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# **FINAL EVALUATION OF THE LABOUR MARKET PROJECT - VIETNAM**

**Letter of Contract N°2011/263897**

## **FINAL REPORT**

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## ACKNOWLEDGMENT

The successful completion of this Final Evaluation Mission was only possible because of the participation of numerous project stakeholders, who contributed their perspectives and insights, drawing from their experience with the Labour Market Project and other experiences. We sincerely thank every person listed in Annex 3 (Persons Met and Institutions Visited). We would like to thank especially:

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It is practically impossible to capture and describe over four years of project implementation experience adequately with a two-week mission in Viet Nam. We can only hope that this report has fairly documented some of the major achievements and lessons learnt from the project, to serve as a living reference for moving forward.

Although the Labour Market Project is winding to an end, we trust that this only marks the beginning of many more exciting new things to come, for which the project's many accomplishments, ideas and lessons will continue to provide a solid foundation and serve as an inspiration.

With Appreciations,  
Sevilla Leowinata and David Smawfield  
June 2011

## LIST OF ABBREVIATIONS

ADB	Asian Development Bank
GDVT	General Department for Vocational Training (MOET)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation), formerly GTZ
GoV	Government of Vietnam
GSO	General Statistical Office
HCMC	Ho Chi Minh City
HRD	Human Resource Development
ILO	International Labor Organization
IMS	Information Management System (GDVT TVET)
IRD/DIAL	French Institute for Research & Development
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industry Classification
IT	Information Technology
KAB	Knowledge about Business
KLMI	Key Labour Market Indicator
LES	Labour and Employment Survey
LFS	Labour Force Survey
LILAMA	(Vietnamese State Owned Enterprise for Training) - No direct translation
LMI	Labour Market Information
LMIC	National Centre for Labour Market Forecast and Information
LMIS	Labour Market Information System
LMI Network	The IT network encompassing the LMIC and associated LMIUs
LMP	Labour Market Project
LMS	Learning Management System
MIS	Management Information System
MOET	Ministry of Education and Training
MOLISA	Ministry of Labour, Invalids, and Social Affairs
MOU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
MTR	Mid-Term Review
NIVT	National Institute of Vocational Training
NSS	National Skills Standards
NSSTC	National Skill Standards Testing and Certification
NTP	National Targeted Program (of GoV)
OECD/DAC	Organization for Economic Cooperation and Development/Development Co-operation Directorate
PIAC	Programme-Industry Advisory Councils

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PMU	Project Management Unit
PRISED	Poverty Reduction through Small Enterprise Development
PSC	Project Steering Committee
QA	Quality Assurance
RIVT	Research Institute for Vocational Training (of GDVT, MOLISA)
SEP	Skills Enhancement Project (new ADB funded project in the pipeline)
SIAC	School-Industry Advisory Council
Sida	Swedish International Development Cooperation Agency
SSTC	Skill Standards Testing and Certification
TA	Technical Assistance
TAP	Technical and Administrative Provisions
TOR	Terms of Reference
TOT	Training of Trainers
TVET	Technical and Vocational Education and Training
UI	Unemployment Insurance
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
VCA	Vietnamese Cooperative Alliance
VCCI	Vietnam Chamber of Commerce and Industry
VDN	Vietnamese Dong (currency)
VETR	Vietnam Employment Trends Report
VGCL	Vietnam General Confederation of Labor
VTC	Vocational Training Centre
VTI	Vocational Training Institute
VTEP	Vocational Training and Education Project (formerly ADB funded)
VTI	Vocational Training Institute
WB	World Bank
WTO	World Trade Organization

## EXECUTIVE SUMMARY

This document comprises the final report of an external “Final Evaluation” of the EC/ILO Labour Market Project undertaken by two international consultants between 9 and 28 May 2011. Evaluation methodology included desk study of documents as well as two weeks spent in Vietnam conducting field visits and with extensive stakeholder interaction. The purpose of the work, as specified in the Terms of Reference of the evaluators, was: to assess the progress made towards the achievement of the project objectives as laid out in the financing agreement; to identify specific constraints affecting the efficiency of the implementation and the effectiveness of the project; and to draw lessons and make appropriate recommendations.

The Labour Market Project is a project with a value of Euros 11.7 million (EC contribution Euros 10 million; ILO contribution Euros 0.5 million; and Government of Vietnam in-kind contribution Euros 1.2 million). The effective start date of the project was June 2008. Activities are due to end in June 2011.

The project has had two purposes: (i) support the design and development of a centre for labour market information in MOLISA and selected provinces and improve the institutional capacity for human resources development planning and socio-economic development planning [Component 1: “The Labour Market Information System Component”]; and (ii) strengthen the quality of technical teachers' training in order to satisfy the industrial sector's (both public and private) demands for skilled workers [Component 2: “The TVET Component”].

Key evaluation findings are presented in relation to: main achievements; the five DAC criteria of relevance, effectiveness, efficiency, impact and sustainability, as well as visibility; and issues and challenges. From these are drawn some lessons and recommendations.

Component by component achievements are too numerous to list in full within an Executive Summary, but the most significant five achievements for each project component can be summarised as follows, ranked in descending order of their perceived significance - taking into account both the importance of the areas of achievement and the degree of success that has been attained.

For the Labour Market Component: (i) a focal point on labour market information (LMI) set up and functioning sustainably; (ii) staff in MOLISA, provincial Departments of Labour, Invalids and Social Affairs (DOLISA) and employment service centres using and maintaining the LMIS; (iii) a database for LMI within MOLISA, on employment service centres (building on manuals and software produced under the MOLISA project), developed and being used effectively; (iv) Employment Service Centres (ESCs) more effectively formulating, implementing, monitoring and evaluating labour market policies based on improved LMI on a sustainable basis; (v) Improved capacity for labour market information analysis and collection.



For the TVET Component: (i) Innovative skills development approaches introduced on a pilot bases, and continuing to function, in rural communities to enhance skills and entrepreneurship capacities of rural people and disadvantaged groups (KAB and CB TREE); (ii) a guide and training programme to enable TVET teachers to deliver, competency based training that will meet industry needs and satisfy national skills standards requirements has been developed and in wide use; (iii) a general manual and training programme on competency based training and curriculum design, meeting competency based standards: developed, found useful, and widely adopted; (iv) a project training programme and guide for training centre management (providing practical guidance, and formal certification for training centre management) has been developed and is in use; in addition, a series of project developed publications is regularly accessed and has been found useful by a broad range of stakeholders.; and (v) MOLISA and key stakeholders using a sustainable, market focused approach to elaborating national skills standards frameworks, assessment and certification systems for Vietnam.

The project scores highly against all of the five DAC criteria. However, implementation challenges due to incidences of force majeure that needed to be overcome are highlighted and some vulnerability regarding the sustainability of several TVET areas of intervention is also noted, leading to the drawing of lessons and recommendations.

Among other issues and challenges, the most significant is the challenge to build on the success that has been achieved: to collect and use labour market information in even stronger ways to provide information that will help VET institutions shape their courses and programmes in ways that better match the specific skills needs of the labour market.

Lessons identified include: how investment in building project ownership and conducting thorough needs assessments has contributed so significantly to the results achieved; the importance of referencing project activities to government priorities and policy; how big gains can sometimes be made with relatively small investments – yet at the same time the project has also shown that well-chosen substantive investment can also yield proportionate results.

Cross-cutting themes such as gender and the environment were not a specific part of project design and consequently some development opportunities were missed. This provides a cautionary lesson for the design of future projects. Similarly, project experience has demonstrated the importance of building into project design sufficient time for embedding innovation. Last but not least, the importance of international dissemination, know-how, and resource sharing appears to be something that can easily get overlooked and this is consideration that should be kept more to the fore in future project design and implementation.

On the basis of all of the above, the following comprise a set of main recommendations. Recommendations fall under two categories: those relating to the project per se to help maximise impact and sustainability; and those relating more strategically to the links between the VET and labour market sectors – and how future interventions may best be able to build upon what the project has been able to achieve.

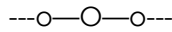
With regard to the project specifically, in the remaining weeks of implementation, it is recommended that:

- There is a need for continued and increased efforts to promote dissemination and awareness of the fruits of the LMIS. One means to do this is by the legal underpinning of information sharing among data-producing agencies: e.g. through government decision or directive. (Otherwise, officers hold back useful information, because they are not sure that they are authorised to share).
- The Government of Vietnam considers incorporating KAB curriculum contents into the national framework curriculum for VET institutions – either making it mandatory or offering it as a VTI curriculum option through MOLISA as well as secondary school curriculum through MOET. This recommendation is made on the basis of stakeholder appreciation of the value and relevance of the contents, but a fear that their continued use may not otherwise be sustainable.
- The project implementation team strengthens and updates the project website to reflect its achievements before project closure. This is especially in recognition of how much the international community can learn from Vietnam's achievements. There is much, for example, that a forthcoming EC funded skills development project in India can potentially benefit from in terms of practical resources, experience and “know how”.
- Notwithstanding the important dissemination role of the project website, there is a further challenge to ensure that the international donor community is sufficiently aware of project achievements and resources in order to build upon and make use of them. One means to achieve this could be through a dissemination workshop. The ILO, the EC and the Government of Vietnam are all encouraged to play an advocacy role in respect of awareness raising.

With regard to a longer-term, more strategic, perspective, the project has paved the way for further development interventions. Arguably the most important and logical thing to recommend is to consolidate project investments, including:

- Additional training and technical support to further increase capacity to collect, process and disseminate labour market information. This includes support at the national level (the LMIC), but a future priority should also include capacity building of DOLISA and ESC staff at the provincial level.
- Further develop building blocks in LMI, with bottom-up, locally specific labour market data reinforcing macro econometrics data, to further consolidate the evidence base for policy planning that supports strategic national vision, including development of social protection policies. At the same time, the LMIS can serve as a vital source of information able to respond to the immediate needs of both job seekers and employers in rapidly changing realities at different economic hubs.
- Consolidate linkages between future LMI and TVET work, using the LMI data to inform decisions on demand-responsive skills development.
- A move towards the development and adoption of a National Vocational Qualifications Framework.

- Further efforts to secure the shift from emphasis on qualifications to emphasis on competencies.
- Promoting increased industry involvement in TVET (especially in respect of the bullet points immediately above).
- The implications of skills standards development for the corresponding development of training standards, course programmes (including the increased relevance and significance of modular approaches), and course materials.
- Ensure adequate budgetary and human resource allocations to support further scaling up of successful pilots e.g. CB TREE. This may be done through adopting the approach in the National Target Programmes, such as the "Train one million rural workers per year" initiative so that resources earmarked for those can be utilized to their maximum effectiveness. Funds should be allocated for seed money (e.g. through the Vietnam Cooperative Alliance) and a minimum of one facilitator in each commune.



## 1 INTRODUCTION

This document comprises the Final Report of an External Evaluation of the “Labour Market Project – Vietnam” conducted by two, independent, international consultants, during the period May to June 2011, according to Terms of Reference (ToRs) detailed as **Annex 1**. The purpose of the final evaluation was: to assess the progress made towards the achievement of the project objectives as laid out in the financing agreement; to identify specific constraints affecting the efficiency of the implementation and the effectiveness of the project; and to draw conclusions on the relevance of the project. Consistent with standard EC evaluation methodology, it was also required that findings should be referenced to the five DAC criteria of project: relevance, effectiveness, efficiency, impact, and sustainability; plus visibility.

In what follows, the project background and description and the evaluation methodology are set out briefly: in Sections 2 and 3 respectively. Evaluation Findings (Section 4) are detailed in relation to: Project Achievements (Section 4.1); specific DAC and EC evaluation criteria (Section 4.2) (i.e. Relevance, Efficiency, Effectiveness, Impact, Sustainability, and Visibility (Sections 4.2.1 to 4.2.6); and Issues and Challenges (Section 4.3). A number of lessons learnt are described in Section 5. Lastly, the report presents a series of overall conclusions and recommendations (Section 6).

## 2 PROJECT BACKGROUND AND DESCRIPTION

Vietnam, a country with an estimated 2009 population of 85.79 million people<sup>1</sup>, has, according to World Bank figures, been one of the best performing economies in the world over the past decade: Vietnam has outperformed many other countries in terms of progress towards achieving the Millennium Development Goals; economic growth is being fuelled by the rising importance of the private sector; huge successes have been achieved in reducing poverty, though challenges continue in respect of addressing persistent pockets of poverty and poverty among ethnic minorities<sup>2</sup>. Vietnam is now on the threshold of being classified as a middle income country.

In such a dynamic environment, there has been a strong recognition that data about the labour market, and capacity to interpret data to inform policy and practice, have been grossly inadequate. This includes insights relating to skills needs and shortfalls and attendant appropriate responses in the vocational education and training (VET) sector.

The Labour Market Information Project was conceived in response to the above. It has had the following specific objectives, which led to it being formulated with two discrete components:

**Component 1:** Upgrade human resource development (HRD) planning through a facilitation of analysis and dissemination of data relating to labour market needs and evolution in key

<sup>1</sup><http://www.vietnamonline.com/guide/overview/population.html>

<sup>2</sup>[www.worldbank.org/vn](http://www.worldbank.org/vn): country overview

provinces and at a central level through the design, development and application of a labour market information system (LMIS).

**Component 2:** Strengthen the quality and relevance of technical vocational training in order to satisfy public and private sector demand for skilled workers, technicians and skilled technicians.

The chronology of the project, including key milestones, can be summarised as follows:

- 18 June 2003: Financing Agreement signed.
- Addendum No.1 to the Financing Agreement (FA, signed on 30 November 2007: changing the implementation mode from the PMU management system into joint-management with the International Labour Organisation (ILO). The ILO thus became the agency responsible for the overall planning, co-ordination and implementation of activities.
- June 2008: Effective Project Start Date.
- Addendum No.1 to the Contribution Agreement signed on 30 September 2009: allowing budget re-allocation for equipment and software for Technical and vocational education and training TVET units as well as for pilot tests and assessments of skills standards, using the funds saved under experts, staff and service contract.
- June 2009: Mid-Term Review conducted.
- A six-month no-cost project extension granted on 15 June 2010, following the recommendations of the Mid-Term Review.
- June 2011: Project End Date.

The long gestation period of the project has meant that no single key document has provided a policy reference throughout. Nevertheless, at various times, the project has been grounded in relation to the following:

*EC policy documents:*

- the cooperation strategy 1996-2000;
- the Country Strategy Paper 2002 to 2006;
- the National Indicative Programme for 2002-2004.

*Government of Vietnam policy documents:*

- the five-year plan 2001–2005, and its full linkage with Vietnam's Comprehensive Poverty Reduction and Growth Strategy;
- the Employment Strategy (National Employment Generation Programme) for the 2001–2010 period, prepared by MOLISA.

As will also become clear, when findings are presented below, the project has been regarded as highly meaningful, relevant and supportive of government policy by all major stakeholders.

The total cost of the project, was set at EUR 11,700,000, of which the EC contribution comprised EUR 10,000,000. The Government of Vietnam provided an in-kind contribution to

the counter-value of EUR 1,200,000 and the ILO provided a financial contribution of EUR 500,000.

More detailed information on project background can be found in the Terms of Reference (ToRs) detailed as **Annex 1**. It is judged unnecessary, therefore, to repeat this information here.

### 3 EVALUATION METHODOLOGY

Elements of the Evaluation Methodology included the following:

- Study of key project and other relevant documents and materials;
- Interviews;
- Focus group discussions;
- Participation in meetings and events;
- First hand observations of project activities, including field visits to 4 provinces: BacNinh, Hai Duong, Nin Binh and Ha Tinh<sup>1</sup>, beside Hanoi;
- Use of workshops, including the convening of a consultation workshop with the project implementation team on 17 May 2011, and a stakeholder consultation workshop to present and validate evaluation findings, held on 27 May 2011.

A list of key documents and materials consulted is detailed as **Annex 4**. A full mission schedule – prepared with the guidance of both BoE and the Project Team – is presented as **Annex 2** and a list of persons consulted can be found in **Annex 3**.

In the presentation that follows, special weight is given to feedback, evidence and findings that has proved to be consistent i.e. emerging from more than one type of source (triangulation). Every effort has been made to ensure that all review activities were conducted in accordance with international best practice and research ethics. The independent nature of the evaluation was stressed on all occasions.

Despite all of the above, the limitations of the evaluation methodologies need to be acknowledged. Within the two weeks the mission had in Vietnam, the evaluation team may not have succeeded in meeting the complete set of stakeholder representatives. There was also a common risk that stakeholders may have told the evaluators what they thought they wanted to hear; or that some stakeholders may have had separate agendas that were not transparent, distorting the feedback they gave. Impressions gained from brief field visits and from participation in a small number of meetings and events may also not have been representative of the project as whole. Indeed it is acknowledged that field visits were organised on the basis of being exemplars of project activity and impact and this will have helped to create a positive impression. However, the evaluation team is confident that through careful cross-referencing using multiple sources, the findings presented in this report still succeed in providing an objective and balanced overall assessment.

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<sup>1</sup>(Ha Tinh is the only province where CB TREE has been piloted.)

## 4 EVALUATION FINDINGS

### 4.1 PROJECT ACHIEVEMENTS

Through the evaluation methodologies described above, strong evidence has been accumulated pointing toward a conclusion that the project has succeeded in delivering most of its intended results as specified in the project logical framework (See Table 4.2.2.1 below for a detailed assessment of progress against the logframe). Key project beneficiaries on the government side, during consultations, have also repeatedly expressed a view that the project has “exceeded expectations”. The project’s achievements are numerous. As will be elaborated upon elsewhere in this report, no less than twenty-six different types of project impact were reported. (See Section 4.5 below on Project Impact). Nevertheless, the most significant five achievements for each project component can be summarised as follows, ranked in descending order of their perceived significance by project stakeholders - taking into account both the importance of the areas of achievement and the degree of success that has been attained.

For the Labour Market Component:

- (i) A focal point on labour market information (LMI)- in the form of the National Centre for Labour Market Forecast and Information (LMIC)- set up and functioning sustainably, with a significant expansion of the Centre already being planned and budgeted for;
- (ii) Staff in MOLISA, provincial Departments of Labour, Invalids and Social Affairs (DOLISA) and employment service centres using and maintaining the Labour Market Information System (LMIS);
- (iii) A database for LMI within MOLISA, on employment service centres (building on manuals and software produced under the MOLISA project), developed and being used effectively;
- (iv) Employment Service Centres (ESCs) more effectively formulating, implementing, monitoring and evaluating labour market policies based on improved LMI on a sustainable basis; and
- (v) Improved capacity for labour market information analysis and collection.

For the TVET Component:

- (i) Innovative skills development approaches introduced on a pilot bases, and continuing to function, in rural communities to enhance skills and entrepreneurship capacities of rural people and disadvantaged groups (KAB and CB TREE);
- (ii) A guide and training programme to enable TVET teachers to deliver, competency based training that will meet industry needs and satisfy national skills standards requirements has been developed and in wide use;
- (iii) A general manual and training programme on competency based training and curriculum design, meeting competency based standards: developed, found useful, and widely adopted;
- (iv) A project training programme and guide for training centre management (providing practical guidance, and formal certification for training centre management) has been developed and is in use; in addition, a series of project developed publications

is regularly accessed and has been found useful by a broad range of stakeholders.;  
and

- (v) MOLISA and key stakeholders using a sustainable, market focused approach to elaborating national skills standards frameworks, assessment and certification systems for Vietnam.

Stakeholder feedback also points to other achievements of a process nature. These include, for example: the good working relationships established and maintained – within the project office and with the client (i.e. BoE/MoLISA); the way the project has been able to build on ILO and EC expertise, standards and reputation; and the enthusiasm of counterparts generally for the opportunities the project provided and what it was able to offer.

## 4.2 DAC AND EC EVALUATION CRITERIA

In this Section of the Report, the project is evaluated against the five DAC criteria of Relevance, Effectiveness, Efficiency, Impact and Sustainability as well as the EC criterion of Project Visibility.

### 4.2.1 *Relevance*

The project has proved manifestly to be in line with government priorities and initiatives at the opportune time - as evidenced by the degree of government interest shown in the project as well as the financial and other in-kind commitments and contributions it has made contributing to overall project success. It appears that the project is very timely in that many of the conceptual premises – promoting a strong evidence-based labour market information system and a demand-responsive skills development approach – dovetail well with the Government's social and economic development vision and reform agenda. The degree to which project results have been institutionalised is also a strong indicator that the project has been highly relevant. Examples include the convincing way that the project has proved to be such a strong catalyst through its hard and soft inputs to invigorate and strengthen the activities and roles of ESCs and the significant multiplier effect achieved by CBTREE and KAB: as know-how and approaches are adopted in other areas and initiatives, as well as the methodological training approaches that are now being applied in other contexts. There is no question about GoV stakeholders identifying the LMP as their own, and considering themselves as equal partners with the EU and the ILO. This evidence is a positive indicator for the important principle of ownership, central to the Paris Declaration of Aid Effectiveness and Accra Agenda for Action. The potential for project outputs and outcomes to be scaled up through well-resourced initiatives, including the National Target Programmes for employment, seems strong.

### 4.2.2 *Effectiveness*

The Labour Market Project is seen in very positive lights by all key stakeholders from central government to community levels. It managed to accomplish much within a relatively short time. The pioneering role of the LMIC's development has not only given Vietnam a valuable LMIS, but has also played a catalytic role in stimulating positive chain reactions of new initiatives being supported by government and a number of EU member states. The E-Gate



website has already recorded more than three million “hits”. At the provincial level, the DOLISAs and ESCs report tangible gains in their ability to serve constituents, such as an 30% to 80% improvement in success rates of filling job vacancies – as a result of improved data, tools, and knowledge as well as analytical capability among staff – brought about by the project. At the commune level, members of rural cooperatives who received support through the CB TREE pilots reported significantly improved income, confidence in the quality of their work, and both technical and business knowledge. MOLISA has issued directives that would enable GDVT to use the skill standards developed for welding under the project to be a basis for developing standards for other occupations. There are also tangible interests to mainstream training approaches and methodologies proven effective under the project, such as KAB. Enthusiasm among stakeholders partly stems from the assessment by beneficiaries that many of the project models yield big gains with relatively small investments. A significant factor in the high degree of project effectiveness is the way the partners work together with mutual respect and trust, sometimes through frank debates and consensus building work even when starting points were sometimes divergent. The alliances and networks forged throughout project implementation bode well for future sustainability of project results.

It is an EC evaluation convention that, under a discussion of project effectiveness, the opportunity is taken to analyse the achievement of the project against its stated results in the project logical framework. Such an analysis is presented in Table 4.2.2.1. This comprises the narrative column of the logical framework (the intervention logic); objectively verifiable indicators; an evaluation assessment of the extent to which outputs and results have been achieved; and the evidence basis on which the evaluation assessment is made.

Table 4.2.2.1: Analytical Review of Logical Framework and Expected Results

Intervention Logic		Objectively Verifiable Indicators	Assessment and Comments of Evaluators	Evidence Base
<b>Overall Programme objective</b>	Support the development of human resources in Viet Nam in line with Government of Viet Nam's market-oriented industrialization policy	<ul style="list-style-type: none"> <li>The GoV introduced changes in institutions that strengthen the production and use of labour market information.</li> <li>The Go V takes steps to implement policies and programmes to strengthen the quality of vocational teaching to support human resources development for a market economy.</li> </ul>	<p>Impactical to assess fully at the time of the end of project, especially in respect of how LMI data are used to inform policy and strengthen the quality of vocational teaching. Potentially an area of focus for an ex-post evaluation at a later date.</p> <p>However, the project has already brought about institutional changes in respect of the production and use of labour market information.</p>	<p>(For key to Evidence base, see foot of Table)</p> <p>A,B,C,D,E,F</p>
<b>Programme Purposes</b>	1: Support the design and development of a centre for labour market information in MOLISA and selected provinces and improve the institutional capacity for human resources development planning and socio-economic development planning	<ul style="list-style-type: none"> <li>Centre for labour market information established at the central level in MOLISA and in 15 selected provincial ESCs by the end of 2010.</li> <li>Labour market information units set up in 15 provinces and linked to a national labour market information system by the end of 2010</li> <li>Outputs of labour market information system used for human resources development (HRD) plans and programmes (beginning in 2009).</li> </ul>	<p>Project purpose achieved to a very high degree. An LMIC with sustainable capacity has been established and is functioning well – producing meaningful data and reports. Provincial LMI units have also been set up, are functioning well, and are linked to the national system.</p> <p>To build on this success, there is a future challenge to collect and focus on data that are more directly relevant to vocational institutions (e.g. skills area shortages and over-supply, skills mismatch, etc.) to help them refine their courses and programmes to better suit the needs of the labour market.</p> <p>The inclusion of two, separate, “Project Purposes” goes against logframe conventions and there has been some impact on project cohesion and synergies as a result.</p>	<p>(For key to Evidence base, see foot of Table)</p> <p>A,B,C,D,E,F</p>
	2: Strengthen the quality of technical teachers' training in order to satisfy the industrial sector's (both public and private) demands for skilled workers.	<ul style="list-style-type: none"> <li>Teachers have accessed in-service upgrading and support programmes to improve their capacity to develop and deliver competency-based training that meet industry requirements and national skills standards starting in 2008 and continuing through the project.</li> <li>National skills standards have been used as the basis for curricula and teaching materials and to evaluate student progress for at least one sector in at least three schools by the end of 2009.</li> <li>By mid 2010 at least 15 vocational training institution managers have implemented reform programmes to improve the quality and relevance of their school's</li> </ul>	<p>Project purpose achieved to very substantial degree. KAB and CBTREE training and models, in particular, have had great impact: including multiplier effects.</p> <p>Skills standards work in the area of welding has been highly appreciated and, as a result of Government recognition, is set to serve as an exemplar model for further activity in other skills areas.</p> <p>Some vulnerability is attached to the piloting of programmes adopting the new welding standards as this activity will take place after the project has ended i.e. without further technical support, including the making of any refinements based on implementation experience.</p>	<p>(For key to Evidence base, see foot of Table)</p> <p>A,B,C,D,E,F</p>

Intervention Logic		Objectively Verifiable Indicators	Assessment and Comments of Evaluators	Evidence Base
		instruction.	Strong appreciation has been expressed for the management training provided. Changed behavioral practices are self-reported on the part of beneficiaries, but it was beyond the scope of the evaluation to verify this on a direct observational basis. For future projects, there is a challenge to build into project design and implementation stronger methodologies for verify training impact and to learn lessons from findings.	
<b>Results: Purpose 1</b>	1.1. Centre for a labour market information established at the central level in MOLISA linked to labour market units in selected provinces through an Internet system	<ul style="list-style-type: none"> <li>• Centre, equipment, software and databases set up and operational in Ministry of Labour, Invalids and Social Affairs (MOLISA) and 15 selected provincial ESCs by end 2010.</li> <li>• Internet and LAN in place by end 2008</li> <li>• Staff trained in Hanoi and 15 provinces to operate the system annually through end 2010.</li> <li>• Staff from MOLISA and DOLISA sent on study tour of labour market observatories in the European Union in 2009.</li> </ul>	<p>The strongest single area of project impact and success. Comment is made on the functioning of the LMIC at “Purpose Level” above.</p> <p>ESC activity has been transformed and invigorated as a result of the project hardware and software provided together with related capacity building training.</p> <p>Study tours appear to have helped shaped the thinking and vision of key actors involved. Stakeholders report strengthened, sustainable bilateral relationships with EC member states as a direct result of study tour activity.</p>	<p>(For key to Evidence base, see foot of Table)</p> <p>A,B,C,D,E,F</p>
	1.2. Staff in Centres for Employment Services trained in using and maintaining a management information system	<ul style="list-style-type: none"> <li>• Training reviewed and revised by end 2010.</li> <li>• Staff trained in using the management information system in Centres for Employment Services and districts in 15 provinces by 1<sup>st</sup> Q tr 2011.</li> <li>• Staff from DOLISA and Centres for Employment Services trained in provincial workshops on active labour market policies (ALMPs) with a focus on monitoring and evaluation, in 2009, 2010 and 2011</li> <li>• Review of existing online job matching completed by end 2010.</li> </ul>	<p>See comments for 1.1 above and at the purpose level. There is no doubt that training directly related to the use of project hardware and software and in data collection, analysis and use has proved very effective and been an essential element of the capacity building package.</p> <p>ESCs are manifestly more successful in online job matching as a result of project empowerment.</p>	<p>(For key to Evidence base, see foot of Table)</p> <p>A,B,C,D,E,F</p>

Intervention Logic		Objectively Verifiable Indicators	Assessment and Comments of Evaluators	Evidence Base
	1.3. Broaden the range and improve the quality of labour market information available	<ul style="list-style-type: none"> <li>Review of labour statistics conducted, reported and discussed at a workshop by end 2008.</li> <li>Set of labour market indicators identified at workshop</li> <li>Staff of MOLISA and GSO sent on study tour to Thailand to observe operations of quarterly labour force survey and the use of technology including optical character readers by mid 2010.</li> <li>Staff trained on gathering and using LMI from administrative records by end 2010.</li> <li>Staff trained on gathering LMI from employers by mid 2010</li> <li>Contracts issued for pilot projects to explore innovative methods for obtaining practical information at the local level in 2008 and 2009.</li> <li>Report on the basis of existing statistics and pilot studies about collecting, processing and disseminating LMI on supply and demand for vocational skills available</li> <li>New data available on Vietnamese registered to work abroad by end 2010.</li> </ul>	<p>Strong evidence of substantial impact across a wide range of related areas.</p> <p>Significant strengthened and additional data outputs include labour force survey outcomes and Employment Trends reports 2009 and 2010. The project has also generated more than 80 research studies.</p> <p>For comments on enhanced staff capacity see comments at the Purpose level and in respect of Result 1.1 and 1.2 above.</p> <p>To build on this success, a future priority challenge is to build further LMI capacity at provincial and local levels and to complement macro level data and analysis with additional information generated and interpreted and used at the micro level. To the project's credit, this kind of activity and growing capacity is already very noticeable in ESCs.</p>	<p>(For key to Evidence base, see foot of Table)</p> <p>A,B,C,D,E,F</p>

Intervention Logic	Objectively Verifiable Indicators	Assessment and Comments of Evaluators	Evidence Base	
	<p>1.4. Capacity for analysing and using information for labour market policies improved.</p>	<ul style="list-style-type: none"> <li>• Key staff of MOLISA trained on using LMI for policies and programmes by end 2010.</li> <li>• Training materials translated and adapted by end 2010.</li> <li>• Provincial officials trained in TOT for using LMI for policies and programmes by mid 2011.</li> <li>• Representatives of ESC, VCCI and others participate in each of 15 provinces to develop an action plan for involving employers in skills training for ESC by end 2008.</li> <li>• Research projects on special topics completed, first wave by end 2009, second wave by end 2010.</li> <li>• Viet Nam reviewed its employment policies with the framework of ILO Global Jobs Pact and Decent Work Agenda through a series of workshops and a study tour in China, Canada and Australia</li> <li>• National consultation organized to discuss policies for the labour and employment for the SEDP 2011-2015 in 2010.</li> <li>• Policy briefs prepared in 2010.</li> <li>• High-level meeting organized to advocate for the recommendations in the policy briefs in 2010.</li> </ul>	<p>That capacity for analysing and using information for labour market policies has been very substantially improved is unquestionable and is one of the project's major achievements – as comments and assessments made elsewhere in this table ascertain.</p> <p>However, it is wished to take the opportunity to comment here on logframe indicators. A significant number (and this applies especially to indicators for Result 1.4) merely describe completed activities – and are therefore weak and inappropriate indicators of the extent to which results have been delivered and outcomes achieved.</p> <p>For example, it is insufficient to point toward staff being “trained”. A far more important consideration is the extent to which knowledge, attitudes are applied and especially how behaviours change, as a result of such training – and how this will be measured. The information is important not only for project monitoring but also for evaluation purposes.</p>	<p><i>(For key to Evidence base, see foot of Table)</i></p> <p>A,B,C,D,E,F</p>
	<p>1.5. Systems to disseminate labour market information and analysis established at both the central level and provincial level</p>	<ul style="list-style-type: none"> <li>• Expansion of plan incorporated in MOLISA document “Developing Labor, Employment Database” to include LMI products in MOLISA, in 2010</li> <li>• Dissemination plan prepared and approved in 2010.</li> </ul>	<p>Note the comment for Result 1.4 above regarding indicator quality. The same observation applies here. Nevertheless, there can be no doubt that the project has achieved in putting in place and strengthening systems to disseminate labour market information and analysis at both the central level and provincial level; moreover, this is a major achievement.</p>	<p><i>(For key to Evidence base, see foot of Table)</i></p> <p>A,B,C,D,E,F</p>

Intervention Logic		Objectively Verifiable Indicators	Assessment and Comments of Evaluators	Evidence Base
<b>Results: Purpose 2:</b>	2.1. A pilot competency-based training programme for trainers of TVET is developed and implemented to meet industry needs and satisfy national skills standards requirements	<ul style="list-style-type: none"> <li>• A practical training programme has been established, including training materials, a core group of trainers</li> <li>▪ A targeted number of teachers have been trained to develop competency-based training using the national skills standards and employing a competency-based approach by end 2010.</li> </ul>	Competency based training materials and programmes developed and adapted by the project are high quality in nature and have been greatly appreciated by project stakeholders. The project has been an important “voice” in helping to promote a change in orientation away from qualifications and towards competencies. The extent to which this can be sustained and built upon is a little unclear, but there are grounds for optimism. The project has not been alone in championing the importance of this kind of change and other international development initiatives are likely to continue their advocacy and technical support beyond the lifetime of the project. Hopefully, some if not all of them will be encouraged by GoV to take advantage of the resources and know-how the project has generated in support of their activities.	<i>(For key to Evidence base, see foot of Table)</i>  A,B,C,E,F
	2.2. MOLISA (as the lead responsible Ministry) and key stakeholders (other Ministries, Employers and Workers, training providers and Centres for Employment Services) have developed a sustainable, market-focused approach to elaborating National Skills Standards frameworks, assessment and certification systems for Viet Nam, and have piloted this approach.	<ul style="list-style-type: none"> <li>▪ Cooperation between MOLISA, MOET VCCI, selected vocational training centres and other stakeholders to identify a pilot Standard and establish a technical working group to develop the Standard, training Framework and Assessment and Certification system by end 2009.</li> <li>▪ Establishment and operation of Assessment processes and sites for the selected standard by mid 2011.</li> <li>▪ Documenting the process of developing the pilot Standard to create a guide for development of further standards, drawing on the process contained in Decision 9, by mid 2011.</li> <li>▪ Establishment on a pilot test basis of an assessment and testing capacity for an existing Viet Nam National Skills Standard by mid 2011</li> </ul>	<p>The project used the occupational area of welding as the basis for delivering this result. It was a priority area, but an alternative choice would have offered more scope for promoting other development agendas such as gender equity (welding is a male dominated profession), and other cross-cutting issues such as the environment (e.g. global warming, pollution, etc).</p> <p>The project’s most important achievement in this area is the recognition by government of the approach and model used to develop standards. Work in other occupational areas is now likely to follow and build upon the way of doing things established by the project.</p> <p>As noted in comments at the Purpose level, there is some vulnerability. in that the project will end before cohorts using the new standards can be monitored, among other things to iron out any difficulties.</p> <p>The same observation applies to the Lilama assessment and testing facility for welding. This will not be fully functional before the project ends.</p>	<i>(For key to Evidence base, see foot of Table)</i>  A,B,C,F

Intervention Logic		Objectively Verifiable Indicators	Assessment and Comments of Evaluators	Evidence Base
	2.3. A training programme and guide for training centre management is developed, providing practical guidance, and, potentially leading to formal certification for training centre management	<ul style="list-style-type: none"> <li>▪ A guide and training programme that enables training centre managers to meet new responsibilities under a market oriented system is developed and implemented by end 2010</li> <li>▪ Two groups of training centre managers implement renewal and upgrading programs using incentive grants, in 2010/11.</li> </ul>	Comments made in respect of Result 2.1, regarding the quality of training programmes and materials and the extent to which they have been appreciated by stakeholders, also apply here.	<i>(For key to Evidence base, see foot of Table)</i>  A,C,D,E,F
	2.4. Innovative skills development approaches are introduced on a pilot basis in rural communities to enhance skills and entrepreneurship capacities of rural youth and disadvantaged groups	<ul style="list-style-type: none"> <li>▪ Rural youth and disadvantaged groups of a selected rural community have improved their skills through the TREE approach</li> <li>▪ Selected vocational training centres offer the training package KAB on a regular basis with a view to enhancing youth entrepreneurship capability and improving entry qualifications of labour market entrants are improved</li> </ul>	<p>The impact of KAB and CBTREE programmes is among the most significant achievements of Component 2. The models themselves have been greatly appreciated: as evidenced, among other things, by the way they have been embraced and are now being used and adapted in other contexts – creating significant multiplier effects. There will be challenges, however, in going to scale if both approaches are to become truly national models.</p> <p>Also greatly appreciated, in respect of both models, are the methodologies that have been used to transact the training curriculum (e.g group activities and teamwork and shifts away from didactic teaching). This has proved inspirational and is also creating a multiplier effect as trainers apply these insights in other contexts.</p>	<i>(For key to Evidence base, see foot of Table)</i>  A,B,C,D,E,F

**Key to Evidence Base:**

- A Project and project related documents and materials;
- B First hand observations of project activities and events, including field visits;
- C Interviews and focus group discussions with project stakeholders;
- D Stakeholder “Impact Matrix” consultative mapping exercise;
- E Findings from interactive consultation workshop with the project implementation team. 17 May 2011;
- F Feedback from stakeholder workshop to present and validate evaluation findings, 27 May 2011.

### 4.2.3 Efficiency

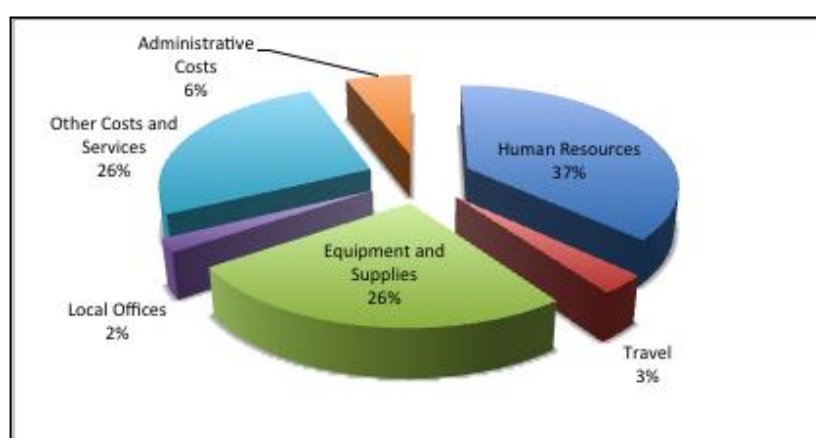
Overall, the evidence base points to a conclusion that the project has economically converted resources and inputs (funds, expertise, time, etc.) into the very significant results elaborated elsewhere within this report. As can be determined from Table 4.2.3.1, project expenditure as at 6 April 2011 represents 86% of the total project budget.

**Table 4.2.3.1: Project Expenditure by Project Input Category, Compared with Budget: the Situation at 6 April 2011, Expressed in Amounts in Euro and as Percentages**

Project Input Category	Situation as at 6 April 2011			
	Adjusted Budget Euro	% of total	Euro Spent	% unspent
Human Resources	3,690,193	36.9	3,254,916	12%
Travel	314,080	3.1	254,916	19%
Equipment and Supplies	2,557,673	25.6	2,293,219	10%
Local Offices	209,406	2.1	189,191	10%
Other Costs and Services	2,637,903	26.4	2,054,925	22%
Administrative Costs	590,655	5.9	417,367	29%
<b>Totals:</b>	<b>10,000,000</b>	<b>100</b>	<b>8,565,985</b>	<b>14%</b>

Figure 4.2.3.1 illustrates more graphically the proportion of the total amount spent according to Input Category.

**Figure 4.2.3.1 Project Expenditure, by Project Input Category Expressed as a Proportion of Total Spending**

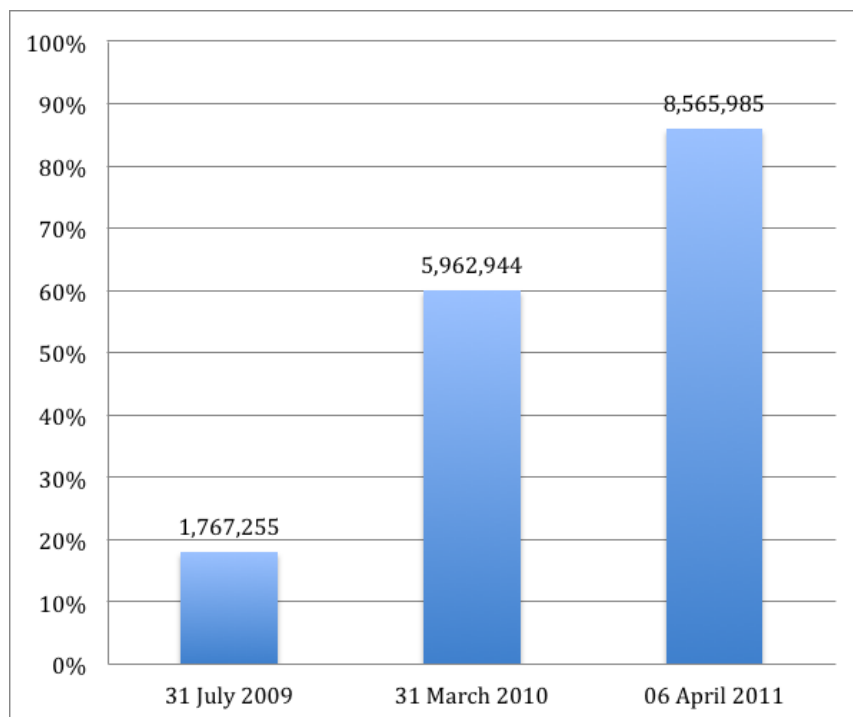


The project has had to overcome challenges including the forced withdrawal of key international staff through ill-health and successfully dealing with alleged financial irregularities. These incidences do, underscore the vulnerability of projects with a very short lifetime. It is well accepted, and documented in the report of the project's mid-term review,



that the time taken to replace key project staff impacted on implementation progress, especially in the early years of the project. Figure 4.2.3.2 shows clearly just how much the project has been able to generate momentum in terms of project disbursement since mid 2009 and it is to the credit of all concerned that so much lost ground has been recovered. Even so, as detailed elsewhere in this report, it is judged that there has been some minor impact on final outcomes as a result of difficulties experienced in the project's early period.

**Figure 4.2.3.2: Expenditure at Project Intervals:  
Expressed as an Amount in Euros and as a Percentage of Total Budget**



Approximately 65.5% of project expenditure was targeted toward the labour market component and 34.5% of total expenditure towards the TVET component. Observed patterns of impact reported elsewhere in this report appear to be commensurate with these two levels of expenditure.

It is interesting to note that achieved impact is not always directly proportional to amounts spent. CB-TREE has enjoyed huge success without being a resource-heavy intervention in financial terms. At the same time, the project also supplies good evidence to support the argument that large investments (such as those on IT hardware and software and commensurate training), provided they are chosen wisely, can also have correspondingly large impact.

One of the more disappointing aspects of project design and implementation has been the lack of connection between the two project components. There were potential synergies that could have been exploited and built upon and this would inevitably have led to greater value return to investment, hence greater efficiency. Practical examples are presented in the "Issues and Challenges" section of the report: Section 4.3 below.

#### 4.2.4 *Impact*

The extent and nature of project impact is well captured in the two “impact matrices” presented on the following pages.

Before commenting on the matrices themselves, in view of the fact that they are a ‘non-traditional’ evaluation tool, it is worth explaining briefly their intent and purpose. The impact matrix is a process tool for trying to identify different forms of project impact (both planned and unplanned) and to map these different forms of impact according to both their relative importance (the vertical axis) and the degree of success that was achieved (the horizontal axis).

As an initial stage in the process, first draft matrices for the two project components were developed participatively in a consultation workshop with members of the project implementation team on 17 May 2011. A key assumption is that these stakeholders, because of their good knowledge and understanding of the project, will be able to make a fairly accurate provisional self-evaluation of project impact. The integrity of the process does, however, rely on a readiness to be honest and self-critical.

The “provisional impact map” was then used throughout the evaluation fieldwork as a process tool during individual interviews and group activities with a wide range of further project stakeholders – including in the stakeholder workshop to present and validate evaluation findings, convened on 27 May 2011. The kinds of question pursued in reviewing the matrices included: “Do you agree or disagree with what is represented? Is there anything that you think is inaccurate, should be deleted, changed or adjusted in any way? Is there anything important by way of project impact that is missing and that should be added? If so, where should it be placed? etc.” The overall aim of the exercise is to produce matrices in a form that best represent overall stakeholder consensus. These are the versions that are presented here.

Please replace this page with a printed version of a separate PDF document:

**“Impact Matrix: Component 1: Labour Market Component”**

The impact matrix should be printed on A3 paper and inserted in the report as a foldout sheet.

Please replace this page with a printed version of a separate PDF document:

**“Impact Matrix: Component 2: TVET Component”**

The impact matrix should be printed on A3 paper and inserted in the report as a foldout sheet.

Two key observations can be made from referring to the two matrices. The first is the high number of impacts that has been identified and verified: as previously noted –no less than 26 different types of impacts. The second is that those impacts considered most important by project stakeholders are also areas where the project is judged to have achieved the greatest success (i.e. note how the impacts are clustered towards the top right-hand corners of the two matrices). While these are tangible outcomes, it is also important to highlight impact of a process nature and of which there is no doubt about its significance. Stakeholders have particularly appreciated the project's ways of working and this has built up sustainable mutual respect and trust between all key partners that future initiatives will be able to enjoy and build upon.

#### **4.2.5 Sustainability**

There is a strong evidence for confidence that many of the projects achievements will be sustainable. In particular, the LMIC and its outputs are now well established, and the unit appears to be going from strength to strength on the basis of its own capacity, which the project itself played such an instrumental role in helping to put in place. Nevertheless, LMIC staff would like further technical assistance with further human resource capacity building and inter-agency linkages, and learning more from international good practices in areas such as forecasting. There are also significant needs to further build capacity of staff at the sub-national levels, and to “drill down” on more locally specific labour market information.

There are similar grounds for confidence that, within the TVET component, key initiatives in relation to skill standards development, as well as the KAB and CBTREE programmes, will not only prove sustainable but have huge multiplier effects (see ‘Relevance’ above). Nevertheless, some of the achievements in the TVET component are a little more vulnerable. The project will end without the possibility of a “hand-holding” period that would help to ensure that assessment and testing centres function as intended, and to help address any difficulties. The same kind of observation applies to the important work in standards development for welding. Ideally, the first cohort of learners who were taught using the new standards, should have passed through the system during the project lifetime, so that lessons learned and further capacity building project technical support could have been supplied as and where appropriate. Work on skills standards also usually has a knock on effect with regard to the development of training standards, training programme design (especially the increased relevance of modular approaches), training materials design and the re-orientation of teachers towards competency-based teaching approaches. These are all areas where the project has not had the time to follow up fully.

#### **4.2.6 Visibility**

The project appears to have enjoyed good visibility, though it seems to have been almost an inevitable consequence of the nature of implementation that the ILO has enjoyed rather more visibility than the EC. Communications and other protocols with regard to project visibility appear to have been well followed. There is a challenge (leading to a specific recommendation below) to raise the project's profile to an international audience, via the

project's website: by ensuring it does justice to the project's immense achievements – ensuring that Vietnam gets appropriate recognition for what it has achieved and that international best practice, resources and “know-how”, which the project can rightly be proud of, are disseminated as best they can be.

### 4.3 ISSUES AND CHALLENGES

Despite the above achievements, any project as ambitious in scope and as complex as the LMP will be confronted by issues and challenges. Among the most significant, which may help to lead to the identification of lessons for the future, the following have emerged as part of evaluation findings.

- a. The two components had a great potential to be mutually reinforcing. However, in a break of logframe convention that a project should have “only one purpose”, they were written as two “purposes, independent of each other. This results in a visible lack of linkages between the two components in implementation. It is manifest this has had a detrimental effect on project cohesion and synergies.
- b. There has been a missed opportunity at earlier stages of the project to strengthen weak project indicators within the logframe. Most crucial in this respect are those indicators that relate to training. Indicators mention staff being “trained”, but without any clarity on expected changed behaviours and practices resulting from the training provided. This kind of missing information is what is crucial for determining whether or not training has had any result or impact. That being said, it is manifest from interviews that training is overwhelmingly reported as having been meaningful and effective.
- c. It is understandable that most project pilots were being tried out in provinces with high economic activity. However, apart from the CB TREE pilots targeting the poor in Ha Tinh, there has been little project referencing in the form of explicit policies or strategies to mainstream cross-cutting issues, especially gender, disadvantaged groups and environment. This resulted in missed opportunities for the project to demonstrate more strongly its link to Government of Vietnam's strong social equity focus. For example, it is accepted that the choice of the welding sector for piloting approaches to standards development was a very high priority sector for Vietnam. However, this is an almost exclusively male trade/profession. An alternative “high priority” skill area could have been selected that was more inclusive of women and perhaps also took the opportunity to address environmental concerns and gave more opportunity for promoting the interests of disadvantaged groups or challenged gender-stereotyping so prevalent in VET across the world.
- d. The “Ideas for Business” competition initiative has generated a lot of interest and has been much appreciated. There are fears for its sustainability because of lack of future funding. This is somewhat ironic, as it would only take a small “ideas for business” type step to think of ways of how the initiative could be made self-sustaining in future: for example through sponsorship of large businesses to give the annual prize (say, a different

sponsor each year). As a lesson for the future: when launching such a scheme, the ILO could consider giving more emphasis to this sustainability issue during the awareness raising/capacity building. If the initiative is run for three years within a project context, perhaps the first two years could be funded by the project, but year three would be financed through commercial sponsorship to demonstrate the on-going sustainability of the intervention.

- e. A future challenge is to collect and use labour market information in even stronger ways to provide information that will help VET institutions to respond and shape their courses and programmes in ways that better match the specific skills needs of the labour market. Data and labour market understanding being accumulated by ESCs, in particular, are a potential “gold mine” in this regard. Table 4.3.1 illustrates what is in mind here and the kinds of possibility offered. These ideas were stimulated by a visit to the Hanoi ESC and interactions with staff.
- f. The project has also been a learning experience in respect of the partnership formed between the ILO and the EC. Institutional protocols and financial procedures have not always meshed easily. It is perhaps worth noting that similar issues were documented in a recent mid-term review of the EC/ILO “TVET Reform Project” in Bangladesh. It is also worth emphasizing that the EUD and ILO country office have shown great sensitivity, understanding, flexibility and creativity in trying to smooth operational issues and this working spirit has been important in underpinning project success. Nevertheless, with a view to the future, there is a manifest need to review and refine EC and ILO procedures to help make them better suited and matched to the challenges of complex project implementation on the ground, and especially where multiple organisations work in partnership. As a considerable portion of EUD programming in Vietnam is now focused on general budget support, such harmonization challenges may become increasingly important for which mutually satisfactory solutions will be needed.

Table 4.3.1: A “Gold Mine” Of Data to Inform Skills Development Policy and Practice!

Sample Data and “Intelligence” from Hanoi ESC:	Possible Implications for skills development:	<i>But</i> . . . key additional questions and observations!
<p>The <b>easiest</b> vacancies to fill, by occupational area: (Possible skills over-supply?)</p> <p>Accountancy: 91.07% Business: 83.69% Retail: 72.9% Finance: 71.25% Information Technology: 58.02%</p> <p>The <b>most-difficult</b> vacancies to fill, by occupational area: (Possible skills under-supply?)</p> <p>Agriculture: 9.16% Health: 8.87% Textile/shoemaking: 8.45% Mining: 6.29% Forestry: 3.94% Fisheries: 1.74%</p> <p><i>(percentage figure = percentage of employer vacancies filled)</i></p>	<p>Reduce, or stop increasing, the number of skills training programmes in accountancy, business, retail, finance, and information technology – if the market is already over-saturated.</p> <p>Increase the number of training programmes in agriculture, health, textile-shoemaking, mining, forestry, and fisheries – if the market is struggling to find suitable skilled labour.</p>	<p>Are the patterns to be observed in Hanoi very similar or very different to patterns elsewhere?</p> <p>If very similar, national policy directives can be helpful.</p> <p>If very different, local initiatives and solutions are required.</p> <p>What are the trends over time? The data give us a picture of the situation now: but we need to know whether or not the market demand for skills in particular areas is growing or declining. (In the case of IT skills, for example, the demand is almost certainly growing – so skills oversupply might be short-lived. We need to try to make forecasts.</p> <p>Do we have time-series data, or is this something we need to start collecting?</p>
<p>Examples of groups in society, attending the Hanoi ESC, particularly difficult to place in jobs:</p> <ul style="list-style-type: none"> <li>• Skilled workers who have been made redundant;</li> <li>• Persons with disabilities.</li> </ul>	<p>Suggests an apparent need for:</p> <ul style="list-style-type: none"> <li>• Skills retraining and re-orientation programmes;</li> <li>• Extra and more-concerted skills development initiatives to help the disabled play a fuller role in society.</li> </ul>	



<p>“It is difficult to recruit unskilled workers”</p>	<p>Possible skills over-supply?</p>	<p>What other policy implications or explanations might there be? For instance unskilled workers may be unable to relocate to areas where there are unskilled jobs available, because of lack of accommodation – i.e. implications for housing policy?</p>
		<p><b>Other (example) key questions and observations:</b></p> <p>Within specific skill areas, where is the greatest mismatch between what VET institutions provide and what employers are looking for?</p> <p>For instance, perhaps IT graduates are familiar with “Windows XP”, but employers are looking for employees familiar with “Windows 7”.</p> <p><i>A hypothesis (that data may help us to understand better):</i></p> <p>Perhaps employees are satisfied with the technical skills of their applicants, but are looking for other vocational attributes, e.g.:</p> <ul style="list-style-type: none"> <li>• Better knowledge of English, because the Company works in an international environment;</li> <li>• Problem-solving skills;</li> <li>• Team-working skills;</li> <li>• Communication Skills.</li> </ul> <p>If useful hard data can be generated in these areas, vocational training institutions can then respond accordingly.</p> <p><b>Tracer study information</b> generated by VET institutions (i.e. what happens to their graduates) can be very powerful information to help in skills development planning.</p> <p>How systematically is this information being collected, what patterns and findings are emerging, and what are the implications for policy and practice?</p>

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- g. The project was hit hard during the early stages of implementation by problems of international staff turnover, including force majeure among key staff members. This resulted in a significant loss of technical momentum. It is to the credit of the implementation team and to the Government of Vietnam that so much lost ground has been made up in the final year of implementation. Nevertheless, this unfortunate experience underscores how vulnerable project activity can be to such setbacks: especially when the time period for implementation is so short and project scope so ambitious. As a result, some of the project results do not enjoy the benefit of having a sufficient “settling in” period through which applications could have been more fully tested or adjusted and personnel capacity more fully prepared. This observation applies especially to the important work undertaken in developing skills standards for the occupational area of welding. It is unfortunate that the new welding standards and attendant programmes and curricula could not have been introduced with pilot cohorts before the project ended. This would have allowed for “technical support” “hand-holding” in the initial stages of the change-over and the making of any relevant modifications on the basis of implementation experience. The fact that this has not happened may make future sustainability more of a challenge.
- h. Where other development projects elsewhere in the world, including EC supported projects, have addressed “Skills Standards” and introduced competency based ways of thinking: these projects have also recognised and accommodated the “knock on” capacity building implications of developing training standards, training programmes, training materials, and the reorientation of trainers and training institutions. (See, for example, EC/ILO TVET Reform Project in Bangladesh and EC SVET Project in Turkey). These are “follow on” areas that the LMP did not give sufficient weight to in project design – potentially undermining impact and sustainability. However, the implementation efforts to address some of these concerns are acknowledged – for example the competency based training manual and attendant competency based training that has been included and appreciated. The GoV has also indicated that it recognises the importance of capacity building implications beyond the introduction of new skills standards per se and has expressed a commitment to addressing capacity building implications in complementary areas.
- i. On the basis of stakeholder feedback at the VET institutional level, it would seem that the initiative to introduce KAB, while much appreciated, could prove vulnerable as far as sustainability is concerned. KAB courses ran because the project provided funding for them. They may not continue without further sources of funding being provided. A potential solution is to incorporate KAB curricula content into the national framework curriculum for VET institutions – either making it mandatory or offering it as a curriculum option. This would, however, require a decision and directive from government. This is something GoV may wish to consider.

## 5 LESSONS LEARNT

Several lessons can be learnt from the life of the EU/MoLISA/ILO Labour Market Project in Vietnam. Some of the most important ones are as follows:

- a. The importance of mutual respect and trust in relationships among partners, i.e. between the key technical and decision making personnel in BoE and Project Team, and among BoE, EU & ILO as project sponsors, was key to ensuring implementation challenges could be overcome. Time taken to invest in building relationships in the formative period of the project, even at the expense of initial implementation momentum, appears to have been a significant factor helping to explain the degree of eventual project success.
- b. In a country such as Viet Nam, where centralized planning is still the norm, it was important that the project clearly identified the appropriate authority with the mandate to take project outputs forward to scale, for mainstreaming or institutionalizing its outputs and outcomes. This was illustrated by the significance of adhering to Decision #9 to have the skill standards for welding be accepted and seen as a model to be followed.
- c. It is important that introduction of innovations is accompanied by sound need assessments. The success of the CB TREE pilots relative to many other initiatives with larger investments is attributed to the fact that it was well tuned in to diverse needs rather than imposing "one size fits all" packages.
- d. The project has demonstrated how big gains can sometimes be made with relatively small investments. At the same time it has also shown that well-chosen substantive investment also can yield proportionate results.
- e. The difficulties that force majeure setbacks created for project implementation underscore the vulnerability of projects with a short implementation timeframe.
- f. Cross-cutting themes such as gender and the environment were not a specific part of project design and consequently some development opportunities were missed. This provides a cautionary lesson for the design of future projects.
- g. Sufficient time needs to be built into project design for "embedding" innovation – to rectify any "teething problems", to help make it sustainable, and also learn lessons. The labour market project would have benefited from greater opportunity to see a cohort of learners follow through a programme based on the new learning standards, providing any technical support and advice needed and making further revisions if necessary. Similarly, the assessment and testing centre for welding has not become fully established before the project ends and will miss vital early technical support and guidance.
- h. It is a logical framework convention that a project should have only one purpose. The challenges that a "two purpose" design created for the labour market project were not fully overcome in terms of achieving synergies between the two project components. The experience serves as a lesson and justifies the convention that a project should only have a single purpose.
- i. The project has not paid sufficient attention to the potential of the project website to be a window for international interest in project achievements and resources – though hopefully this is something that will be addressed in the closing weeks of the project. The evaluators recently experienced the same finding when undertaking a mid-term review of the EC/ILO TVET Reform Project in Bangladesh – suggesting that this lack of attention could easily be a wider project phenomenon and tendency. Recognising the

importance of international dissemination, know-how, and resource sharing is therefore a consideration that should be kept more to the fore in future project design and implementation.

## 6 RECOMMENDATIONS

The preceding sections documented the project's many achievements and lessons learnt, and included key ingredients of how challenges were overcome during the course of implementation.

On the basis of all of the above, the following comprise a set of main recommendations. Recommendations fall under two categories: those relating to the project per se to help maximise impact and sustainability; and those relating more strategically to the links between the VET and labour market sectors – and how future interventions may best be able to build upon what the project has been able to achieve.

With regard to the project specifically, in the remaining weeks of implementation, it is recommended that:

- There is a need for continued and increased efforts to promote dissemination and awareness of the fruits of the LMIS. One means to do this is by the legal underpinning of information sharing among data-producing agencies: e.g. through government decision or directive. (Otherwise, officers hold back useful information, because they are not sure that they are authorised to share).
- The Government of Vietnam considers incorporating KAB curriculum contents into the national framework curriculum for VET institutions – either making it mandatory or offering it as a VTI curriculum option through MOLISA as well as secondary school curriculum through MOET. This recommendation is made on the basis of stakeholder appreciation of the value and relevance of the contents, but a fear that their continued use may not otherwise be sustainable.
- The project implementation team strengthens and updates the project website to reflect its achievements before project closure. This is especially in recognition of how much the international community can learn from Vietnam's achievements. There is much, for example, that a forthcoming EC funded skills development project in India can potentially benefit from in terms of practical resources, experience and “know how”.
- Notwithstanding the important dissemination role of the project website, there is a further challenge to ensure that the international donor community is sufficiently aware of project achievements and resources in order to build upon make use of them. One means to achieve this could be through a dissemination workshop. The ILO, the EC and the Government of Vietnam are all encouraged to play an advocacy role in respect of awareness raising.

With regard to a longer-term, more strategic, perspective, the project has paved the way for further development interventions. Arguably the most important and logical thing to recommend is to consolidate project investments, including:

- Additional training and technical support to further increase capacity to collect, process and disseminate labour market information. This includes support at the national level (the LMIC), but a future priority should also include capacity building of DOLISA and ESC staff at the provincial level.
- Further develop building blocks in LMI, with bottom-up, locally specific labour market data reinforcing macro econometrics data, to further consolidate the evidence base for policy planning that supports strategic national vision, including development of social protection policies. At the same time, the LMIS can serve as a vital source of information able to respond to the immediate needs of both job seekers and employers in rapidly changing realities at different economic hubs.
- Consolidate linkages between future LMI and TVET work, using the LMI data to inform decisions on demand-responsive skills development.
- A move towards the development and adoption of a National Vocational Qualifications Framework.
- Further efforts to secure the shift from emphasis on qualifications to emphasis on competencies.
- Promoting increased industry involvement in TVET (especially in respect of the bullet points immediately above).
- The implications of skills standards development for the corresponding development of training standards, course programmes (including the increased relevance and significance of modular approaches), and course materials.
- Ensure adequate budgetary and human resource allocations to support further scaling up of successful pilots e.g. CB TREE. This may be done through adopting the approach in the National Target Programmes, such as the “Train one million rural workers per year” initiative so that resources earmarked for those can be utilized to their maximum effectiveness. Funds should be allocated for seed money (e.g. through the Vietnam Cooperative Alliance) and a minimum of one facilitator in each commune.

