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Developing an LMA Methodology Guide

An *LMA Methodology Guide* is a reference document that guides our overarching assessment project. It serves as a project management tool, helping focus our work and instilling necessary bounds to the scope of our assessment. The guide is important because if well done, it acknowledges the context and helps identify what we know and don't know about that labor market. The methodology is also utilized as an external communication tool informing donors about the scope and direction of our assessment, and internally as a communication tool informing our internal team what we will do and why. The methodology is typically developed in an iterative manner before the assessment begins. The *scope* is a part of the methodology focused on the higher level planning and strategic aspects of the LMA.

An effective LMA methodology answers the following questions:
- What are the key principles and objectives for the program and the assessment?
- Where do we want to assess and implement?
- Who are the key stakeholders?
- What would be the best tools to use?
- What kinds of constraints do we face including Time, Budget, and Staff Capacity?
- How will we carry out the assessment?
- Who will we engage to execute this?

Scope:
Scope primarily helps answer…
- *What* are we trying to learn from our assessment?
- *Why* are we doing an LMA?
- *Where* will we conduct our LMA?

There are 5 key elements of Scope:

1. Program Goals: In virtually all cases, our program needs will revolve around understanding the labor market and the opportunities and constraints surrounding acquiring wage employment and self-employment opportunities for our target population. Beyond that, we need to document how the LMA will support other strategic goals of the program. These might include life skills development, basic and vocational education, community engagement and participation, etc.

2. Key Principles: Typically there are the 3-6 key principles that will guide our assessment. These should to be well articulated and signal what is important to us and to our donor. Identifying them helps us focus the assessment and subsequent livelihoods program work. Examples of key principles include:
   - Market-driven: Focused on uncovering local labor market demand, as well as constraints and opportunities faced by targeted job seekers.
   - Participatory: Engages key communities (youth, etc.) through key elements of assessment including tool development, implementation, etc.
   - Youth-Led: Focused on building capacity, creating relationships, addressing misconceptions etc.

- Program Impact: Stimulating catalytic change, aim for easier wins, build leadership
- Programmatic Focus: Focus on a specific sector (i.e. agriculture, trading) or on the informal economy.

3. <u>Objectives</u>: Identify what are the key programmatic outcomes we expect to get from the assessment. These will not necessarily be formally measured. Rather they will be used as guidance when analyzing assessment results and planning future programing activities. Sample objectives and themes of a youth-focused LMA might include the following:
   - Identifying promising entry point economic opportunities for youth participants with low literacy, primarily in the informal sector
   - Understanding skills, resources, and youth-specific constraints around designated value chains
   - Identifying skill providers for potential partnerships in each county
   - Identifying opportunities for micro-franchising or "business-in-a-box" self-employment
   - Analyzing the constraints youth face in accessing capital and engaging in formal and informal financial services, including VSLAs

4. <u>Geography and other Key Selection Criteria</u>: This is where we try and understand the *where; where* should we conduct our assessment. Key elements of this include:
   - Specific Geographic location: Are we assessing in urban, peri-urban, rural areas?
   - Commercial activity: How vibrant are the markets in specific areas, relative to employment and entrepreneurship?
   - Accessible to beneficiaries: Are we assessing in places where our program participants go?
   - Accessible to us: Are these locales reasonably accessible to our assessment teams? Are they areas where our program already operates?
   - Seasonality: Are there issues of seasonality that impact commercial activity (and livelihoods opportunity) that need to be considered?

   Our Scope needs to clearly articulate why we have selected those locales.

   Beyond geography other important criteria should be considered including gender, social norms, enabling environment, other development programs

5. <u>Constraints and Limitations</u>: Consider all the possible obstacles that are present or may arise that could negatively impact the success of the assessment or the implementation of the findings. Focus on those that seem less likely to be easily overcome; those that we accept and will have to incorporate into our work, or to work around as we execute our assessment. Examples of these could be:
   - Funding: Limited funding is available for the assessment. How can we address that and still conduct a robust and informative assessment?
   - Capacity: We are facing an inability to recruit an experienced assessment team.
   - Time: The deadlines we have are unusually tight and may not provide adequate time or may require compressing/dropping some activities?

Methodology

An LMA Methodology helps us understand _how_ we will carry out our assessment and _who_ will be engaged to do so.

There are 8 key elements of an _LMA Methodology_:

1. <u>Tools</u>: The _LMA Methodology_ should describe the tools that will be used for the assessment. There are a range of tools that are typically used for an LMA. Following is a brief overview of the most common ones. See the _Tools Tip Sheet_ for more detailed information about the composition, structure and use of the tools.

   - Business Surveys: These are quantitative surveys in which we attempt to interview a wide range of businesses exploring multiple aspects of employment. Specific areas that may be explored include general business sector, structure and challenges, opportunities for mentorships, apprenticeships, and job placements, businesses' perceptions of job seekers, constraints to starting or expanding a business, and skills (both soft skills and technical skills) and characteristics most desired by employers versus the existing skills and characteristics of current employees.

   - Key Informant Interviews (KIIs): These are individual interviews conducted a cross-sections of targeted stakeholders to help understand the larger ecosystem, enabling environment and opportunities for program linkages, related to employment and self-employment in specific communities where we are implementing our programing. Examples of individuals we might want to interview include government officials, chambers of commerce, donors, NGO leaders, producer and business associations, multinational and national companies, training providers and others.

   - Focus Group Discussions (FGDs): FGDs are used to assess program participants' perceptions of their current skills and opportunities for employment and economic engagement. It is used to help determine gaps between these perceptions and the larger labor market. FGDs bring the voice of our participants directly into our assessment and are typically segregated by gender.

   - Value Chain Mapping: This tool (primarily used for agriculture-focused economies) is used when we want to understand current and potential entry points for program participants along existing primary value chains. For example, if we are working in a region with significant cassava growing and post-harvest production, we might use this tool to better understand labor opportunities and constraints along that chain.

   - Private Sector Mapping: The goal of private sector (PS) mapping is to build a building a big picture perspective of the private sector and to identify specific firms and/or business sectors for engagement in our programming.   Data for this process can be done in advance of our assessment using desk research and surveys, or can be gathered on the ground in the communities while conducting our assessment.

   - Market Observation and Mapping Tools: There are multiple approaches this tool can take. It may focused at a higher level to understand general local market activity including basic supply and demand of goods and services, trade routes and movements of goods, as well identify challenges of consumers and local market actors. Alternatively a market mapping tool may be

used to gain information about a local market activity for specific products with the goal of exploring opportunities for employment or self-employment in the production or distribution of those products. In this case it is often used for agriculture products and focused on gathering data about market price, consumer demand, seasonality, local competition, inputs and resources required, export potential (outside the community), and skills required to gain profitability from these products.

2. Assessment Team: Describe the composition and the structure of the field assessment team. This section should include where our enumerators will be recruited from, and what are the key requirements for them (local language skills, etc.). If we are striving for a participatory assessment we need to clarify what will be achieved by structuring the assessment in such a manner, and if a partner organizations is being involved to assist with recruiting we should outline who that organization is and the rationale for our partnership. In this section we should also describe the envisioned structure of the team including the roles and responsibilities of lead assessors, team leaders, and the assessment manager.

3. Stakeholders: In this section we want to consider our key stakeholders. These could include the community, our donor, local, regional or national government officials, business leaders, or other program partners. This section should consider the following questions:
   - Who are they?
   - What incentives are in place that would help foster their support of the assessment?
   - How interested will they be in the assessment and what follows programmatically?
   - Are there contextual issues that might lead to them posing challenges (creating constraints) to our work?

   Obviously, business owners are important stakeholders including those that are employers and those self-employed / entrepreneurs. Our assessment of them regarding livelihoods should recognize:
   - They don't hire because business won't support it: they face economic constraints.
   - They don't want to hire: they want to retain maximum control of their business.
   - They can't find adequately trained employees: this is a capacity issue.
   It is crucial to understand what constraints business owners may be facing that prevent expansion. Addressing those constraints (if the program can do so) may drive more employee demand.

   Those that are self-employed are another important set of stakeholders. From them we need to understand such things as; what is the opportunity for self-employment, how competitive is the market, what skills are needed to be a successful entrepreneur, etc.

4. Research: In addition to the field assessment, a robust LMA will include desk research. Specific areas to be researched are dependent upon the program and context but could include demographics, policy, previous relevant programming, etc. The goal of this research is to help us focus our field assessment, explore themes more deeply, and validate our findings. This section of the methodology should describe what research has been done in advance of the methodology development, what will be completed prior to the field work and analysis. Outline sources (known and potential) from which that research will be drawn.

5. Data Handling and Analysis: This section describes how data will be collected and managed from the field work, and the analysis and report writing process that will follow. This should include

identifying key roles and responsibilities and a description of the methodology for data collection (paper surveys, tablets, etc.). If possible, it should further describe the process for handling the data once it is collected (collating, error checking, etc.) and the expected analysis process if known.

6. <u>Timeline / Schedules</u>: The methodology should include a summary of the assessment workplan including preparation, field work, analysis, and reporting. This can range from a simple table including key milestones and dates to a more structured workplan including responsibilities and dependencies between activities.

7. <u>Deliverables</u>: Summarize how the final report will be structured, and if possible include a draft table of contents or an outline of key sections we expect to be included.

8. <u>Dissemination Plan</u>: In this section describes how we expect the final output to be distributed and utilized. It includes the expected recipients of the report and what actionable activities we anticipate to flow from the assessment. Those recipients may be internal to Mercy Corps (focused on program design and implementation) and external such as donors and policy makers. It is not necessary to have a full dissemination plan in the methodology, but a summary plan and call out to the importance of dissemination is recommended.

C O N T A C T
Tara Noronha
Economic and Market Development Advisor
tnoronha@mercycorps.org