target provinces. This is achieved from a labor and small enterprise perspective, with the aim to a) gather up-to-date data on the labor market, b) strengthen post-training linkages with the local market c) build a learning agenda to improve youth IDPs’ and returnees’ prospects for vocational training and d) ensure that systematic policies, regulations and labor trends are taken into account. The LMA will take an innovative approach that includes non-traditional emerging sectors such as railways, hospitality, mining and reflects the different profiles of potential target returnees. The LMA has two components, namely a systems-level assessment and a provincial one.

Systems-Level Assessment
The systems-level assessment has the aim to map the ways in which rules and regulations that govern Afghanistan’s economies influence enterprise development, and how these in turn affect local economies in the implementation provinces. The methodology will comprise literature review, including research papers and macroeconomic data, as well as key informant interviews with key actors such as Chamber of Commerce, the Afghan Builders Association, the Ministry of Economy and Asian Development Bank.

Provincial Assessment
The provincial assessment focuses on the demand (beneficiaries) and supply (small businesses) side of labor. The demand side targets households by gathering data on livelihood, income and skill-set that IDPs and returnees would bring in the market. The supply side is on small and micro businesses, focusing on past performance, expectations and needs in terms of skills. The provincial assessment will use a mixed quantitative and qualitative methodology. The qualitative component, comprising focus group discussions and case studies, has the aim to complement the quantitative data collection.

The overarching research questions are:
1) Systems level - What are the challenging factors for IDPs and returnees to access job? What are the main sectors that are rising in terms of job creation? What skills do these sectors need? Are there specific laws or policies that prevent goods and services from clearing?

2) Research questions – Provincial level – What skills do returnees and IDPs have? What skills do businesses need and in what sectors? What are the barriers for returnees to access the job market (by sector and district)? What sectors are most and least attractive in terms of job creation? What is the job creation outlook in the next one-to-three years? What are the areas (provinces) with the highest potential for job creation?

CONSULTANT ACTIVITIES AND DELIVERABLES:

a) **Consortium Coordination and Review**
- Liaise with all Consortium members’ focal points in order to agree on a preliminary methodology for the LMA. This includes:
  - In-depth understanding of the nature of the Consortium and LMA objectives
  - In-depth understanding of the available resources in terms of staffing, geographical coverage, NGOs capacities and potential synergies
  - Coordinate with the MEL Director and Consortium’s M&E focal points to draft methodology and tools;
- Review LMA and studies conducted by Consortium’s members and that are relevant to the Consortium LMA to avoid replications and incentivize synergies;
- Align research with the priorities of the Government of the Islamic Republic of Afghanistan in relation to returnees and areas of high migration;
- Include MoLSAMD in the review and design phase;
- Conduct a half-day or one-day review workshop with Consortium focal points as result of the review process.

b) **Methodology and Tools Creation**
- Create tools for the systems-level and provincial LMA;
- The tools should include:
  - Key informant interviews for the national labor market assessment, with list of stakeholders to be interviewed;
  - Quantitative survey for businesses (XLS forms);
  - Focus group discussion guidelines for community members (households).

c) **Desk Review and Key Informant Interviews – Systems-Level**
- Conduct desk review and key informant interviews to understand macroeconomic dynamics, labor trends and relevant policies concerning labor and “doing business” in Afghanistan. Potential interviewees include the Chamber of Commerce, the Afghan Builders Association, the Ministry of Economy, Asian Development Bank, private construction firms such as Gilbane or KBR, among other.
- Conduct desk review and key informant interviews to provide an in-depth understanding of systems for accreditation, affiliation, certification and standards in Afghanistan.

d) **Field Work – Provincial**
- Ensure, with the support of the MEL Director and the members of the MEL working group, that:
  - Tools are standardized
O All NGOs are trained (enumerators)
O The sampling strategy is sound and well addressed.
- Ensure that data collection is conducted in a sound way.

e) Data analysis
- Conduct analysis of all data collected from the field. This includes:
  o Data analysis of business surveys
  o Data analysis of FGDs
  o Data analysis of key informant interviews.
- Coordinate with the MEL Director to jointly put effort on data analysis.

f) Presentation to Consortium
- Hold a one-day workshop where preliminary results are presented. Gathering of feedback, comments and high level summary will be among the topics to be discussed.

g) Report writing
- Write a comprehensive report, including the following key aspects:
  o Address of research questions
  o Recommendations to Consortium in terms of 1) what provinces should be prioritized for implementation 2) what skills are the most requested 3) what industries and sectors are emerging 4) how to shape the post-graduation support of the program
  o Overall, systems-level analysis of market system in Afghanistan, especially when related to IDPs, returnees and refugees.
  o Include a sound section on lessons learnt from previous programs and NGOs.

h) Coordination with IOM and MoLSMAD
- Ensure coordination with IOM in terms of methodology, especially in those areas where there is potential overlapping and room for complement the studies. The IOM study is focused on TVETs, hence providing a different angle to the Consortium LMA
- Keep IOM up-to-date about the progress of LMA
- Collaborate with IOM consultant to write a consolidated report that summarizes IOM’s and Mercy Corps’ works
- Liaise with MoLSMAD to ensure methodology and priority coordination.

The following work plan highlights timeline and milestones of the labor market assessment:

- **By November 9th**: Start of Consultancy
- **November 9th – November 19th**: Consortium coordination to gather information and desk review. The first draft of methodology/approach is presented during half-day/one-day workshop and feedback are collected (Points a) and c) of consultancy)
- **November 22nd – December 7th**: Finalization of methodology and creation of tools for provincial and national levels (Point b));
- **December 8th**: training of key MEL focal points on tools and preparation of data collection (Point d))
- **December 9th – December 23rd**: Data collection at the provincial level and key informant interviews at Kabul level (points c) and d));

- **December 26th - January 7th**: Data analysis and preparation for report writing (point e));

- **January 10th**: Hold a one day workshop where results are presented (point f));

- **December 11th – January 28th**: Report writing. The first draft should be finalized by then (point g));

- **January 31st – February 15th**: Work with IOM to have a consolidated labor market assessment report that includes IOM and Consortium work (point h)).

**CONSULTANT WILL REPORT TO:**
Consortium MEL Coordinator (technical) and Consortium Program Coordinator (programmatic)

**THE CONSULTANT WILL WORK CLOSELY WITH:** Consortium MEL Coordinator, MEL Advisor, M&E focal points of Consortium NGOs, Consortium Program Coordinator, Consortium Program Focal Points.