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Job Opportunities for Young Women and Men (JOY) Indonesia - INS/06/50/NET

INDEPENDENT MID-TERM PROJECT EVALUATION

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Contents

ACRONYMS	4
1 EXECUTIVE SUMMARY	5
2 BACKGROUND	9
2.1 About Indonesia	9
2.2 About JOY	9
3 THE EVALUATION	11
3.1 Introduction and rationale for the evaluation	11
3.2 Background of the JOY project	11
3.3 Purpose, Scope and Clients	12
3.4 Methodology	13
4 FINDINGS	15
4.1 Relevance and Strategic Fit	15
4.2 Validity of Design	16
4.3 Project Progress and Effectiveness	19
4.4 Efficiency of Resource Use	22
4.5 Effectiveness of Management Arrangements	24
4.6 Impact, Orientation and Sustainability	25
5 LESSONS LEARNT	31
5.1 Good Practices	31
5.2 Future Directions	32
6 CONCLUSION AND RECOMMENDATIONS	33
ANNEX A: Terms of Reference	36
ANNEX B: Consultation Schedule	44
ANNEX C: Youth Employment & Economic Development Framework	46
ANNEX D: References	47
ANNEX E: Monitoring Gender Outcomes in JOY	48

ACRONYMS

APINDO	Employers' Association of Indonesia (English translation)
BPS	Central Bureau of Statistics (English translation)
CU	Credit Union
DAC	Development Assistance Committee
DWCP	Decent Work Country Programme
EAST	Education and Skills Training for Youth Employment
ESC	Employment Service Centre
GETAhead	Gender and Entrepreneurship Together
ILO	International Labour Organization
IYEN	Indonesian Youth Employment Network
IYES	Improve Your Exhibition Skills
JOI	Job Opportunity Index
JOY	Job Opportunities for Young Women and Men
KSBSI	Confederation of Indonesian Prosperity Trade Union (English translation)
LED	Local Economic Development
MOMT	Ministry of Manpower and Transmigration
NICP	Netherlands-ILO Cooperation Programme
OECD	Organization for Economic Cooperation and Development
PUM	Netherlands Senior Experts (English translation)
RENSTRA	National and Provincial Strategic Action Plans (English translation)
RPJM	Medium Term Development Plan (English translation)
SIYB	Start and Improve Your Business
SME	Small and Medium Enterprise
TC/RAM	Technical Cooperation Resource Allocation Mechanism
UN	United Nations
UNDP	United Nations Development Programme

1 EXECUTIVE SUMMARY

Job Opportunities for Young Women and Men (JOY) is a three year project, covering the period May 2007 to April 2010 and funded through the Netherlands-ILO Cooperation Programme (NICP). It has two components designed to be “mutually reinforcing” - a macro level (or “top down”) component that focuses on building the capacities of the tripartite constituents and others to develop and implement effective national employment policies, programmes, strategies and consultative mechanisms; and a micro level (or “bottom up”) component that fosters area-based employment and economic development through a participatory “Local Economic Development” (LED) approach.

Due to delays in the appointment of project staff, JOY was slow to start and the majority of activities did not commence until early 2008. The Project Manager, who took primary responsibility for the first component of the project, was not recruited until June 2008.

This independent mid-term evaluation of JOY was undertaken between 16 and 27 March 2009. Tony Powers, an independent consultant based in Sydney, Australia, led the research and field visits and wrote the final report. The main findings were:

Relevance

JOY remains highly relevant to the labour market situation in Indonesia and fits well with the ILO’s strategic framework, embodied in the Decent Work Country Programme (DWCP), and with the nascent Indonesian Medium Term Development Plan. The impact of the global financial crisis is yet to be fully felt, but youth will be amongst the more vulnerable in any economic downturn.

Design

Adjustments have been made to the original project design at both the output and activity level. These appear to have been valid and in line with the project’s broad objectives and the DWCP, but the process for making these adjustments may have exposed deficiencies in the project’s monitoring arrangements. Flexibility in the project is desirable, but if changes to outputs and activities are too fluid and are not subject to external scrutiny, there is the risk that project resources can be misdirected or spread too thinly.

Progress

Considering the condensed timeframe in which the project has been operating, JOY has made outstanding progress in implementing quality activities in line with project objectives. It has also been very quick in its response to changing circumstances and stakeholder needs at the national and sub-national level. The donor appears also to have been satisfied with the progress of the project as it recently augmented the project budget after re-allocating funds from other, under-performing projects.

The tri-partite partners are closely involved in the implementation of both components of the project and those consulted during the evaluation valued JOY’s contribution to policy formulation and local economic development.

The employment generation and poverty reduction benefits of many of the project’s activities will take time to be fully realised, but there are some early signs that JOY is making progress toward the achievement of the project’s immediate and development objectives and those of the Indonesian DWCP.

Among the more significant achievements of the first component of JOY are its likely success in having youth issues mainstreamed in the National Medium Term Development Plan and attention given to sectoral development; the revitalization of the Indonesian Youth Employment Network; the development of the Job Opportunities Index; and the establishment of a degree programme in labour market development and planning.

The LED component's most significant achievements include the establishment of district level LED forums that are developing their agribusiness and tourism sectors; improving access to microfinance; and providing linkages to a range of organisations and programmes that can support communities to achieve their goals.

Noting the time constraints imposed on the project, some parts of the project have not yet made much progress: The LED forums still rely heavily on JOY staff not only for direction and inspiration, but also for basic administrative support, the running of meetings, problem solving and the follow-up of actions.

Also, other than organising access to gender-related workshops and seminars for some stakeholders, the JOY project seems so far to have paid little attention to gender issues. The original project document does not seem to define any clear activities in this field. A review of the project might be appropriate to identify opportunities in this area.

Efficiency

Considering the long delays in fully staffing the JOY project and the impressive range of project activities implemented since the beginning of 2008, JOY appears to be a productive and efficient project.

The project's use of volunteer experts from the Dutch PUM programme has provided the pilot LED communities with considerable expertise at no cost to them or to the ILO. The benefits and efficiency of this arrangement could be multiplied if local service providers are given the opportunity to observe and to learn from PUM placements.

The project has played a key role in leveraging extra funding for communities involved in LED activities. This includes access to the €8 million bio-gas fund, \$400,000 funding from Rabobank for the communities' microfinancing needs and sponsorship support for the Bromo Agrofestival in Pasuruan. Project staff are currently working on ways of ensuring that some of the Indonesian Government's \$6.3 billion stimulus package can also link with communities' LED priorities.

The feasibility study for the development of a Master's degree in labour market development and planning represents a relatively modest investment, but is likely to lead to greatly improved institutional capacity and, ultimately, to better functioning labour markets and better outcomes for young job seekers.

Management

JOY's management arrangements seem sound. The project now needs to revisit some of its basic project documentation – including redefining baseline data, updating and documenting activities attached to each output, collecting and compiling relevant information and data (including gender-related data), and incorporating these changes in a work plan for the project's final year.

Impact

National institutions have been positively influenced by the project. JOY's input into the current Medium Term Development planning process – through the provision of research and through the advocacy of the Indonesian Youth Employment Network – has resulted in youth and sectoral approaches being considered in the draft framework.

Provincial and district level institutions and community members are clearly enthusiastic about the LED approach and seemed committed to expansion. Other institutions, including government services for small and medium enterprises, a provincial employment service centre, universities and businesses, have also directly benefited from JOY activities.

JOY has made a significant impact in collecting, analysing and disseminating data and information to influence policy and programme implementation. Examples are the project's development of a Job Opportunities Index, sectoral research papers, and policy papers on vocational training.

Regarding sustainability and ownership, it was evident that the East Java communities were still largely dependent on ILO project staff for leadership, problem solving, organisation and action planning. The dynamism and entrepreneurialism of JOY staff were clearly inspiring and motivating the LED forums, but they had not yet reached a level of self-confidence that would allow them to take control of the process themselves. Addressing this should be a priority in the project's final year.

Lessons Learned – Good Practices

JOY has positioned itself well to advance its own project objectives and those of the DWCP by influencing the new Medium Term Development Plan. Given that this top level planning process happens only every five years and shapes subsequent agency, provincial and district strategic action plans, this is a good mechanism for advancing ILO initiatives in general in Indonesia.

Outsourcing research projects to local universities and providing guidance on presenting this research in a way that might best influence government policy has both advanced the project's objectives and built local capacity. If ILO offices have the expertise and capacity to provide such guidance and development to local universities, the approach should be emulated.

The multi-stage process used by the team in introducing the LED component of project to stakeholders in East Java and in selecting pilot communities appears to have worked very well. The approach should be documented in a "step-by-step" guide for application in other countries.

Directly facilitating "quick wins" for LED communities reinforces the benefits of the approach and inspires participants, but care needs to be taken to ensure that communities do not become dependent on outside assistance and can develop solutions for themselves.

Conclusion

JOY is an effective project and is making sound progress towards achieving its own objectives and those of the Indonesian DWCP. The achievement of the development objective of "poverty reduction and the creation of income earning opportunities" will, however, require the project's activities to be maintained over the longer term. For this reason, in the next year, particular emphasis should be given to improving the capacity of

project partners and stakeholders to continue project activities, such as LED processes, independently.

Recommendations

- The JOY project team should revise and update the project's basic documentation by end-June 2009.
- As part of this review, the Project Manager should consult with ILO Gender specialists to incorporate into project documents, strategies and activities specific actions that will improve gender outcomes. This should include the identification of relevant baseline data and objectives to be achieved over the final year of the project.
- Before the end of 2009, the project team should develop, document and promote systems, tools and processes that encourage improved local ownership of the LED approach. These tools should be packaged to assist other communities to initiate LED.
- Before the end of the project, ILO management in Jakarta should explore the extension of ILO support to LED in East Java, perhaps by maintaining the current national staff engaging an ILO national staff member for one or two years.
- By the end of 2009, ILO management should liaise with the Dutch programme PUM – Netherlands Senior Experts – to explore opportunities to continue its assistance to JOY, to the LED activities that JOY has initiated and to other ILO projects in Indonesia.
- As a matter of general policy, ILO management should encourage those stakeholders who are given developmental opportunities through ILO seminars and workshops, to apply their new skills to support ILO projects (e.g. by undertaking, as a follow up to LED training in Turin, a practical LED-related assignment).
- By June 2009, ILO management and the JOY Project Manager should review the nature of internal local administrative support provided for JOY.
- Before the end of the project, the JOY Project Manager, supported by ILO management, should pursue mainstreaming of LED processes at a national policy level.
- The JOY team should immediately seek to work with the Ministry of Manpower and Transmigration (MOMT) to improve the effectiveness of employment service delivery for Indonesian youth. Valuable lessons have been learned through JOY's support of the Employment Service Centre (ESC) in Surabaya and, as MOMT is currently rolling out a network of 146 new ESCs at the district and provincial level, JOY should be well placed to influence youth employment service delivery. Specific activities might include development of school-to-work transition programmes, career guidance systems, specialist youth outreach services run from the ESCs and the organisation of youth job drives and expos.
- Many of the project's activities will not produce job outcomes in the short term. Even in the long term, there will be difficulties in establishing a causal relationship between project outputs and job outcomes – particularly given the volatility of the labour market in the face of the global financial crisis. As part of the project's revision of its basic documentation, the JOY Project Manager and ILO management in Jakarta should seek technical advice from the employment specialists in Geneva to develop a methodology to accurately measure or estimate the job outcomes of JOY over the short, medium and long term.

2 BACKGROUND

2.1 About Indonesia

The Republic of Indonesia is the world's fourth most populous nation with around 238 million people. Independent since 1945, the nation held its first free democratic election in 1999, making it the world's third largest democracy. Indonesia is divided into 33 provinces which are in turn divided into 440 districts (these are classified as either cities or regencies, depending on their demographics, size and economic base).

The United Nations Development Programme (UNDP) ranks Indonesia as 47th among 108 developing countries in its human poverty index¹. According to the World Bank, in 2008 the number of poor people in Indonesia (below the national poverty line) is 34.96 million or 15.42% of the population²

Since 1999, legislation³ has devolved to the district level responsibilities that were previously the exclusive domain of the national government, including public works, health, education and culture, agriculture, transport, industry and trade, investment, environment, land matters, co-operatives and manpower. The responsibilities of the provincial level of government are less clear cut and are described⁴ as being "cross-regional" in nature. In this context, linking policy development at the national level with implementation at the provincial and district level is not straightforward.

Indonesia has made significant economic advances in recent years, but will be affected by the global financial crisis and recession. As global demand has slowed and prices for Indonesia's commodity exports have fallen, Indonesia is likely to experience significantly lower growth rates than the more than 6 percent rate recorded in 2007 and 2008. This will flow on to employment through increased formal sector retrenchments, reduced working hours and incomes and through the return of overseas workers affected by the downturn in other countries.

The Indonesia Government is currently in the latter stages of preparing its Medium Term Development Plan (RPJM) for the period 2010-2014.

2.2 About JOY

JOY is a three year project, covering the period May 2007 to April 2010 and funded through the Netherlands-ILO Cooperation Programme (NICP). The NICP is a funding agreement between the Government of the Netherlands and the ILO to support the Decent Work Country Programme. Projects are selected on the basis of their relevance to the priorities jointly determined between the ILO and its constituents in the context of the Decent Work Country Programmes in various locations. Through NICP, JOY was originally allocated a

¹ http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_IDN.html. A ranking of 1 means a country is the least affected by poverty.

²

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/INDONESIAEXTN/0,,contentMDK:22039058~pagePK:1497618~piPK:217854~theSitePK:226309,00.html?cid=3001>

³ Law 22/1999 and Law 25/1999

⁴ In Paragraph 9 of Law 22

budget of \$2.5 million, but following a re-allocation of funds in 2008, this was increased to \$2.8 million.

JOY is presented in the Project Document as having two components – a macro level (or “top down”) component that focuses on building the capacities of the tripartite constituents and others to develop and implement effective national employment policies, programmes, strategies and consultative mechanisms; and a micro level (or “bottom up”) component that fosters area-based employment and economic development through a participatory “Local Economic Development” (LED) approach. The two components are intended to be “mutually reinforcing”.

JOY builds on an earlier youth project, also funded by the Netherlands Government in 2004-05 through the Technical Cooperation Resource Allocation Mechanism (TC/RAM). This project included a number of activities such as research into the school-to-work transition of young people and consultations with stakeholders leading to the development of an Indonesian Youth Employment Action Plan.

JOY is one of two youth-oriented projects being run by the ILO in Indonesia. The other is Education and Skills Training for Youth Employment (EAST), which focuses on equipping young people in education and training with the skills they need to take up a job or engage in self-employment. EAST is a much larger project than JOY (total funding of \$22.6 million from the Education Sector Support Programme of the Netherlands Embassy) and focuses on field-based projects in West Java.

JOY complements the ILO’s broad strategic directions in Indonesia, embodied in the Decent Work Country Programme (DWCP). Specifically, the DWCP seeks to promote youth employment and entrepreneurship through education and training systems and policies.

3 THE EVALUATION

3.1 Introduction and rationale for the evaluation

As part of the requirements to monitor progress and to review project activities, with a view to making recommendations for future improvements, the JOY team has been requested by the government of the Netherlands to commission an independent mid-term evaluation of the project activities.

3.2 Background of the JOY project

The transition to democratic governance and a decentralised system of government has resulted in significant progress, with growth rates of over 5% being experienced over past couple of years and prospects for higher levels in the next two to three years. Despite this optimism open unemployment has risen from 8.1% in 2001 to 10.4% in 2006.

What is more significant is that youth unemployment is three times higher than for the general population, at 30.6%. Moreover, the associated employment challenge facing Indonesia includes the following:

Poverty and the employment challenge: The Indonesian economy needs to have a comprehensive employment strategy at the national and decentralized levels to increase the number of productive, remunerative jobs in order to reduce poverty, unemployment and underemployment.

Youth and the employment challenge: 61% of the total number of unemployed are between the ages of 15 and 24 years with lack of opportunities and technical skills.

Enterprises, the informal economy and the employment challenge: Approximately 70% of Indonesians work in the informal economy where the current legal and regulatory frameworks continue to result in an unfavourable environment for employment growth.

Skills and employment challenge: Many young people leave school and attempt to enter the workforce prematurely, not only for financial reasons, but also because they believe that prolonging education will not enhance their chances of getting a job as the education and vocational training system often fails to prepare young people with the skills needed for employment.

Decentralization and employment challenge: Policy work at the national level must be linked to local interventions to expand the tasks of planning, monitoring and evaluating regional development to the local levels.

In order to address these problems, the JOY project seeks to enhance the capacity of both national and sub-national policy makers and planners to develop and implement policies and projects that lead to more employment-intensive growth; particularly for young women and men. Sub-national policy work will be complemented by the demonstration of Local Economic Development (LED) activities. Essentially, at the national level the project will mainstream decent and productive employment policies for youth into national and economic policies. At the decentralised level the project will work with local government and

communities organized into LED forums in view to stimulate economic activity and job creation for youth.

3.3 Purpose, Scope and Clients

The Terms of Reference specified the following purpose, scope and clients for the evaluation:

Purpose

The purpose of the independent mid-term evaluation is to review progress made in the implementation of the project. The overall objective of JOY should be looked at to measure progress made towards achieving impact after a year of implementation.

Of primary importance is for the evaluation to examine the project design, implementation strategy and adjustments, institutional arrangements and partnership, and project set ups within the context of rising youth unemployment and a decentralization process in which power is being handed down to provincial offices. The evaluation should yield a contextualized analysis of the response and adjustments deployed by the project, the effectiveness of their adjustments and factors affecting the implementation. It should also spell out concrete recommendations on needed adjustments for improving implementation over the next year.

Scope

The scope of the mid-term evaluation should cover all components supported by the JOY project and analyse progress made as a whole. The evaluation should address issues of project design, implementation, lessons learnt, replicability and documentation. Furthermore it should address recommendations for the future phases of the project

The evaluation should also focus on the relevance of the project within the boarder context of the ILO mandate. In particular, it should look at how the ILO as an institution has delivered its technical expertise in the context of decentralization and the handing down of power to provinces, including support to tripartite partners.

In addition, the evaluation should document good practices and lessons learnt from the implementation of the ILO project in Indonesia and make recommendations for how the ILO should approach other similar initiatives.

Clients

The clients of the evaluation are (i) the project management (ILO office in Jakarta) who will be able to adapt the strategy of the project implementation and readjust project delivery if needed; (ii) the project partners, namely the centralized government ministries, including Bappenas, the Ministry of Manpower, who will actively be involved in the evaluation and contribute to the project implementation, as well as their counterpart decentralized offices at the provincial level; (iii) the LED forums in East Java; (iv) the ILO staff involved in the project, namely ILO/Jakarta, ILO field technical specialists and ILO technical units in Headquarters who will adjust their support to the project accordingly to the evaluation results and benefit from lessons learnt and good practices; (v) the donor who will receive copy of the evaluation and be informed of the project performance in terms of effectiveness, efficiency, impact, relevance and sustainability.

(The full Terms of Reference for the evaluation are included at *Annex A*.)

3.4 Methodology

The evaluation was undertaken between 16 and 27 March 2009. Consultations on the LED component of the project were held in East Java between 16 and 20 March. From 23 to 27 March, consultations took place in Jakarta and Bandung and focused on the national framework and institutional capacity building component of the project.

Tony Powers, an independent consultant based in Sydney, Australia, led the research and wrote the final report. Charles Bodwell, an ILO Enterprise Specialist based in Bangkok, acted as the Evaluation Manager and attended the consultations in East Java. Project staff were in attendance during all consultations. UN evaluation norms and standards, OECD/DAC evaluation quality standards and ethical safeguards were all followed in the evaluation.

Gender equality issues were discussed with project staff, the ILO Jakarta's resident gender specialist and in meetings with stakeholders. In terms of tripartism, meetings were held with the peak employer and worker organisations in Jakarta and with key government agencies involved in employment, economic development and planning.

Evaluation methods included:

Desk top Review

A range of reports and project documents were analysed including the JOY Project document, half yearly and yearly progress reports, mission reports, the Indonesian Decent Work Country Programme document, documents on related programmes, and various other project-related documents including reports on forums held, policy papers and feasibility studies. A full list is included in *Annex D*.

Telephone and Email Contacts

Numerous telephone discussions and email contacts took place between Tony Powers and Charles Bodwell in the lead up to the field visits and subsequent to them. Feedback on the draft report was received by email from ILO staff in Jakarta, Bangkok and Geneva.

Field Visits and Stakeholder Interviews

Field visits took place in Surabaya, Pasuruan, Tukur, Malang, Poncokusumo, Jakarta and Bandung. Visits included one-to-one interviews with key individual stakeholders and officials, facilitated group discussions with the two LED forums established in East Java and meetings with national, provincial, district and sub-district representatives of government ministries.

Questions asked at these interviews and meetings reflected the list provided in the Terms of Reference (See Annex A).

A full list of consultations is included at Annex B.

Limitations or biases?

Data limitations – Most of the activities in this project seek to influence employment outcomes over the long term. While it would seem reasonable to expect an evaluation of a project entitled “Job Opportunities for Young Women and Men” to provide a quantitative assessment of impact (i.e. how many jobs?), the fact is that, after only one full year of

operation, such an assessment is not yet possible. Similarly, it was not generally possible to gender-disaggregate the qualitative data gathered in the evaluation – the project has paid little attention to gender issues and there was a general lack of any baseline data that could be used in any meaningful way to assess results.

Qualitative research – Qualitative research techniques were used in the evaluation. These are by definition subjective in nature.

Selection bias – All interviewees were selected by project staff and not the evaluation consultant. There is therefore the possibility that the views and opinions canvassed during the evaluation were not representative – that is, if they came from a hand-picked group. Given the very broad range of people interviewed, however, this seems very unlikely.

Presence of project staff – JOY project staff attended all interviews and meetings. There is therefore the possibility that responses were inhibited by their presence.

4 FINDINGS

4.1 Relevance and Strategic Fit

The situation of young people in the Indonesian labour market remains a critical issue. The original JOY Project Document highlighted the key challenges – a growing youth unemployment rate (from 27.8% in 2005 to 30.6% in 2006); a disproportionate youth share of total unemployment (61% of the unemployed were aged 15 to 24); a very large annual inflow of young people entering the labour market for the first time (nearly 2 million); insufficient jobs to absorb these new entrants; inadequacies in the education and training system that result in young people having neither the technical nor life skills to successfully compete for jobs; and a continuing gender gap in both education participation (girls dropping out at a higher rate than boys) and unemployment rates (the rate for young women was 34.6% compared to 27.8% for young men).

Subsequent analyses by the ILO of youth issues in Indonesia have verified the need for continuing work in this field. Under-utilization of the youth labour resource (that is, 15 to 24 year olds who are either unemployed or underemployed) has been estimated to be 52.7%. Deficiencies in school-to-work transition arrangements, youth entrepreneurship training and the vocational training system have been identified. National employment policies and programmes are considered to be paying insufficient attention to youth employment issues.

As a consequence, the ILO's DWCP incorporates strategic actions "promoting youth employment and entrepreneurship through education and training systems and policies". According to ILO senior management in Jakarta, the JOY project was conceived as a means of advancing this agenda as well as giving other ILO activities, such as Local Economic Development (LED), a connection with youth. JOY was also intended to harmonize with the ILO's other youth-related project in Indonesia, the Employment and Skills Training for Youth Programme (EAST). EAST also promotes youth employment, but, unlike JOY, has a different geographical focus (West Java), emphasises projects rather than policy development and has a much larger budget.

The current global financial crisis strengthens the case for interventions targeting the youth labour market. Although Indonesian labour market statistics are not yet available for the period following the September 2008 market crash, the ILO's economist in Jakarta indicated that the Ministry of Manpower and Transmigration had recorded sharp increases in retrenchments between November 2008 and January 2009. He expects that youth will be disproportionately affected by the downturn and, among the working poor, there was likely to be a rising share of workers in precarious and hazardous employment and more children forced to withdraw from school to work in the informal sector to support their families. A representative of the National Planning Development Agency (Bappenas) also said that the government expected deterioration in the youth employment situation and (at least partly as a result of the JOY project's advocacy – *see 4.3 below*) was now looking to include a new youth element in its Medium Term Development Plan (2010-2014). She said that among the lessons learned from the 1999 Asian Financial Crisis was the vulnerability of young workers in economic downturns.

In summary, in its policy intent and objectives, JOY remains highly relevant to the labour market situation in Indonesia and fits well with the ILO's strategic framework, embodied in the DWCP, and with the nascent Indonesian Medium Term Development Plan.

4.2 Validity of Design

JOY was designed to operate at two levels through two mutually reinforcing strategies. These strategies would support the achievement of the over-arching development objective of “poverty reduction and the creation of income earning opportunities, especially for young women and men in Indonesia, through complementary national policies and local initiatives that lead to more employment-intensive economic growth.” The original project design has evolved in a number of important ways, but the division of the project into two components has remained a constant.

Component 1 – Policy Development and Institutional Capacity Building

The first component was intended to work at the policy and institutional level. Its immediate objective was “decent and productive employment” to be “better mainstreamed into national economic and social policies” and the adoption and implementation of “a national employment strategy that incorporates the Global Employment Agenda”. Surprisingly, this immediate objective does not explicitly mention youth and, to the uninitiated, this raises questions as to the extent to which this component of the project addresses the identified youth employment challenges in Indonesia. Similar questions could be raised about the outputs identified in the Project Document for this component of JOY. They are very broad in scope and make no mention of youth. They can be summarised as follows:

- (a) Strengthen institutional capacities (social partners and other stakeholders) to engage in economic and social policy development and implementation;
- (b) Establish mechanism for coordination and networking on employment issues;
- (c) Strengthen capacity of Central Bureau of Statistics (BPS) and Ministry of Manpower and Transmigration (MOMT) to collect and utilize labour market data;
- (d) Strengthen capacity of authorities to improve certification and competency-based training and orient towards private sector needs.

Discussions with project staff clarified this apparent discontinuity in the project logic. Some aspects of this project component had a clear focus on the development of specific youth policies and programmes – for example, the project’s efforts in revitalizing the Indonesian Youth Employment Network (IYEN) directly relate to Outputs (a) and (b). Similarly, the development of a Job Opportunity Index relates to Output (c), but was intended also to improve labour market information available to young people making choices about careers and further training. Other aspects of this project component do not directly address youth issues or needs, but aim to develop the institutional capacity of key government agencies to deal with such issues. For example, the development of a master’s degree programme in labour market development and the research studies of employment in the food and beverage, electrical/electronic and textiles, clothing and footwear sectors have the potential to improve youth outcomes through more skilled and well informed institutions.

Baseline data for this component of the project seem to have been derived from a number of sources including the previous youth project funded by the Netherlands Government in 2004-05, but may no longer be in line with the current direction of activities. Indicators of success do not appear to have been updated to reflect the changes in outputs and activities (described below under “Adjustments to Project Design”). This has resulted in a mismatch between the original measures of project success (e.g. “number of policy documents placing employment

as a key concern”) and what project staff now consider to be a more precise measure of success (e.g. inclusion of a youth focus in the new Medium Term Development Plan and subsequent action plans). In short, there is a need for the project to redefine and document its success indicators and, in the process, to revisit the baseline data that these measures will use. (*See also Recommendation 6a*).

Component 2 – Local Economic Development in East Java

The second component of the project was designed to complement national and sub-national policy development by demonstrating Local Economic Development activities in two communities in East Java. Its immediate objective was for “local representatives of the ILO constituents and communities in East Java” to have “implemented youth employment policies and local development for decent work activities in selected areas”. The logic behind this component of the project was quite straightforward – by supporting provincial and district level stakeholders to identify and pursue opportunities for economic and employment growth and by improving local youth employment policies and programmes, youth employment outcomes would be enhanced and poverty reduced. The outputs of this component can be summarised as follows:

- (e) Strengthen institutional capacities of constituents, local communities and other stakeholders in East Java to design and implement youth employment policies;
- (f) Strengthen capacities of local communities to design and undertake locally-driven, partnership based LED programmes benefitting young women and men;
- (g) Undertake specific local economic development initiatives, one involving employment intensive infrastructure investments;
- (h) Develop, test and disseminate examples of good practice both within East Java and throughout Indonesia.

Baseline data and success indicators for this component rely on pre- and post-project surveys (e.g. to measure increased capacity), the establishment and documentation of new projects, and the extent to which these projects are given publicity and attention at the provincial and national level. The Project Document also includes a direct youth employment indicator in this component – “number of young people employed as a consequence of the pilot interventions”. While this last measure is an important indicator of the project’s impact, it may well take years before the full extent of employment outcomes from LED activities is known. There were some promising results uncovered during the evaluation (*e.g. see under 4.6 “Jobs”*), but the expected employment result included in the project’s progress report for January to December 2008 – 3,000 placements – seems wildly optimistic.

Results of pre-project surveys were not viewed by the Evaluation Consultant, but a number of preliminary information and planning workshops were held at both the provincial and district level and these provided project staff with baseline information on pre-existing capacity of the stakeholders. To facilitate the final project evaluation, it may be appropriate to revisit and document the project’s baseline data during the final year of the project (*See Recommendation 6a*).

Adjustments to Project Design

After the long-delayed appointment of a full-time Project Manager in June 2008, some modifications to the project design were made to the planned outputs and activities. Output

(d) was modified to read: “Strengthen capacities of... authorities *to understand the competencies required by different occupational groups to carry out their jobs in a more effective manner, including how these may change over time in response to new demands, identify what training is required to raise skill levels and identify how local providers can respond to these challenges.*” In addition, there were a number of changes made to the project’s planned activities.

The process followed by the ILO in determining the need for these changes seems to have been internal. They were detailed in a report for the period February to July 2008 and have been the basis of implementation (with a few additional changes) ever since.⁵ The adjustments made to the original project design appear to have been valid and in line with the project’s broad objectives and the DWCP for Indonesia, but the process for making these adjustments may have exposed some deficiencies in the project’s monitoring arrangements. Flexibility in the project is desirable, but if changes to outputs and activities are too fluid and are not subject to external scrutiny, there is the risk that project resources can be misdirected or spread too thinly. (*See also 4.5 below.*)

Gender equality promotion, tripartism, and knowledge sharing

These are cross-cutting themes in the ILO project, NICP, and DWCP Indonesia. In terms of gender equality, there appears to have been little thought given in the original project document to the development of specific activities that would advance this goal. The “project strategy” refers to the inclusion of “an updated Gender Mainstreaming Strategy” which would “drive the programme” and to the allocation of a \$US200,000 “dedicated gender budget”, but what this was intended to mean in practice is unclear and may in part explain the lack of progress made. (*See 4.3 below.*)

In terms of tripartism, the project design included the active engagement of the social partners. For example, in line with the DCWP, the project sought to mainstream employment concerns in economic planning and policy development and to establish and reinforce mechanisms to ensure that employment is present in the dialogue, planning and decision making processes on economic and social development. Similarly, Indonesian Trade Unions and the Employers’ Association (and through it the Chamber of Commerce), were identified as project implementing partners as well as targets for capacity building for policy development and to support decentralized decision-making.

Knowledge sharing was also built into the project design. The various studies identified good practices were intended to provide an important basis for knowledge sharing and an input to the global ILO knowledge base on the different topics. The mechanism for coordination and networking on employment issues was intended to foster knowledge sharing at the national level. Labour market data and information was to be shared with IYEN members and other agencies (e.g. the World Bank and the UNDP).

⁵ This report was not initially provided to the Evaluation Consultant, causing considerable confusion over what project design and what activities were, in fact, being evaluated.

4.3 Project Progress and Effectiveness

- ***A slow start – May 2007 to January 2008***

JOY experienced significant delays in its implementation. It was conceived as a three-year project (May 2007 to April 2010), but recruitment of suitable project staff proved to be difficult and so much of 2007 was lost. Field activities did not really commence until February 2008, after two project staff were recruited and when the East Java (sub-national) component of the project was officially launched. A recruitment exercise was conducted to appoint a Project Manager, but the successful candidate withdrew and the position was re-advertised. The ILO's economist in the Jakarta office acted as the Project Manager from January to June 2008, but some of his time was necessarily devoted to non-project work. It was not until June 2008 that the project was fully staffed when a full-time Project Manager/Chief Technical Advisor was appointed together with a National Economist.

- ***LED takes off – February to June 2008***

From February to June 2008, activities related to the second component of the project commenced in East Java and made very good progress. In February, in cooperation with East Java Provincial Planning Bureau, letters seeking proposals to participate in the LED pilot programme were sent to 29 districts. 14 expressions of interest were received and a province level LED workshop was held at which the Pasuruan and Malang districts were chosen by participants for initial implementation. In March, district level LED workshops were held in Pasuruan and Malang and two pilot locations were chosen by participants – Poncokusumo (Malang) and Tukur (Pasuruan). In April and May, the project conducted workshops to identify local sustainable competitive advantages and economic potential in the pilot locations, the LED forums were established, their Chairs selected and focus sectors identified (agribusiness and tourism). In June, local farmers were given training through Improve Your Exhibition Skills (IYES); four flower farmers were supported to attend Tomohon Flower Festival (a networking opportunity); a tourism feasibility study for pilot locations was commenced; and two LED forum members were accepted into one-year LED programme via distance learning through Dellnet in Turin.

In addition, as a result of contacts made in Tukur LED forum, a local company involved in the cultivation of flower seedlings, was connected to a Dutch programme that provides expert technical advice in business development through volunteers (PUM – Netherlands Senior Experts). Connections were also made with the East Java Provincial Manpower Office (Disnaker) which was seeking technical support for a youth-oriented Employment Service Centre. To build local institutional capacity, local Ministry staff were given training and development in gender issues (in Bandung, Indonesia) and LED (in Turin, Italy).

- ***JOY in full swing – July 2008 to March 2009***

With the appointment of a full-time Project Manager, the first component of project, which focuses on policy development and institutional capacity building, was given new energy and direction and quickly made up the ground lost in the first year. As the Indonesian government had started to develop a new Medium Term Development Plan for the period 2010-2014, this was seen as an opportunity for the project to advance its policy development goals. Employment strategy development focused on adopting a sector-based approach that

would pursue job growth and improvements in the training system in three employment-intensive manufacturing industries – food and beverage, electrical/electronics, and textiles, clothing and footwear. Detailed Terms of Reference were drafted to investigate these sectors and local universities were contracted to undertake the research. Outcomes from this research will be presented to government agencies in the coming months and it is hoped that key recommendations will be adopted in the Medium Term Development Plan or in subsequent action plans.

Other research papers completed or commissioned by JOY in the period include a collaboration with the OECD on employment and skills development strategies in Southeast Asia; a review of the existing competency-based training system in Indonesia and recommendations for improvements; an analysis of Indonesia's apprenticeship programme; an investigation into competencies of labour inspectors in the forestry sector; and a "Green Jobs" study for Indonesia. All of this research directly relates to planned project outputs and objectives.

Efforts to revitalize the Indonesian Youth Employment Network were also increased as part of this component of the project. JOY has been instrumental in working with a multitude of government agencies in reinvigorating this national youth advocacy and knowledge sharing mechanism, which has had a "stop-start" history and which has had difficulty in maintaining continuity of membership. The focus has been on getting youth employment goals and performance indicators included in the Medium Term Development Plan and this has involved the production and dissemination of working papers (the first to be published in March 2009) as well as the organisation of a national youth employment conference (in April 2009).

The component's institutional capacity building activities included a feasibility study into the establishment of a master's degree and short courses in labour market planning and development. This was in response to an identified lack of these skills in national, provincial and district planning and manpower agencies. Padjadjaran University in Bandung is advancing this project activity and JOY is providing ongoing support, including identifying potential international partner universities with expertise in this area. A study tour to the UK was conducted in late 2008 to develop contacts with universities there.

Activities designed to improve the capacity of local agencies to collect and use labour market data includes the development of a Job Opportunity Index (JOI) designed to capture, through fluctuations in newspaper recruitment advertisements, information on employer demand by occupation, industry and location. The University of Surabaya has been coordinating the compilation of this data and some 300,000 job advertisements have been captured over a twelve month period and entered into a database. The format is still being finalised, but the index has already generated considerable interest, including from a multi-agency international working group that is looking to develop mechanisms to monitor the impact of the global financial crisis on Indonesia.

During this phase of the project, the second component also continued its impressive progress with activities commenced in the development of youth employment strategies in East Java and LED forums spawning a range of new ideas and activities for the communities and the project staff to advance. Activities included:

- An opportunity to connect East Java communities with a €8 million Dutch bio-gas initiative was identified and successfully negotiated by JOY project staff as a means of advancing sustainable agricultural development in the region;

- Focus group discussions on youth unemployment and strategies were held in Surabaya in July to highlight the key issues and to discuss the need for a youth strategy. This was followed up by a workshop in November where a multi-level framework was presented that connected national, provincial and local activities and strategies (*see Annex C*);
- A tourism sector skills mapping exercise was initiated and tourism packages were developed which are now being implemented by the Tourism Planning Board of East Java and the national association of tour operators;
- Value chain analyses for the apple, flower, dairy and vegetable sub-sectors in East Java were conducted;
- An agribusiness sector strategic planning study was undertaken and presented to district stakeholders in November;
- The Tukur LED forum started work on the first national “Agrofestival” designed to promote the region’s tourism and agricultural assets. The inaugural festival will be held in May 2009;
- Various forum members were given access to training and development – including a tourism study tour to Yogyakarta and Malaysia in October, Gender and Entrepreneurship Together (GETAhead) training in December and a LED Workshop in Turin;
- In response to LED forum members interest in developing new tourism experiences and infrastructure, JOY project staff made contact with the French theme park, Vulcania, as this related to East Java’s existing volcano-based tourism. The theme park’s Scientific Director visited the region in March 2009 to assess potential and to discuss options with local stakeholders, including the possible establishment of a similar park in Malang;
- In response to LED forum members’ expressed need for additional micro-financing sources, JOY project staff facilitated links between locally-based Sawiran Credit Union with Rabobank in the Netherlands to access additional funds. This will allow the Credit Union to expand its operations to LED pilot communities;
- JOY staff facilitated the introduction of Start and Improve Your Business (SIYB) trainer training in the newly established Small and Medium Business Clinic in Surabaya. Through this initiative, a local and sustainable market of business development service providers would be developed to underpin future LED initiatives and associated start-up businesses;
- JOY staff have also been active in promoting the LED concept through the print and broadcast media and through two full-colour project newsletters. There are also plans to produce a documentary video on LED that will outline all major activities from project inception to the end of 2009.

Another activity in East Java, which in a sense bridges the two components of JOY, is the support the project has provided to the development of an Employment Service Centre in Surabaya. This centre was an initiative of the provincial government and targeted young people who were new entrants to the labour market. JOY provided technical assistance through a consultant from the USA and supported the service’s launch. (Despite a promising start, problems have since developed in the centre’s operation – *see also 4.6 below.*)

- ***Overall assessment of progress and effectiveness***

Considering the condensed timeframe in which the project has been operating, JOY has made outstanding progress in implementing high quality activities in line with project objectives and outputs. It has also been very quick in its response to changing circumstances and stakeholder needs at the national and sub-national level. The donor appears also to have been satisfied with the progress of the project – the project budget was recently augmented after a re-allocation of funds from other, under-performing projects.

Key government agencies and the social partners are closely involved in the implementation of both components of the project and those consulted during the evaluation clearly valued JOY's contribution to policy formulation and local economic development. The employment generation and poverty reduction benefits of many of the project's activities will take much more time to be fully realised, but there are some early signs that JOY is making progress toward the achievement of the project's immediate and development objectives and those of the Indonesian DWCP.

Among its more significant achievements to date are the policy component's likely success in having youth issues mainstreamed in the National Medium Term Development Plan and attention given to sectoral development; the revitalization of the Indonesian Youth Employment Network; the development of the Job Opportunities Index; and the establishment of a master's degree programme in labour market development and planning. The LED component's most significant achievements include the establishment of district level LED forums that are playing an active role in developing their agribusiness and tourism sectors; improved access to microfinance through CU Sawiran; and the linkages provided to a range of organisations and programmes that can support communities to achieve their goals (e.g. the biogas project, the Vulcania theme park and tourism industry authorities).

Noting the time constraints imposed on the project, some parts of the project have not yet made much progress:

- The LED forums still rely heavily on JOY staff not only for direction and inspiration, but also for basic administrative support, the running of meetings, problem solving and the follow-up of actions. During the final year of the project, local ownership of the LED approach needs to be better encouraged and local stakeholders need to be supported with systems and tools that encourage autonomy. (*See Recommendation 6c*)
- Overall, other than organising access to gender-related workshops and seminars for some stakeholders, the JOY project seems so far to have paid little attention to gender issues. The original project document does not seem to define any clear activities in this field. A review of the project might be appropriate to identify potential gender interventions or mainstreaming opportunities. (*See Recommendation 6b*)

4.4 Efficiency of Resource Use

Considering the long delays in fully staffing the JOY project⁶ and the impressive range of project activities implemented since the beginning of 2008, JOY appears to be a productive and efficient project. Key project staff work long hours, often on weekends, to meet

⁶ According to the Project Document the full staffing level for the project was six: a Programme Manager/CTA; a LED specialist; a National Economist; a National Enterprise Development Officer; a local Project Coordinator; and a Finance/Administration Assistant

commitments and deadlines and they are clearly personally committed to maximising project results.

Overall project expenditure was reported to be 84.12% of the budgeted expenditure as at December 2008 – a good result considering the slow start. However, detailed financial reports were not made available to the Evaluation Consultant and it was therefore not possible to closely examine the financial efficiency of the project at a “line item” level.

That said, some specific elements are worthy of comment:

- To support the policy development and labour market information elements of the first component of the project and to make up for lost time, a number of research activities have been outsourced. These include the industry sector research reports, data collection and compilation for the Job Opportunities Index and numerous background papers on the vocational training system. Universities have been chosen to do much of this work and the costs involved are relatively low. Although the quality of some of the work has not been perfect, the Project Manager is an accomplished researcher and writer and has been able to refine and edit research reports and advise the universities on improvements.
- The project’s use of volunteer experts from the Dutch PUM programme has provided the pilot LED communities with considerable expertise at no cost to them or to the ILO. The benefits and efficiency of this arrangement could be multiplied if local business development service providers are given the opportunity to observe and to learn from PUM placements. (*See Recommendation 6e*)
- The project paid for an international employment service expert to advise Disnaker on the establishment of an Employment Service Centre (ESC) in Surabaya. Given the reported operational problems now being experienced by the ESC, this might be considered to have been a bad investment. The reality is, however, that until recently this initiative seems to have been quite successful, but unforeseeable factors outside the control of the ILO (relating to personalities within the bureaucracy) have been the behind its current demise.
- The project has played a pivotal role in leveraging extra funding for communities involved in LED activities. This includes access to the €8 million bio-gas fund, \$400,000 funding from Rabobank for the communities’ microfinancing needs, and sponsorship support for the Bromo Agrofestival in Pasuruan. Project staff are currently working on ways of ensuring that some of the Indonesian Government’s \$6.3 billion stimulus package can also link with communities’ LED priorities. This financial multiplier effect is another positive indicator of project resource efficiency.
- The feasibility study for the development of a master’s degree in labour market development and planning seems likely to result in the course being offered to students in early 2010 and a short course version offered in late 2009. There is great demand for labour market experts from the government planning and employment ministries and these programmes will fill an important gap in the market. For a relatively modest investment, this element of the JOY project is likely to lead to greatly improved institutional capacity and, ultimately, to better functioning labour markets and better outcomes for young job seekers.
- The project also paid for the training and development of various stakeholders, including quite expensive international programmes in the ILO’s training centre in Turin. While

such programmes might be highly relevant to the project's objectives (particularly, the workshops on LED), there seemed to be no apparent signs of this investment producing an immediate dividend for the project through, for example, an enhanced capacity to organise LED activities without the leadership of JOY project staff. While such developmental activities might be considered to be broader in purpose than simply supporting JOY, it seems reasonable and appropriate that at least some application of new skills and knowledge be made to advance the project's objectives – for example, through a practical LED-related assignment undertaken in the participant's workplace or district. (*See Recommendation 6f*)

4.5 Effectiveness of Management Arrangements

The JOY project is based in the ILO office in Jakarta with two field staff based in East Java (one in Surabaya and one in Malang, located in Bappeda, the Ministry of Planning). The Evaluation Consultant had the opportunity to observe staff in a variety of project situations (from routine discussions with stakeholders to meetings with senior political figures, including the Governor of East Java) and all were clearly capable, knowledgeable and professional. Team members appear to enjoy good working relationships with each other and with other ILO staff, have a thorough knowledge of their roles and responsibilities and communicate effectively.

The location of the project in the ILO office, rather than within the one of partner organisations, was considered, on balance, to be appropriate. Although an argument could be made that locating the project within one of the ministries would enhance the project's capacity to effect change from within, the synergies JOY has with other ILO projects and activities, as well as its importance in advancing the DWCP agenda, make its location within the ILO office probably the right decision.

JOY's project partners are the Ministry of Manpower and Transmigration, the National Development Planning Agency, the Coordinating Ministry for Economic Affairs, provincial and local governments, workers' organizations (especially, KSBSI, the Confederation of Indonesian Prosperity Trade Union) and employer's organizations (especially APINDO, the Employers' Association of Indonesia). The Evaluation Consultant met with representatives of these organizations and all were satisfied with JOY and felt well informed about project activities. (UNDP and the World Bank are also listed as project partners, but no contact was made with them in the evaluation.)

Given the number of activities the project is managing, staff are given an appropriate level of autonomy in their day-to-day work – the Project Manager does not “micro-manage” the project. For example, the LED component of the project is given a fairly free rein to follow up opportunities that advance local development goals.

The project's management links with other projects based in the ILO office appeared sound, including with the EAST project. The EAST Chief Technical Advisor highlighted a number of areas of cooperation, including the co-funding of the upcoming National Youth Employment Conference and a survey of the business climate in Indonesia. EAST sees itself as having a field implementation role and sees JOY as complementing this through policy development.

Some concerns were expressed by JOY project staff about the nature and extent of internal administrative support provided by the ILO office in Jakarta. Specifically, project staff indicated that more administrative “backstopping” support should be provided. The

Evaluation Consultant met with the staff member designated as providing this support and he described his role in terms of monitoring, checking, managing relationships and linking the project to broader DWCP priorities. It may be appropriate for ILO management to review the nature of internal administrative support for JOY to ensure that all parties understand exactly what support is intended. (*See Recommendation 6g*)

Of course, other support was also provided to the project by the ILO. The Director and Deputy Director of the Jakarta office have been closely involved with the JOY project, guiding its implementation and attending events and launches. The office's economist filled the Project Manager role in the first half of 2008 and developed important relationships for the project. ILO enterprise and LED specialists in the ILO's Geneva headquarters have had a continuing involvement in the project, including providing access to documentation on good practice and general advice of implementation. The Coordinating Ministry for Economic Affairs, for example, highlighted the value of Geneva's advice on youth employment indicators and said that the national statistics bureau and the Ministry of Manpower and Transmigration were currently examining how these might be incorporated in to the Medium Term Development Plan and strategic action plans. Also, links have been made with the ILO's Green Jobs advisor in Geneva and there are plans to work with the Government of Indonesia to develop ways of making jobs greener. JOY is currently undertaking case study research in this area.

JOY's monitoring and evaluation systems require the submission of half-yearly and yearly progress reports which are distributed within the ILO and to the donor, the Government of the Netherlands. ILO staff indicated that the donor was not deeply involved in the day-to-day delivery of the programme and its monitoring activities concentrated on the level of expenditure. The adjustments made to planned outputs and activities in mid-2008, for example, do not seem to have required donor approval and, as mentioned earlier, the donor provided additional funding to JOY towards the end of 2008.

Maintaining flexibility in project implementation is, of course, desirable, but management arrangements need to remain disciplined. Reasons for project variations need to be documented and justified, particularly when such changes are not exposed to external scrutiny or approval by donor organisations. All of the changes made to the project seem valid, but there is a risk that the project could move in new directions at a whim. Where project objectives are considered to be subsidiary to broader organisational goals (such as the DWCP) there is also the risk of project resources being hijacked for other purposes, leaving the project struggling to meet its deadlines and its own specific objectives.

Overall, JOY's management arrangements seem sound. The project has necessarily concentrated on making up lost time by quickly getting activities happening, but probably needs now to revisit some of its basic project documentation – including redefining baseline data (for any future evaluation), updating and documenting activities attached to each output, collecting and compiling relevant information and data (including gender-related data), and incorporating these changes in a work plan for the project's final year. (*See Recommendation 6a*) Expertise on how best to address gender mainstreaming through the project is also needed. (*See Recommendation 6b*)

4.6 Impact, Orientation and Sustainability

Over the relatively short period of its operation, JOY has made an impact. This impact is evident at a number of levels:

- ***Partners and other key national and sub-national institutions***

National institutions, particularly the Planning Ministry (Bappenas), the Ministry of Manpower and Transmigration (MOMT) and the Coordinating Ministry for Economic Affairs, have been influenced by the project to varying degrees. For example, a representative of BAPPENAS explained how the previous Medium Term Development Plan had been insufficiently strategic in its approach to unemployment, setting unrealistic targets and failing to articulate clear strategies to achieve results. JOY's input into the current planning process – through research into manufacturing sub-sectors and through the advocacy of the Indonesian Youth Employment Network – had resulted in youth and sectoral approaches being considered in the draft framework. This would drive implementation through national and provincial strategic action plans (RENSTRA). Similarly, the National Coordinating Ministry for Economic Affairs acknowledged the impact JOY was making in revitalizing the IYEN, getting youth employment into the Medium Term Development Plan, organizing the forthcoming Youth Employment Conference and in the difficult task of mobilizing support for a youth agenda when no single government agency is responsible. At a national level, the Evaluation Consultant only met with that part of MOMT that was dealing with the roll-out of a new network of ESCs (a Japanese-funded initiative). He was aware of JOY's activities with the provincially-funded ESC in Surabaya and broadly supportive of it, and was keen to incorporate lessons learned into the training strategy he was developing for the new network.

The social partners at the national level agreed that JOY was making an impact. The KSBSI saw the main impact being at the policy and systemic level, but conceded that “even if the ILO were here with JOY for a thousand years, all the problems could not be solved.” APINDO recognised the importance of youth employment policy and JOY's contribution to raising the profile of the issue with government. Difficulties with school to work transition, such as the education system being too focused on knowledge and not enough on attitudes and skills, were a particular concern.

- ***Provincial and district institutions***

JOY's interactions with provincial and district institutions revolved around the LED component of the project. The Evaluation Consultant observed a meeting between JOY staff and the Pasuruan office of Disnaker (the district level counterpart to MOMT). It was very clear at this meeting that JOY had made a significant impact on this office's operational orientation. Their staff spoke enthusiastically about the LED approach and were actively trying to resolve developmental issues identified by the LED forum operating in Tukur (e.g. they articulated some of key issues in further developing the flower sub-sector). They were also well aware of the ILO's support to the Surabaya ESC and explained how they wanted to emulate it in their district. Similar local ownership of the JOY approach was evident in Malang. The Evaluation Consultant attended a meeting with the head of Bappeda, the local planning ministry and nine of his senior officials, at which he praised the ILO's implementation of the project in East Java and said that he would present a plan to the Governor to establish LED in three other communities in his district. He also said that they had learned broader lessons from their participation in JOY, including the need to adopt a more participatory approach to government decision making.

As mentioned earlier, JOY has supported the development of an ESC in Surabaya. Initially this was planned to be a purely on-line job vacancy database, but after JOY provided an expert consultant to help plan and establish the service, a more conventional approach was

pursued which included the database as a tool. The ESC started operating in late 2008 and was initially generating very good results, but a change in management has had a very negative effect on operations, with staff re-allocated to other tasks and an apparent loss of commitment. By March, new job seeker registrations had virtually ceased, the attached radio station (conceived as a youth job information service) was reported to be “just playing music” and little or no attention was being given to getting or measuring employment results.

One unanticipated project impact at the provincial level was the opportunity to support the newly established Clinic for Small and Medium Businesses established by the Ministry of Cooperatives and Small and Medium Enterprises in Surabaya. This was described by JOY staff as an area where the two components of the project intersect – it brings together the first component’s institutional capacity building aims with a need, identified in the LED forums, for support for start-up businesses. The clinic aims to reduce unemployment by strengthening and hopefully expanding existing small businesses and supporting the establishment of new businesses. JOY has helped the new centre develop its capacity and the capacity of local business development services by introducing the ILO’s Start and Improve Your Business programme. 20 have so far been trained as SIYB trainers and there is demand from many more. JOY has also influenced the clinic to adopt a youth focus. A “Youth Entrepreneurs Club” of 80 members has been established and is encouraging and supporting young entrepreneurs, including university students and graduates, to start their own businesses. The clinic also has a charter to develop cooperatives and links with ILO resources in this area may also be pursued. There are plans to replicate the clinic in 38 districts, so, by introducing SIYB, JOY is likely to have a very significant impact on business services delivered in East Java.

Although not initially considered as institutional beneficiaries of JOY, universities also have benefited from their association with the project. The University of Padjadjaran in Bandung and the University of Surabaya have both been engaged to conduct research for JOY which is intended to support project outcomes and to influence government policy and planning. Building the capacity of universities to influence government policy through the provision of evidence-based research would be an important project impact. According to the Project Manager, there is little evidence of Indonesian government decision makers and policy developers systematically seeking and using such research at present. The project’s close supervision of the universities’ research has contributed to this capacity building.

One area where only limited impact has yet been made at the provincial level is the development of an East Java Employment Strategy. Provincial workshops and focus groups were held in July and November 2008 and a potential model was presented. (*See Annex C*) However, political uncertainties associated with the provincial elections have stalled progress.

- ***Information, data and their use***

JOY has also made an impact in collecting, analysing and disseminating data and information to influence policy and programme implementation. The Job Opportunity Index fills an important gap in the information available for labour market planning and has the potential to directly affect government planning decisions, the development of the vocational training system and also individual choices in job search and training. The sub-sector research papers provide information on industry dynamics, Indonesia’s comparative economic advantages, the business investment climate and skill needs. Although the full impact of these research

projects can only be felt after they have been built into the national and sub-national planning frameworks, they are the subject of great interest to the relevant government agencies. Other more recently commissioned research into the training system has, of course, had no impact as yet.

At a local level, a tourism study on East Java and value chain analyses for the apple, flower, dairy and vegetable sub-sectors have had a number of measurable impacts. Information from the tourism study has been used to influence the provincial tourism authority and local tour operators to develop new packages for the districts surrounding the Bromo volcano. In Pasuruan, the Bromo Agrofestival is being run over a week in May/June, a regional tourism logo has been developed and major boost to local tourism is expected. The value chain analyses have also had an impact – for example, the head of Bappeda in Malang referred to initiatives designed to enhance dairy milk production, apple growing and cattle numbers.

- ***Jobs***

Ultimately, the most important indicator of project impact will be jobs. The nature of the JOY project is developmental and it would be unreasonable to expect big increases in employment levels after one year of operation – particularly in the midst of a global recession. If government planning processes adopt JOY's recommendations on a sectoral approach to employment development, the ILO will be in a better position to assess employment growth in these sectors. Similarly, LED activities in East Java are still to lead to any observable job growth, but the communities' focus on the labour intensive industries of tourism and agribusiness offer good prospects. This might simply be jobs from a new "home stay" accommodation sector in mountain villages. Or it could be something much bigger: the growing enthusiasm for a big tourism attraction – a volcano theme park – could generate thousands of jobs if such a vision is realised.

There are some early indicators of job growth:

- A road improvement program in Malang, which links with LED activities in this district, has created 300 short term jobs according to the government authorities;
- A flower seedling laboratory in Tukur, benefiting from LED work in value chain analysis in this sector and from expert assistance sourced from the Dutch PUM programme, has enhanced its systems and accessed new international markets. Employment in the enterprise has increased from 6 to 19, and there is potential for this venture to greatly stimulate the demand from local flower growers and expand the industry as a whole.

- ***Ownership, Sustainability and Exit Strategy***

As JOY's first component is focused on influencing the policy agenda, ownership and sustainability can best be measured by how well issues championed by JOY are formally adopted at the national and sub-national levels. The original Project Document suggested that appropriate measures of impact would be "the number of policy documents" that include key project concerns and the "formal government adoption of a national employment policy". At this stage of the project, a more appropriate measure would be the extent to which JOY influences the Medium Term Development Plan and the Strategic Action Plans that flow from it at the ministry level. The planning process is still underway, but discussions with BAPPENAS and the Coordinating Ministry for Economic Affairs suggest that youth is likely to be added as a new focus in the plan. As for a national employment policy, JOY has

directed its energies towards the development of a sectoral approach to employment and is seeking to have this similarly reflected in the plans, particularly on the Strategic Action Plans. The project expects to continue its efforts to achieve this goal over the final year of the project.

Other activities of the first component are, in different ways, on sustainable paths. The master's degree in labour market development and planning has been fully embraced by the University of Padjadjaran and it expects to offer the course to a range of students, including subsidised employees of various ministries, in 2010. JOY will continue to provide assistance over the next year, most notably by connecting the university with a potential international partner. The Job Opportunity Index is currently being introduced to the marketplace and there are plans to enter negotiations with a private sector organisation (e.g. a media or financial organisation) to own and maintain the process over the long term. The current interest from international organisations in economic indicators of the financial crisis may also lead to assistance in this regard.

In terms of an exit strategy in the area of policy development and institutional capacity building, there is acknowledgement that although JOY will end in April 2010, these developmental tasks represent core business for the ILO and will continue in other forms. As the ILO's director in Jakarta succinctly put it: "Our exit strategy is not to exit."

JOY's second component has generated many worthwhile activities in line with project objectives and has planted the LED flag firmly in the soil of East Java. There is widespread enthusiasm at the provincial and district level for the approach and great appreciation has been expressed for the energy, commitment and entrepreneurial flair of the project staff. In both Pasuruan and Malang, there was a desire to extend the lessons learned in the project to new communities. The "bottom-up" approach represented a cultural shift for government planning agencies away from "top-down" approaches, and representatives claimed to be sold on its merits.

It was evident, however, that the East Java communities were still largely dependent on ILO project staff for leadership, problem solving, organisation and action planning. The dynamism and entrepreneurialism of the staff were clearly inspiring and motivating the LED forums, but they had not yet reached a level of self-confidence that would allow them to take control of the process themselves. A representative of the Poncokusumo forum said "we only meet when the ILO comes here, we don't really know how to manage the meetings and to organise actions". The head of Bappeda in Malang went further and implied that LED demanded an independent "outsider", even an international, to highlight potential and to drive change.

If these issues are left unresolved, the long term sustainability of these project outputs would be in great doubt. There is a need for the project to carefully map out an exit strategy that includes building the capacity and confidence of communities to continue their LED processes autonomously; providing them with tools and resources to manage the process and solve problems; and equipping provincial and district level leaders, including government planning agencies, with the capacity to initiate and drive the development of LED in new communities. (*See Recommendation 6c*) This should be a focus of the project in the last year of its implementation and could perhaps include the expansion and initial establishment of LED to new communities. In this context, there may also be a case for the ILO to continue to provide support to LED in East Java, perhaps through a national staff member, but with a

clear aim of supporting, not “doing” LED in an expanded range of communities. (*See Recommendation 6d*)

There is also the question of how the positive experience of LED in East Java can inform policy development at a national level. Plans are being made to document the experience of the project, from inception to the end of 2009, in a video and this could prove to be a valuable tool. Linking the East Java experience of component one of JOY to the policy development component should also be pursued in the final year of the project to create an atmosphere conducive to replication across Indonesia. A national forum could also be held to share the project’s experience in LED and highlight its successes (*See Recommendation 6h*)

5 LESSONS LEARNT

5.1 Good Practices

- The ILO is not the only international agency attempting to influence national government policies and programmes. Other organisations, for example, the World Bank, are very well equipped to provide technical assistance and have access to significantly more funds than the ILO. Despite this, the ILO appears to enjoy a high level of influence in key government ministries and has developed and managed relationships well. The JOY project has benefited from these strong relationships, but it has also enhanced them. In particular, the JOY project's willingness to support the Medium Term Development Planning process through relevant research, cross agency networking through IYEN, and a sector-based approach to employment development seems to have been highly appreciated by the key ministries. Given that this top level planning process happens only every five years and shapes subsequent agency, provincial and district strategic action plans, by doing this, JOY has positioned itself well to advance its own project objectives and those of the DWCP. It is a good mechanism for advancing ILO initiatives in general in Indonesia
- Outsourcing research projects to local universities and providing guidance on presenting this research in a way that might best influence government policy has both advanced the project's objectives and built local capacity. Feedback from the JOY Project Manager suggests that this capacity building still needs considerable work (e.g. he said that the reports were not yet at a publishable standard for the ILO), but is a practice that should be continued. If other ILO offices have the expertise and capacity to provide such guidance and development to local universities, the approach should be emulated in other countries.
- The Job Opportunity Index has not yet been presented to potential users, but fills an important information gap. Should the project be successful in securing private sector support for its continuation and upkeep, this would be an excellent result.
- The process used by the team in introducing the LED component of project to stakeholders in East Java and in selecting pilot communities appears to have worked very well. Expressions of interest were sought from 29 districts in East Java and 14 made submissions. An initial workshop at the provincial level involved a broad cross-section of the community and identified the LED districts that best met a set of selection criteria. A later district level workshop identified the sub-districts (the communities of Tukur and Poncokusumo). Lastly, the LED forums were established through community based workshops.
- The decentralization of decision making to local government is still relatively new in Indonesia. The culture of "top-down" management still persists to a large extent, so the introduction of LED methods needed to quickly achieve successes to reinforce their value. JOY has done this by facilitating solutions to problems (e.g. improving access to microfinance) and identifying and seizing opportunities to advance community goals (e.g. linking with local tourism authorities and companies and exploring the Vulcania idea). Facilitating these "quick wins" in a change management situation is an important lesson for future ILO initiatives – but care needs to be taken to ensure that communities do not become dependent on outside assistance and can develop solutions for themselves.
- Linking to initiatives and programmes that can support the achievement of programme goals is another lesson from JOY. The project facilitated assistance from two other Dutch

initiatives – the bio-gas project and the Rabobank – benefiting the communities participating in LED.

5.2 Future Directions

In many ways, JOY can be viewed as being far more than a youth employment project. Its activities have spanned training system development, labour market information and analysis, economic development, employment services, tourism and agribusiness development, environmental sustainability, start-up business support and even industry policy. Depending on donor interests and DWCP priorities, the trail that JOY has established could be extended in any one or more of a number of directions. These include:

- Advancing the sector-based approach to employment development, concentrating on supporting the government to grow industries with good prospects for formal sector employment and improving the effectiveness of the training system to meet the needs of these industries;
- Mainstreaming LED into the national planning system, extending its application to more communities, establishing a national LED network, and developing regional economic development approaches where appropriate;
- Building on the project’s work on Green Jobs;
- Developing and trialling new training mechanisms, including traineeships and apprenticeships, to support school-to-work transition;
- Developing tools and resources that support LED activities in popular industry areas such as tourism;
- Supporting the MOMT’s roll out of Employment Service Centres to ensure that youth employment is a focus;
- Supporting the establishment of the network of SME Clinics by the Ministry of Cooperatives and Small and Medium Enterprises through a greatly expanded SIYB programme.

6 CONCLUSION AND RECOMMENDATIONS

JOY is an effective project and is making sound progress towards achieving its own objectives and those of the Indonesian DWCP. JOY remains highly relevant to the labour market situation in Indonesia and fits well with the ILO's strategic framework, embodied in the DWCP, and with the nascent Indonesian Medium Term Development Plan. Adjustments have been made to the original project design at both the output and activity level but seem appropriate.

The tri-partite partners are closely involved in the implementation of both components of the project and those consulted during the evaluation valued JOY's contribution to policy formulation and local economic development.

Among the more significant achievements of the first component of JOY are its likely success in having youth issues mainstreamed in the National Medium Term Development Plan and attention given to sectoral development; the revitalization of the Indonesian Youth Employment Network; the development of the Job Opportunities Index; and the establishment of a degree programme in labour market development and planning.

The LED component's most significant achievements include the establishment of district level LED forums that are developing their agribusiness and tourism sectors; improving access to microfinance; and providing linkages to a range of organisations and programmes that can support communities to achieve their goals.

JOY's management arrangements are sound including its financial management and cost efficiency. The project has leveraged funding and support from other sources which has added to its cost efficiency.

The following recommendations are made for the project to maximise outcomes over its final year:

- (a) The JOY project team should revise and update the project's basic documentation by end-June 2009. Specifically, the project needs to revisit its baseline data (for any future evaluation), update and document activities attached to each output, collect and compile relevant information and data (including gender-related data), and incorporating these changes in a work plan for the project's final year.
- (b) As part of this review, the Project Manager should consult with ILO Gender specialists to incorporate into project documents, strategies and activities specific actions that will improve gender outcomes. This should include the identification of relevant baseline data and objectives to be achieved over the final year of the project. The ILO has a wealth of resources that can assist project staff to identify opportunities in the project to, for example, empower women through specific activities. When redeveloping the project's basic documentation specific attention should be given to the monitoring and evaluation of gender outcomes so that results can be maximised in the remaining timeframe. Examples of what issues might be included are in *Annex E*. Specialist expertise (from within the ILO or from an external consultant) could perhaps be obtained to assist this process.
- (c) Before the end of 2009, the project team should develop, document and promote systems, tools and processes that encourage improved local ownership of the LED approach. These tools should be packaged to assist other communities to initiate LED. During the final year of the project, local ownership of the LED approach needs to be

better encouraged and local stakeholders need to be supported with systems, tools and training that encourage autonomy. These could include procedural checklists for LED forum operation, some basic problem analysis and solutions tools (e.g. fishbone diagrams), action planning and monitoring processes, and even training in running effective meetings. A needs analysis should be undertaken and the forums asked exactly what they need to be self-sufficient. Similar support should be given to provincial and district level leaders, including government planning agencies, so that they can initiate and drive the development of LED in new communities – ideally while the JOY project is still operating and support is available.

- (d) Before the end of the project, ILO management in Jakarta should explore the extension of ILO support to LED in East Java, perhaps by maintaining the current national staff engaging an ILO national staff member for one or two years. This person would have the role of supporting, not “doing” LED in an expanded range of communities. With the level of support offered being less intense, the person may well be able to support a larger number of LED communities (even 8 to 10).
- (e) By the end of 2009, ILO management should liaise with the Dutch programme PUM – Netherlands Senior Experts – to explore opportunities to continue its assistance to JOY, to the LED activities that JOY has initiated and to other ILO projects in Indonesia. The benefits and efficiency of this arrangement could be multiplied if local business development service providers are given the opportunity to observe and to learn from PUM placements.
- (f) As a matter of general policy, ILO management should encourage those stakeholders who are given developmental opportunities through ILO seminars and workshops, to apply their new skills to support ILO projects. For example, people sent to Turin for LED training could be asked to undertake a practical LED-related assignment back in their home district.
- (g) By June 2009, ILO management and the JOY Project Manager should review the nature of internal local administrative support provided for JOY to ensure that all parties understand exactly what support is intended.
- (h) To achieve the goal set out in the Project Document of two “mutually reinforcing” components, before the end of the project, the JOY Project Manager, supported by ILO management, should pursue mainstreaming of LED processes at a national policy level (component one) using the experience gained in East Java (component two). This would create an atmosphere conducive to up-scaling of LED across Indonesia. A national forum could be held, for example, as a way of sharing the project’s experience in LED and its successes.
- (i) The JOY team should immediately seek to work with the Ministry of Manpower and Transmigration (MOMT) to improve the effectiveness of employment service delivery for Indonesian youth. Valuable lessons have been learned through JOY’s support of the Employment Service Centre (ESC) in Surabaya and, as MOMT is currently rolling out a network of 146 new ESCs at the district and provincial level, JOY should be well placed to influence youth employment service delivery. Specific activities might include development of school-to-work transition programmes, career guidance systems, specialist youth outreach services run from the ESCs and the organisation of youth job drives and expos. The ILO has a long history of supporting

public employment services (linked to Convention 88, which Indonesia ratified in 2002) and has much expertise and experience to offer.

- (j) Ultimately, JOY is about job creation for young men and women. Many of the project's activities will not produce such outcomes in the short term. Even in the long term, there will be difficulties in establishing a causal relationship between project outputs and job outcomes – particularly given the volatility of the labour market in the face of the global financial crisis. As part of the project's revision of its basic documentation (see recommendation 6a), the JOY Project Manager and ILO management in Jakarta, should seek technical advice from the employment specialists in Geneva to develop a methodology to accurately measure or estimate the job outcomes of JOY over the short, medium and long term.

ANNEX A: Terms of Reference

1. Introduction and rationale for the evaluation

As part of the requirements to monitor progress and to review project activities, with a view to making recommendations for future improvements, the JOY team has been requested by the government of the Netherlands to commission an independent mid term- evaluation of the project activities. In this respect the present documents outlines:

- The background of the JOY project
- The objective of the JOY project
- The different vehicles which are being used to support implementation
- A proposed methodology to undertake the impact evaluation, including what tools will be used to undertake this task
- What information sources and people should be contacted to undertake this task

2. Background of the JOY project

The transition to democratic governance and a decentralised system of government has resulted in significant progress, with growth rates of over 5% being experienced over past couple of years and prospects for higher levels in the next two to three years. Despite this optimism open unemployment has risen from 8.1% in 2001 to 10.4% in 2006.

What is more significant is that youth unemployment is three times higher than for the general population, at 30.6%. Moreover, the associated employment challenge facing Indonesia includes the following:

Poverty and the employment challenge: The Indonesian economy needs to have a comprehensive employment strategy at the national and decentralized levels to increase the number of productive, remunerative jobs in order to reduce poverty, unemployment and underemployment.

Youth and the employment challenge: 61% of the total number of unemployed are between the ages of 15 and 24 years with lack of opportunities and technical skills.

Enterprises, the informal economy and the employment challenge: Approximately 70% of Indonesians work in the informal economy where the current legal and regulatory frameworks continue to result in an unfavourable environment for employment growth.

Skills and employment challenge: Many young people leave school and attempt to enter the workforce prematurely, not only for financial reasons, but also because they believe that prolonging education will not enhance their chances of getting a job as the education and vocational training system often fails to prepare young people with the skills needed for employment.

Decentralization and employment challenge: Policy work at the national level must be linked to local interventions to expand the tasks of planning, monitoring and evaluating regional development to the local levels.

In order to address these problems, the JOY project seeks to enhance the capacity of both national and sub-national policy makers and planners to develop and implement policies and projects that lead to more employment-intensive growth; particularly for young women and men. Sub-national policy work will be complemented by the demonstration of Local Economic Development (LED) activities. Essentially, at the national level the project will mainstream decent and productive employment policies for youth into national and economic policies. At the decentralised level the project will work with local government and communities organized into LED forums in view to stimulate economic activity and job creation for youth.

3. Purpose and scope of the evaluation

Scope

The scope of the mid term evaluation should cover all components supported by the JOY project and analyze progress made as a whole.

The evaluation should address issues of project design, implementation, lessons learnt, replicability and documentation. Furthermore it should address recommendations for the future phases of the project

The evaluation should also focus on the relevance of the project within the boarder context of the ILO mandate. In particular, it should look at how the ILO as an institution has delivered its technical expertise in the context of decentralization and the handing down of power to provinces, including support to tripartite partners.

In addition, the evaluation should document good practices and lessons learnt from the implementation of the ILO project in Indonesia and make recommendations for how the ILO should approach other similar initiatives.

Purpose

The present evaluation is to review progress made in the implementation of the project. The overall objective of JOY should be looked at to measure progress made towards achieving impact after a year of implementation.

Of primary importance is for the evaluation to examine the project design, implementation strategy and adjustments, institutional arrangements and partnership, and project set ups within the context of rising youth unemployment and a decentralization process in which power is being handed down to provincial offices. The evaluation should yield a contextualized analysis of the response and adjustments deployed by the project, the effectiveness of their adjustments and factors affecting the implementation. It should also spell out concrete recommendations on needed adjustments for improving implementation over the next year.

The evaluation should be a platform (its process and its outcomes) for ILO officials in Jakarta, Bangkok and Geneva. It should yield a set of knowledge to help guide future ILO's integrated project that adopt a top-down and bottom up approach to tackling youth unemployment. The results of the evaluation, lessons learnt and good practice will be posted on the Indonesian platform for knowledge sharing among ILO staff. The evaluation should also highlight lessons and good practices on employment policy and LED at the decentralized levels.

The evaluator will examine the following key issues:

Relevance and strategic fit

Does the project address a relevant need and decent work deficit? Was a needs analysis carried out at the beginning of project reflecting the various needs of different stakeholders? Are these needs still relevant? Have new, more relevant needs emerged that the project should address? How does the project align with and support national development plans (Indonesia's RPJM), national decent work plans, as well as projects and priorities of the national social partners?

How does the project align with and support ILO's strategies (DWCP, gender mainstreaming, employment agenda, poverty reduction, youth employment etc.)?

How well does the project complement and fit with other ILO projects in the region (look at synergies with ILO/WB youth Employment Project)?

How well does the project complement and link to activities of other donors at local level? How well does the project fit within the broader local donor context?

Validity of design

What was the baseline of the project for component 1 and 2 at the inception phase? How was it established? Was a gender analysis carried out?

Are the planned project objectives and outcomes relevant and realistic to the situation on the ground? Do they need to be adapted to specific (local, sectoral etc.) needs or conditions?

Is the intervention logic coherent and realistic? What needs to be adjusted? (refer to the project logframe)

Do outputs causally link to the intended outcomes (immediate objectives) that link to broader impact (development objective)?

How plausible are the underlying causal hypothesis?

What are the main strategic components of the project?

How do they contribute and logically link to the planned objectives?

How well do they link to each other?

Who are the partners of the project?

How strategic are partners in terms of mandate, influence, capacities and commitment?

What are the main means of action? Are they appropriate and effective to achieve the planned objectives?

On which risks and assumptions does the project logic build?

How crucial are they for the success of the project?

How realistic is it that they do or not take place?

How far can the project control them?

How appropriate and useful are the indicators described in the project document in assessing the project's progress?

Are the targeted indicator values realistic and can they be tracked?

If necessary, how should they be modified to be more useful?

Are indicators gender-sensitive?

Are the means of verification for the indicators appropriate?

Project progress and effectiveness

Is the project making sufficient progress towards its planned objectives?

Will the project be likely to achieve its planned objectives upon completion?

Have the quantity and quality of the outputs produced so far been satisfactory? Do the benefits accrue equally to men and women?

Are the project partners using the outputs?

Have the outputs been transformed by project partners into expected outcomes?

How do the outputs and outcomes contribute to the ILO's mainstreamed strategies?

How do they contribute to gender equality?

How do they contribute to the strengthening of the social partners and social dialogue?

How do they contribute to poverty reduction?

How do they contribute to strengthening the influence of labour standards?

How have stakeholders been involved in project implementation?

How effective has the project been in establishing national ownership?

Is the project management and the implementation participatory and is this participation contributing towards achievement of the project objectives?

Has the project been appropriately responsive to political, legal, economic, institutional etc. changes in the project environment?

Has the project produced demonstrated successes?

In which areas (geographic, sectoral, issue) does the project have the greatest achievements? Why is this and what have been the supporting factors? How can the project build on or expand these achievements?

In which areas does the project have the least achievements? What have been the constraining factors and why? How can they be overcome?

What, if any, alternative strategies would have been more effective in achieving its objectives?

Efficiency of resource use

Have resources (funds, human resources, time, expertise etc.) been allocated strategically to achieve outcomes?

Have resources been used efficiently? Have activities supporting the strategy been cost-effective?

In general, do the results achieved justify the costs?

Could the same results be attained with fewer resources?

Have project funds and activities been delivered in a timely manner? If not, what were the bottlenecks encountered?

What are the financial results of the project? (Look at commitments versus disbursements and projected commitments).

Effectiveness of management arrangements

Are management capacities adequate?

Does project governance facilitate good results and efficient delivery?

Is there a clear understanding of roles and responsibilities by all parties involved?

Does the project receive adequate political, technical and administrative support from its national partners?

Do implementing partners provide for effective project implementation?

How effective is communication between the project team, the field office, the regional office, the responsible technical departments at headquarters, CODEV and the donor?

How effective is communication between the project team and the national implementing partners?

Does the project receive adequate administrative, technical and - if needed - political support from the ILO office in the field, field technical specialists and the responsible technical units at headquarters?

How effectively does the project management monitor project performance and results?

Is a monitoring and evaluation system in place and how effective is it?

Have appropriate means of verification for tracking progress, performance and achievement of indicator values been defined?

Is relevant information and data systematically being collected and collated? Is data disaggregated by sex (and by other relevant characteristics if relevant)?

Is information being regularly analysed to feed into management decisions?

Has cooperation with project partners been efficient?

Has relevant gender expertise been sought? Have available gender mainstreaming tools been adapted and utilized?

Impact, orientation and sustainability

Can observed changes (in attitudes, capacities, institutions etc.) be causally linked to the project's interventions?

In how far is the project making a significant contribution to broader and longer-term development impact (look at sustainability and local ownership of the project)? Or how likely is it that it will eventually make one? Is the project strategy and project management steering towards impact?

What are the realistic long-term effects of the project on the poverty level and decent work conditions of the people?

How effective and realistic is the exit strategy of the project? Is the project gradually being handed over to the national partners?

Once external funding ends will national institutions and implementing partners be likely to continue the project or carry forwards its results?

Are national partners willing and committed to continue with the project?

How effectively has the project built national ownership?

Are national partners able to continue with the project?

How effectively has the project built necessary capacity of people and institutions (of national partners and implementing partners)?

Has the project successfully built or strengthened an enabling environment (laws, policies, people's attitudes etc.)?

Are the project results, achievements and benefits likely to be durable?

Are results anchored in national institutions and can the partners maintain them financially at end of project?

Can the project approach or results be replicated or scaled up by national partners or other actors?

Is this likely to happen?

What would support their replication and scaling up?

Can any unintended or unexpected positive or negative effects be observed as a consequence of the project's interventions? If so, how has the project strategy been adjusted?

Have positive effects been integrated into the project strategy?

Has the strategy been adjusted to minimize negatives effects?

Should there be a second phase of the project to consolidate achievements?

4. Clients

The clients of the evaluation are (i) the project management (ILO office in Jakarta who will be able to adapt the strategy of the project implementation and readjust project delivery if needed, (ii) the project partners, namely the centralized government ministries, including Bappenas, the Ministry of Manpower, who will actively be involved in the evaluation and contribute to the project implementation, as well as their counterpart decentralized offices at the provincial level (iii) the LED forum in East Java, (iv) the ILO staff involved in the project, namely ILO/Jakarta, ILO field technical specialists and ILO technical units in Headquarters who will adjust their support to the project accordingly to the evaluation results and benefit from lessons learnt and good practices, (v) the donor who will receive copy of the evaluation and be informed of the project performance in terms of effectiveness, efficiency, impact, relevance and sustainability.

5. Description of tasks

The evaluator will be specifically required to:

At the central government level hold bilateral meetings with the various relevant stakeholders like the Ministry of Planning, the Ministry of Manpower, the employers body Apindo and other stakeholders to get their inputs on how they perceive the project

implementation. Similar regional and district level meetings will have to be held in East Java.

Discuss via emails with ILO technical units, Specialists and Project staff who are involved with the management and implementation of the ILO at different stages on the project status and progress made so far;

Undertake a desk review of existing materials and existing relevant information on the project;

Undertake a review of progress and outline the challenges facing the ILO Indonesia project;

Analyse and evaluate administrative and institutional improvements (including site visits of the various components) needed for effective project delivery;

Present the findings at a stakeholders' workshop and incorporate comments into the final evaluation report;

Submit a draft and final copy of evaluation report.

Methodology to be followed

The methodology will combine quantitative and qualitative approaches. The evaluator will collect hard data from desk review and verify them with soft data from field visits, interviews and workshop. During the process of data gathering the evaluator will compare, validate and cross-validate data of different sources (project staff, project partners and beneficiaries) and different methodologies (desk review, site visits and interviews).

Methodology and plan for information gathering and organizing 3:

Desk Review

The evaluator will review the following documents before conducting any interviews or trips to Indonesia: project documentation, progress reports, work plans, mission reports, baseline surveys for components 1 and 2, monitoring data, workshop reports, tolls, country data etc.

Individual interviews with ILO Staff

The evaluator will discuss with the ILO JOY project staff, including those based in the head office in Jakarta and those in Surabaya and Malang. It will also be necessary to conduct discussions with staff on other ILO project in Indonesia in order to access the nature and extent of collaboration.

Field interviews

The evaluator will be deployed to the JOY project offices in Surabaya and Malang in accordance with the evaluator's requests and consistent with these terms of reference.

² The evaluator may adapt the methodology, but any changes to the methodology should be agreed between the evaluation manager and the evaluator.

³ All data collected and analysed should be sex-disaggregated.

Field visits

The discussions and interviews will be complemented with field visits to the sites of activities and discussion with relevant organizations involved and/or benefiting from ILO interventions in those localities in accordance with the evaluator's requests and consistent with these terms of reference. Amongst the most important target group will be the members who comprise the LED forums.

Debriefing in the field

Based on the above findings, the evaluator will organize a workshop to present and discuss preliminary findings and recommendations with the key national partners and the project team.

Post-trip debriefing

In addition, the evaluator will debrief the Project CTA, the ILO/Jakarta office and the ILO backstopping unit about the course of the evaluation and the support received.

Key deliverables

An evaluation report that presents the findings including concrete recommendations for improving project implementation over the next year;

A compilation of lessons learnt and good practices identified for improving ILO's engagement in top-down and bottom-up solutions for tackling youth unemployment.

Management arrangements, work plan and time frame

The evaluation manager is Charles Bodwell, therefore the evaluator will be able to ask for support and will directly report to the evaluation manager;

The preliminary evaluation findings will be discussed locally in a workshop. Results of the workshop will be incorporate in the draft report and sent by the evaluator to the evaluation manager who will then circulate it to ILO staff involved in the Indonesia JOY Project, the ILO/Jakarta Director and the national project partners;

Findings of the evaluation will be circulated among ILO colleagues involved in Jakarta and stakeholders and posted on the Indonesian platform to strengthen organisational learning. Also, copy of the evaluation report will be posted on the EVAL internet-based evaluation report database.

The budget for the evaluation is 20,000 USD for 22 working days.

The process is anticipated to start in the second week of January

Report

Based on the workshop results, the evaluator will draft the evaluation report following the outlines below. The evaluation report should also be in line with the DAC Evaluation Quality Standards

⁸ Please visit the following site: <http://www.oecd.org/dataoecd/51/7/38686953.pdf>

ANNEX B: Consultation Schedule

- 16 March 2009: Jakarta
- Initial briefing with Marcus Powell, Project Manager/CTA
 - Mookda Sunkol, the head of programming, ILO ROAP Bangkok
 - JOY team
 - Charles Bodwell, Evaluation Manager, ILO Bangkok
- 17 March 2009: Surabaya and Pasuruan
- Matthieu Cognac, JOY LED Specialist and Janti Gunawan, national project officer
 - Mr Ruli Kusumahadi, Director of SME Clinic, and Ms Ibu Indah, BDS member
 - Mr. Hadiyanto, Program Development Officer, Department of SME
 - Mr Yohanes Kurniawan, University of Surabaya (on the development of the Employment Service Center and Job Opportunity Index)
 - Mr Rambang Hariyanto, Director of Disnaker, Pasuruan
- 18 March 2009: Tutar and Malang
- Meeting of Tutar LED Forum, chaired by Mr H. Kusnan
 - Mr Jetse Bos, PUM, Netherlands Senior Expert, Tutar
 - Mr. Kokok Budi, Sawiran Credit Union
 - Tour of Condido Agro, a business that has been assisted by JOY
- 19 March 2009: Surabaya and Poncokusumo
- Dr H. Soekarwo, Governor of East Java (on Vulcania Theme Park)
 - Mr Nehruddin, Director of Planning, Bappeda Malang and staff
 - Meeting Poncokusumo LED Forum
 - Debrief with Charles Bodwell, Evaluation Manager, ILO Bangkok
- 23 March 2009: Jakarta and Bandung
- Marcus Powell, Project Manager/CTA

Dr Kodrat Wibowo and Mr Budiyanto, Economics Faculty,
Padjadjaran University (on the LMD Programme Course and sectoral
studies on the employment-intensive manufacturing industries)

24 March 2009:

Jakarta

Peter van Rooij, Deputy Director, ILO Jakarta

Patrick Daru, CTA, EAST Project

Parissara Liewkeat, Programme Officer, ILO Jakarta

Rahmat, National Economist, JOY Project

25 March 2009:

Jakarta

Rahma Iryanti, Director for Labour and Employment Creation,
BAPPENAS (on national employment strategy/medium-term
development plan)

Komara Djaja, Senior Advisor, Coordinating Ministry for Economic
Affairs (on IYEN)

Alan Boulton, Director, ILO Jakarta

Devrial Sogia, Head of Job Counsellor Empowerment, Ministry of
Manpower and Transmigration

26 March 2009:

Jakarta

Rolly Damayanti, Programme Coordinator, JOY Project

Tauvik Muhamad, Programme Officer, ILO Jakarta

Debriefing Workshop (Marcus Powell, Matthieu Cognac, Rahmat,
Rolly Damayanti, Parissa Liewkeat)

Kee Beom Kim, Economist, ILO Jakarta

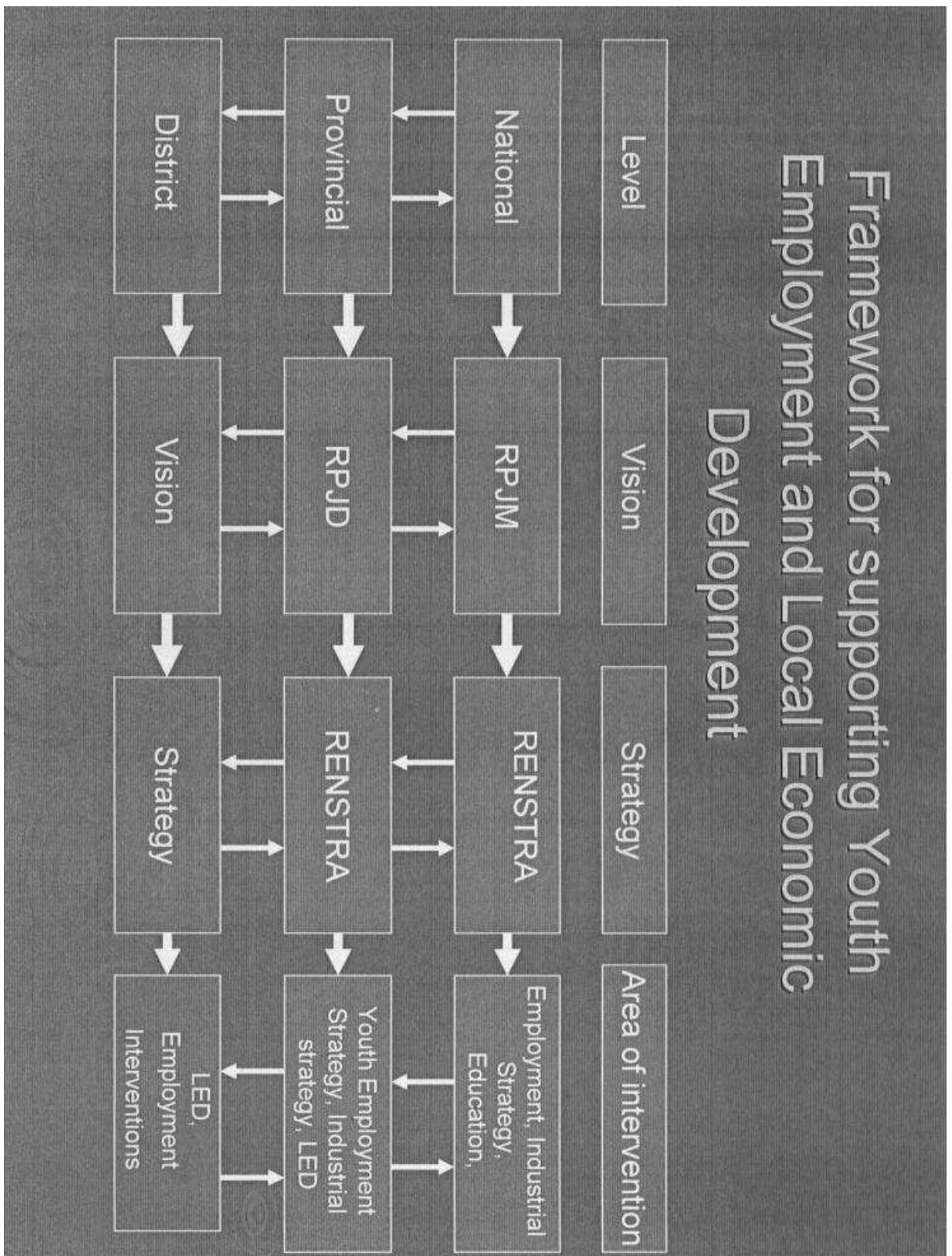
27 March 2009:

Jakarta

Rekson Silaban, President, Confederation of Indonesian Prosperity
Trade Union (KSBSI)

Iftida Yasar, Vice Secretary General, Ida Widayani, Head of
Organization, Regional Empowerment and International Relations and
Andi Pangeran, Executive Director, Employers' Association of
Indonesia (APINDO)

ANNEX C: Youth Employment & Economic Development Framework



ANNEX D: References

No.	Documents
1	Indonesia Decent Work Country Programme (DWCP) 2006 – 2010
2	Independent Terminal Evaluation: “Youth Employment in Indonesia: Policy & Action” <i>ILO/Government of the Netherlands Partnership Programme / TC RAM (INS/04/50M/NET)</i>
3	JOY Project Document
4	JOY Project Progress Report 2007
5	Indonesia Youth Employment Action Plan (IYEAP) 2004 – 2007
6	Report on Proceedings PPP YE Forum, Jakarta, 25 September 2007
7	JOY Project Progress Report 1 st Half 2008
8	JOY Project Progress Report 2008
9	Sectoral Approach in Preparation of the Next Medium Term Development Plan, Jakarta, September - December 2008
10	Feasibility Study to Establish a Short Course and Master Degree Programme Course in Labour Market Development, December 2008
11	Establishment of the Employment Service Center (ESC) and Job Opportunity Index (JOI), August – December 2008: <ul style="list-style-type: none"> - Consultant Report - JOY Mission Report in September 2008 - JOY Mission Report in November 2008
12	IYEAP 2004 – 2007 Evaluation: Review and Recommendations
13	Local Economic Development (LED) Highlights, as of February 2009
14	ILO Participatory Gender Audit Facilitator Training, Bandung, 22-25 April 2008

ANNEX E: Monitoring Gender Outcomes in JOY

(Examples drawn from: Considering Gender in Monitoring and Evaluation of Projects, ILO Evaluation Unit, September 2007)

Deciding what to monitor

Does the analysis/baseline study include analysis of relevant gender concerns?

Are project indicators and milestones/targets gender sensitive? Do they need to be revised/refined to better capture the project's impact on gender relations? (Think about both qualitative and quantitative indicators.)

Does the M&E plan require that all data be sex-disaggregated?

Which methods and tools are needed to collect gender-sensitive data?

Have special budget provisions for gathering gender-sensitive information been made, if necessary?

Are sufficient capacities in place for gathering gender-sensitive information and conducting gender analysis? (Is there someone in the team with necessary expertise? Where can the expertise be obtained from? Can the regional gender specialist or the Bureau for Gender Equality help?)

Gathering and managing information during implementation

Is all data collected in a sex-disaggregated manner?

Is information collected and analysed that assesses the (possibly) different effects of an intervention on men and women and on gender relations?

Regularly analysing information and reflecting critically with the partners to improve action

Are the effects of the intervention on gender relations and its contribution regularly analysed as part of regular reflection processes? Is someone specifically assigned to do this?

Are observations being discussed with key project partners?

Communicating and reporting results

Are the effects of the intervention on women, men and gender relations part of every progress report?

Does the report explicitly address the gender performance of the project?

Has the project established mechanisms to share knowledge related to gender equality?