



## Evaluation Unit (EVAL)

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## Acronyms

BE	Business Environment
CB-TREE	Community Based Training for Economic Empowerment
CTA	Chief Technical Adviser
DARD	Department of Agriculture and Rural Development
DCED	Donor Committee for Enterprise Development
DoIT	Department of Industry and Trade
DoLISA	Department of Labour, Invalids and Social Affairs
DPC	District People's Committee
DWCP	Decent Work Country Programme
DPI	Department of Planning and Investment
ET	Evaluation Team
FAO	Food and Agriculture Organisation
GAP	Good Agricultural Practices
GTZ	German Technical Cooperation (now GIZ, German International Cooperation)
KAB	Know About Business
ILO	International Labour Organization
LED	Local Economic Development
LMDS	Labour Market Development Strategy
MARD	Ministry of Agriculture and Rural Development
MoLISA	Ministry of Labour, War Invalids and Social Affairs
MPI	Ministry of Planning and Investment
M&E	Monitoring and Evaluation
OSH	Occupational Safety and Health
PCA	Provincial Cooperative Alliance
PCI	Provincial Competitiveness Index
PIU	Project Implementation Unit
PMB	Project Management Board
PPC	Provincial Peoples Committee
PPD	Public Private Dialogue
SME	Small and Medium Enterprises
SYB	Start Your Business
TOR	Terms of Reference
ToT	Training of Trainers
TNA	Training Needs Assessment
VCCI	Vietnam Chamber of Commerce and Industry
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNIDO	United Nations Industrial Development Organization
WWF	World Wide Fund for Nature

## *Executive Summary: Youth Employment through Local Economic Development in Quang Nam Province*

### Background & Context

#### Summary of the project purpose, logic and structure

The project “Youth Employment through Local Economic Development in Quang Nam Province” aims to “improve the employability of and employment opportunities especially for young women and men by upgrading vocational and entrepreneurial skills and improving job opportunities in Quang Nam through enhanced business enabling environment, business development services and overall market access”. The project covers four districts in Quang Nam: Nui Than, Duy Xuyen, Thang Binh and Phuoc Son. The province has a population of about 1.5 million and a largely rural economy (65% of output). Its annual per capita income at the time of project formulation was US\$ 700, well below the then national average of US\$ 1,024 (2008).

The funding window under the One UN Fund ran from January 2009 to December 2010, but since the document was finalized in spring 2009 and approved in May 2010, effective implementation will run from the approval date to December 2011. The final budget is US\$ 1,389,000.

The development objective quoted above basically summarises the immediate objectives, which are:

1. The pro-employment business framework conditions in the province is improved, thus strengthening existing and new businesses in identified growth areas, improving the local economic conditions and creating local opportunities for job creation and poverty reduction.
2. Employability and employment of vulnerable rural youth, especially those in the selected districts and value chains, are improved through upgraded vocational and entrepreneurial skills to respond to the demands of current and new business opportunities.
3. By using the value chain approach, the market access of selected products in selected districts of the province is improved by strengthening relevant market players, improving product value added, competitiveness and brand, strengthening the linkage with national and international market.

By achieving these objectives the project also aims to demonstrate a Local Economic Development (LED) for youth employment *model*, for possible replication in other provinces.

The project document was well-researched, took into account stakeholders’ priorities, and has a number of strengths. They are that:

- It addresses the demand and supply sides of the labour market, economic development creating demand, training supply.
- It is based on what is known about local economic development and the improvement of local market systems. In other words, the causal chains implicit in the design are plausible.

However, the design has serious weaknesses, including:

- The expected duration was two years, far too short to show results in terms of jobs, employability and incomes in any LED project, or even to complete interventions.
- The document implicitly foresees a double role for the project – it is a facilitator of LED, while the project will also contract stakeholders to carry out activities and deliver services. This is confusing.
- The value chains selected in the project document, rattan and vegetables, are unlikely to attract youth.

- The project document quotes a 76.5% rate of youth who do not have jobs or have unstable jobs. However, actual youth unemployment may be as low as 3.6 %, with youth underemployment at 27.2%.

This is not to say that there was or is no rationale for the project. The poverty rate for the province remains high at around 20%, nearly double that of Vietnam as a whole, with incomes particularly low in rural areas and among ethnic minorities. Rural underemployment is said to be high in the off-season. However, given the above weaknesses, demonstrating an LED for youth employment model was not a plausible objective. It was not helped either by a flawed logframe, with composite objectives, 20 outputs, 76 indicators that did little to trace how interventions would lead to impact, and details on the interventions in the value chains that should have come out of the analysis conducted by the project.

### **Present situation of project**

This independent evaluation found the project with still four months to go. Many activities were still ongoing, some still had to be initiated. Preparations for a period of closing down and sharing of experience had started. A no-cost extension was under discussion.

The project team is based in Quang Nam and consists of a chief technical adviser, two project assistants, one admin/finance assistant and a driver.

### **Purpose, scope and clients of the evaluation**

The objectives of this evaluation were to:

1. Determine whether the project achieved the stated objectives.
2. Determine what steps have been taken for the sustainability of key components of the project beyond the project's life.
3. Determine what the potential is for using the project interventions as demonstration models.
4. Document lessons learned and present recommendations for future projects and exercises initiated by ILO on local economic development.

Within this framework the evaluation team (ET), consisting of Roel Hakemulder and Pham Quang Trung, two independent consultants, was asked a number of specific questions under the headings of project design, effectiveness, efficiency, relevance, impact, scale and sustainability. The evaluation took into account all interventions, the full geographical coverage, and the entire project period (May 2010 to August 2011).

The principal clients for the evaluation are ILO project management, project stakeholders in Quang Nam and at the national level, ILO Hanoi and Bangkok, ILO technical units (Employment Sector), the ILO's technical cooperation and evaluation departments, and the project donor. The Evaluation Manager was Merten Sievers, of the Job Creation and Enterprise Development Department, ILO HQ.

### **Methodology of evaluation**

On the basis of the TOR we prepared an Evaluation Matrix indicating how we expected to obtain the required information and a standard list of questions for different groups of stakeholders. We reviewed the reports and documents listed in the TOR, as well as further documents provided by the project. We interviewed and had discussions with the full range of stakeholders, at the provincial, district and finally the national level. This included target beneficiaries, which allowed us to gather some anecdotal information on impact.

At the end of the assignment we briefed the key stakeholders on our main preliminary findings and obtained their feedback. Meetings in Hanoi combined further information gathering with debriefing on the most relevant points.

The evaluation followed UN evaluation norms, standards and ethics.

We much appreciate the inputs of the project stakeholders, and in particular the project team, which has been very forthcoming with information, and open to all questions and suggestions.

## Main Findings & Conclusions

### Effectiveness and efficiency

In addition to weaknesses in the design, the project has had to deal with a number of important implementation constraints. These included the late approval and start and uncertainties about an extension beyond December 2010; delays in UN Fund transfers; project planning periods not coinciding with the government's; confusion arising from the mixed facilitation/direct support function of the project; and the large number of partners, which, while appropriate for an LED project, required much time and effort to sort out mandates and then ensure effective coordination. Slow government as well as ILO procedures resulted in a heavy administrative burden and caused significant delays, government and ILO financial procedures did not match, and the Department of Labour, Invalids and Social Affairs (DoLISA) did not, as stipulated in the project document, assign a full-time secretariat.

This taken into account, the project has made good progress in the less than one and a half years it has been operational. The project's M&E system and our assessment indicate that some 2/3 of the logframe targets for the indicators have been achieved. Most of the others are likely to be achieved before project completion.

An indicator by indicator assessment is included in the report. The following is a review of the substance of what has been achieved. Under Objective 1, **"a pro-employment business environment"**, main results include the organisation of Public Private Dialogues (PPDs) at provincial and district level, which resulted in action plans that are under implementation by the stakeholders, some with project support. PPDs have been replicated by the Provincial People's Committee, one district, and one of the business associations, which indicates they fulfill a useful function. The actions supported by the project include introduction of software that will facilitate registration and information sharing between authorities and the revival of a Business Portal. The project has provided assistance to strengthen several Business Associations. Its Project Management Board has improved coordination especially among government departments and mass organisations. This is a significant achievement.

Under Objective 2, **"employability of rural youth improved"**, a training needs assessment was conducted in conjunction with the analysis of the rattan and vegetables value chains, and an action plan developed. On this basis a number of training services were strengthened or introduced, or access was improved. This included Start Your Business and Know About Business, and training specific to the value chains, including on Occupational Safety and Health. In total 125 trainers were trained and training was delivered (though this was not necessarily the newly developed or improved training) to in total 1,163 target beneficiaries. Women made up 34% of those trained. Training providers were provincial government partners, companies in the value chains and consultants or resource institutions from outside the province. A Labour Market Development Strategy was developed by the stakeholders, with support from the ILO. It has been approved by the Provincial People's Committee. This is a first in the country, the strategy is fully owned by the

stakeholders, and this is an important achievement. Reportedly four other provinces are now developing an LMDS.

Under Objective 3, “**more competitive rattan and vegetables value chains**”, participatory value chain analyses were conducted and action plans developed and approved. For rattan the main strategies are to ensure sustainable supply of rattan (nurseries, plantations), increase local value added and rattan quality (rattan boiling), improve product quality, productivity and OSH in home-based weaving for companies that supply to IKEA, product diversification and building new market linkages. The project supports the development of well-managed business groups at these levels of the value chain, as demonstration models for possible replication. Weaving and rattan boiling groups are operational, while for nurseries and plantations preparations have been made but implementation is awaiting the right season. Much training has been provided to the model groups. A Rattan Coordination Group made up largely of relevant Government stakeholders monitors and guides the activities. These are promising results. As the value chain is dominated by women, and in rattan harvesting by ethnic minorities, they are the main beneficiaries.

Currently the project is developing a guidebook and manual for home workers and their leaders, with guidance on labour rights, Occupational Safety and Health, operating as a business and others. This is an important initiative, especially since this appears to be a first for the ILO and IKEA may support introduction.

In vegetables, the main strategy is to support the introduction of VietGAP certification so that farmers can access higher-end markets. Two groups have been set up and are receiving training and advice from government institutions. A processing facility is being established, a second is being planned. A marketing outlet will be made available at a wholesale centre in Da Nang. The project follows the same approach of building strong groups that can be demonstration models as in the rattan sector. Although progress is less than in rattan (implementation started later for a number of institutional reasons) the framework seems to be in place to deliver results. Both women and men are likely to benefit.

These achievements have been very much those of the stakeholders in collaboration with (and largely funded by) the ILO. The overall good (though variable) partnerships between the ILO and public sector stakeholders are the project’s main strength. Coordination among stakeholders has also improved as a result of their work with the project.

However, much still needs to be done. The action plans are still being implemented, with many activities ongoing and a few still to be started. Other issues include:

- The value chain analysis has insufficiently explored opportunities for improving vertical integration, and insufficient effort has been made to deepen the analysis, and identify the root (systemic) causes of constraints – this will affect impact, outreach and sustainability.
- While women are likely to be the project’s main beneficiaries, the interventions are insufficiently based on gender analysis and do not address gender specific constraints.
- The training was funded by the project. Partners did not contribute (with some in kind exceptions) and trainees did not pay fees. This may have affected the training’s effectiveness and it will not have contributed to sustainability. While free training may be the norm in Vietnam, this is not good practice and adapting to the norm does not bring change.
- The stakeholders expect more direct support from the project. While it is designed to be a facilitator in the first place, its role is ambiguous since it does offer direct support, including to service delivery and equipment.
- The project is dominated by public sector stakeholders and interventions are not sufficiently based in the private sector, although commendable progress was made in this direction.

With regard to efficiency, we found the project was implemented efficiently under the circumstances. The project is well managed and its team is capable and committed. The team's workload has been, however, significantly too high and it lacks sufficient expertise on monitoring, evaluation and impact assessment. The absence of a full-time secretariat at DoLISA and the ILO's financial regulations and procedures have been drawbacks. Good efforts have been made to establish coordination and collaboration with other projects, with some results, i.e. with UNIDO and UN Habitat projects, and with the World Wildlife Fund for Nature.

## **Impact**

The project shows a good impact orientation. An M&E concept was developed based on results chains. If implemented this would have allowed the project to demonstrate plausibly how its interventions led to results. However, the stakeholders turned this concept down, preferring to monitor on the basis of the 76 logframe indicators, which was mandatory in any case. The results chains have, however, remained relevant and do, we believe, reflect the project's results orientation. At least some of the logframe indicators that were included in the M&E framework that was adopted were also helpful in maintaining such an orientation. The various action plans (district and provincial), the project workplans, and the extent to which progress was being monitored, also indicate a high level of results orientation. This is positive.

On the other hand, the project has not planned adequately for impact monitoring or assessment, in particular of the demonstration projects which it hopes will be replicated. What is currently foreseen will, in our view, not enable the project to assess impact in a reliable manner. This has to be addressed because it will affect the learning that can be gained from the project as well as the extent to which interventions will be replicated.

Actual impact is of course an indication of impact orientation as well. Taking impact to mean changes in behaviour, "the way things are done", and beyond that, increases in productivity, quality, work (including quality of work), incomes and empowerment, we found that of course that the interventions have been too recent to expect significant results at this level. Our own findings from interviews did indicate there are some early signs of impact. They include changes in practice at different levels in the rattan value chain and among vegetables farmers, and consequent impact on income and work. Group leaders have also gained in terms of empowerment. Public Private Dialogues are reported (by stakeholders) to have improved relations between the private and the public sector. District governments solving concrete problems for enterprises is an indication of this, and so are some public private partnerships. This has included the establishment of more weaver groups, for an additional 130 women, with assistance of a lead rattan company and a district government (without project assistance). The Rattan Coordination Group is a good instance of a "new way of doing things". The project reports that by the end of 2010 8% of those who had SYB training had started a business.

While this is encouraging, the findings are largely anecdotal or qualitative, and if the project does not take immediate steps to assess impact thoroughly, it will not be in a position to demonstrate that its "model" works.

## **Sustainability**

The project's overall sustainability strategy is based on using participatory approaches to facilitate local ownership over interventions and innovations, so stakeholders will maintain them, and building their capacity so they are able to do so. The project has also aimed at alignment with local political priorities and plans, as well as to a lesser extent building on business incentives. This is in line with LED experience and current good practice, and several results show good potential for sustainability. These include in particular the business groups in the value chains, which have gained much and are

likely to continue, and the improvements in technical and Occupational Safety and Health training that lead companies provide to rattan weavers. Stakeholders are also likely to continue the Public Private Dialogues at the provincial and district levels.

However, overall there has not been sufficient time to ensure that the training to public institutions has created an independent capacity. More work on this is required and funding and human resources will remain a constraint. Furthermore, the project needs to develop and implement a sustainability plan for each of the changes it has facilitated that are expected to continue beyond the project period.

## Scale

The project's present scale of outreach is small. Around 1,500 people have been trained. The business groups include 113 members. Hundreds of people have participated in various events (PPD, for the value chain analysis) but whether this had any effect on them is not known. Eventual scale of outreach and impact will depend on the sustainability of the changes the project has facilitated, whether the changes concern a market system or economy that includes, or has the potential to include, many businesses and workers, and whether they are systemic, i.e. whether they constitute "change in the underlying causes of market system performance – typically in the rules and supporting functions – that can bring about more effective, sustainable and inclusive functioning of the market system"<sup>1</sup>.

As we have seen above, sustainability of many of the changes the project brought is still uncertain. The market systems the project has worked in do provide good scope for scale, with the rattan value chain providing full-time employment to 3,000 and part-time employment to 5,000 people, 7,850 generating income from rattan harvesting and demand for additional workers being high<sup>2</sup>. More people may become involved through nurseries, plantations, rattan boiling and new weavers' groups. In vegetables, as a result of the project's work the government plans to have 1,000 hectares used for VietGAP certified vegetables which may affect perhaps 2,000 to 3,000 households<sup>3</sup>. More people may become involved through processing plants. With regard to generic improvements in the business environment, all enterprises (nearly 5,000 registered) could benefit<sup>4</sup>. If KAB becomes institutionalized, which is likely with some further support, potentially thousands of vocational trainees could be affected. Implementation of the Labour Market Development Strategy could affect thousands as well.

To what extent changes will prove to be systemic remains to be seen. As mentioned above, the analysis of the value chains may not have gone deep enough to identify underlying, systemic constraints. Changes facilitated may therefore also address symptoms rather than causes of underperformance. However, one of the indicators for systemic change taking place that is often used is that market actors start "crowding in", i.e. they copy the innovations, start using them for their own purposes in the same or other sectors, or move into a market system to benefit from the changes<sup>5</sup>. A constraint in this regard is the high cost of some of the project's interventions, e.g. the intensive and therefore expensive support to the business groups based on the CB-TREE

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<sup>1</sup> The operational guide for the making markets work for the poor approach, SDC, DFID, 2008

<sup>2</sup> Report on the participatory value chain analysis for bamboo, rattan, home accessories and furniture sector, Prosperity Initiative Analytics, the Centre for Agricultural Policy, 2010.

<sup>3</sup> Report on the participatory value chain assessment for the vegetable sector, Prosperity Initiative Analytics, the Centre for Agricultural Policy, 2010. The report mentions an average of 0.2 hectares per household allocated to vegetable growing but we have assumed somewhat larger areas would be required for VietGAP farmers.

<sup>4</sup> Quang Nam Business Portal, <http://www.quangnambusiness.gov.vn>

<sup>5</sup> The "official" definition is: "Crowding-in is the central process in – and purpose of – facilitation through which interventions catalyse or bring other players and functions into the market system so that it works better for the poor", in The operational guide for the making markets work for the poor approach, SDC, DFID, 2008

methodology. Neither public nor private sector stakeholders are likely to be able to replicate them as is. However, the development of more rattan groups by a lead company and a district government (with a much slimmed down model of assistance) is a sign that crowding in may be taking place. There are also signs of more groups being interested in rattan boiling, though it is too early to say whether this will be copied more widely. More significant is that 4 provinces are following Quang Nam's lead in developing LMDs. If this becomes a continuing trend and provincial LMDs prove to be relevant and implementable in the Vietnamese system, this could eventually affect millions of women and men. There are, therefore, some signs that systemic change may be taking place.

Finally, the success of a change is often not sufficient guarantee it will be copied and so reach scale. Reaching scale often needs to be facilitated. The project therefore needs to develop scaling up strategies and to plan for facilitation, and the ILO and stakeholders have to agree on who is going to do (and pay for) what. It is not too late to still do this.

## Relevance

The project was and remains highly relevant to Quang Nam province and is fully in line with the priorities and plans of the Government, the UN and the ILO. This is true with regard to what turned out to be the project's main goal, i.e. reducing underemployment and poverty in rural areas, as well as some of the specific interventions, i.e. development of the rattan and vegetables sectors, development of the poorest districts and a focus on women and ethnic minorities, and increasing not just work but also the quality of work. Given in addition that social dialogue is central to the project's approach, it proves to be well-rooted in International Labour Standards and ILO values.

## Recommendations & Lessons Learned

For the remaining project period we recommend the following:

1. The project (ILO and the stakeholders) should continue implementation of the current action plans.
2. The project should plan for next year, whether or not an extension will be approved. Even without a project stakeholders should follow through on planned activities.
3. The project should develop a sustainability plan that identifies innovations that should be sustainable and that plans how, by whom, with which funds and when this should be achieved.
4. The project should develop a scaling up strategy that makes explicit how scale will be achieved, by whom, with which funds and when.
5. The project should immediately make plans to assess the impact of its core interventions. Cases should be written up not to "promote" these interventions but *to facilitate learning* and to enable stakeholders (including target beneficiaries) to take informed decisions on replication. "Promotion" should await the results of impact assessments.
6. Conferences and guidelines are not a priority at this stage. They should be postponed as much as possible.
7. Stakeholders should avoid the high turnover in staff assigned to coordinate and collaborate with the project.
8. DoLISA should assign a full-time secretariat immediately.
9. The ILO office and stakeholders should take action to work towards harmonization of procedures. At a minimum, any paperwork that is not mandatory should be eliminated and

ways should be sought to allow for more flexible and longer-duration contractual arrangements.

To allow the project and stakeholders more time to implement these recommendations, we recommend:

10. The One UN Fund, the ILO and the government should extend the project by one year, with additional funding. If this is not possible, the project should be extended as long as the current budget allows.

We have the following technical recommendations for the ILO, for future projects and exercises initiated by ILO on local economic development.

11. It should review the value chain development methodology used in Quang Nam, which has participation, local ownership and an action orientation as main strengths, but needs to be augmented to result in a more thorough analysis of market systems, to result in identification of underlying causes of underperformance and identification of more systemic interventions.
12. It should continue its promotion of the Donor Committee for Enterprise's standard for result measurement, and ensure that logframes are compatible to the use of results chains, so that they do not become competing approaches to M&E and impact assessment. Measurement based on results chains should provide the information required for logframe indicators.
13. It should review logframe formats given that they apparently require or allow large numbers of outputs and often not very meaningful indicators. This is not useful and an unnecessary burden on projects, stakeholders included.
14. It should ensure that LED and similar projects are formulated in a manner that allows full flexibility to reflect the results of the participatory assessments that will be part of the project.

### **Lessons that could be learnt**

The project document was well-researched, took into account stakeholders' priorities, and has a number of strengths. However, this final evaluation indicates that LED projects should not have a duration of 2 years only (a lesson we thought had been learnt some time ago) and should be flexible in design – i.e. should avoid many pre-determined outputs, activities and methodologies (this includes CB-TREE) that are not based on analysis the project is expected to conduct, and large numbers of indicators that do little to demonstrate how project interventions lead to impact.

LED will not happen without the private sector. LED projects should, in design and in implementation, foresee a much more prominent role for the private sector than was the case here. We recognize this was not due to a lack of effort or strategy on the part of the project. However, while the Vietnamese context (one of the contributing factors) is one in which the Government is the dominant force, the project's own (and others') experience indicates that this is a matter of degree, not principle: Collaboration with the private sector is possible.

In addition to time, demonstrating an LED model requires thorough impact assessments based on results chains that allow plausible attribution of impact to the project's interventions. If stakeholders are not in favour of such an approach, they may need to be overridden on technical grounds.

Focusing an LED project on youth has proven to be difficult. Young men and women are more attracted by jobs in industry and the service sector in cities. Rapid growth there is taking place also without LED projects, which aim to facilitate inclusive development in more disadvantaged areas.

## **1. Introduction – purpose, scope en clients of the evaluation**

The objectives of this independent final evaluation of the ‘the project ‘Youth Employment through Local Economic Development in Quang Nam Province’ were to:

1. Determine whether the project achieved the stated objectives
2. Determine what steps have been taken for the sustainability of key components of the project beyond the project’s life
3. Determine what the potential is for using the project interventions as demonstration models
4. Document lessons learned and present recommendations for future projects and exercises initiated by ILO on local economic development.

Within this framework the evaluation team (ET), made up of two independent consultants, Roel Hakemulder and Pham Quang Trung, was asked to answer a number of specific questions under the headings of project design, effectiveness, efficiency, relevance, impact, scale and sustainability (see Annex 1).

The principal clients of the evaluation are ILO project management, project stakeholders in Quang Nam and at the national level, ILO Hanoi and Bangkok, ILO technical units (Employment Sector), the ILO’s technical cooperation and evaluation departments, and the project donor. The Evaluation Manager was Merten Sievers, from the Job Creation and Enterprise Development Department at ILO Headquarters.

The evaluation took into account all interventions, geographical coverage, and the entire project period (May 2010 up to August 2011).

This report is largely structured according to the TOR. We start with a brief description of the evaluation methodology, followed by an assessment of the project design, which considers monitoring and evaluation as well. Project progress and effectiveness is reviewed in Chapter 4, followed in Chapter 5 by consideration of the project’s impact orientation and in Chapter 6 by a review of the likely sustainability of the achievements. In Chapter 7 we review the scale of outreach and impact. Chapter 8 looks at efficiency (including management) and Chapter 9 at the project’s relevance and fit with various development frameworks. Conclusions, recommendations and lessons that could be learnt complete the report.

## **2. Evaluation methodology**

On the basis of the TOR we prepared an Evaluation Matrix indicating how we expected to obtain the required information (Annex 2) and a standard list of questions for different groups of stakeholders. We reviewed the reports and documents listed in the TOR, as well as further documents provided by the project.

Prior to the fieldwork we had a discussion over skype with the technical backstop in the ILO’s sub-regional team in Bangkok. In Quang Nam we interviewed and had discussions with the full range of stakeholders, at the provincial, district and finally the national level. This included target beneficiaries, which allowed us to gather some anecdotal information on impact. Where we were confronted with large groups of members of various organizations we resorted to card exercises on “the biggest surprise”, “the 2 greatest achievements” and “two greatest weaknesses” of the project to ensure all had the opportunity to contribute and to get the discussion going. This worked well.

At the end of the assignment we briefed the key stakeholders on our main preliminary findings and obtained their feedback. We have taken this into account while drafting this report, though in some

cases it has not changed our conclusions. Meetings in Hanoi combined further information gathering with debriefing on the most relevant points. Our full schedule is attached (Annex 3).

The evaluation followed UN evaluation norms, standards and ethics.

We much appreciate the inputs of the project stakeholders, and in particular the project team, which has been very forthcoming with information, and open to all questions and suggestions.

### 3. Project design

In this chapter we will briefly review the project design, including the logframe, and consider whether it was appropriate for achieving the planned results. We will also consider the project's M&E framework.

#### 3.1 Design

The project aims to address the problem of unemployment, youth unemployment specifically, in Quang Nam province in Central Vietnam. The project document quotes a population figure for the province of 1.5 million (2008) and a per capita annual income of US\$ 700, significantly below the then national average of US\$ 1,024. Three of the province's districts are among the 61 poorest in the country that receive special Government support. The economy is largely agriculture-based (65% of output).

The problem analysis in the project document states that 45% of the unemployed are youth, the majority being women. Lack of access to education and training in rural areas, a mismatch between what training there is and skills required by the private sector, a lack of basic labour market "navigation skills", lack of information on and access to training and credit for self-employment and legal rights, and inadequate coordination between relevant ministries and between the national and the local level are seen as the main causes of this situation. Other specific constraints the project document identifies are underperformance of some of the key value chains in Quang Nam and limited capacity of government agencies, business associations and mass organizations to design and implement policies and programmes for job creation for youth.

In this context, the project's **development objective** is to:

"Improve the employability of and employment opportunities especially for young women and men by upgrading vocational and entrepreneurial skills and improving job opportunities in Quang Nam through enhanced business enabling environment, business development services and overall market access".

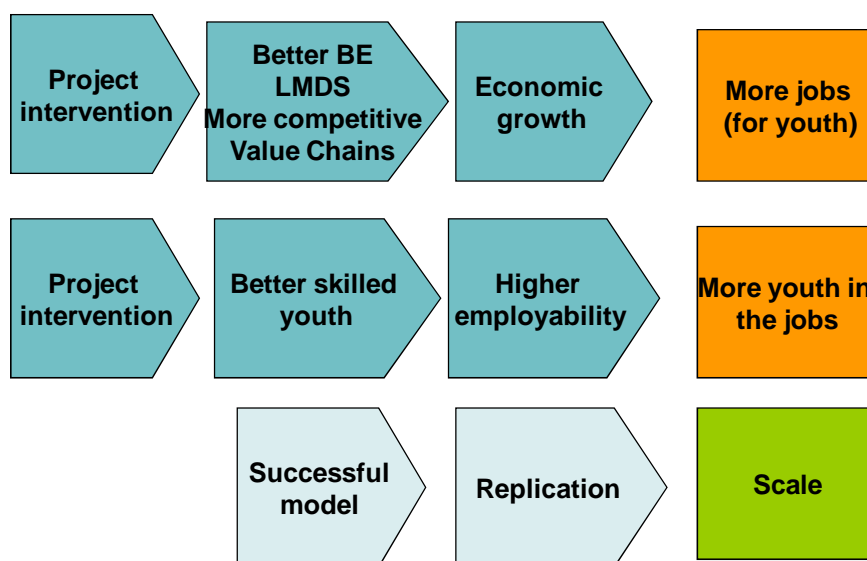
This is expected to be achieved through the following immediate objectives:

- **Immediate Objective 1:** The pro-employment business framework conditions in the province is improved, thus strengthening existing and new businesses in identified growth areas, improving the local economic conditions and creating local opportunities for job creation and poverty reduction.
- **Immediate Objective 2:** Employability and employment of vulnerable rural youth, especially those in the selected districts and value chains, are improved through upgraded vocational and entrepreneurial skills to respond to the demands of current and new business opportunities.
- **Immediate Objective 3:** By using the value chain approach, the market access of selected products in selected districts of the province is improved by strengthening relevant market players, improving product value added, competitiveness and brand, strengthening the linkage with national and international market.

Apart from youth generally, final beneficiaries were expected to include people from ethnic minorities. The logframe included targets for their as well as women's inclusion.

The design is based on two implicit results chains (or impact logics), as presented in the diagram below. Project interventions with regard to the business environment and the two value chains (Objectives 1 and 3) were to lead to local economic growth which would create jobs, especially for young people. On the other hand, training interventions (Objective 2) would lead to greater employability of young people, so that they could make use of the new job opportunities.

**Diagram 1 – Project concept**



In addition, the project document states that: “The project aims to produce a demonstration model on youth employment through local economic development. The project concept, if successfully implemented, will be further developed and replicated in neighboring provinces or elsewhere in Vietnam.” In this way, scale was expected to be achieved beyond the lifespan of the project. The further development and replication was not expected to be achieved by the project, but the demonstration of the model was.

This design was based on a thorough assessment of the situation in Quang Nam, to which stakeholders, including the Ministry of Labour, Invalids and Social Affairs (MoLISA), contributed. It has considerable strengths:

- It addresses the demand and supply sides of the labour market, economic development creating demand, training supply.
- It is based on what is known about local economic development and the improvement of local market systems. In other words, the causal chains implicit in the design are plausible.

Given these strengths, the project could have had a good chance to achieve the goal of demonstrating an “LED for youth employment” model.

However, the design has significant weaknesses too, which militated against this:

- The expected duration was two years, far too short to show results in terms of jobs, employability and incomes in any LED project, or even to complete interventions. All the interventions foreseen take significant time to plan and implement, and especially improvements in the business environment and in value chain development may take years to show results.

- The document implicitly foresees a double role for the project – it is a facilitator of LED, bringing stakeholders, including the private sector, together to contribute more effectively to local economic development, while it also foresees the project will contract stakeholders to carry out activities and deliver services. This is confusing.
- The value chains selected in the project document, rattan and vegetables, are unlikely to attract youth, who, stakeholders confirm, prefer service sectors, manufacturing jobs in large enterprises, work in urban areas.
- The project document states that “a recent study conducted by Quang Nam Youth Union shows that the rate of youth who do not have jobs or have unstable jobs is alarmingly high at 76.4%”. However, actual youth unemployment may be as low as 3.6 %, with youth underemployment at 27.2%.
- Wages for unskilled and semi-skilled labour are quite high in the province, at some 100,000 dong (US\$ 4.80) per day, significantly more than what can be made in the rattan and vegetables sectors. This reduces incentives to engage in or improve these sectors.

This is not to say that there is no rationale for the project. The poverty rate for the province remains high at around 20%, nearly double the rate of Vietnam as a whole, with incomes particularly low in rural areas and among ethnic minorities. Rural underemployment is said to be high in the off-season. Also, one of the reasons for youth unemployment being low is the high migration from rural areas to the cities, Da Nang (just outside the province) in particular. Development of Quang Nam’s economy could in the long run create the kind of jobs that young people seem to be attracted to, which would reduce this migration. However, it is of course not realistic to expect such development to happen within the lifespan of a two-year, rather small project. “Demonstrating a model” is therefore not a plausible objective.

Demonstrating a model was not helped by the logframe either. Weaknesses include:

- The objectives are composite, basically stating entire causal chains within one rather than between objectives (e.g. the development objective which states the goal is A and B, to be achieved through C and D, to be achieved through E and F, especially for G), and the development objective does no more than restating the immediate objectives. This confuses issues of assessment.
- It includes no less than 20 outputs and 76 indicators (in total). Many of the indicators replicate the activities or outputs, and some are clearly at the wrong level, e.g. “100 of people to be trained are from the two poorest districts” as an indicator for Objective 3; 3 business linkage events also for this objective as well as for Output 3.3; jobs created, which should be at goal level, for this output as well. Overall, many of the immediate objective indicators should have been at the goal, output or activity level. Few of the indicators are helpful for demonstrating how project interventions will lead to more work and income, that is, it would be difficult to arrange them along a causal chain.

A further weakness of the logical framework is that it specifies the types of interventions expected in the two selected value chains in quite some detail, e.g. skills training, branding, innovative product design, and many more. This should have been left to the project, once the analysis had been conducted and constraints identified. The project had in effect to force-fit the interventions into this pre-determined structure. In addition, the training interventions for the value chains were separated out under an objective of their own. Presumably this was to be able to allocate responsibility for this objective to the Department of Labour, Invalids and Social Affairs (DoLISA), but technically it made no sense and the project soon came to consider Objectives 2 and 3 inseparable.

This is one of the reasons for the change in the project’s geographical coverage. As designed, the project activities were to be “mostly” implemented in Nui Than, Duy Xuyen, and Thang Binh. Value chain development would in addition cover two of the poorest districts of the province (and the country), Nam Tra My and Phuoc Son. The districts were selected by the provincial government.

However, in the first place Nam Tra My declined to participate. Secondly, having a district participate in value chain development without training proved impracticable, of course. Correctly, the project therefore fully included Phuoc Son.

Finally we should note the Project Management Board (PMB) approved some adjustments in the indicators which reflected this change (e.g. by reducing the target for outreach to ethnic minorities, who are concentrated in the poorest districts) as well as some of the other changed assumptions (e.g. reducing targets for outreach to youth). This was appropriate, though a thorough revision of the entire logframe would have been preferable. The project has discussed this with the ILO office but this did not move forward due to the lengthy procedure that would have been required.

### **3.2 Monitoring and evaluation**

The project developed an M&E concept with two components. One ensured the collection and availability of data related to the indicators in the logframe. Since these are to a large extent activity based and also concern the shares of specific groups (women, ethnic minorities, etc.) among target beneficiaries reached, this component is useful for assessing project progress, although far fewer indicators would have sufficed. The other was based on some of the principles of the standard of the Donor Committee for Enterprise Development (DCED)<sup>6</sup>. Results chains were developed that articulate how project interventions will eventually lead to results at different levels.

As the project rightly expected that interventions to improve the business environment improvements would have no measurable impact in the project period, results chains for Objective 1 were developed only up to output level, for each of the interventions. For the work on the two value chains, results chains did go until the level of impact on enterprises (e.g. higher sales and profits). These chains were developed not for each intervention, but for the collective interventions in each value chain. Skills training was, correctly, considered as part of the work on value chains and therefore no separate results chains were developed for Objective 2. Some collection of primary data at the final target group level was foreseen, which would have enabled the project to demonstrate how its interventions led to changes in practices, and so higher productivity, and so higher profits.

The ET found the concept well designed and realistic in its expectations from partners and the ILO. Although it was not ideal, it recognized limitations in terms of project duration and resources. A weakness was that the two components of the proposed approach were hardly related, but this was due to flaws in the logframe and the indicators it included. The results chains indicators were therefore in addition to those in the logframe rather than both frameworks sharing key indicators, as is normal practice.

The concept was presented to the stakeholders, who felt that the results chains approach was too complex and demanding, especially since logframe indicators had to be reported on in any case. The ILO office also advised the project to focus on the logframe indicators. Unfortunately, the approach was therefore dropped, and the project has been monitoring progress based on the 76 logframe indicators.

This has put the project in the position that, while it is expected to be a demonstration project, and specific interventions which would need to be replicated to reach scale are also considered as demonstration models, it is currently not in a position to provide evidence that it has, or is likely to have, an impact on work and incomes (by which we do not mean to say it would be impossible to do so in future!). The stakeholders implicitly recognize this weakness, when they express uncertainty about the project's result so far. With the current M&E system we are unlikely to ever know for sure.

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<sup>6</sup> See <http://enterprise-development.org/page/measuring-and-reporting-results>

While the logframe does have indicators that relate to the goal of employment and income<sup>7</sup> no plan is in place yet to collect information in a reliable manner. The project has also judged many of these indicators not applicable since they refer to people becoming employed after training while they were working already – few poor people in rural areas can afford not working at all. The absence of data for the results chains will also affect the learning the ILO and stakeholders can expect from the project. After all, before “demonstrating” that something was successful one needs to assess what the impact was, if any, and take measures to enhance it, if possible.

It is, however, not too late to change course and do some thorough, though small scale, impact assessments that will enable the project to go beyond anecdotal information, which in our view is completely insufficient. Baseline data that would allow before and after intervention comparisons are not available. Given time pressure and uncertainties about whether the project would be extended beyond December 2010, the project chose to focus on implementation once it could finally start. This should, however, not have precluded small assessments among the target groups of specific interventions, e.g. the weaver groups. In the present situation, we suggest comparisons with enterprises/producers that have not been part of project activities would be useful. Numbers of businesses, households or people covered would of course depend on the population size, and the project should obtain specialist advice on this as well as on other aspects of the methodology. However, given a group of for instance 30 weavers, interviewing half would probably provide significant results. The assessments should be based on the results chains already developed, amended to reflect the interventions that were actually carried out.

The project was able to provide us with an updated monitoring table based on the logframe, and to the extent we could assess, data are collected regularly. That is, partners send reports to the ILO as activities are completed, or provide information on progress when requested. This appears to be working well. Progress reports based on the logframe have also been considered at PMB meetings and overall the M&E framework’s function of tracking progress of activities and towards outputs has been fulfilled. It is the purpose of assessing whether the interventions were the right ones given the project’s goal, and learning from such assessments, that has not been served. That stakeholders, through a participatory process, decided on certain interventions does not, obviously, automatically make them the most effective.

***In conclusion***, although in principle the project concept was plausible, the project design suffered from significant weaknesses that meant that demonstrating that LED for youth employment works was an unrealistic expectation. The short project duration and selecting value chains that do not attract youth are perhaps the most important of these. The project’s logframe suffered from many inconsistencies and other weaknesses, but the M&E system that was based on it was useful for monitoring progress of project activities. Neither the logframe nor the M&E system as it was eventually adopted were conducive to demonstrating that and how the project contributes to more work and better incomes.

## **4. Project achievements, effectiveness**

In this chapter we will review project achievements, on the basis of which we can assess its effectiveness, including the quality of the outputs. We will also consider stakeholder participation, and gender mainstreaming and effects. First, though, we will look at factors that have affected project progress, since this is essential to understanding why the project is where it is.

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<sup>7</sup> While income is actually not mentioned in the development or immediate objectives, it is referred to in some of the indicators.

## 4.1 Factors that impeded project progress

In Chapter 3 we have already argued that the planned 2-year project duration was unrealistic. It cannot be expected that the project will “strengthen ... businesses.... ,(improve) local economic conditions and (create) local opportunities for job creation and poverty reduction” through improving the business environment, in just two years. Improving the competitiveness of two value chains in this period is just as improbable. It should therefore not be surprising that 4 months before project end we cannot report this has been achieved.

However, in addition to issues that flow from the design of the project, it has had to cope with a number of important implementation constraints:

- The official date at which funding became available was January 2009 (the start of a One UN funding biennium), but the project document was finalized only in spring of that year, and due to a lengthy approval procedure full implementation started in May 2010 only. The project then proceeded on the basis of the expectation that it would finish in December, until an extension was approved in October. Transfers of funds from the One UN Fund were delayed several times (the project is currently awaiting one). The PMB approved the project workplan for 2011 in April only. In other words, the actual implementation period was not even 1 and a half years, the project had to cope with a number of uncertainties and was often not in a position to make commitments.
- Project planning periods did not coincide with the government’s and interventions were agreed on too late to be included in the 2011 government budgets. This limited the government funds the project was able to leverage (as expected in the project document), though some funds could nevertheless be accessed.
- The mixed facilitation/direct support function of the project raised funding expectations among partners that could not be met.
- The large number of partners, especially in government and among mass organizations, while appropriate for an LED project, required much time and effort to sort out mandates and then ensure effective coordination (e.g. as DoIT was mentioned in the project document as being responsible for the value chain work, it took time for DARD to take on the vegetable value chain work; because DPI was supposed to be responsible for the entrepreneurship campaign it was difficult to involve the Youth Union).
- Slow government as well as ILO procedures resulted in a heavy administrative burden and caused significant delays (e.g. district action plans had to be approved by DPCs, and then by departments and the PC at the provincial level).
- Government and ILO financial procedures did not match (e.g. the ILO’s requirement to have exact budgets and lists of participants including travel and per diem requirements for training events), resulting in frustrations on both sides.
- DoLISA did not, as stipulated by the project document, assign a full-time secretariat. This meant the ILO had to do much of the organizational work that would otherwise have been done by the secretariat.

It is fair to conclude that neither the design nor some of the conditions under which the project operated were particularly conducive to it achieving what it set out to.

## 4.2 Project achievements

Given these constraints the ET finds that the project has done well. The project’s M&E system and the ET’s findings indicate that some 2/3 of the logframe targets for the indicators have been achieved, some well above their target. Most of the others are likely to be achieved before project completion as indicated in Table 1, which provides the assessment for each of the indicators.

**Table 1 – Achievements against indicator targets**

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Immediate Objective 1 - The pro-employment business framework conditions in the province is improved, thus strengthening existing and new businesses in identified growth areas, improving the local economic conditions and creating local opportunities for job creation and poverty reduction.	A minimum of 5 public private dialogue events are implemented in an interactive and effective manner in the lifetime of the project.	0	4	10	Achieved, above target.
	At least 30% of commitments made by the local authorities at PPD event are implemented.	0	n/a	47%	Achieved, above target.
	Computerized household business registration service available in LED target districts	0	0	1	Not achieved, but likely to be achieved before project end.
	Registered enterprises in the target districts increased by at least 20% after the project ends.	880 (239 in Duy Xuyen, 193 in Thang Binh and 448 in Nui Thanh)	no data	no data	Data collection planned, but given the short time frame a 20% increase in registration is unlikely.
Output 1.1 - Business registration at district level (registration of semi-formal household business) is computerized and the entrepreneurship, awareness about the benefit of formalizing business and business creation is improved at all districts.	At least 2 information campaigns are conducted via local mass media which target the districts.	0	0	0	Not achieved, but planned. Likely to be achieved, but campaigns are very limited in scope.
	3 districts will provide guidance and technical support to entrepreneurs when they come to register their business.	0	0	0	Not achieved. This is being started in one District and is likely to be operational there before project end. While the computerised system is likely to be available in the other 3 too, the provision of guidance and technical support is doubtful given the timeframe.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 1.2 - Specific action plans to improve the entrepreneurship, encourage business formation and formalization and encourage young people, especially young women, choosing to start businesses as a career option are formulated and implemented.	3 action plans is formulated and agreed upon by 3 districts.	0	4	4	Achieved, above target.
	At least 1 consultation workshop per district is organized on each of the plan.	0	4	8	Achieved, above target.
	At least 50% of the participants joining the planning process are from the business and private sector.	0	50%	50%	Achieved.
	The action plan is approved by the district People's Committee.	0	Done	Done	Achieved.
	At least 30% of the actions included in the plan are implemented satisfactorily by local stakeholders within the project timeframe.	0	no data	47%	Achieved, above target.
Output 1.3 - Provincial business associations are capable of running effective and interactive public and private dialogues with local authorities, especially on issues related to the selected value chains, accessibility to micro credit, labour issues, and issues related to the broader business environment	A minimum of 5 public private dialogue events are implemented in an interactive and effective manner in the lifetime of the project.	1	4	9	Achieved, above target.
	The final public and private dialogue forum is fully implemented by a business association without project support.	0	0	0	Not achieved. While the Forum (a conference basically) is planned it is unlikely a business association will organise it without project support.
	The main questions and answers, commitments made during PPDs are posted on the province's key business information gateways and websites.	0	0	0	Not achieved.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 1.4 - Inter-agency coordination on linking vocational, entrepreneurial skill training with job creation and local economic development is improved through the effective functioning of the Project Management Board.	The PMB is set up has its first meeting within 1 month after the Project officially starts.	0	Done	4 more meetings	Achieved, above target.
	The project management board has meet at least four times after the end of the project with at least 90% the members of the board are present at each meeting.	No	n/a	n/a	This indicator makes no sense since the project document does not foresee the project management board will continue to meet after project end.
Output 1.5 - District authorities proactively contribute to provincial public and private dialogue to improve the business environment and carry out dialogue with the business community at the district.	A minimum of 01 PPD forum per districts is implemented per year.	No	4	9	Achieved, above target.
	Results all district PPD fora are fed into the provincial PPD.	No	0	0	Planned and likely to be achieved.
Output 1.6 - Pro-Employment Business Environment Guideline/ Paper is developed and shared with different provinces, ministries, business associations, mass media and other donor projects.	A regional workshop to share the guideline is organized, attended at least 100 participants from 30 different relevant organizations.	0	0	0	The project is planning to have one workshop/forum/ conference to share guidelines and lessons from all three components. Likely to be achieved.
	At least 3 articles on best practices on pro-employment business environment are written and published on relevant magazines and newspapers.	0	0	3	Achieved.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Immediate Objective 2 - Employability and employment of vulnerable rural youth, especially those in the selected districts and value chains, are improved though upgraded vocational and entrepreneurial skills to respond to the demands of current and new business opportunities.	A minimum of 20% of the people trained will be employed on a full time basis by enterprises in the value chain until the end of the project.	0	no data	no data	People trained in value chain relevant training were all employed already. There are no data on whether they have moved from part to full-time employment.
	At least another 35% of the people trained will increase their working time and thus income by participating more actively in the two value chains either as farmers, raw material collectors, small traders, sub-contractors...	0	no data	no data	The evaluation team found anecdotal evidence that rattan weavers and vegetable growers have increased their incomes. An impact assessment is required to be able to say more than this.
	At least 5% of those receiving SIYB training start their own business and sustain it at least after the end of the Project.	0	8%	no data	Data collection is planned. The target is likely to be achieved by the end of the project.
	A minimum of 70% of the people who become full-time, part time employed or self-employed after receiving the training by the project are young men and women.	0	no data	no data	The indicators assumed that people trained were unemployed but this was not the case. The project therefore did not collect information for these indicators.
	A minimum of 70% of the people who become full-time, part time employed or self-employed after receiving the training by the project are women.	0	no data	no data	

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Im. Obj. 2	At least 40% of people trained are women	0	66%	32%	Below target.
	At least 5% of people trained are of ethnic minorities.	0	16%	12%	Achieved, above target.
Output 2.1 - The Rapid Training Need Assessment on vocational and entrepreneurial skills in support of the development of the two value chain in 3 target districts and for farmers, collectors and small trader in Nam Tra My and Phuoc Son is carried out in a participatory approach and in close consultation with the analysis of the two value chains.	TNAs for each of the 2 VCs are prepared which provide actual, practical and addressable training needs to the project within 2.5 months after the project officially starts.	0	Done.	n/a	Achieved.
	70% of people involved in the TNA are from the districts.	0	80%	n/a	Achieved, above target.
	At least 30% of the people involved in the TNA are young men and women.	0	25%	n/a	Below target.
	At least 40% of the people involved in the workshops are females.	0	25%	n/a	Below target.
Output 2.2 - The demand-based vocational and entrepreneurial training plans in support of the development of the two value chain in 3 target districts and training for farmers, raw material collectors and small traders in Nam Tra My and Phuoc Son are developed in a participatory approach and in close consultation with the development plans of the two value chains.	2 training plans for the two value chains are developed and agreed upon by the Project Management Board within 3.5 months after the project officially starts.	0	2	n/a	Achieved.
	1 consultation workshops on the plans are carried out at each of the three districts before they are approved.	0	1	n/a	Achieved.
	40% of stakeholders participating in the planning (interviews, consultation workshops) are from private sector.	0	50%	n/a	Achieved, above target.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 2.3 - The demand-based vocational and entrepreneurial training plans in support of the development of the two value chain in 3 target districts and training for farmers, collectors and small trader in Nam Tra My and Phuoc Son are effectively implemented to support the development of the two value chains.	80% of the activities in the training plan are implemented until the closure of the project.	0	65%	80%	Some still to be completed, likely to be achieved before project end.
	A minimum of 700 people in the three target districts and in the two poorer districts will be trained on the disciplines and skills which are needed by the enterprises and other players of the value chains.	0	557	1185	Achieved, above target.
	5% of the people trained are living and operating in in Nam Tra My and Phuoc Son (farmers, material suppliers and small trader...).	0	11%	9%	Achieved, above target.
	At least 40% of people trained are women.	0	27%	34%	Below target.
	At least 5% of people who are trained are of ethnic minorities.	0	13%	8%	Achieved, above target.
	At least 40% of people trained are young men and women.	0	52%	51%	Achieved, above target.
	At least 3 large enterprises/ cooperatives for rattan value chain participate actively in implementing the plan .	0	7	10	Achieved, but there is insufficient involvement of lead companies.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 2.4 - Institutional capacity, service quality and diversity of vocational training institutions, business associations, private service provider, social organizations in delivering training services needed for the development of the two value chains are improved.	At least 5 service providers per value chain (vocational training school, agriculture extension centre or industrial promotion centre, social organizations like WU, Farmer Union) are capable of offering training courses on disciplines most needed by the value chains until the end of the project.	0	7	10	Business Association, Industrial Promotion Centre, DARD extension offices, nodal companies (esp. Au Co and Nam Phuoc) (including embedded service). This is achieved but there is double counting with Output 3.6 and some (e.g. SYB) are not functioning in practice.
	45% of staffs of Women Union, Farmer Union, Youth Union in target districts have acquired basic skills and knowledge on using CB-Tree approach in training for farmers, small traders in support of the two value chains.	0	0	50%	Achieved, above target.
	Staff of Women Union participate actively in project activities	0	limited	limited	Not achieved. Women Union staff were occupied with the ILO WEDGE project and the project assumed this replaced its own activities.
Output 2.5 - Comprehensive five – year provincial labour market development strategy is available.	At least 2 PPD/ consultation workshops on the labor market strategy are carried out to consult the public on the strategy.	0	2	4	Achieved, above target.
	The labour market strategy is submitted to the People's Committee.	0	n/a	1	Achieved.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 2.6 - Approach towards Youth Employment through Demand Based Vocational and Entrepreneurial Training is documented, handed over and shared with other provinces, ministries and donor agencies.	The documentation on the approach is available and shared.	0	n/a	No	Documentation is not yet available in sharable form. Producing it is planned but given the little available time quality may be a problem.
	A regional workshop is implemented targeting at least 100 participants.	0	n/a	No	This is planned and likely to be achieved.
	At least three articles being written on either provincial or national newspaper.	0	n/a	5	Achieved, above target.
Immediate Objective 3 - By using the value chain approach, the market access of selected products in selected districts of the province is improved by strengthening relevant market players, improving product value added, competitiveness and brand, strengthening the linkage with national and international market.	A minimum of 3 business linkage events has been organized or each value chain per year of project implementation.	0	1	2	Achieved
	Number of people involved in rattan plantation and nursery increased by 10% as compared with baseline year.	250	no data	no data	Data collection is planned. Given training conducted by the project this target is likely to be achieved.
	A minimum of 50 of people to be trained (out of at least 700 altogether under the Project) are from the two poorest district, Phuoc Son.	0	110	162	Achieved, above target.
Output 3.1 - Rapid participatory analyses of the selected value chains are available.	Two quick analyses of the selected value chains are available within 2.5 months after the project officially starts.	0	2	2	Achieved.
	At least 2 champions (enterprise, cooperative...) per value chain for the development of the value chain are identified.	0	5	7	Achieved, above target.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
3.1	At least 20% of key informants involved in the analysis are from commune level.	0	30%	n/a	Achieved, above target.
	At least 30% of key informants involved in the analysis are from district level.	0	75%	n/a	Achieved, above target.
	At least 65% of the key informants involved in the analysis are from the business and private sector.	0	75%	n/a	Achieved, above target.
	At least 30% of key informants are women	0	40%	n/a	Achieved, above target.
	For each of the selected value chain, a value chain map is developed in a participatory way and continuously upgraded through the analysis process.	No	Done	n/a	Achieved.
	Initial ideas for the value chain development plans are produced as part of the value chain analysis.	No	Done	n/a	Achieved.
Output 3.2 - The development plans for the two value chain are formulated and agreed with all relevant agencies.	Action plans for the development of the two value chain are formulated and accepted by the Project Management Board within 3.5 months after the project officially starts.	No	Done	n/a	Achieved.
	At least 1 PPD workshop per value chain is implemented to consult different stakeholders on the development plans.	No	Done	Done	Achieved.
	The action plans for the development of the two value chains include a gender specification (women's position within the chains).	No	No	No	Not achieved. Action plans are not gender specific.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 3.3 - The development plans for the two value chains are implemented in parallel with the vocational and entrepreneurial training plans.	At least 80% of the actions in the two value chains action plans are implemented by the end of the Project.	0	75%	80%	Activities are still ongoing. The target is likely to be achieved.
	Number of new jobs created by the value chain.	0	no data	no data	Only a proper impact assessment will show how many "new" jobs were created, or how much more work was created for those already in the value chain.
	At least 5 concrete actions to promote compliance in CSR, work condition, environment..	0	3	5	Achieved. The project has supported actions for better OSH (two), environmentally correct harvesting, rattan plantations, and better conditions for home workers.
Output 3.4 - The business linkage and partnership between the different players (farmers, enterprise, craftsmen, producers, traders, transporters, local microfinance institutions...) of the selected value chain is strengthened.	A minimum of 3 business linkage events has been organized or each value chain per year of project implementation.	0	1	2	Largely achieved.
	Active participation of the value chain stakeholders in at least 1 trade fairs.	0	2	3	Achieved.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
Output 3.5 - Business and economic partnership between key players in the value chains (a larger enterprise, cooperative or a collective group in the value chain) in the selected district with farmers, small traders or collective group in Nam Tra My and Phuoc Son (two poorer districts) is established.	Number of people involved in rattan plantation and nursery increased by 10%	250	no data	no data	See immediate objective.
	A minimum of 50 of people to be trained (out of at least 700 altogether under the Project) are from the two poorest districts in community based training.	0	110	162	Achieved, above target.
Output 3.6 - The BDS providers which are critical to the development of the selected value chain (brand development, trademark, product quality, product design, transport, etc.) are strengthened in terms of service quality and diversity.	A minimum of 7 local BDS providers (transportation, embedded services, training, extension service...) which are critically needed for the two value chains are identified and strengthened in terms of quality and quantity.	0	2	over 20	Capacity was built, and formally this target was achieved. However, there is overlap with output 2.4, and not all services are functioning.
Output 3.7 - Models/ good practice for value chain development in the targeted district is developed, documented, handed over and shared with other districts in the province or with other provinces.	The documentation on good practices/ good model on value chain development is finalized.	0	n/a	No	Planned, but time constraints may affect quality.
	A regional workshop is organized targeting 100 participants.	0	n/a	No	Planned and likely to be achieved (one conference for all components)
	At least 3 articles on provincial or national newspaper being written.	0	2	5	Achieved, above target.

Log frame level	Indicator	Baseline mid- 2010	End-2010	Aug-11	Assessment
3.7	The model is integrated in the official report of the line departments.	0	n/a	No	The meaning of this indicator is unclear. If it is that departments will report on what they did under the project, this is likely to be achieved.

It should be noted, though, that little can be said with regard to the targets for jobs and incomes, and that the indicators are more useful for tracking the progress of activities. We will here therefore briefly consider what we believe are the project's main achievements and what still needs to be done in the little remaining time, or "issues". We will consider whether progress has been made towards the objectives in Chapter 5, on impact.

Objective 1 can be summarized as "**a pro-employment business environment**". The strategy for this objective rests on:

- Public private dialogues (PPDs) at provincial and district level that would result in action plans for improving the business environment. Electronic registration of household businesses and an information campaign to encourage them to register was an action already foreseen in the project document.
- Strengthening business associations' capacity to hold PPDs.
- Better coordination among stakeholders through the Project Management Board.

*Main achievements:*

- The project has supported the province to organize a successful PPD on improving its Provincial Competitiveness Index ranking. An action plan was developed, and most actions are under implementation by various departments, some with project support. This includes the revival of a Business Portal with business information, which had earlier been developed by a GTZ project. At the district level PPDs were successfully organized as well. The project provided the format for the events and supported small surveys that helped identify issues to be discussed. The district PPDs resulted in action plans for concrete assistance to enterprises, such as the district providing access to electricity and building an access road. The plans were approved by the District People's Committees (DPCs). PPDs have been replicated by the Provincial People's Committee, one district, and one of the business associations, which indicates they fulfill a useful function. This is an important achievement, especially at the district level where many of the enterprises' concrete problems need to be solved.
- The project has introduced software that will facilitate registration and information sharing between authorities and trained Department of Planning and Investment staff to use it. Installation has been completed in one district. The software license allows it to be installed in all the districts of the province, so outreach could be greater than planned. An

information campaign to promote entrepreneurship and raise awareness of the benefits of formalization has been conceptualized.

- The project has provided assistance to strengthen the Rattan Business Association, the Youth Business Association and is assisting the process of establishing the Quang Nam Business Association (which was part of the PCI action plan) that would lead to setting up an Employers' Council. This is supported by the VCCI.
- A PMB has been set up and functions well. The departments and organizations represented coordinate on the implementation of project and other actions plans. This is a significant achievement in the Vietnamese context.

### *Issues*

A lot still remains to be done to implement the action plans, especially at the provincial level. This includes an activity supported by the project, the Business and Investment Handbook. The campaign that has been planned is, in our opinion, too small and of too short a duration to be likely to have much impact. Social marketing (like commercial advertising) usually has better results when messages are repeated frequently over long periods of time<sup>8</sup>. Experience from a similar intervention in Sri Lanka also indicates that "the benefits of formalization" are easier for projects and governments to recognize than for small businesses<sup>9</sup>. Making registration easier is important, but generally not enough for small businesses to accept costs in terms of taxation and having to meet other requirements. The GTZ's work on streamlining registration and licensing in Vietnam implicitly took this as a starting point when it did not just introduce registration software but considered registration and licensing requirements as a whole and recommended changes that would lead to actual cost reductions for entrepreneurs<sup>10</sup>. Similarly, GTZ's work in the Philippines, for which impact on registration could be demonstrated, comprised a comprehensive analysis of the issues, including from the point of view of the small businesses. Procedures were not just streamlined, but some requirements were eliminated. In our view, for the LED project to have a significant impact on registration, it would have had to conduct a thorough analysis of the underlying causes of informality, and would have had to allocate more time and funds. The software to facilitate registration is also useful primarily for officials (although it also speeds up the process for enterprises), which does not mean it is unimportant, but it is not likely to encourage large numbers of enterprises to register.

The work with business associations is likely to strengthen their role, but associations are government controlled and cannot be considered genuine representatives of the private sector. This was confirmed by interviews with companies. This is the root cause of their ineffectiveness. We realize a two-year, relatively small project is not in a position to address this, but this needs to be taken into account when decisions have to be taken regarding this work. At a minimum, the project needs to ensure that the planned Quang Nam Business Association does not end up as a quasi-government institution. Strengthen the (advocacy) capacity of individual and group enterprises to contribute to PPD could have been considered as an alternative, or addition to, working with associations.

Although the PMB is a success, it is project bound and will not survive it. Whether better coordination will persist is uncertain.

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<sup>8</sup> See e.g. "What Is Social Marketing?" *Social-Marketing.com* / Weinreich Communications / Change for Good. . <http://www.social-marketing.com/Whatis.html>; "Social Marketing." *Social Marketing Institute: Advancing the Science and Practice of Social Marketing*. <http://www.social-marketing.org/sm.html>

<sup>9</sup> See Barlow, S., Kothalawala, J., Van Der Ree, K., *Final Evaluation of the Enter-Growth Project*, ILO, 2009

<sup>10</sup> Keppel, U., Le Duy Binh, Spatz, J. *Streamlining business registration and licensing procedures; Experiences from the Philippines and Vietnam*, GTZ, 2006; ADB, PRMC, GTZ *Business Licensing; Current Status and Ways Forward*, Hanoi: 2006

Overall, there is no evidence of women or their organizations having played a prominent role in the PPD and action plan development processes. While the project reports that the ILO's WEDGE project so much engaged the Women's Union that it was not possible to engage them, this is a typical instance where collaboration between projects would have been useful. The PPDs do not seem to have identified issues related to gender equality, and the action plans do not include gender specific interventions. As the PCI is not gender specific, this is not surprising. However, given the existence of an ILO study on Women Entrepreneurship Development in Vietnam, the project could have considered bringing some of its findings into the discussion, or empowering the Women's Union to do so<sup>11</sup>.

### *Overall assessment*

Good progress has been made but much remains to be done (by the stakeholders in the absence of a project), not so much in terms of what the outputs state (e.g. they mention an action plan but not their implementation) but in terms of actual improvements in the business environment. The insufficient consideration of gender issues in relation to the business environment is a weakness.

Objective 2 can be paraphrased as “**employability of rural youth improved**”. The strategy for this objective rests on:

- Improving existing or introducing new vocational and entrepreneurship training, institution-, community-, or enterprise-based, on the basis of a training needs assessment and action plan.
- Delivery of the training.
- A focus on the rattan and vegetable value chains.
- Development of a provincial labour market development strategy (LMDS).

### *Main achievements*

- A training needs assessment was conducted in conjunction with the analysis of the rattan and vegetables value chains, and an action plan developed. Stakeholders contributed to and participated in this process, and we found the result to be of good quality.
- Training services that were strengthened or introduced, or to which access was improved, included Start Your Business and Know About Business (at vocational training institutes, mass organizations), VietGAP training and advice for vegetable farmers (through extension agents and the National Agro-Forestry Fisheries Quality Assurance Centre in Da Nang), and improved technical and Occupational Safety and Health training for rattan weavers (through lead companies, business groups. In total 125 trainers were trained (see Annex 4 for a full account of training).
- Training was delivered, though this was not necessarily the newly developed or improved training (e.g. SYB was provided but not by the newly trained trainers), to in total 1,163 target beneficiaries. Training providers were provincial government partners, companies in the value chains and consultants or resource institutions from outside the province. Most of the training was in line with the TNA.
- An LMDS was developed by the stakeholders, with support from an ILO consultant. It has been approved by the PPC. This is a first in the country, the strategy is fully owned by the stakeholders, and this is an important achievement. Reportedly four other provinces are now developing an LMDS.

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<sup>11</sup> See [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_100456.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_100456.pdf)

### *Issues*

Some of the training (SYB in particular) was provided before a TNA had been done, using existing capacity, as a “quick win” activity. It would have been more useful to wait for the TNA results (which, perhaps predictably, did recommend this kind of training), train trainers first, and have them contribute to the training so that they could be fully certified. This is not the case now. In addition, neither SYB nor KAB training has focused on the value chains and synergy with that work has therefore been limited.

The training was funded by the project. Partners did not contribute (with some in kind exceptions) and trainees did not pay fees. We feel this may have affected the training’s effectiveness and it will not have contributed to sustainability. This may be the norm in Vietnam, but it is not good practice and adapting to the (bad) norm will not bring change.

Much of the continued delivery of training depends on public funding and capacity, which are limited. The number of training services developed and improved is satisfactory given the project duration, but supporting delivery of training on a one-off basis, without building local capacity, provides few long-term benefits. Again, given the project duration this shortcut is understandable. Issues of sustainability will be further considered in Chapter 6.

While the LMDS has been officially improved, which is a significant achievement, stakeholders still need to develop an action plan for its implementation, and funds will have to be accessed. This requires further work.

The analysis on which the LMDS is based is not gender specific, and no strategies are included to reduce inequalities. The TNA is not gender specific either. These are weaknesses, although the training delivered by the project did reach significant numbers of women (34% of all trained).

### *Overall assessment*

While on the face of it the achievements are good, especially in terms of training delivery and training of trainers, the project’s duration has not been conducive to ensuring that the capacity to deliver training services can function independently from the project and is sustainable. The collaboration with lead companies is commendable.

Objective 3 can be paraphrased as “**more competitive rattan and vegetables value chains**”. The strategy for this objective rests on:

- Development and implementation of action plans to improve the value chains, based participatory value chain analysis.

As mentioned in Chapter 3 the project document includes many outputs that specify what the actions were expected to be. This was counterproductive and we will ignore it here.

### *Main achievements*

- Two value chain analysis exercises were conducted by external consultants, with a high level of participation by stakeholders and other market actors. The reports are of fairly good quality, though better for rattan than for vegetables. A gender specialist was involved in the research and the reports have sections on gender.
- Action plans for interventions were developed with the stakeholders and approved by the PMB. The plans build on the analysis.
- The project is implementing a number of key interventions. For rattan the main strategies are to ensure sustainable supply of rattan (nurseries, plantations), increase local value added and rattan quality (rattan boiling), improve product quality, productivity and OSH in home-based weaving for companies that supply to IKEA, product diversification and building new

market linkages. The project supports the development of well-managed business groups at these levels of the value chain, as demonstration models for possible replication. This follows the ILO CB-TREE approach. Weaving and rattan boiling groups are operational, while for nurseries and plantations preparations have been made but implementation is awaiting the right season. Much training has been provided to the model groups. Group leaders were trained on various management related skills in the expectation they would train other group leaders (when groups are replicated). Capacity of the Industry Promotion Centre to provide such training was also built. The Rattan Business Association was assisted in setting up a show room and producers visited trade fairs. A Rattan Coordination Group made up largely of relevant Government stakeholders, with some private sector representation, monitors and guides the activities. These are promising results. As the value chain is dominated by women, and in rattan harvesting by ethnic minorities, they are the main beneficiaries. Currently the project is developing a Guidebook for Home Workers (with guidance on labour rights, Occupational Safety and Health, operating as a business and others) and a more extensive Handbook for Team Leaders. Team leaders will be trained so they can pass on their skills to their groups. This is an important initiative, in which the project has teamed up with the VCCI, especially since this appears to be a first for the ILO.

- In vegetables, the main strategy is to support the introduction of VietGAP certification so that farmers can access higher-end markets, such as the hospitality industry in Da Nang. This was decided after additional market research had been carried out. Two groups have been set up and are receiving training and advice (from the DARD extension agents and the National Agro-Forestry Fisheries Quality Assurance Centre in Da Nang, as also mentioned under Objective 2) that should enable them to be certified later in the year (by the Centre). One group member is investing in a processing facility, to which the district, DARD and the project also contribute. A second facility is already planned, with JICA support. A marketing outlet will be made available at a wholesale centre in Da Nang. The project follows the same approach of building strong groups that can be demonstration models as in the rattan sector, and group leaders have taken the same management related training. Although progress is less than in rattan (implementation started later for a number of institutional reasons) the framework seems to be in place to deliver results. Both women and men are likely to benefit<sup>12</sup>. As a result of the project's work the province plans to have 1,000 hectares allocated to VietGAP certified vegetable growing. This is an important achievement.

### *Issues*

The value chain analysis resulted in the identification of a large number of constraints and a corresponding number of proposed interventions. With some exceptions, especially in rattan, these generally concern the different levels (or all levels) in the value chain rather than vertical integration (better collaboration between levels), where opportunities for improving competitiveness often lie. In addition, insufficient effort may have been made to deepen the analysis, and identify the root causes of these constraints. For instance, in the vegetable value chain report, quality is identified as a constraint, but what the causes of this are (e.g. lack of skills and appropriate inputs, which result from e.g. weaknesses in supporting functions and insufficient availability of quality inputs, which result from e.g. a weak presence of retailers or a shortage of such inputs in the country) is insufficiently analysed. Likewise, the report states that farmers are not organized, but does not look into the reasons, while promoting formation of groups without knowing these reasons is risky. It states there is a shortage of "refrigerated supply services" without going into the reasons for this. It (importantly) identifies the lack of formal contracts between farmers and "other stakeholders" as a

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<sup>12</sup> We would consider the training services to be business development services as well. The project document makes an artificial distinction between them. The project has recognized this.

weakness, but why this is so is insufficiently investigated – e.g. farmers may have good reasons to avoid possibly unfair contracts.

This is not to say that none of the identified constraints could be root causes, but that underlying reasons and the causal links between the constraints have not been adequately analysed. It is obviously not possible for the ET to do this here, but analysing the service and training markets around the value chains, or input markets, separately would have helped in doing so for instance. Policy and regulatory constraints do not seem to have been sufficiently considered either. In fact, having “the DARD and plant protection station usually organize training courses about cultivation techniques for farmers twice a year” mentioned as the only item under the policy and regulatory framework considered under “triggers of value chain development” makes us wonder whether the authors of the vegetable VC report have at all understood what this is about (section 5.4 of the VC report).

The lack of depth of the analysis is probably partly due to the participatory nature of the methodology used, which makes use of local knowledge rather than “experts” with the skills to analyse market systems. This has significant advantages in terms of local ownership over the analysis and the interventions. However, the ILO has to consider how a more thorough analysis can be integrated into the approach so that interventions will address systemic constraints leading to, rather than symptoms of underperformance. The consultants responsible for the research and analysis were, in our view, not able to do so by themselves.

As it is, much of the strategy depends on intensive and therefore expensive support to the model groups, including the training under Objective 2. This is often the case with “demonstration models”, which may prove successful in their own terms, but difficult to replicate for reasons of capacity and cost. The project has recognized this, but its scope to take a different approach was limited by the project document, which specified the CB-TREE methodology. While the project did adapt the methodology rather than following it to the letter, eventually groups did receive a significant range of services, either directly or through their leaders (see Annex 4).

A more minimalist approach based on a realistic analysis of the service market would have made the models more replicable. Less dependence on public institutions and more collaboration with companies in the value chains would have enhanced replicability as well. A more minimalist approach in that context does not imply bringing producers and lead firms together and having them work things out for themselves. It means facilitating the development of relationships that constitute good business models for both parties. Experience for instance of the CTA herself elsewhere in Vietnam, and of a completed GTZ project in Quang Nam, shows that this is not an impossibility in the country and that lead firms are interested in such relationships. The case presented in Box 1 demonstrates this too. As several recent projects have shown, temporary subsidies to pilots that can prove the business case for such relationships can be key to their success and replication<sup>13</sup>. This is different, though, from funding the free provision of training and other services from public institutions, which has, to our knowledge, not yet shown that it contributes to developing a market for them.

These remarks apply to the project’s work on training as well as on developing or improving “business development services”. It has had some successes there, but these services suffer from the same weaknesses as the training, and their effectiveness and sustainability are therefore still uncertain.

While gender was considered in the analysis, this did not result in interventions that aimed explicitly at reducing inequalities.

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<sup>13</sup> See for instance the Katalyst project in Bangladesh and other cases on the M4P hub, <http://www.m4phub.org/>

Too little time has passed to be able to demonstrate that the models work, and some of the groups still have to become operational.

#### *Overall assessment*

Progress has been good but the work is still at a very early stage. Although the interventions seem worthwhile and have potential to bring change for many if replicated, addressing more systemic constraints could have been more effective. The demonstration model strategy still has to show significant results.

Each of the project's objectives includes outputs related to sharing lessons learnt or drafting guidelines on the basis of the project's experience. We understand this will take the form of a conference, while documentation will be produced as well. Given how much work is still ongoing we find the project should be given more time to focus on implementation.

#### **Box 1 – A success story: How an LED project is supposed to work**

Members of the Duy Xuyen Project Implementation Unit (PIU) had not been very interested in the project, and had formed the PIU because they 'were told to do so'. The PPD in late 2010 changed their minds. The ILO supported them technically and financially to conduct a survey of enterprises to identify issues and constraints and organise a PPD event. Some 60 enterprises participated in the event, bringing up issues in addition to those identified by the survey. The district had held PPDs before, but these were New Year's celebrations at which enterprises were allowed some speeches before dinner and at which no response was required from the Government. In this case all relevant departments were present and made immediate commitments on action to be taken. An action plan was developed and approved by the DPC for follow up and implementation. Some examples of decisions implemented are providing 3-phase electricity to enterprises, an access road, providing land for expansion. The tax department provided a written response to complaints, and action was taken to address the shortage of rattan weavers. For this the District conducted its own survey among women weavers and a PPD event, using the experience gained with the ILO. An agreement was reached with a rattan manufacturing company to train 160 women weavers in six villages, the company providing trainers and the District contributing funds. The women formed groups, with the support of the Women's Union and using guidelines provided by the ILO. They now produce for the company. The groups are said to be much stronger than earlier groups formed by the Women's Union. Now the District would like to provide the women with business management or SYB training which they have seen was useful with groups supported by the ILO. The PIU believes the PPDs have improved the relationship between the District Government and the private sector. Enterprises are more willing to discuss their problems. More are planning expansions now they have seen the District is willing and able to support them. PPDs will be continued, although perhaps not in the same format since funding will be a constraint.

### **4.3 Participation and partnerships**

We found evidence of a high level of participation of stakeholders in the planning and implementation of the project. This includes:

- The PCI action plan
- District level action plans
- The Labour Market Development Strategy
- The TNA and the training action plan
- The value chain research, analyses and the action plans

Especially the first two are more the result of the work of the stakeholders than of the ILO, which played a facilitative role. The LMDS is also very much the product of the stakeholders, with the ILO providing technical guidance, while the ILO took a more prominent technical role in the TNA and value chain analysis. This is appropriate, as technical support was more needed there.

The stakeholders have played an essential role in the implementation of activities as well. Many are being implemented without project support. Where the project did provide support, the stakeholders played the role of subcontractors, as foreseen in the project document.

The resulting partnerships between the ILO and the project stakeholders in the public sector have been good overall, though variable. The planned outputs were generally delivered or are still in progress, though it often took significant effort to come to agreement on what was to be done, by whom, and for how much. In some cases such agreement was not reached (e.g. DPI not playing a role in the district level PPDs). Difficulties were sometimes based on technical disagreements, but misunderstandings about the project's function also played a role. Stakeholders expected funds and direct support. The project provided these (as foreseen in the project document), thus confirming that this was its role. At the same time, it did not have enough funds to meet expectations and had to explain it was in the first place a facilitator, not a donor. Reportedly, this is a common problem for similar projects in Vietnam. The ambiguity was never resolved and we found that stakeholders are still not clear about what the project can fund and why. The differences between the ILO's and stakeholders' financial and planning procedures were an additional irritant.

Partnerships among stakeholders have been less prominent. The significant improvements in coordination the project has achieved were probably the maximum that could be expected in the Vietnamese context, in such a short time span. However, there have been instances of close collaboration, such as between one of the districts and a rattan company (see Box 1), and between private investors and districts to set up vegetable processing and rattan processing plants. Perhaps tellingly, these are between the private and public sector rather than among public institutions, and at the district rather than the provincial level.

While target beneficiaries did contribute to the research, their participation in planning and implementation has been less. This was largely under the control of the various government stakeholders. This was perhaps unavoidable in the Vietnamese context. The project's strategy to build groups and build the capacity of group leaders to pass on new skills to members has to some extent mitigated this weakness. However, in the future the project may benefit from having separate planning exercises with the

The formal private sector (e.g. the larger companies in the rattan sector) has also not been strongly involved in planning and implementation. Some good interventions here include training (largely technical but also on OSH) of staff of rattan companies who provide training and advice to weavers, and awareness raising on VietGAP requirements among agricultural input retailers (but not in collaboration with their suppliers). Private sector participation in the Rattan Coordination Group was also a significant step in the right direction, especially as this is unusual in the Vietnamese context.

However, the scope for private sector involvement was, we believe, greater, especially on a project to company basis. The project was aware of this and had plans for instance to work with a wholesale buyer in vegetables and to support rattan companies in recruiting and training new workers. These plans were based on the value chain analysis as well as the CTA's successful experience elsewhere in Vietnam. The ILO office, however, advised the project against such initiatives because they would favour some companies over others. Though we understand the office had reasons for this advice, and it was based on earlier experience, we believe it went beyond its remit (which is not technical). It should have consulted technical backstopping specialists in Bangkok and if necessary Geneva and gone by their advice. As it is, the project missed good opportunities for direct collaboration with lead

firms in the two value chains that could have demonstrated the business case for the project's innovations.

As in Vietnam beneficiaries and companies are often unwilling to take a prominent role in the presence of Government officials, one way to strengthen their role in planning could have been to have separate planning exercises with them. These could have focused on specific proposals in which they could play a leading role. Setting aside funds for implementation by the private sector from the start, and including related indicators and targets in the logframe, could have been useful too.

While these are significant weaknesses we have had to point out, we consider the achievements of the project, ILO and stakeholders, in this area remarkable, especially considering the project's actual running time. We believe that participation and partnerships are the main strength of this project, without which it would not have achieved what it has.

***In conclusion***, overall the project has made good progress, in spite of flaws in the project design and a great number of factors that had a negative effect on implementation. This is an important achievement of the ILO and the stakeholders. However, in spite of the efforts made, much remains to be done to fully achieve outputs, and not all of this can be done before the project's completion date. Furthermore, there have been several weaknesses in implementation which are likely to affect sustainability and impact. We will explore this in Chapter 5 and 6. The most important of these weaknesses, in our view, are insufficient involvement in planning and implementation of the target beneficiaries and the private sector, and inadequate gender mainstreaming.

## **5. Impact**

In this chapter we will assess the project's impact orientation, including by looking at what early signs of impact can be found. To avoid confusion: we will consider as impact changes in behaviour, "the way things are done", and beyond that, increases in productivity, quality, work (including quality of work), incomes and empowerment. For instance, farmers gaining "knowledge" about VietGAP standards is not impact, but their growing their vegetables in accordance with this standard, and so improving their incomes, is. As the project document places many of these kinds of changes at the immediate objective level, this chapter provides an assessment of the extent to which these are being achieved. We will not consider the development objective separately, as in effect it summarises the immediate objectives.

To start with, as required by the TOR we will consider the extent to which the project has used results-based management, as an indicator of its impact orientation. We have seen in Chapter 3 that the project developed results chains which were to provide the framework for its interventions. An M&E system based on these results chains would have allowed the project to plausibly demonstrate that impact was attributable to its interventions. While this system was unfortunately not implemented due to resistance from the stakeholders and lack of support from the ILO office (as indicated in section 3.2), the results chains have remained relevant and do, we believe, reflect the project's results orientation. At least some of the logframe indicators that were included in the M&E framework that was adopted were also helpful in maintaining such an orientation. The various action plans (district and provincial), the project workplans, and the extent to which progress was being monitored, also indicate a high level of results orientation. This is positive.

On the other hand, the project has not planned adequately for impact monitoring or assessment. What is currently foreseen will not enable the project to assess impact in a reliable manner. In our view, impact monitoring and assessment should be an integral part of any project however short and cannot be left until the end or until well after the project. This is the case especially for the demonstration models, which cannot be expected to be replicated if there is no solid evidence of

their effectiveness. The LED project has to address this in the little remaining time because it will affect the learning that can be gained from the project as well as the extent to which scale will be achieved.

This also means that the ET is not in a good position to consider impact, which could provide other indications of the project's impact orientation. The information we have (mostly from our own interviews) is anecdotal and qualitative. In addition, many of the interventions have not yet been completed or will take time to show impact. The project has had too little time to have significant impact. However, we did find some signs that the project has brought positive change, as reported below.

For **“a pro-employment business environment”**, we found that:

- PPDs may become regular events, and are reported (by stakeholders) to have improved relations between the private and the public sector. District officials report that as a result of the problems of some enterprises having been addressed, others are planning for expansion.
- Some public private partnerships are an indication of this (see Box 1, but also support to rattan boiler groups, vegetable processing facilities).
- District governments have solved concrete problems for enterprises, including land for expansion, and more enterprises are therefore said to consider growth. This is likely to create jobs.
- The Rattan Coordination Group is an instance of a “new way of doing things” that, if it survives, will constitute a significant improvement in the business environment.

For **“employability of rural youth improved”**, the indications of possible impact are currently few. Training was mostly provided to rural women and men (generally not youth) in the rattan and vegetable chains, who were not unemployed but underemployed. This was appropriate since it is the most likely way of enhancing the value chains' competitiveness and so create more jobs in the long run, and because few of the rural poor can actually be said to be unemployed.

- Our interviews do indicate that trainees are applying the skills they learned (e.g. VietGAP standards, improved rattan weaving, new rattan designs, better OSH) and have more work now.
- On the basis of the partner reports, the project reports that by the end of 2010 8% of those who had SYB training had started a business (the target was 5%). Figures for 2011 still need to be collected. One of the enterprises started (which we visited) employs 60 rattan weavers.
- There is anecdotal evidence of vocational training students having started businesses after taking KAB (though not in the targeted sectors).

Much of what was done under **“more competitive rattan and vegetables value chains”** overlaps with the employability objective, i.e. training to improve employability. The objective does refer to market linkages, strengthened market players, more product value added. Increases in productivity, quality and incomes are other possible indicators here. We found that:

- The model weaver group is accessing the tourism market with new designs.
- The group reports higher productivity and quality resulting in a near doubling of earnings.
- More groups have been set up, for an additional 130 women, with assistance of a rattan company and a district (without project assistance), and are supplying the company. Nothing is else is know about them, but some impact on work and incomes is likely.
- Project advocacy has contributed to 20% pay increases for weavers. Apart from direct benefits to the weavers this may make the sector more attractive to work in, temporarily. Some stakeholders indicate that the OSH interventions may have the same effect.
- The VietGAP groups report their vegetables have a better reputation in the market, though this is not reflected in prices. Once they are certified higher-end markets can be accessed.

- The VietGAP groups report lower input costs leading to higher earnings. Given that the value chain report states input costs will rise this needs to be ascertained.
- All groups appear to be better managed and may improve their position in the value chain.
- Group leaders state they are “more confident” about their groups and better able to manage them – a certain level of empowerment is likely to have taken place, including of women. It is too early, though, to be able to assess if there have been effects on gender relations.

The demand for labour in the rattan sector has increased enormously over the past few years. Reportedly the larger manufacturers need thousands of more workers. The low status and low wages of the work is the main constraint on attracting them, and improvements in this respect are therefore important. The project’s interventions to improve Occupational Safety and Health, improve access to services for business groups and empower group leaders (see Section 4.2) could make an important contribution there, especially if, as seems possible, IKEA will support them. Some of the interviewees saw a connection between the growth in demand for workers in the sector and project interventions. There is no information that can substantiate this, and given the short time lapse since the start of the rattan work, it seems unlikely. It does definitely offer opportunities the project should exploit in its remaining time, and the stakeholders beyond that.

***In conclusion***, the signs of early impact are promising, though the numbers of people affected so far are still small. The project (ILO and stakeholders) should immediately make plans to assess impact as well as is still possible.

## 6. Sustainability

Whether more people will be affected by the changes the project has brought depends on their nature and sustainability. Changes will affect many if:

- They are sustainable, i.e. they continue beyond the project’s duration, so more people will be affected over time.
- They concern a market system or economy that includes, or has the potential to include, many businesses and workers.
- They are systemic, i.e. they constitute “change in the underlying causes of market system performance – typically in the rules and supporting functions – that can bring about more effective, sustainable and inclusive functioning of the market system”<sup>14</sup>.

We will consider sustainability in the current chapter, the other two factors in the next.

The project’s sustainability strategy as described in the project document depends on the plausibility of the following results chain: participatory, demand driven planning and implementation will result in local ownership over the interventions, will result in sustainability. Capacity building should support this strategy, so local stakeholders will actually be able to plan and implement without project support. This is a strategy common to most LED projects, and seems fairly plausible based on past LED experience, though it ignores the question where stakeholders will obtain the resources to translate ownership into action.

More interesting perhaps is the project document’s claim that sustainability results from “political support”, which results from clarifying or demonstrating that the project will contribute to the province’s development agenda. Designing project activities “as close as possible to the province’s and partners’ plans, strategies and priorities” is considered important in this regard. This is more in line with recent approaches that aim at sustainable change in market systems. These claim that

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<sup>14</sup> The operational guide for the making markets work for the poor approach, SDC, DFID, 2008

change needs to build on the incentives or motivations of market actors. That is, if market actors find innovations are in their interest (political, business), change will become sustainable. Participation is not essential on this view. Tellingly, the project document does not consider business but only political interests. The sustainability strategy is clearly skewed towards the public sector.

The project has largely followed the document's approach. As we saw in Chapter 4, stakeholder participation in project research, planning and implementation has been strong. The level of ownership stakeholders feel over project interventions appears to be high, as indicated by their implementing many of the actions without project support, their speaking of project activities as their own, and reactions during the evaluation debriefing when they felt the project was criticized. Nearly all action plans have been approved by the relevant People's Committees. On this count, therefore, the overall potential for sustainability would seem good.

The project has also done well with regard to linking up to national and provincial plans. The rattan sector and VietGAP certification are national as well as provincial priorities. Improving the business environment was a priority already before the project started, and many of the activities included in the PCI action plan had been part of an earlier broader plan that had been approved by the PPC. Although the project's activities have not yet been mainstreamed into district and provincial plans, some officials indicated their intention to do so. Many did, though, express doubt that they would be able to obtain sufficient funds, for instance for SYB training, group building, CBTREE facilitation and technical training for groups. Such new activities therefore have a smaller chance to survive the project.

With regard to building the capacity that underpins its approach, the project has provided much training of trainers and facilitators. Stakeholders commented on "too many workshops, too many trainings", but we believe that without such capacity building an LED approach can be neither institutionalized nor internalized. This is positive, therefore. However, we do not think there has been sufficient time to ensure that the training has created an independent capacity. For instance, stakeholders took part in a two-day value chain analysis training and also participated in the exercises. We do not think this is sufficient for them to plan and supervise, let alone implement, future exercises. While some projects err in preceding any action with lengthy training on the principles and practice of LED, this project has done very little. Earlier we saw that those trained on SYB have not practiced their skills and are not fully certified. KAB trainers usually also need on-the-job supervision and refresher training. The training for CBTREE facilitators has, in our view, also been insufficient for this to be continued. The strategy to focus capacity building on government agencies that admit to being under-staffed and under-funded has further limited sustainability and potential impact.

Has the project built on the incentives of market actors? With respect to political incentives, this does seem to be the case, given the extent to which many of the interventions address government priorities and coincide with government plans. To some extent, private sector incentives have also been built on. For instance, improving the skills of companies' rattan technicians who can so better support and train home-based weavers is in the interest of the companies (products of better and more consistent quality, higher productivity) and the weavers (fewer rejects, higher productivity). However, the range of private sector partners has been limited and the scope for building on profit-based incentives has therefore been so too. The project is aware of this, for instance with respect to the potential for collaboration with a lead firm in the rattan sector and a major wholesale chain in the vegetable sector. We have already indicated that these possibilities were not taken up because of the negative advice from the ILO Office.

If we now look at some of the project's specific results, we find that for most sustainability is possible but uncertain:

- Provincial and District PPDs – Two were already conducted without project support and some stakeholders state they plan to continue them, though perhaps in a less costly format.

- Business portal – DPI seems committed to maintaining it, though the portal collapsed after the GTZ project that developed it closed. DPI's capacity and the funding base need to be clarified.
- Software to facilitate registration of household enterprises at district level – Could become sustainable if it proves to be useful and sufficient financial resources (for continued staff training for instance) are allocated. Users have identified some needs for improvement.
- Rattan Coordination Group – The group plans to continue but there are no arrangements for a secretariat and to cover running costs.
- Know About Business – The provincial DoLISA has instructed vocational schools to adopt the programme, which much enhances its survival chances. Capacity and funding are a constraint.
- SYB – Capacity and funding are major constraints. Without further support the capacity built by the project is unlikely to survive.
- VietGAP training and advisory services – Capacity may be adequate in quality but perhaps not quantity (number of extension agents) and funding sources need to be clarified.
- Technical training to weavers – This can be provided by the larger companies. It is in their interest to do so and this is likely to be sustainable.
- The overall model of support to business groups – This is costly and requires coordination between various organizations. It is unlikely to be sustainable in its present form.
- The various producer and processing groups – Members of those that are currently operational are better off, groups are better managed, and have good potential to be sustainable.

These variable results are not surprising given the project's running time of less than 18 months so far. We believe that it is also due, though, to the broad strategy set out in the project document being insufficient to achieve sustainability of particular interventions. As the above brief assessment indicates, issues specific to the interventions and their "owners" need to be addressed too. In other words, the project needs to develop a plan that indicates:

- Which results it wants to become sustainable – not everything necessarily needs to last beyond the project's duration, e.g. the campaign for entrepreneurship or the Project Management Board.
- The actions that will be undertaken to achieve sustainability for each of the project's results for which this is the goal, who will do what and when and who will fund it.

This plan then needs to be implemented by the ILO and the stakeholders. This will require time, staff, and funding, all of which are in short supply at this stage.

***In conclusion***, the project's sustainability strategy has to a significant extent been in line with LED experience and current good practice, and several results show good potential for sustainability. Weaknesses include an overreliance on the public sector and capacity building that has in some cases not led to an autonomous ability to continue. The project needs to develop a sustainability plan.

## 7. Scale

The scale of effective outreach of the project so far has been relatively small though significant given the project duration. More than a thousand people have been trained, 6 producer groups have been strengthened or established with 113 members. By our estimate some 100 companies may so far have been affected by interventions included in the provincial and district action plans, the work with associations, or other project support. As we have seen there are signs of impact that go together with this outreach, but little can be convincingly demonstrated at this point.

Consideration of scale beyond current direct outreach is therefore largely hypothetical. We can first consider the size of the market systems the project works in:

- The rattan value chain is reported to provide full-time employment to 3,000 and part-time employment to 5,000 people; 7,850 generate income from rattan harvesting; demand for additional workers is high<sup>15</sup>. More people may become involved through nurseries, plantations and rattan boiling, additional weaving groups and as employees of lead companies.
- We do not have figures for the number of households involved in commercial vegetable growing, but given that the government plans to have 1,000 hectares used for VietGAP certified vegetables and land holdings are small, perhaps 2,000 to 3,000 households will benefit<sup>16</sup>. More people may become involved through processing plants.
- The province is home to nearly 5,000 enterprises<sup>17</sup>. Assuming that improvements in the business environment prove sustainable, on a conservative estimate perhaps half would benefit over the next 5 years. New enterprises could start as a result of a higher PCI ranking and more supportive authorities, including at the district level, but there is no way to know how many.

Separately, if KAB becomes institutionalized, which is likely if there were some further support, potentially thousands of vocational trainees could be affected. Implementation of the LMDS in the province could affect thousands as well.

It may be concluded that it is likely that there is significant potential for scale of outreach, and perhaps impact.

To a large extent this depends, though, on sustainability (which we have considered above) and whether the changes the project brought are systemic, i.e. address underlying constraints and will change the way the market system functions. In Chapter 4 we have argued that the analysis of the value chains may not have gone deep enough to identify which are the underlying, systemic constraints. We are not in a position to do this analysis here. However, one of the indicators for systemic change taking place that is often used is that market actors start “crowding in”, i.e. they copy the innovations, start using them for their own purposes in the same or other sectors (which is something else than copying), or move into a market system to benefit from the changes<sup>18</sup>. While there could be downsides to indiscriminate copying, in terms of over-saturation, the competition that it brings may also spur further innovation leading to productivity gains or new business models. What crowding in means in terms of numbers also depends, of course, on the level in the value chain or the market function concerned. Within this frame of reference, though, crowding in is an indicator of the success of an innovation and a key mechanism by which scale can be achieved. Again, it is too early to expect this is taking place to a significant extent, but the “success story” in Box 1 provides an instance. This case is encouraging because not only did the district organize a PPD by itself (using ILO guidelines), but the lead company and the district partnered to form weavers’ groups along the lines the project had demonstrated, although using a much slimmed down package of assistance.

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<sup>15</sup> Report on the participatory value chain analysis for bamboo, rattan, home accessories and furniture sector, Prosperity Initiative Analytics, the Centre for Agricultural Policy, 2010.

<sup>16</sup> Report on the participatory value chain assessment for the vegetable sector, Prosperity Initiative Analytics, the Centre for Agricultural Policy, 2010. The report mentions an average of 0.2 hectares per household allocated to vegetable growing but we have assumed somewhat larger areas would be required for VietGAP farmers.

<sup>17</sup> Quang Nam Business Portal, <http://www.quangnambusiness.gov.vn/>

<sup>18</sup> The “official” definition is: “Crowding-in is the central process in – and purpose of – facilitation through which interventions catalyse or bring other players and functions into the market system so that it works better for the poor”, in The operational guide for the making markets work for the poor approach, SDC, DFID, 2008

There are also some encouraging signs of more groups being interested in rattan boiling and Nam Tra My, the district that declined to participate in the project, has decided to support establishment of a boiler. It is, however, too early to say whether this will be copied more widely.

More significant is that 4 provinces are following Quang Nam's lead in developing LMDs. The consultant who supported Quang Nam has been instrumental in this process. If this becomes a continuing trend and provincial LMDs prove to be relevant and implementable in the Vietnamese system, this could eventually affect millions of women and men, especially youth.

Finally, we would like to note that the success of a change is often not sufficient guarantee it will be copied and so reach scale. Market actors have to become aware of the change, be convinced it is in their interest, and may require some assistance (not necessarily from a project) to enable or encourage them to "crowd in". In other words, reaching scale often needs to be facilitated. The project needs to develop scaling up strategies and to plan for facilitation. The use of external expertise could be useful for doing so. Key to developing such strategies is identification of scale agents, i.e. companies, institutions, associations with a high outreach capacity and an interest (preferably business interest) in taking up and spreading an innovation. Scale strategies also have to identify the mechanisms by which scale agents can facilitate "crowding in", e.g. more demonstration plots, structured visits to plots, showing impact on productivity and incomes, training of retailers or extension agents, use of mass media, etc. The ILO, stakeholders and scale agents have to agree on who is going to do (and pay for) in the implementation of these strategies. It is not too late to still do this.

***In conclusion***, there is significant scope for scale of outreach and perhaps impact, but it is too early to demonstrate or judge this. In its remaining time the project needs to develop scaling up strategies and plans, without which the potential may not be realized.

## 8. Efficiency

The ET's TOR includes a number of questions relating to efficiency which require information on impact, scale of impact and the cost of specific types of interventions. As we have seen above, what we can say about impact and scale is very little or largely hypothetical. In addition, the ILO accounting system is not activity or output based but purely administrative, i.e. per type of expense and budget line. Clearly, a question like "what level of the project activities (individual, institutional, systemic) provided the most cost effective benefits" can only receive a theoretical answer under these circumstances: "Systemic, probably, since by definition such interventions affect larger numbers of people".

On this topic, we will therefore have to be satisfied with the statement that this is not a big budget project, at US\$ 1.3 million effectively, and that with the right improvements (a sustainability and a scaling up plan) and follow up (at least two more years) it could potentially have an impact on thousands and possibly tens of thousands of people in Quang Nam, in terms of more and better work and higher incomes. Based on comparative national and international experience we may conclude that the investment will probably be worth it.

Another indicator often used for efficiency is the spend on "overhead" compared to "what goes to the beneficiaries". In our view, this is a misleading indicator for this and other projects whose main function is facilitation rather than direct support. We could instead consider what share of the budget was spent on the management of the project compared to delivery of any type of assistance. If we assume that 50% of expenditure on the project (staff, travel, etc.) was for management, while the other half was for technical purposes, and we fully include the ILO support cost, we find this is 38%. This may seem fairly high, but given the complexity of the project (number of interventions,

partners) we believe it indicates an acceptable level of efficiency based on experience with other projects<sup>19</sup>.

Efficiency can also be considered on the lower level of management practice, support from various ILO offices, and partnerships and collaboration. With respect to the first, we found the ILO part of the project to be well-managed, and the ILO team to be capable and committed. All usual management tools (team meetings, workplans, budgets etc.) are in place. The CTA has previous experience in Vietnam, which was beneficial to the project. The two national professional staff<sup>20</sup> have good relevant experience as well, and some capacity building under the project further strengthened this. However, the team's workload is significantly too heavy, to the extent that we do not consider it to be a sustainable situation. The lack of adequate expertise in monitoring, evaluation and impact assessment accounts at least in part for some of the project's weaknesses in this regard.

The project has spent or committed about 80% of its budget, which indicates a good level of planning and budgeting, especially considering the many financial uncertainties the project faced.

The fact we already noted in Chapter 4 that DoLISA did not, as specified in the project document, assign a full time secretariat did reduce efficiency, as much of the work that the secretariat was meant to do fell to the project instead.

As the ILO was working through, and therefore partly funding, specific stakeholders, it was usually not possible to apply the regular competitive bidding procedures to ensure the best quality for the lowest price. However, since budgets appear to have been the subject of tough negotiations, costs are likely to have been kept down.

The ILO office has provided the usual programming and administrative support. In the ET's experience, ILO regulations and procedures are not conducive to the flexible and efficient implementation of projects. The present case is not different. While intentions have clearly been good on all sides, the framework provided by the ILO's regulations and procedures is simply not appropriate. While no one will dispute the need for accountability and transparency, in our opinion the ILO's system errs on the side of control and risk reduction, which causes delays and friction in relationships, including with partners, and results in reduced efficiency and eventually effectiveness. As this seems to be recognised by everyone directly concerned, and the situation is the same in other countries<sup>21</sup>, it is regrettable that the ILO as an organization does not seem to be able to address this.

The office has been useful in maintaining links and following up with the donor (the One UN Fund) and facilitating linkages at the national level and with ILO projects. The Director has taken a strong interest in the project, has attended PMB meetings and is promoting the project's concept.

Technical backstopping has been provided on demand by the Local Strategies for Decent Work Specialist based at the ILO's Decent Work Technical Support Team – Bangkok. There has been frequent telephone and e-mail contact and the specialist visited the project 3 times. This has been useful, especially for developing the project's market thinking and mainstreaming ILO concerns such as in OSH. Project staff also took part in an LED learning event organized at the Regional Office.

There are no indications that more technical backstopping from ILO Headquarters was necessary. However, at critical points adding the voice of the Job Creation and Enterprise Development Department to that of the Specialist could have been useful. The issue of direct collaboration with lead firms, which as we have seen the ILO office advised against, is a case in point.

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<sup>19</sup> E.g. see the final evaluation report of Enterprise for pro-poor growth in Sri Lanka.

<sup>20</sup> Unfortunately they have been employed as general service staff rather than national professionals, but they obviously function as professionals. In our view it is not good practice that the ILO hires staff who have to work as professionals as general service staff.

<sup>21</sup> E.g. see the above report and the evaluation report of Employment creation and peace building based on local economic development (Nepal)

We have considered partnerships between the ILO and stakeholders in Section 4.3, where we concluded they were instrumental in achieving the project's results. They have of course enhanced efficiency as well, since partners allocated staff time as well as funds to project activities. No data are available to quantify this, but any such allocation may be expected to have had a positive effect.

The project has also made good efforts to collaborate with other projects and development agencies. This was particularly appropriate since it was part of the One UN programme for Quang Nam. Discussions have taken place with UNIDO, UN Habitat, UNESCO and FAO projects. With UNIDO agreement was reached on sharing of CSR materials and organization of a joint workshop on that topic (still to be done). UN Habitat is supporting the province in developing the Provincial Development Strategy. The ILO coordinated a working group on employment, which created synergies with the design of the LMDS. With the UNESCO tourism project there would have been scope for collaboration (among other things it is developing crafts villages), but this did not come off the ground, although the project did take part in several UNESCO workshops. The overlap in time with the FAO project was insufficient. Overall, this indicates there have been some gains in efficiency (and effectiveness) as a result of Quang Nam being a One UN programme province, but it is likely there was potential for more. We believe that as long as agencies do not work under one management, and only partly overlap in time, it is unlikely the full scope for synergies will be exploited, even when, as was the case with the LED project, the will is there.

Another ILO project, on inland tourism, has just started in Quang Nam, and the potential for synergies is under discussion. Given the value chains the project focuses on it should be significant, and close collaboration would seem advisable if time allows. With other ILO projects there has been sharing of information at annual ILO retreats, but no collaboration has resulted. Although we do not know the projects that make up the ILO programme, topics such as OSH, women's entrepreneurship and competitive and responsible enterprises do indicate there is scope for synergies at least. A joint activity on SBA strengthening was undertaken with WEDGE, which is positive. We believe there must have been more scope for joint work or at least advice from WEDGE to the project, for instance on gender issues related to the business environment (as mentioned in Section 4.2). Here we suggest that if projects do not meet more regularly under the guidance of the ILO office, and with the specific purpose of planning and implementing collaboration, such synergies are unlikely to happen.

Beyond the UN, the project has developed a potentially important partnership with the World Wildlife Fund for Nature (WWF). The natural supply of rattan is falling steadily, and the WWF is therefore developing and demonstrating a sustainable rattan plantation model in the province. The project and WWF have signed a Memorandum of Understanding which provides for the project receiving advice on introducing this model, including with regard to nurseries, plant management and harvesting. WWF has provided a manual on sustainable harvesting and a template for contract farming, which are important tools for the project's work on rattan. The WWF will gain access to the project's experience and tools on the social and organisational aspects of developing producer groups. If the project will have time to implement this agreement, there are likely to be significant gains in efficiency and effectiveness on both sides.

***In conclusion***, our findings indicate the project was implemented efficiently under the circumstances. The absence of a full-time secretariat at DoLISA and the ILO's financial regulations and procedures have been drawbacks. Good efforts have been made to establish coordination and collaboration with other projects, with some good results.

## 9. Relevance

In this chapter we will consider to what extent the project is relevant to needs in Quang Nam and how it fits into the various Government, UN and ILO development frameworks.

We have seen in Chapter 3 that the project was designed to demonstrate that LED can address youth unemployment. We also saw that there are indications that youth unemployment is not as urgent a concern in Quang Nam as expected, while rural underemployment and poverty are. The project is also more likely to make an impact on the latter than on creation of jobs young people aspire to. It does therefore appear to be highly relevant to the province's concerns, though differently than expected.

While stakeholders did dispute that addressing youth unemployment is not a priority, they did agree that rural underemployment and poverty are. They did confirm that the project is relevant to the province and the districts it covers, and that the rattan and vegetables value chains are relevant to rural poverty reduction. The province's draft Development Strategy also reflects the need for rural poverty reduction. There has been no suggestion that this is a project that should end in December because it does not address youth unemployment, though there have been suggestions that the project needs to demonstrate impact on the level of the final beneficiaries and more direct assistance should be provided at this level. The suggestion, made by many, that the project should expand coverage across the province also indicates a high perceived level of relevance.

The Government of Vietnam's draft Social Economic Development strategy, while focusing on "modernization" and industrialization, also recognizes the growing rural-urban gap, and therefore the priority need for stronger rural development and poverty reduction. This is further reflected in the recent adoption of a Rural Development Programme, which will be implemented under direction of the MARD, with support from other Ministries, including MoLISA. Environmental and social sustainability are among the various plans' main concerns. SME development is too, which is further confirmed by MPI's SME Development Plan. The project is providing inputs into formulation of the new plan (2011-2015). Specific Government programmes are in place to support development of the rattan sector and VietGAP certification of vegetables.

Stakeholders met at the national level (MoLISA, MPI) confirmed the project is relevant to their priorities and plans, though again there were suggestions that more direct assistance should be provided "at the grass roots". Possible replication in other parts of Vietnam was mentioned as a possibility.

The project is funded under the One UN Plan (extended to 2011), of which Outcome 1 reads: "Social and economic development policies, plans and laws support equitable and inclusive growth and conform to the values and goals of the Millennium Declaration and other relevant international agreements and conventions"<sup>22</sup>. "Employment and enterprise development" is among the outputs for this outcome. It includes "strengthen legal, policy and institutional frameworks for pro-poor local economic development, small and medium enterprise, women entrepreneurship and cluster development" among its strategies. It is fair to conclude that the project is fully in line with the plan, which reflects the priorities of the UN and the Government.

Employment and sustainable enterprise was one of the main three themes of the past ILO DWCP (2006-10) and will probably remain so in the next plan, currently being drafted. The draft plan gives "Improving the quality and sustainability of growth through decent employment and sustainable enterprise development" as its first priority, with "Formal and informal enterprises have an improved business environment and access to services for sustainable development" as one of the two planned outcomes. LED programmes are mentioned under this outcome as well as under a policy level outcome under the same priority. The LED project is therefore fully in line with the DWCP, which reflects the priorities and strategies of the ILO's constituents.

It is therefore not surprising that the project figures rather prominently in ILO Vietnam's promotion material and communication plans, with "replication of the model" in other provinces an explicit goal. This is already requiring substantial project resources in staff time and resource, which we

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<sup>22</sup> [http://www.un.org.vn/images/stories/final\\_op2\\_20\\_june\\_e.pdf](http://www.un.org.vn/images/stories/final_op2_20_june_e.pdf)

believe it cannot well afford at this time. Although the ILO office's focus on promotion is understandable in a situation of short time frames and competition for influence and scarce resources, we advise against it at this stage. While, as we have seen, the project holds promise, replicating a "model" that has had a lifespan of just over one and a half years and that has understandably not been able to convincingly demonstrate impact or make sufficient headway with respect to sustainability is premature. The ILO should focus on strengthening the project's approach technically, evaluating and assessing effectiveness and impact in real time and in accordance with current good practice, including the DCED guidelines, and **learning** from what it finds, rather than rushing into promotion and replication. This would be the responsible approach to take.

We found the project to be well-rooted in the standards and values promoted by the ILO. Social dialogue is at the core of the project's approach, as of other LED projects. The Project Management Board, the national level Advisory Board, PPDs, value chain exercises and the Rattan Coordination Group have brought together a range of stakeholders, who include the ILO's constituents – MoLISA and in Quang Nam, DoLISA, the Vietnam Cooperative Alliance and its provincial chapter – as well as Business Associations. The VCCI is involved in efforts to set up the Quang Nam Business Association. Trade Unions were invited to be represented on the PMB, but declined. The project's goal of reducing unemployment and poverty through enterprise development supports a key ILO strategy. Its focus on women and ethnic minorities, as well as its concern with OSH and environmental sustainability (in both value chains), reflect ILO's sustainable enterprise concept.

**In conclusion**, the project was and remains highly relevant to Quang Nam province and is fully in line with the priorities and plans of the Government, the UN and the ILO. It is well-rooted in International Labour Standards and ILO values.

## 10. Conclusions, recommendations, lessons

### 10.1 Conclusions

Considering that the project has effectively been operational for less than one and a half years, and that it has had to deal with a number of additional constraints, it has made satisfactory progress under each of its three objectives. The outputs have been either completed, or work is well advanced, and the majority of the targets for the logframe indicators have been achieved. Among the main achievements and related strengths of the project we count:

- Strong (though variable) partnerships have evolved between the ILO and the stakeholders, and coordination among stakeholders has improved significantly. Much time and effort has gone into this, but it is fundamental to the LED approach and to the potential for further progress, with or without a project.
- There is a high level of ownership of the stakeholders over most of the interventions. This is important for effectiveness and efficiency (stakeholders have played a key role in implementation) as well as sustainability.
- Significant progress has been made with building capacities for business and training services delivery.
- There are some indications of impact on behavior and on work and incomes.
- While current demonstrable outreach is relatively small, there is scope for scaling up. If this is done effectively, thousands and possibly tens of thousands of people in the province could be affected.
- While in practice the project addresses rural underemployment and poverty rather than youth employment, this is fully in line with the province's needs and plans, and national, UN and ILO priorities.

- The project has a capable and committed ILO team in place, which has implemented the project efficiently.

The main weakness of the project is its short duration. Clearly the 2 years planned (less than that when the project finishes in December) are grossly insufficient to achieve the project's objectives, including demonstrating an LED for youth employment model. Demonstrating a model requires time to show impact, and this was not available. Some, though not all, of the other weaknesses flow from this. They are:

- Though many of the project's innovations are potentially sustainable, there has been insufficient time to achieve this. This includes the capacities that have been built, which are mostly not sufficiently developed and funded for independent application. In addition, the project lacks a sustainability plan that specifies which innovations should become sustainable and how.
- Scaling up outreach depends largely on sustainability (scaling up over time) and replication by market actors. While the first is uncertain, the project has not planned for facilitation of the second.
- The need for such facilitation is especially important because replicability is constrained by the intensity of assistance provided and therefore the high cost of some of the models the project has developed, e.g. the business groups based on the CB-TREE methodology. Neither public nor private sector stakeholders are likely to be able to replicate them as is.
- The project's approach to M&E and impact assessment did not facilitate demonstrating effectiveness and impact. No plans are in place to assess impact first hand. This is particularly important to do for the demonstration models, which are unlikely to lead to scale without solid evidence of their effectiveness.
- While women are likely to be the project's main beneficiaries, the interventions are insufficiently based on gender analysis and do not address gender specific constraints.
- The stakeholders expect direct support from the project. While it is designed to be a facilitator in the first place, its role is ambiguous since it does offer direct support, including to service delivery and equipment.
- ILO regulations and procedures are not conducive to flexible and efficient implementation and delays in One UN fund transfers have been a constraint. In addition there are mismatches between ILO and stakeholder procedures and planning periods.

## 10.2 Recommendations

For the remaining project period we recommend the following:

15. The project (ILO and the stakeholders) should continue implementation of the current action plans.
16. The project should plan for next year, whether or not an extension will be approved. Even without a project stakeholders should follow through on planned activities.
17. The project should develop a sustainability plan that identifies innovations that should be sustainable and that plans how, by whom, with which funds and when this should be achieved.
18. The project should develop a scaling up strategy that makes explicit how scale will be achieved, by whom, with which funds and when.
19. The project should immediately make plans to assess the impact of its core interventions. Cases should be written up not to "promote" these interventions but *to facilitate learning* and to enable stakeholders (including target beneficiaries) to take informed decisions on replication. "Promotion" should await the results of impact assessments.
20. Conferences and guidelines are not a priority at this stage. They should be postponed as much as possible.

21. Stakeholders should avoid the high turnover in staff assigned to coordinate and collaborate with the project.
22. DoLISA should assign a full-time secretariat immediately.
23. The ILO office and stakeholders should take action to work towards harmonization of procedures. At a minimum, any paperwork that is not mandatory should be eliminated and ways should be sought to allow for more flexible and longer-duration contractual arrangements.

To allow the project and stakeholders more time to implement these recommendations, we recommend:

24. The One UN Fund, the ILO and the government should extend the project by one year, with additional funding. If this is not possible, the project should be extended as long as the current budget allows.

We have the following technical recommendations for the ILO, for future projects and exercises initiated by ILO on local economic development.

25. It should review the value chain development methodology used in Quang Nam, which has participation, local ownership and an action orientation as main strengths, but needs to be augmented to result in a more thorough analysis of market systems, to result in identification of underlying causes of underperformance and identification of more systemic interventions.
26. It should continue its promotion of the Donor Committee for Enterprise's standard for result measurement, and ensure that logframes are compatible to the use of results chains, so that they do not become competing approaches to M&E and impact assessment. Measurement based on results chains should provide the information required for logframe indicators.
27. It should review logframe formats given that they apparently require or allow large numbers of outputs and often not very meaningful indicators. This is not useful and an unnecessary burden on projects, stakeholders included.
28. It should ensure that LED and similar projects are formulated in a manner that allows full flexibility to reflect the results of participatory assessments that will be part of the project.

### **10.3 Lessons that could be learnt**

The project document was well-researched, took into account stakeholders' priorities, and has a number of strengths. However, this final evaluation indicates that LED projects should not have a duration of 2 years only (a lesson we thought had been learnt some time ago) and should be flexible in design – i.e. should avoid many pre-determined outputs, activities and methodologies (this includes CB-TREE) that are not based on analysis the project is expected to conduct, and large numbers of indicators that do little to demonstrate how project interventions lead to impact.

LED will not happen without the private sector. LED projects should, in design and in implementation, foresee a much more prominent role for the private sector than was the case here. We recognize this was not due to a lack of effort or strategy on the part of the project. However, while the Vietnamese context (one of the contributing factors) is one in which the Government is the dominant force, the project's own (and others') experience indicates that this is a matter of degree, not principle: Collaboration with the private sector is possible.

In addition to time, demonstrating an LED model requires thorough impact assessments based on results chains that allow plausible attribution of impact to the project's interventions. If stakeholders are not in favour of such an approach, they may need to be overridden on technical grounds.

Focusing an LED project on youth has proven to be difficult. Young men and women are more attracted by jobs in industry and the service sector in cities. Rapid growth there is taking place also without LED projects, which aim to facilitate inclusive development in more disadvantaged areas.

### TERMS OF REFERENCE



International  
Labour  
Organization

## **Evaluation of the project ‘Youth Employment through Local Economic Development in Quang Nam Province’ (VIE/09/02/OUF)**

7<sup>th</sup> July 2011

### **1. Introduction and rationale for evaluation**

The project ‘Youth Employment through Local Economic Development in Quang Nam Province’ (LED) was launched in May 2010 and runs until December 2011. It is funded by the One UN Fund and contributes to the UN Joint Programme “Working Out of Poverty: Creating Opportunities for Vulnerable Rural Youth”. It also acts in response to the priorities for youth set by the Government in the SEDP which stresses the importance of addressing youth unemployment and underemployment and makes particular reference to vulnerable rural youth.

The project aims to address the constraints in the skills and entrepreneurship of the young men and women in the project areas and to make them better prepared for the job opportunities which will be made available thanks to improved economic conditions of the local economy. The project seeks to stimulate the development of the local economy by promoting a pro-employment enabling business environment, and by developing the value chains and improving the market access of some selected sub-sectors in the target districts. Moreover, the project aims to produce a demonstration model on youth employment through local economic development. The project concept, if successfully implemented, will be further developed and replicated in neighbouring provinces or elsewhere in Vietnam.

Since the project is ending in December 2011, the final evaluation is required and according to the ILO policy on project evaluations, there is a need for one independent evaluation to be conducted for a project. The evaluation should provide a comprehensive and balanced presentation of the strengths and weaknesses of the project, as well as a set of forward-looking recommendations and lessons learned for future similar initiatives of the ILO.

## **2. Background on project**

The project has interventions both at the demand and supply sides of the labour market. On the supply side, it aims at improving the vocational and entrepreneurial skills of the youth. This will be performed from a gender sensitive stand point to prevent the widening of the already existing gender-gap between the male and female employment. On the demand side, the project strives to improve the availability of jobs through better business environment of the province as a whole and better market access of selected value chains in targeted districts. As a cross-cutting field, it will help to improve the business environment which is the pre-condition for improved local economic conditions, job creation, improved provision of services and for minimizing the mismatch between the supply and the demand side of the provincial labour market.

The Development Objective is to "improve the employability of and employment opportunities especially for young women and men by upgrading vocational and entrepreneurial skills and improving job opportunities in Quang Nam through enhanced business enabling environment, business development services and overall market access". This is operationalised through three components:

- Component 1 - Immediate Objective: The pro-employment business framework conditions in the province is improved, thus strengthening existing and new businesses in identified growth areas, improving the local economic conditions and creating local opportunities for job creation and poverty reduction.
- Component 2 - Immediate Objective: Employability and employment of vulnerable rural youth, especially those in the selected districts and value chains, are improved through upgraded vocational and entrepreneurial skills to respond to the demands of current and new business opportunities.
- Component 3 - Immediate Objective: By using the value chain approach, the market access of selected products in selected districts of the province is improved by strengthening relevant market players, improving product value added, competitiveness and brand, strengthening the linkage with national and international market.

The main implementing partner is the Department of Labour in Quang Nam. Each component is managed by a component coordinator: Department of Planning and Investment for component one; Department of Labour for component 2; and component 3 was originally only Department of Industry and Trade but in reality, component three is implemented as two components where Department of Industry and Trade is responsible for the rattan sector and Department for Agriculture and Rural Development for the vegetable sector.

The implementation is overseen by the Provincial Management Board, headed by the Provincial Peoples Committee. It also has an Advisory Committee with representatives from national level, with the purpose of providing guidance to implementation and assist in sharing lessons learned from the project.

The project has four target districts: Nui Thanh, Duy Xuyen, Thang Binh and Phuc Son. In the project document only three target districts were selected and only links with two remote districts. As it happened one of the remote districts, Nam Tra My, decided not to be a part of the project. The other remote district, Phuc Son, was however very keen on engaging and is implementing the project on equal footing with the three original target districts.

The project team is based in Quang Nam and consists of a chief technical adviser, two project assistants, one admin/finance assistant and a driver.

### **3. Purpose of the evaluation**

The objective of the evaluation is to review the progress and performance of the project and to determine the extent to which the project is meeting its goals and objectives. In the process it will investigate the nature and magnitude of constraints, factors affecting project implementation, and factors contributing to the project's success. It will identify lessons learned and good practices produced as well as recommend future strategies for the project. The evaluation should be based on an assessment of interim impacts while addressing the overall ILO evaluation concerns such as relevance, effectiveness, efficiency and sustainability as defined in the "ILO Guidelines for the Preparation of Independent Evaluations of ILO Programmes and Projects."

The purpose of this final evaluation is to:

- Determine whether the project achieved the stated objectives
- Determine what steps have been taken for the sustainability of key components of the project beyond the project's life
- Determine what the potential is for using the project interventions as demonstration models
- Document lessons learned and present recommendations for future projects and exercises initiated by ILO on market and local economic development. This should also address a possible second phase of this project

## 4. Outputs of the evaluation

The main outputs of the evaluation are:

- Inception report – after desk review and the initial discussion with the project team, the evaluator will provide an inception report (2 pages) which contains finalized evaluation framework (systemizing the methodology, identifying the issues to be addressed, sub-questions that provide elaboration; and the performance indicators (variables to be considered), sources of information and method of information collection for each issue)
- Preliminary findings to be presented at the stakeholders workshop at the end of evaluation mission
- First Draft of evaluation report
- Final draft of evaluation report incorporating comments received
- Evaluation summary (according to ILO standard template)

The “Evaluation Report” should contain the following:

- Cover page with key project data (project title, project number, donor, project start and completion dates, budget , technical area, managing ILO unit, geographical coverage); and evaluation data (type of evaluation, managing ILO unit, start and completion dates of the evaluation mission, name(s) of evaluator(s), date of submission of evaluation report).
- Executive Summary
- Brief background on the project and its logic
- Purpose, scope and clients of evaluation
- Methodology
- Review of implementation
- Presentation of findings
- Conclusions
- Recommendations (including to whom they are addressed)
- Lessons Learnt
- Possible future directions

## 5. Scope and focus of the evaluation

The final evaluation takes into account all interventions, geographical coverage, and the whole period of the project (May 2010 up to the present date). The scope of the final evaluation will be all objectives of the project and will entail a desk review of relevant materials and in-depth interviews with key project stakeholders. The evaluator will elaborate in greater detail the key evaluation questions and methodology for addressing each specific objective.

The first output to be produced by the evaluator will be a brief inception report that elaborates the evaluation design, fine tuning and validating the key questions to be answered by the evaluation. The evaluation shall address the overall issues of relevance and strategic fit of the project, project progress and effectiveness, adequacy and efficiency in the use of resources, effectiveness of management arrangements.

The evaluation will look into more detail and try to respond to questions in the following areas with regards to the project:

- *Validity of design:* Were the project strategy, objectives and assumptions appropriate for achieving the planned results? Does the project make use of a monitoring and evaluation framework? Is data regularly collected? To what extent are project indicators useful to measure progress?
- *Effectiveness:* Has the project achieved its planned objectives? What factors influenced the effectiveness of the project capacity building and other activities? Have the quantity and quality of outputs been satisfactory? How have outputs been transformed into outcomes? How have stakeholders been involved in project implementation? Has the project effectively and efficiently succeeded in mainstreaming gender equality in its areas of work (outputs) and its processes? What interventions had effects on gender relations? What multiplier effects can be identified?
- *Sustainability:* Has the project ensured that key components are sustainable beyond the life of the project? What project components appear likely to be sustained after the project and how? How likely is it that the project outcomes will be sustainable – that is, that the local/national partners take ownership of them and have the necessary capacity and resources to continue or even expand them? What needs, if any, were identified for further capacity building and supports to promote the likelihood of sustainability?

*Relevance:* To what extent have the project activities been relevant to implementing national and partner needs and priorities, programmes for national development and poverty reduction and other relevant national and international documents? To what extent have the design and implementation of capacity building and other activities involved stakeholders or been demand-driven? How do the interventions link with the DWCPs and One UN plan?

- *Efficiency:* To what extent have the project activities been cost-effective? What level of the project activities (individual; institutional; systemic) provided the most cost-effective benefits? What factors influenced decisions to fund certain proposed project activities, and not others? To what extent have the projects been able to build on other ILO initiatives and create synergies? What results have been achieved, including through tools developed, to assist implementing partners secure and sustain on-going operations? Is information available on numbers of direct and indirect beneficiaries?
- *Impact orientation:* To what extent has results-based management been implemented in the projects? What is the likely contribution of the project initiatives, including the innovative approaches and methodologies piloted, to broader development changes in the area of intervention, including those laid out in the ILO Decent Work Agenda, the Decent Work Country Programmes, Country Objectives within the ILO Programme and Budget and national development programmes, and envisioned in relevant ILO standards?

- *Scale*: To what extent has the project been able to achieve scale in its interventions? How far has the project been able to build on existing market mechanisms in order to reach out to larger number end-beneficiaries? Are there indications that scale of outreach might increase or decrease after the project ends?

## **6. Methodology**

The evaluator will be required to review key documents produced during the project both in relation to the quality and quantity of output delivery and management issues. These will include the project document, assessments from the inception phase, inception phase report, progress reports and other relevant reports concerning project implementation. See annex 1.

The evaluator will liaise closely with the evaluation manager, based in Geneva, as well as relevant staff of ILO Hanoi, SRO Bangkok, ILO ROAP and ILO technical Unit in Geneva.

The evaluator will travel to Vietnam to meet with the project partners and project team in Quang Nam and visit project sites and conduct interviews with stakeholders in the province. Before leaving the province the evaluator will present the preliminary findings to all relevant and key project stakeholders in a stakeholder workshop in order to verify key findings and key recommendations. Thereafter the evaluator will spend one day in Hanoi to meet with national level partners and the ILO Office.

The project will provide logistic and administrative support to the evaluation mission throughout the process. The project will provide an overview of partners of the project and prepare a tentative programme for the evaluation mission, to be completed in agreement with the evaluator.

Draft evaluation report will be shared with stakeholders for their comments and inputs

## Annex 2 – Evaluation matrix

	Indicators/variables	Sources of information	Method of information gathering
<b>Project design</b>			
Were the project strategy, objectives and assumptions appropriate for achieving the planned results?	Plausibility of results chains linking project design elements How serious were risks Fit with institutional and economic environment	Project document Project team Background papers	Document review Interviews/group discussions
Does the project make use of a monitoring and evaluation framework? Is it appropriate?	Presence of a design for an M&E framework Its operationalisation into a working system Cost/staff time involved/link to results chains	Documentation M&E system Project team Key partners	Document review Check electronic database Interviews/group discussions
Are data regularly collected?	Presence of data over relevant period of time Frequency of collection	M&E system Project team Key partners and subcontractors	Check electronic database Interviews/group discussions
To what extent are project indicators useful to measure progress?	Use made by project and key stakeholders of data collected on indicators Use the evaluation mission is able to make of this	Progress reports Project team Key stakeholders and partners	Document review Interviews/group discussions
<b>Relevance and strategic fit</b>			
To what extent have the project activities been relevant to implementing national/provincial development and poverty reduction and other relevant national and international documents?	Statements to this effect by relevant officials	Provincial, national, international plans and documents District, provincial, national officials	Document review Interviews
To what extent have the design and	Extent of consultation of	Progress and technical	Document review

implementation of capacity building and other activities involved stakeholders or been demand driven?	stakeholders Contributions of stakeholders to design and implementation Demand/needs assessments precede design	reports Project team Project stakeholders	Interviews/group discussions
How do the interventions link with the DWCPs and One UN Plan?	Congruence between project objectives/outputs/activities and ILO strategies and those in DWCPs and One UN Plan	DWCP and One UN plan ILO office Officials in charge of one UN (planning coordinator)	Document review Interviews
How well did the project complement/fit and/or make strategic use of coordination with other ILO projects in Vietnam to increase its effectiveness and impact?	Coordinated/joint activities with other ILO projects Activities in same sectors/areas of work contributing to shared objectives (concertation) Effects of such coordination and concertation in terms of the project's and other projects' objectives	Project progress and technical reports DWCP ILO website Project team ILO office Relevant ILO projects	Document, website review Interviews/group discussions
How does the project align with and support ILO strategies?	Congruence between project objectives/outputs/activities and ILO strategies	Project document Project progress and technical reports ILO strategy documents ILO office	Document review Interviews
<b>Effectiveness</b>			
Has the project achieved its planned objectives?	Progress towards indicator targets for objectives	Progress reports M&E system Project team Key stakeholders	Document review Review M&E database Interviews/group discussions
What factors influenced the effectiveness of the project capacity building and other activities?	Positive or negative effects of internal and external factors on activities and progress	Background documents (e.g. on economic conditions) Progress reports	Document review Interviews/group discussions

		Project team Key stakeholders	
Have the quantity and quality of outputs been satisfactory?	Progress towards indicator targets for outputs How quality compares to international standards/benchmarks How stakeholders and partners assess quality Extent to which outputs are contributing to objectives	Progress reports The outputs themselves International experience (the evaluation team itself) M&E system Project team Stakeholders and partners Final target group	Document review Review M&E database Interviews/group discussions Observation
How have outputs been transformed into outcomes? - have there been synergies between outputs, components	Plausibility of results chains implicit in logframe Extent to which stakeholders, partners and beneficiaries are making use of the outputs, have implemented them	Project results chains Progress reports Project team Stakeholders and partners, including final target group	Document review Interviews/group discussions
How have stakeholders been involved in project implementation? – check on private sector participation, representation of youth and ethnic groups as main target groups	Extent to which stakeholders have undertaken activities with or for the project Extent to which they have done so paid or unpaid, and have contributed funding	Progress reports Financial records, contracts Contracts with partners Project team Stakeholders	Document review Review of financial records Interviews/group discussions
Has the project effectively and efficiently succeeded in mainstreaming gender equality in its areas of work (outputs) and its processes? Have stakeholders/partners who represent women been involved?	Extent to which improving gender equality is explicitly addressed in project studies/assessments/strategies/activities Extent to which stakeholders/partners who represent women have undertaken activities with or for the project	Progress and technical reports Project plans Project team Stakeholders/partners	Document review Interviews/group discussions

What interventions had effects on gender relations?	Extent to which specific interventions had an effect on gender equality – work, income, empowerment	Progress and technical reports Impact assessments Project team Stakeholders including final target group	Document review Interviews/group discussions
What multiplier effects can be identified?	Extent to which stakeholders/partners/final target group have copied project activities/results/innovations Extent to which they have made use of capacity built without further project funding	Progress and technical reports Project team Stakeholders/partners including final target group	Document review Interviews/group discussions
<b>Efficiency</b>			
To what extent have the project activities been cost-effective? - check issues regarding mismatch between ILO admin procedures and expectations of stakeholders and efficient management, One UN procedures	Cost of interventions compared to (potential) impact Procedures in place to be cost-effective (i.e. bidding, cost-sharing, etc.)	Budget information Impact assessments International experience (evaluation team itself) Project team ILO office Stakeholders	Document review Review of budget Review of procedures Interviews
What level of the project activities (individual; institutional; systemic) provided the most cost-effective benefits?	Comparison of cost of interventions compared to (potential) impact	Impact assessments International experience (evaluation team itself) Project team	Document review Project to be asked to provide per activity cost Interviews/group group discussions
What factors influenced decisions to fund certain proposed project activities, and not others?	Factors explicitly stated in project documentation, or by the project team, stakeholders/partners	Progress reports Procedural manuals Project team Key stakeholders/partners	Document review Interviews/group discussions

To what extent has the project been able to build on other ILO initiatives and create synergies? (similar to earlier point under relevance and fit)	Coordinated/joint activities with other ILO projects/initiatives Activities in same sectors/areas of work contributing to shared objectives (concertation) Effects of such coordination and concertation in terms of the project's and other projects' objectives	Project progress and technical reports DWCP ILO website Project team ILO office Relevant ILO projects	Document, website review Interviews/group discussions
Collaboration with other agencies, projects.... (prodoc mentions GTZ, UNIDO, UNESCO, ITC, UN Habitat, FAO)			
What results have been achieved, including through tools developed, to assist implementing partners secure and sustain on-going operations? (should be under sustainability)	Availability and accessibility of tools Capacity developed to use tools Extent to which stakeholders/partners use, plan to use, tools Extent to which the project has supported stakeholders/partners in this	Project progress and technical reports Stakeholders/partners	Document review Interviews/group discussions
Is information available on numbers of direct and indirect beneficiaries?	Availability of data on numbers of direct and indirect beneficiaries	Progress reports M&E system Project team	Document and database review Interviews/group discussion
<b>Impact orientation</b>			
To what extent has results-based management been implemented in the projects?	Availability of results chains Extent to which need to achieve results is reflected in project plans Extent to which results have been achieved	Project documentation of results chains Project plans Progress reports Project team	Document review Interviews/group discussions
What is the likely contribution of the project initiatives, including the	Strategic fit and relevance variables (as above)	Progress reports Project documentation of	Document review

innovative approaches and methodologies piloted, to broader development changes in the area of intervention, including those laid out in the ILO Decent Work Agenda, the Decent Work Country Programmes, Country Objectives within the ILO Programme and Budget and national development programmes, and envisioned in relevant ILO standards?	Plausibility of results chains Project progress - plausibility that immediate objectives will be achieved and a contribution will be made to the development goal	results chains ILO documents on DW Agenda, DWCP, PB, standards National programmes	
<b>Scale</b>			
To what extent has the project been able to achieve scale in its interventions?	Present and potential numbers of target group (likely to be) affected Extent to which changes are systemic	Progress and technical reports M&E system International experience (the evaluation team itself) Project team	Document review Review of database Interviews/group discussions
How far has the project been able to build on existing market mechanisms in order to reach out to larger numbers of end-beneficiaries?	Analysis of market mechanisms Existing market mechanisms included in project strategies/plans Extent to which incentives of market actor have been taken into account/addressed	Technical reports Project plans Progress reports Project team Stakeholders	Document review Interviews/group discussions
Are there indications that scale of outreach might increase or decrease after the project ends?	Trends in outreach Extent to which innovations introduced depend on project support, funding Extent to which stakeholders/partners will have increasing amounts of funds for the innovations	Progress reports M&E system Budget information International experience (evaluation team) Project team Stakeholders/partners	Document, database and budget review Interviews/group discussions

	Extent to which changes are systemic		
<b>Sustainability</b>			
Has the project ensured that key components are sustainable beyond the life of the project?	Presence and plausibility of sustainability strategy Extent to which the strategy has been implemented Extent to which changes aim to be systemic	Project document Progress reports Sustainability strategy document Project plans Project team	Document review Interviews/group discussions
What project components appear likely to be sustained after the project and how?	Sufficiency of capacity/funds, extent to which changes are systemic/have been institutionalised, per component (output)	Progress and technical reports Stakeholders/partners Project team	Document review Interviews/group discussions
How likely is it that the project outcomes will be sustainable – that is, that the local/national partners take ownership of them and have the necessary capacity and resources to continue or even expand them?	Same as above but by outcome (although it is not clear how this applies to outcomes... looking at it per specific change that resulted from an intervention is more helpful)	Progress and technical reports Stakeholders/partners Project team	Document review Interviews/group discussions
What needs, if any, were identified for further capacity building and support to promote the likelihood of sustainability?	Gap between the findings on the above two questions and desired/expected sustainability	Evaluation team findings on above two questions International experience (evaluation team) Project document Project team Stakeholders/partners	Document review Interviews/group discussions

### Annex 3 – Evaluation programme

Time	Institution/Activities	Contact details
Before the mission	Sandra Yu - Technical Backstopping Bangkok	Skype: yu@ilo.org
<b>Tuesday 23/8</b>	<b>Quang Nam</b>	
8:00 – 12:00	<b>LED team</b> - Update on project implementation	Ms. Mimi – Chief technical adviser Mr. Dien – Senior project officer Mr. Hieu – Senior project officer LED office, 91 Hung Vuong st, Tam Ky city, Quang Nam
13:30 – 15:00	<b>DoLISA</b> - Overall implementation and component 2 (LMDS, KAB, SYB, CB-TREE etc)	Ms. Huong – Chief secretariat Ms. Thon – Staff of vocational training center DOLISA office, 11 Nguyen Chi Thanh st, Tam Ky city
15:00 – 17:00	<b>DoIT</b> - Component 3 - rattan value chain development	Mr. Thong – Head of industry management division Mr. Binh – Officer of industry management division Mr. Dung – Chairman of handicraft association DOIT office, Tran Hung Dao st, Tam Ky city
<b>Wednesday 24/8</b>	<b>Quang Nam</b>	
8:00 – 10:00	<b>DPI</b> - Component 1 - Business portal - HH Business management software - PCI action plan and follow up	Mr. Minh – Head of business management division DPI office, Tran Phu st, Tam Ky city
10:00 – 12:00	<b>DARD</b> - Component 3 - vegetable value chain development	Mr. Muong – Vice director Mr. Dung – Officer Mr. Tam – Officer Mr. Ngan – Head of district plant protection station Mr. Dung – Head of provincial extension station DARD office, Hung Vuong st, Tam Ky city
13:30-15:00	<b>Provincial Cooperatives Alliance (PCA)</b> - Training services (ToT on SYB and CBTREE group training, Business planning skills, etc.)	Mr. Chien – Director of cooperatives alliance PCA office, Tran Phu st, Tam Ky city

15:00 – 16:00	<b>Provincial Youth Union (PYU)</b> - Campaign of entrepreneurship for youth	Mr. Quang – Vice secretary YU office, Huynh Thuc Khang st, Tam Ky city
16:00 – 18:00	<b>LED team</b> - Finance, human resource management	Ms. Mimi – Chief technical adviser Mr. Dien – Senior project officer Mr. Hieu – Senior project officer LED office, 91 Hung Vuong, Tam Ky city
<b>Thursday 25/8</b>	<b>Quang Nam</b>	
8:00 – 10:00	<b>Rattan Value chain coordination Group</b> - Activities of coordination group - Constraints and achievement of rattan activities	Mr. Thong – Head of industry management division, DoIT Mr. Thuan – Vice director of trade promotion center, DoIT Mr. Binh – Officer of DoIT Mr. Phu – Director of technology application center Mr. Bay – Vice director of PCU Mr. Tan – Head of Phuoc Son district DoIT Mr. Huy – Director of Le Minh Huy handicraft enterprise Mr. Hung – Head of Duy Xuyen district DoIT Mr. Ban – Head of Thang Binh district DoIT Ms. Hong Anh – Head of woman cooperative group Ms. Tin – Director of Anh Quan handicraft enterprise Mr. Vinh – Head of Nui Thanh district DoIT Mr. Tam – Director of Phu Quy handicraft enterprise Ms. Quy – Que Tho handicraft enterprise Mr. Thien – Director of Au Co handicraft enterprise LED office, 91 Hung Vuong, Tam Ky city
10:00 – 12:00	<b>Quang Nam Rattan Business Association</b> - Activities and operation of handicraft business association	Mr. Dung – Chairman of handicraft association Ms. Ngoc – Staff of association Association office, Tam Ky city
13:30 - 15:00	<b>Bac Quang Nam Vocational Training School</b> - Focus group meeting with KAB trainers	Mr. Phuong – Vice director of vocational school Mr. Tuan – Acting head of training division Hoi An city, Dien Ban district
16:00 – 17:30	<b>LED team</b> - Technical and M&E issues	Ms. Mimi – Chief technical adviser Mr. Dien – Senior project officer Mr. Hieu – Senior project officer LED office, 91 Hung Vuong, Tam Ky city

<b>Friday 26/8</b>	<b>Quang Nam</b>	
13:00 – 16:00	<b>Phuoc Son DPC</b> - PPD action plan approval and follow-up	Mr. Thong – Vice chairman of DPC, Head of district PMB Mr. Tan – Head of district DoIT Ms. Hao – Head of district WU Mr. Hai – Vice secretary of district YU Ms. Giang – Head of rattan boiler group Mr. Hai – Vice head of commune FU Ms. Loi – Officer of commune DoIT Phuoc Son DPC office, Phuoc Son district
16:00 – 17:00	<b>Phuoc Xuan Boiler and nursery groups</b> - Activities of boiler group	Ms. Giang - Head of rattan boiler group Mr. Chuong – Vice head of rattan group Ms. Mot – Member of rattan group Phuoc Xuan commune, Phuoc Son district
<b>Saturday 27/8</b>	<b>Quang Nam</b>	
8:00 – 10:00	<b>District YU, WU, FU</b> - CB TREE facilitators	Ms. Hao – Head of district WU Mr. Hai – Vice head of district FU Mr. Cuoi – Head of district YU YU office, Phuoc son district
15:00 – 16:00	<b>Binh An Woman Weaving cooperative group</b> - New product development training and market development	Ms. Anh – Head of cooperative group Ms. Luy – Head of weaving club Other woman members working on products Binh An commune, Thang Binh district
<b>Sunday 28/8</b>	<b>Quang Nam</b>	
8:00 – 9:00	<b>Binh Trieu CPC and Binh Trieu Vegetable group</b> - VietGAP training - Business planning - VietGAP application	Mr. Phuc – Vice chair of CPC Mr. U – Commune extension officer Mr. Thu – Head of vegetable group CPC office, Binh Trieu commune, Thang Binh commune
9:30 – 11:00	<b>Duy Phuoc CPC and Duy Phuoc Vegetable group</b> - VietGAP training - Business planning - VietGAP application	Mr. Trao – Vice chairman of CPC Mr. Hai – Officer of CPC Mr. Sang – Head of vegetable group Mr. Hoa – Secretary of vegetable group CPC office, Duy Phuoc commune, Duy Xuyen district
14:00 – 15:30	<b>Nam Phuoc Handicraft Enterprise</b>	Mr. Hao – Director

pm	<ul style="list-style-type: none"> <li>- IKEA supply chain</li> <li>- Business group formation to create better working condition and income for rattan weavers</li> </ul>	Nam Phuoc company, Thang Binh district
<b>Monday 29/8</b>	<b>Quang Nam</b>	
8:00 – 10:00	<b>Nui Thanh DPC</b> <ul style="list-style-type: none"> <li>- PPD action plan approval and follow up</li> <li>- Rattan plantation promotion and study visit to Ba To Quang NgaiBusiness</li> <li>- HHs management software</li> <li>- CBTREE facilitator, ToT on SYB</li> </ul>	Mr.Quyen – Head of district PIB, Vice chairman o DPC Mr. Suong – Vice head of district DoLISA, Vice head of district PIU Mr. Vinh – Head of district DoIT Mr. Long – Vice head of district department of finance Mr. Hieu – Vice secretary of district YU Nui Thanh DPC office, Nui Thanh district
10:00 – 11:30	<b>Phu Quy rattan enterprise</b> <ul style="list-style-type: none"> <li>- Ideas on rattan out grower group with Phu Quy company</li> <li>- SYB, KAB</li> </ul>	Mr. Tam – Director, Member of rattan coordination group Phu Quy company, Nui Thanh district
<b>Tuesday 30/8</b>	<b>Quang Nam</b>	
8:00 – 11:00	<b>Duy Xuyen DPC</b> <ul style="list-style-type: none"> <li>- BE action plan approval and follow up</li> <li>- VietGAP demonstration model</li> <li>- CB-TREE facilitator, ToT on SYB</li> </ul>	Mr. Hung – Head of district DoIT Mr. Anh – Officer of district DARD Ms. Yen – Vice head of district WU Mr. Nam – Head of district DARD Mr. – Vice head of district YU Duy Xuyen DPC office, Duy Xuyen district
13:30 – 16:00	<b>Thang Binh DPC</b> <ul style="list-style-type: none"> <li>- VietGAP demonstration model</li> <li>- CB-TREE facilitator, ToT on SYB</li> <li>- Participant from the labour market forecasting training</li> </ul>	Mr. Vy – Head of district PIB Mr. Binh – Head of district DoLISA Mr. Huong – Head of district DARD Ms. Huong – Head of district WU Mr. Thuan – Vice head of district DoIT Mr. Quang – Vice head of district FU Mr. Phuoc – Officer of district YU Ms. Loan – Officer of district DoIT Thang Binh DPC office, Thang Binh district
<b>Wednesday 31/8</b>	<b>Quang Nam</b>	
8:00 – 9:00	<b>Debriefing to Quang Nam PPC</b>	Mr. Ca – Vice chairman Mr. Thong – Vice director of DoLISA

		Ms. Huong – Chief secretariat Mr. Minh – Head of business management division, DPI Quang Nam PPC office, Tam Ky city
10:00 – 12:00	<b>Debriefing to LED team</b>	Ms. Mimi – Chief technical adviser Mr. Dien – Senior project officer Mr. Hieu – Senior project officer LED office - 91 Hung Vuong st, Tam Ky city
14:00 – 16:00	<b>Debriefing to PMB</b>	Representatives of PPC, PMB, Provincial mass organization and PIUs DOLISA office, Tam Ky city
<b>Thursday 1/9</b>	<b>Hanoi</b>	
8:30 - 9:30	<b>Debriefing to MoLISA</b>	Mr. Tuoc – Director of International Cooperation Department Mr. Dong – Director of Bureau of Employment Ms. Yen – Officer of BOE Ms. Huong - Officer of ICD MoLISA office, 12 Ngo Quyen st, Hanoi
9:45 - 10:15	<b>Debriefing to UN</b>	Mr. Eamonn – UN Resident coordinator Resident Coordinator Office, 29 Phan Boi Chau st, Ha Noi
10:30 - 12:00	<b>Debriefing to ILO</b>	Ms. Rie – Country representative Ms. Hoai – Officer of Program unit ILO Office, 48 Nguyen Thai Hoc st, Hanoi
14:00 - 15:00	<b>LMDS</b>	Mr. Duong – LMDS consultant ILO Office, 48 Nguyen Thai Hoc st, Hanoi
15:00 – 16:00	<b>Debriefing to MPI</b>	Mr. Cuong – Vice director of Bureau of enterprise management MPI office, 6 Hoang Dieu st, Hanoi

#### **Annex 4 – Training conducted (prepared by the project)**

