

EC/UNDP/ILO

Skills Training for Gainful Employment (STAGE) In Timor-Leste

Donor:	European Commission
Executing Agency:	International Labour Organization
Implementing Agency:	International Labour Organization

Final Evaluation

Consultant's Report

Prepared by
M Wheelahan

The views expressed in the Consultants' report do not necessarily reflect the views or policies of the International Labour Organization (ILO), or the European Commission (EC). Terminology used may not necessarily be consistent with ILO or EC official terms.

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Acronyms and Abbreviations

CBT	Competency-Based Training
CDE	“Centro de Desenvolvimento Empresarial” (Business Development Centre)
DEC	District Employment Centre
EC	European Commission
EVTF	Employment and Vocational Training Fund
FEFOP	Fundo de Emprego e Formação Profissional (EVTF)
GEMS	Gender Equality Mainstreaming Strategy
GYBI	Generate Your Business Idea training programme
IADE	“Instituto de Apoio ao Desenvolvimento Empresarial”
ILO	International Labour Organization
IYB	Improve Your Business training programme
INDMO	National Labour Force Development Institute
LMI	Labour Market Information
MFIs	Micro-Finance Institutions
MTE	Mid-Term Evaluation
MOU	Memorandum of Understanding
DNE	National Directorate of Employment of SEFOPE
DNFP	National Directorate of Vocational Training of SEFOPE
OJT	On-the-Job Training
SEFOPE	Secretariat of State for Vocational Training and Employment
SENAI	Brazilian Cooperation Training Centre
SEPI	Secretariat of State for the Promotion of Equality
SIMU	SEFOPE Computerised Labour Market Information Database
SYB	Start Your Business training programme
STAGE	Skills Training for Gainful Employment Programme
TOT	Training of Trainers
TVET	Technical Vocational Education and Training
UNDP	United Nations Development Programme
WB	World Bank

Executive Summary

The “Skills Training for Gainful Employment Programme (STAGE)” is an ILO-executed programme that is part of a four Programme Package “Rehabilitation and Community Development in Rural Areas (RCDRA)” funded by the European Commission with UNDP being responsible for the overall implementation of the programme package. STAGE is a 5-year programme with the European Commission funding of Euros 4,650,994. The ILO contributed Euro 236, 000 and the UNDP Euro 200,000. The main partner of STAGE in Timor-Leste was the Secretariat of State for Labour and Solidarity which later became the Secretariat of State for Vocational Training and Employment (SEFOPE).

The STAGE programme was designed to strengthen the system of employment skills training as well as to strengthen the capacity of national administration and other relevant institutions. Its overall strategy is three-fold: (i) Capacity building of the Secretariat of State for Vocational Training and Employment, with a specific focus on its Division of Employment, Division of Vocational Training, and District Employment Centres; (ii) Establishment of a national network of training providers capable of delivering a flexible system of formal and non-formal skills and enterprise training; and (iii) Promote Community Empowerment through the delivery of an integrated system of skills and enterprise training.

The purpose of the final evaluation was to examine the progress, achievements, good practices, and lessons learned from the STAGE programme. The evaluation included a desk review of relevant documentation followed by field visits and consultations with stakeholders.

Main Findings and Conclusions

The STAGE Project envisaged a flexible decentralized approach to skills training, small business development and micro-enterprise development that would lead to income generation and gainful employment. The project was comprehensive in its design and included all the components for self-employment promotion such as career guidance and referral, skills training and development, enterprise training and micro-finance services.

A number of adjustments were necessary during implementation. In the early stages, the original logical framework was reviewed and indicators relating to the outputs for each immediate objective were expanded and refined. The main counterpart Ministry in Timor-Leste which was restructured twice during over the life of the project and in 2007 was recreated as the Secretariat of State for Vocational Training and Employment (SEFOPE). In April 2006 conflict and violence around the country saw a major breakdown of law and order particularly in and around Dili resulting in some project activities being suspended for several months. However the project reported that given the capacity built within DESD and the strong links developed with skills and enterprise training and credit providers established at the local levels, STAGE activities suffered no major delays.

A Baseline Study was completed by STAGE in 2006 establishing a starting point against which the impact of the Programme would be measured. It also provided a useful reference document for the Programme in identifying target groups and understanding the nature of employment in Timor-Leste. There was an initial expectation that useful links and synergies would develop across the four projects under the ‘Rural Development Programme for Timor-Leste’ managed by UNDP. However these did not develop nor did the monitoring and evaluation function to be performed by UNDP operate effectively.

Gender Equality

SEFOPE has shown a strong commitment to advancing the gender equality agenda and has established a Gender Unit within the Ministry which delivers training to staff throughout the organization and to new recruits. STAGE assisted in strengthening the work of the unit in drafting annual work plans, supporting staff training initiatives and a proposal for setting up a gender network within SEFOPE.

More broadly, the findings of the report ‘Gender Dimensions in Vocational Training in Timor-Leste’ served as a basis for strengthening initiatives by SEFOPE to ensure equality of access to training for women and to broaden their skills training options. The project experience shows that having a gender expert in the team throughout the project duration will be very helpful to facilitate the integration of gender concerns in the work of the technical units.

Efficiency and Effectiveness

A major feature of STAGE implementation has been the integrated approach adopted by the management team. The CTA negotiated for national project staff to be located in SEFOPE and, from the outset, implementation has been fully embedded within the organizational framework of SEFOPE. Rather than hiring national staff on ILO contracts, the Project established a Service Contract with the Ministry which enabled all national staff to be recruited directly on Government conditions of service. This innovative approach promoted counterpart ownership and team spirit, and facilitated the capacity building process as well as sustainability in the longer term. The project office was also physically located within the Ministry precincts and each international specialist worked with a counterpart.

The result has been a high level of stability and continuity amongst the national staff that have been recruited throughout the project. The five-year implementation timeframe also provided the opportunity for strong capacity building initiatives to be introduced and reinforced within the SEFOPE. VT providers also had time to develop and deliver enterprise skills training to communities that were progressively refined to suit communities’ needs and the opportunities available in the labour market.

Strengthening the Capacity of SEFOPE

STAGE has made a strong contribution to the growth of SEFOPE as a full-fledged employment authority. When SEFOPE was created in 2007 STAGE provided legal support in the development of the SEFOPE organic law and later assisted SEFOPE in the process of the labour code reform. The international labour standards, in particular the ILO Convention C 122 (Employment Policy) and the 8 core conventions, provided principal references for STAGE inputs.

STAGE assisted SEFOPE to set up the National Labour Force Development Institute (INDMO). Other key STAGE contributions included support in developing a VT Policy and VT Strategy Papers, conducting a Youth Employment Study, developing a National Employment Strategy and establishing a National Labour Market Information System.

The Employment and Vocational Training Fund (EVTF) has been a very important mechanism in allowing STAGE to promote the creation of training, self-employment and employment opportunities. A review of Fund guidelines in 2008 resulted in the establishment of the Fundo de Emprego e Formação Profissional (FEFOP) replacing the previous fund with much broader scope to allow new types of programs to be included. STAGE also implemented a comprehensive training programme for the staff of the DEC’s which covered the full range of services provided by these offices.

Strengthening the capacity of vocational training providers.

In 2007, a review of VT provision in Timor-Leste was conducted to assess the effectiveness of the VT programs and VT Centres in assisting unemployed to find work or their own income-generating activities and to identify further inputs that may be needed. This Vocational Training Impact Assessment also pointed to the need for a nationally regulated VT system that would promote uniform training more in tune with national skills requirements.

STAGE supported a range of initiatives which included promoting on-the-job training and work experience placements, Workshops on Competency Based Training (CBT), training of trainers in small business development as well as training of Master Trainers on SIYB. A wide range of Manuals and handbooks provided by STAGE to VT providers were acknowledged as major resources and references tools.

Empowering Communities

In 2007, STAGE and SEFOPE conducted a Self-Employment Impact Assessment. The assessment appraised the effectiveness and results of the coordination between the DESD, MFIs, and business development services providers. 188 EVTF beneficiaries were interviewed and 91% of the beneficiaries reported starting businesses.

There was a considerable increase during 2008 in the number and coverage of proposals approved by FEFOP extending the coverage of community empowerment activities to another eight districts. Some examples of the impact at community level achieved by the project are the Better Targeting – MOU between SENAI and CDE, the CDC Business Plan Exercise and the Loron Aban Hahu Ohin (LAHO) Business Development Plan.

Recommendations

FEFOP should be showcased as a successful model in supporting local community empowerment to encourage development partners and donors to fund or co-fund the further expansion of the fund.

SEFOPE should give consideration to maintaining the Steering Committee or establishing an Advisory Board with broad representation including external representatives as an important way to provide ongoing policy guidance and independent advice.

Additional development partners and donors should be sought to provide further technical support for the VT reform agenda commenced under STAGE and being continued by SEFOPE.

Further capacity building support for the Ministry of Economy and Development and its Business Development Centres should be pursued to enable them to strengthen their contribution in private sector development through their identification of business opportunities and the business training courses which they can provide particularly in the agricultural sector.

Further enhancements are needed to the LMI system (SIMU) database software including improved anti-virus protection and improvements in the usefulness and efficiency of the database and reporting capability.

The role of the DEC's should be clarified to emphasize their proactive responsibilities as a coordination point between training providers, MFI and local communities involved in developing and implementing FEFOP proposals.

Further expansion of the DEC office network should be considered to support the expected increase in proposals approved under FEFOP.

Further training and support should be given to improve staff skills in liaising with local VT providers and communities and in providing counseling, advice and information to jobseekers.

Important lessons learned

- The project implementation office and staff were located within the counterpart agency. The results achieved by STAGE as measured by the strong working relationships and the clear understanding and commitment of SEFOPE staff in implementing changes is further evidence of the importance and benefits to be gained in advocating this approach when other projects of this type are being proposed and implemented.
- The five-year implementation timeframe provided the opportunity for strong capacity building initiatives to be introduced and reinforced within the SEFOPE. The ongoing commitment to the project from the Secretary and senior officials in SEFOPE, despite several major restructures of the Ministry, was also a key element in the project's success. Projects with large capacity building components clearly benefit when a longer timeframes is involved.
- The integrated approach adopted by the project management team resulted in implementation being fully embedded within the organizational framework of SEFOPE. The recruitment of national project staff using a Service Contract with the counterpart Ministry should be seriously considered where other projects require a significant number of national staff to be recruited.
- Manuals and handbooks provided by STAGE to VT providers were widely acknowledged as major resources and references tools. The benefits of these aids and the importance of keeping them up to date should always be important considerations in projects of this type.
- The project experience shows that having a gender expert in the team throughout the project duration will be very helpful to facilitate the integration of gender concerns in the work of the technical units. In addition, as SEFOPE structure is becoming stable and programmes and initiatives are growing, demands for gender expertise are much larger than at the onset of STAGE. Programme planning, implementation, and monitoring at the departmental level needs specific gender inputs, as much as the needs at the Secretariat-level. A full time international gender expert is much needed for this level of work.
- Where a number of projects are being implemented as part of a broader programme, with overall monitoring and evaluation being undertaken by another agency, clear monitoring and evaluation arrangements should be established and in place early in the project's life.
- A Programme Steering Committee for all implementing agencies and their counterparts to meet regularly could support synergy building between different programme components.

1. Introduction

1.1 Background and Context

The “Skills Training for Gainful Employment Programme (STAGE)” is an ILO-executed programme that is part of a four Programme Package “Rehabilitation and Community Development in Rural Areas (RCDRA)” funded by the European Commission with UNDP, as the signatory of the Contribution Agreement with EC, being responsible for the overall implementation of the programme package. The individual programmes are the UNDP/UNOPS - AIM programme which seeks to improve rural population’s access to market and social services; the UNDP/UNOPS-OCAP programme which is community-based, aiming to enhance livelihood opportunities for the recipient communities; the UNDP/ILO-STAGE programme aimed to improve the skills base and employability of the East Timorese through capacity building of regulators, service providers and rural beneficiaries; and the UNDP/UNIFEM-PERWL programme which aims to strengthen rural women’s capacity to effectively participate in the nation-building process. A common theme among all programmes is capacity building to ensure sustainability of the proposed interventions.

Initially, the main partner of STAGE in Timor-Leste was the Secretariat of State for Labour and Solidarity which later transformed into the Ministry of Labour and Community Reinsertion (MLCR) and in 2007 was restructured as the Secretariat of State for Vocational Training and Employment (SEFOPE). The STAGE programme is a 5-year programme with the European Commission providing the bulk of the funding (Euros 4,650,994). The ILO contributes Euro 236,000 and the UNDP Euro 200,000.

The programme was designed in 2003-2004, based on an urgent need to enhance people’s capacity in Timor-Leste to generate income. Almost 90 percent of the poor are in rural areas and poverty is primarily a rural phenomenon. Furthermore, the level of unemployment is near 20 percent in urban areas, reaching above 40 percent among urban youth (2004 figures).

This extremely difficult economic situation combined with the high demographic dynamic (a 17.4 % population increase during the previous 3 years), places employment creation at the top of priorities to be addressed. Estimates of the age structure suggest that as many as 15,000 young people will enter the labour market each year over the next four years and in a context where the creation of full-time wage employment will be an extremely difficult option. Currently only about 13 percent of males and 9 percent females are engaged in formal employment. Hence, there is a strong need for strategies that will focus, at least in the short-term, on informal sector activities.

The STAGE programme was designed to strengthen the system of employment skills training as well as to strengthen the capacity of national administration and other relevant institutions. The programme development objectives are:

- Strengthening and expanding the coverage of the DESD services, enhancing its capacity for labour administration, programme coordination, implementation of employment promotion initiatives and provision of quality labour market services.
- Community empowerment through delivery of an integrated system of skills and enterprise promotion interventions.

To achieve these objectives the programme has three strategic components:

1 Secretariat of State for labour and Solidarity capacity building

The STAGE will strengthen the SSLS enabling it to: (i) service and build the capacity of a National Vocational Training Authority Secretariat to provide policy and programming advice to the Government; (ii) coordinate and monitor vocational and enterprise skills development; (iii) develop effective public employment services; (iv) establish and maintain a gender disaggregated labour market Management Information System (MIS); and (v) improve the management and scope of the Employment and Vocational Training Fund (EVTf) available to training providers and micro finance institutions, leading to income generating activities.

2 Strengthening the capacity of existing rural and urban training providers

In order to develop effective training capacities and a micro-enterprise development mechanism in Timor-Leste, STAGE will strengthen the capacity of existing training institutions by providing them with management training, training of trainers, field support monitoring, development of needs-based curricula, and financial resources through the EVTF.

Training providers will work closely with the SSLS District Employment Centres (DECs) for the delivery of training to the communities. STAGE will carry out all the activities to ensure that such coordination is established, and that training services which will enhance their opportunities for paid and self-employment will be fully accessible to women and men.

3 Community Empowerment

STAGE will place a particular focus on informal sector opportunities for employment and income generating activities, linking skills and business training to identify viable self-employment and small business opportunities. Broadly, this component will involve: (i) building the capacity of communities to identify employment and training opportunities and to prepare proposals for business start-up to be financed by the EVTF; (ii) design and delivery of appropriate gender sensitive training projects; and (iii) provision of linkages to necessary post-training support services, including credit facilities, technical assistance and market development and information.

1.2 Purpose, Scope and Clients of the Evaluation

Scope

The final evaluation will examine the progress, achievements, good practices, and lessons learned from the STAGE programme throughout its implementation period from October 2004 – March 2009. It will draw from the findings and recommendations of previous evaluations and supplement these findings by providing insights from the views of programme implementers in the ILO, UNDP, SEFOPE, and partner organizations, programme administrators, and programme target groups and beneficiaries.

The evaluation will include all activities and programmatic coordination and management undertaken by the STAGE programme and SEFOPE during the period October 2004 – March 2009, as well as existing SEFOPE initiatives and the synergies between STAGE-supported programme and other initiatives undertaken by SEFOPE. It will also review STAGE implementation programme progress vis-à-vis the priorities and strategic focus of the United Nations Country team and the United Nations Development Assistance Frameworks of 2003-2005 (extended to 2008) and of 2009-2013, and the Timor-Leste Decent Work Country Programme.

Purpose

The STAGE programme completion date is 14 May 2009. At the time of the final evaluation, it will have been implemented for 54 months (October 2004-March 2009) out of the planned 60 months. The final evaluation is expected to provide a summative account of overall programme

relevance, efficiency, effectiveness, and sustainability and give recommendations regarding critical areas to better match SEFOPE's administration and technical capacity with the employment needs of Timorese men and women that may have not been met or were outside the scope of STAGE programme framework.

Clients

The immediate clients of the proposed final evaluation are the Government of Timor-Leste, in particular SEFOPE, INDMO, IADE, and FEFOP; ILO Programme staff in Timor-Leste, Jakarta, and HQs; UNDP Programme staff in Timor-Leste; and the European Commission.

2. Methodology of Evaluation

2.1 Desk Review

The evaluation commenced with a desk review based on a range of documents forwarded to the consultant during the week prior to the field mission. These documents included the Project document, Progress Reports, Minutes from Project Steering Committee meetings, previous evaluations and a range of surveys, publications and other documents supported or produced by the Project.

2.2 Field Visits and Stakeholder Consultations

Interviews were conducted with a range of key stakeholders including SEFOPE, MFI, IADE, KSTL and training providers and a list of contacts made is shown in Attachment 2. A number of participants undertaking training courses or involved in work cooperatives were also interviewed and several community group representatives were also met. The Project covers activities in four districts and the reviewer undertook a two day field visit to Baucau to review a range of projects and meet with stakeholders in that area.

2.3 Limitations of the Evaluation

The review took place from 29 March to 23 April 2009 and included a field mission in Timor-Leste from 1-8 April. Given this very limited time of 5 working days in the field, the review was an intensive and very tightly programmed series of visits and meetings. The TOR provided for the composition of the final evaluation team to comprise the team leader and two national professional staff of UNDP and ILO not involved with the project implementation. However the ILO nominee was only available to participate between 6-8 April and no representative from UNDP was able to participate during any of the field work. Only one field visit was possible in the time available and covered projects in Bacau district.

3. Main Findings and Conclusions

3.1 Design

The overall objective of the Programme was to contribute to the reduction of poverty in Timor-Leste and to facilitate economic growth by reducing the level of unemployment and underemployment through building national capacities to deliver a demand driven employment skills training system.

The STAGE Project envisaged a flexible decentralized approach to skills training, small business development and micro-enterprise development that would lead to income generation and gainful employment. It proposed a three-fold strategy designed to strengthen the institution and capacity of SOFEPE at national level and in its district employment centers, to strengthen the capacity of existing training providers; and thirdly, to improve access at community level to small business development and skills training opportunities. The stakeholders, target groups and beneficiaries were well defined and these together with the objectives remained valid at the time of project implementation. The project was comprehensive in its design and included all the components for self-employment promotion such as career guidance and referral, skills training and development, enterprise training and micro-finance services.

Implementation Adjustments

Nevertheless, it was necessary for the project to make a number of adjustments during implementation. Early in the implementation phase, the original programme logical framework was reviewed and the objectively verifiable indicators relating to the outputs for each immediate objective were expanded and refined. These indicators in the 'program result framework' were used as the basis for six monthly reporting of achievements against the nominated outputs of each immediate objective.

The main counterpart Ministry in Timor-Leste which was initially the Secretariat of State for Labour and Solidarity (SSLS), subsequently became the Ministry of Labour and Community Reinsertion (MLCR) and in 2007 was recreated as the Secretariat of State for Vocational Training and Employment (SEFOPE)¹.

In April 2006 an initial conflict within the military rapidly expanded to flare-ups and violence around the country with a major breakdown of law and order in and around Dili resulting in more than 67,000 Internally Displaced People (IDPs) seeking refuge in make-shift camps in Dili and an estimated further 60,000 people displaced throughout the country.

Although international project staff remained on duty in Dili during the crisis, project activities were curtailed and all community empowerment activities were suspended from April 2006 for up to four months. However the project reported that given the capacity built within DESD and the strong links developed with skills and enterprise training and credit providers established at the local levels, STAGE was able to recover the time lost and the Project workplan was subsequently adjusted to reschedule activities initially planned for those months affected.

¹ For ease of reference, the counterpart Ministry is referred to as SEFOPE throughout the remainder of the report.

Baseline Study

A Baseline Study was completed by STAGE in 2006. Its purpose was to describe the situation in the targeted districts before the launching of the STAGE Programme, establishing a starting point against which the impact of the Programme would be measured. It also provided a useful reference document for the Programme in identifying target groups and understanding the nature of employment in Timor-Leste.

Links with other Programs and initiatives

The STAGE project was one of four programs under the ‘Rural Development Programme for Timor-Leste’, funded by the European Commission. The other three projects were the Oecussi Ambeno Community Activation Programme (OCAP), the Programme for Access Improvements to Markets in the Eastern Region (AIM) and the Programme for Enhancing Rural Women’s Leadership and Participation in Nation Building in Timor-Leste (PERWL) and there was an initial expectation that useful links and synergies would develop across these programmes.

The mid-term evaluation of the Rural Development Programme noted that some informal cooperation had occurred between STAGE along with PERWL and OCAP but that in general, there had been very little if any cooperation or even synergies between the four UNDP activities. That review also noted that ‘The value-added of having a single agency (UNDP) managing the four components implemented by the other agencies has not materialised’ and that ‘There has also been no added value in having the monitoring and evaluation function being performed by a non-implementing agency.’²

The STAGE CTA advised that it had remained difficult throughout the project to establish or maintain links with the other three programs for a number of reasons including the differing timeframes in the implementation of the other programmes and the lack of common geographical coverage.

In early 2008, UNDP contracted an International Monitoring and Evaluation Consultant for three months to review the existing M&E framework and practices used by STAGE and to finalize a comprehensive indicator system in line with the programme logical framework with the focus at outcome level³. Other tasks of that review included improving the current indicator and monitoring formats in line with the finalized indicator system, providing training in these formats, monitoring the participation of women in the project and identifying those aspects of the project where synergy could be build with other programmes in the Package.

The UNDP consultant’s report provided a good coverage of the work undertaken by STAGE and a comprehensive discussion on monitoring at outcome and impact level. In summary, the report aimed ‘at the outcome level, at operationalising the immediate objectives into an ‘activity outcome’ categories-listing that is intended to suggest a wide selection of indicators rather than prescribe indicators that can contribute to substantiate outcome level achievements.’⁴

² Page 9, Mid-Term Evaluation of the Rural Development Programme (RDP 2003), Draft Final Report, March 2007

³ Summarised from Page 4 Terms of Reference for International Monitoring and Evaluation Advisor, Skills for Gainful Employment Programme (STAGE) UNDP TL

⁴ Page 6, Monitoring and Evaluation Consultant Report for STAGE SSA Number : TIM/SSA/08/017

One of the main recommendations in the report was ‘to have a system for monitoring that captures the holistic approach, with clear indicators for employment effects, non-employment effects, life skills effects both at government and down to community levels, and last but not least empowerment effects at community level’⁵ but the report was less clear in proposing a comprehensive indicator system that should be used to achieve this.

STAGE has continued to use its results framework and reported every six months on achievements against objectively verifiable indicators for the outputs of each immediate objective. All statistics on performance and results are disaggregated by age and sex and the ongoing development of a labour market information system and data base within SEFOPE has increased this coverage and reporting capacity.

When interviewed, UNDP representatives expressed the view that STAGE had achieved remarkable progress in the areas of capacity building with government and training providers and that progress with community empowerment had been very good. However they considered it had been insular in its approach and had poor links with other projects. They stated that UNDP had little involvement in the development of the EVTF guidelines and questioned the sustainability of the Fund beyond the life of the current project.

Gender Equality

SEFOPE has shown a strong commitment to advancing the gender equality agenda and has established a Gender Unit within the Ministry which delivers training to staff throughout the organization and to new recruits. STAGE assisted in strengthening the work of the unit in a number of ways:

- Assistance in drafting annual work plans which included a proposal for setting up a gender network within SEFOPE
- Support for staff to attend training on “Enhancing Organizational Capacity to Foster Collective Commitment to Gender Equality through Participatory Gender Audits” was planned to contribute to the building of organizational capacity to identify and design appropriate gender equality promotion measures.
- Support in the delivery of a Gender Responsive Budgeting Training for SEFOPE officials - training covered the concept of gender budgeting and the provision of examples of gender tools and gender-specific initiatives that could address the specific needs of women it also included a skill-building exercise in addressing gender issues in Timor-Leste employment and vocational and skills training contexts.

More broadly, the findings of the report ‘Gender Dimensions in Vocational Training in Timor-Leste’⁶ served as a basis for strengthening initiatives by SEFOPE to ensure equality of access to training for women and to broaden their skills training options. As the number of available vocational training (VT) courses organized by SEFOPE and STAGE has increased during 2008 and analysis of beneficiary data generated by the SIMU to identify gender gaps in access to SEFOPE employment services, there has also been an increase in the level of participation of women and the latest figures indicate that women represented 46.6 percent of the total of

⁵ Page 38, Monitoring and Evaluation Consultant Report for STAGE SSA Number : TIM/SSA/08/017

⁶ This report was produced as a supplement to the 2008 Technical and Vocational Education and Training Impact Assessment Report conducted by SEFOPE and supported by STAGE

participants in skills training It is also significant to note that women represent the large majority of the participants in the enterprise training courses, corresponding to 80.9 percent of the total⁷.

The project experience shows that having a gender expert in the team throughout the project duration will be very helpful to facilitate the integration of gender concerns in the work of the technical units. In addition, as SEFOPE structure is becoming stable and programmes and initiatives are growing, demands for gender expertise are much larger than at the onset of STAGE. Programme planning, implementation, and monitoring at the departmental level needs specific gender inputs, as much as the needs at the Secretariat-level. A full time international gender expert is much needed for this level of work.

3.2 Implementation: Efficiency and Effectiveness

Project Steering Committee

The PSC comprised the Secretary of State SEFOPE, representatives from UNDP, EU and ILO, representatives from Employer and Trade Union organizations and relevant Department Heads from SEFOPE and other Ministries when appropriate. The Committee met biannually during the project with the final meeting to take place in May 2009. Only one meeting was held during 2008. A review of the minutes of these meetings indicated that the PSC took a strong ongoing interest in the implementation of STAGE, providing appropriate guidance, policy advice and direction throughout the project and at times seeking clarification on issues relating to the proposed initiatives or directions being taken.

Implementation Approach

A major feature of STAGE implementation has been the integrated approach adopted by the management team. The CTA negotiated for national project staff to be located in SEFOPE and, from the outset, implementation has been fully embedded within the organizational framework of SEFOPE. This very significant and innovative approach used to recruit staff as part of STAGE implementation strategy meant that rather than hiring national staff on ILO contracts, the Project established a Service Contract with the Ministry which enabled all national staff to be recruited directly on Government conditions of service. This approach promoted counterpart ownership and team spirit, and facilitated the capacity building process as well as sustainability in the longer term, allowing the Ministry to staff new permanent positions by selecting the best staff out of those initially recruited on temporary contracts under the STAGE/Ministry Service Agreement. The project office was also physically located within the Ministry precincts and each international specialist worked with a counterpart.

The result has been a high level of stability and continuity amongst the national staff that have been recruited throughout the project and there is every indication that this strategy and the accompanying investment in staff training will be a significant factor in the retention of expertise within SEFOPE.

The five-year implementation timeframe provided the opportunity for strong capacity building initiatives to be introduced and reinforced within the SEFOPE. VT providers also had time to develop and deliver enterprise skills training to communities as well as to review and refine

⁷ Statistics on Pages 27ff, STAGE Progress Report, September 2008.

progress by collecting and analysing data to tailor their training courses to suit communities' needs and the opportunities available in the labour market.

Relevance

From the outset the SEFOPE and other relevant stakeholders have been fully involved in developing the programme concept and this continued during project implementation, ensuring strong local ownership and commitment to the Programme.

Another significant factor contributing to the success of STAGE was the high calibre and expertise of the international technical staff, three of whom remained with the project for its entire duration. Their commitment and collective efforts working closely with counterparts ensured a strong team approach and the effective transfer of skills and competencies to staff within SEFOPE.

The capacity building framework for sustainability envisaged in the Project design proved highly effective in reality with STAGE adopting the practice of working in parallel with and building the capacities of national government counterparts and that of training providers. The Chief Technical Adviser (CTA), worked with his counterpart - the Director of DESD and a Technical Team was established within the DESD⁸ to deliver the capacity building support to the DEC's and training providers. This team initially comprised international and national project staff, but as the Programme neared completion, all these functions have been systematically transferred to counterpart staff in the DESD who are now fully managing the functions. Similarly, coordinators in four DEC's are effectively promoting training opportunities and the provisions of the FEFOP program to local communities as well as carrying out local coordination and monitoring of training activities and supporting the development of training providers.

Expenditure Review

The CTA advised that all Project activities have been completed on budget and within the original timeframe and a project audit was conducted in February 2009 with the Auditor's report expected to be available by the end of April 2009. A detailed examination of expenditure and accounts was not carried out as part of this evaluation, however, it was noted that one issue to be resolved relates to funds advanced to MFIs as interest free loans under proposals approved under the EVTF with the requirement that these funds be repaid at cost after the relevant proposals had been fully completed. It is estimated that up to \$150,000 is still scheduled to be repaid to the Fund and in some cases the individual projects will not be completed until well after the STAGE project has been finalized.

⁸ The DESD is the Division of Employment and Skills Development of the counterpart institutions during the III Constitutional Government of Timor-Leste (Secretariat of State for Labour and Solidarity, and then the Ministry of Labour and Community Reinsertion). Under the SEFOPE the DESD was split into the Division of Employment and the Division of Vocational Training. The CTA counterpart initially was the director of DESD but since the establishment of the SEFOPE the STAGE CTA worked with the two directors as counterparts.

3.3 Summary of Achievements

Following is a summary of achievements in relation to each of the Project objectives.

3.3.1 Immediate Objective 1

Strengthening the Capacity of SEFOPE

Under this objective, the project aimed to provide support and services in three areas:

- To the National Labour Force Development Institute (INDMO) in developing policies and programmes to advise the Government on vocational and enterprise skills training at the national, district and community level.
- To SEFOPE at national level through skills development and employment management training to have systems and expertise in place to design, develop, implement and monitor enterprise skill programmes, and to provide advisory services for enterprise skills development for the urban and rural districts.
- At district level to strengthen the DEC's with fully trained staff for provision of labour market services, including support, coordination and monitoring centre-based and community-based enterprise skills training and income-generating activities.

The project has made major progress and significant achievements in these areas and the following is a brief summary of the main highlights.

Institutional Capacity Building

STAGE contribution to the growth of SEFOPE as a full-fledged employment authority has been especially noteworthy. When SEFOPE was created in 2007 STAGE provided legal support in the development of the SEFOPE organic law and later assisted SEFOPE in the process of the labour code reform. The international labour standards, in particular the ILO Convention C 122 (Employment Policy) and the 8 core conventions, provided principal references for STAGE inputs. Building SEFOPE capacity to implement these laws will take time and requires dedicated resources.

Establishment of the National Labour Force Development Institute (INDMO)

STAGE assisted SEFOPE to set up the Instituto Nacional de Desenvolvimento de Mão de Obra (INDMO) referred to in English as the National Labour Force Development Institute preparing its Statutes and initial Implementation Plan in cooperation with Training Centres, Employers and Trade Unions. The decree law to create INDMO was approved by the Council of Ministers in December 2007. This Institute which is an important step in the development of the national technical and vocational education and training system in Timor-Leste, is working with the SEFOPE, the Ministry of Education, employer bodies, worker organizations, VT providers and other stakeholders to develop a system is relevant for the labour market in Timor-Leste including the needs of the agriculture sector. The functions of INDMO are:

- a) To define and approve the competency standards for the productive sectors in Timor-Leste;
- b) To certify competence according to the approved standards;
- c) To certify VT centres and enterprises to become places of certification and to certify qualified staff to become assessors.

Policy and Strategy Documents

STAGE also provided technical assistance to SEFOPE to develop two fundamental documents to improve the VT system in Timor-Leste. These were a VT Policy Paper and a VT Strategy Paper, which have been used widely during consultations and have now been finalised.

The Policy paper outlined the building of a market-oriented, efficient, and accountable VT system in Timor-Leste while the Strategy paper defined key areas of VT reform including objectives, a sectoral approach to competency standards, workplace learning and a quality training delivery system within an overall National Qualifications Framework⁹.

Given the radical nature of this initiative and the institutional and legal issues involved, the project has been highly successful with progress to date. SEFOPE has taken strong ownership of this component and while STAGE supported the initial establishment of INDMO, the Institute's work is still in its early stages and this ongoing work is now being supported under the Youth Employment Promotion Programme funded by AusAID.

SEFOPE Capacity at National level

Youth Employment Study

SEFOPE with technical support from STAGE carried out a large scale survey as part of a Youth Employment Study (YES) for Timor-Leste. The study looked at employment challenges facing youth and identified a range of constraints on both the 'demand' and the 'supply' side and has been an important guideline for the Government and other stakeholders in developing 'youth' policies and programmes for improving economic and social welfare for young women and men in Timor-Leste.

Development of a National Employment Strategy (NES)

STAGE assisted the preparation of a National Employment Strategy (NES), based on a review of the first National Development Plan, the IV Constitutional Government Program 2007-2011; the goals and targets set by the country towards meeting the Millennium Development Goals, the Sectoral Investment Programs and based on the current economic and social situation.

The NES has a special focus on youth and proposes a number of specific interventions intended to create conditions for greater and effective private sector participation in economic activities. STAGE supported SEFOPE in the consultations with stakeholders and the finalization of the Strategy for presentation to the Council of Ministers.

Establishment of an Overseas Employment Unit

In early 2006, STAGE supported SEFOPE to launch a programme to promote the deployment of Timorese workers abroad and facilitated the establishment of a new Overseas Employment Unit within the Ministry. New staff was recruited and specific training was designed and conducted, centred on the fundamental concerns in managing an overseas employment process.

⁹ More detailed information on the development of INDMO is contained in the STAGE Annual Report April 2007-March 2008 (pg 6ff) from which this summary was taken.

Establishing a National Labour Market Information System

In 2006, SEFOPE developed, with STAGE assistance, a national labour market information system officially known as “Sistema Informação Mercado Trabalho” or SIMU. The system has a number of different components including a data entry module for the EVTF database; a module for computerised registration of employers, vacancies and jobseekers and a reporting module. Employment services module of SIMU has been deployed in the DEC’s and staff in these centres received IT training in how to use the module.

STAGE also provided support in other related areas including:

- (i) IT training courses for national level and DEC staff;
- (ii) The development of a model of Labour Market Information Bulletin produced quarterly;
- (iii) IT Training in Indonesia for staff in the Labour Market Information Department covering database design, application and reporting with follow database in-service training;
- (iv) Workshops and training for staff on data entry and use of SIMU including expansion of its coverage to other SEFOPE functions and programmes (e.g. labour intensive public works programmes);
- (v) Support for the development and release of new version of SIMU providing enhanced features and expanded reporting functions;
- (vi) Assistance in the preparation of an updated version of the Key Labour Market Indicators.

The Employment and Vocational Training Fund (EVTF)

The EVTF has been a very important mechanism in allowing STAGE to promote the creation of training, self-employment and employment opportunities. From the outset, the EVTF was established as a national fund, managed by SEFOPE and supervised by the Ministry of Finance. Given this strategic role and to help ensure the continuation of the developmental activities supported by the fund after the STAGE programme had concluded, SEFOPE and STAGE cooperated in the preparation of appropriate legislation aimed at ensuring the sustainability of the process. A review of Fund guidelines took place during 2008 and a major outcome was the broadening of the scope of the program to allow new types of programs to be included. The review was carried out largely by SEFOPE with the technical assistance from the STAGE project.

FEFOP

The review resulted in the establishment of the Fundo de Emprego e Formação Profissional (FEFOP- formerly known as Employment and Vocational Training Fund) was announced in the Official Gazette on 13 August 2008. Following this announcement, a new management structure and improved implementation guidelines were developed and finalized. The law enables different types of programmes to be funded/co-funded through the FEFOP and implemented by the Government with the assistance of its development partners.

The new guidelines encourage the submission of a broader range of proposals and provide far greater information on the types of proposals that will be supported and the evaluation criteria being used to assess proposals. Standardised application forms are provided and guidelines are readily available to assist groups to submit proposals. Greater emphasis is also being placed on proposals to assist unemployed youth and these can include on-the-job training activities, work experience programs to promote better transition between training centres and enterprises, and Internships to provide temporary work opportunities for unemployed youth out of school who graduated from secondary school.

SEFOPE began a major socialization program late in 2008 to advertise the new FEFOP guidelines and to encourage proposals from local communities. At the latest Technical

Assessment Committee meeting in April 2009 a total of 13 new proposals were recommended for approval.

The following table provides a summary of the types of activity, target groups and key features of proposals which will be considered under FEFOP.

Table I: Summary of Proposals eligible for consideration by FEFOP

Type of Activity	Target Group	Proposal Features
Vocational Training	Persons seeking skills to improve their prospects of finding employment	<ul style="list-style-type: none"> • VT providers propose training activities linked to labour market needs; • Activities can be at community level or at the training centre; • VTP registered with SEFOPE; • Contract between SEFOPE and the training provider; • Funds disbursed in three tranches.
Work Experience	School students and trainees have access to work experience as part of a VT course	<ul style="list-style-type: none"> • Financial support to training providers and technical secondary schools with work experience as part of the VT course; • Placement organized by school or VT provider; • Work experience participant paid an allowance.
Internship	Unemployed out-of-school youth who have completed senior secondary school	<ul style="list-style-type: none"> • Practical work experience in the workplace; • Up to three months in the workplace; • Funds disbursed to employer who pays a monthly subsidy to the intern; • Contract between employer and SEFOPE
On-the-Job Training	Graduates of VT and business management training courses	<ul style="list-style-type: none"> • Support for graduates to increase their skills, knowledge and experience; • Supervised work in enterprise or small business; • 6 months duration; • Contract between employer and SEFOPE • Employer makes financial contribution.
Business Management Training	VT students, small business operators micro credit clients and others interested in starting or improving their own business	<ul style="list-style-type: none"> • Small business startup training (SYB,IYB) by registered training providers; • Training organized at community level or at the training provider facility; • Contract between SEFOPE and Training Provider.
Income generating activities	Selected unemployed people who need market driven training interventions and access to micro-credit to generate self-employment	<ul style="list-style-type: none"> • Integrated proposals from MFI together with vocational and business training providers; • Non-interest bearing loan to MFI; • Contract between SEFOPE and MFI; • MFI responsible for coordination at community level of all partners involved.

The Fund is administered through a Secretariat within SEFOPE and an Administrative Committee has been set up which is responsible for the overall management of the Fund including approval or rejection of proposals and reporting requirements. The Administrative Committee is composed of representatives from SEFOPE, Ministry of Finance, Employers' Associations, and Trade Unions.

DESD Human Resources Management

STAGE also supported the Division of Employment and Skills Development (DESD) to select and recruit two National Administrative Officers to support the Division in all administrative, human resources, and logistic issues.

The project worked with DESD staff to develop recruitment procedures and selection panel processes designed to ensure equal employment opportunity and transparency and the system was tested extensively before being adopted by the Division. A staff Performance Appraisal system was also developed which has subsequently been extended to cover all staff in SEFOPE

Staff Development

STAGE conducted a number of initiatives with SEFOPE to improve its human resource management and training practices. These included conducting a “Staff Development Survey” to identify the training and development requirements of potential leaders and officials of SEFOPE. The Survey report provided useful recommendations for the design and implementation of further staff development interventions. Based on these findings STAGE supported the design of a Staff Development Programme geared to individuals’ training needs and a specialised training programme has been implemented to suit the needs of staff in the three tiers of the organization – Director level, coordinator level and operator level.

STAGE has also supported a range of initiatives to further enhance the skills and competencies of SEFOPE staff including:

- Training on VT Policies and Good Practices and Human Resources Management in the Public Administration at the ILO Turin International Training Center;
- Language training courses for staff in Portuguese and English classes;
- Leadership and customer service training for 40 staff in July 2008;
- A course in Management of Local Development for selected staff which aims to boost personal and institutional capabilities in terms of the design, implementation and evaluation of sustainable local development strategies and policies;
- Participation of the Director of the National Directorate of Vocational Training of the SEFOPE in the course on Management of Competency Based training organized by the ILO Turin International Training Centre in April 2008;
- Participation of the SEFOPE National VT Advisor in the second Technical Meeting of the Regional Skills Network in the Asia-Pacific (AP) region, to facilitate relevant international contacts and to learn about CBT system models and methodologies adopted by other countries.

District Employment Centres Capacity Building

STAGE implemented a comprehensive training programme for the staff of the DEC in Dili, Baucau, Bobonaro, and Oecusse. The programme covered the full range of services provided by the DEC to the communities, including placement services, labour market information, vocational guidance, vocational training, on-the-job training, and employment and self-employment promotion.

DEC staff are expected to liaise with local communities and VT providers to actively promote the guidelines and options available through FEFOP and training courses were specifically designed to address the capacity building needs of the DEC staff. In 2006, STAGE also secured funding from the French Government to implement a 5-day training programme on Career Guidance and Counselling. The training covered a range of topics including Employment Centre activities, the career search process; facilitating clients’ self-assessment; career fields/options; and job interview preparation. Further follow-up training has also been provided by STAGE.

The STAGE project assisted in a number of specific areas:

- Support in the relocation and reestablishment of DEC's following a restructure of Ministries - the set-up of the DEC's in Dili and Baucau was completed, and work continued on the remaining districts of Bobonaro and Oecusse;
- Assistance to SEFOPE in the design and implementation of a comprehensive Media Campaign to advertise the services provided and the programmes implemented by the DEC's, in close cooperation with their partner organizations/institutions the local levels;
- Rollout the Computerised Labour Market Information System to the districts;
- Support to the Division of Employment and the Division of Vocational Training (DEDVT) of the SEFOPE at the central level to undertake regular visits to DEC's to provide backstopping support to staff and to ensure regular contacts with local authorities/community leaders and target groups are maintained.

3.3.2 Immediate Objective 2

Strengthening the capacity of existing rural and urban training providers to deliver flexible and integrated vocational and small business training.

Under this objective the project aimed to:

- Enhance the capacity of existing Training Providers to manage the delivery of skills and enterprise training for paid and self-employment;
- Improve the technical capacity of training providers to deliver gender sensitive vocational and enterprise training that leads to wage and self-employment; and
- Ensure that appropriate Gender sensitive resource materials are available for and being used by training providers and trainers to deliver vocational and enterprise training for wage and self-employment.

Vocational Training Impact Assessment

In 2007, SEFOPE, with the assistance of the STAGE Programme, conducted a review of VT provision in Timor-Leste. The main objectives were to assess the effectiveness of the VT programs and VT Centres in assisting unemployed to find work or their own income-generating activities and to identify further inputs that may be needed for SEFOPE to develop an overall VT strategy. The survey collected information from training centres, employers and from graduates of the courses and key findings indicated a lack of consensus among stakeholders in training on what constituted suitable training, there was no agreement on training curricula and duration of training and insufficient understanding of the reasons for poor employability of the trainees once they graduate. Training institutions train to their own standards and consultation with possible employers only took place infrequently. These findings also pointed to the need for a nationally regulated VT system that would promote uniform training more in tune with national skills requirements.

Improved Participation of Women in the VT Courses

The impact assessment was also used to carry out a more detailed analysis of the gender dimensions in VT in Timor-Leste and a supplementary report "Gender Dimensions in Vocational Training" was also produced with recommendations to strengthen women's participation in leadership and staff development, to broaden skills training options and to promote institutional policies and procedures to enable equality of access and encourage reporting of incidents of sexual harassment.

Guidelines for On-The-Job Training and Work Experience

Following a growing demand for on-the-job and work experience placements, the STAGE Programme and SEFOPE worked with VT providers and employers to strengthen the relationship between the two groups, particularly using the new FEFOP as a mechanism to promote on-the-job training and work experience placements. Guidelines for OTJ training were developed and a Toolkit for Work Experience Placements was also prepared to help employers, training providers and trainees to understand the process and encourage greater participation.

The on-the-job training programmes were intended to target graduates of VT and business management training courses and could last up to six-months aiming to support graduates increase their skills, knowledge and experience through supervised work in an enterprise or small business.

Improving Training Providers' Capacity

The STAGE programme supported SEFOPE in a wide range of initiatives in this area including:

- Workshops on Competency Based Training (CBT) for Directors of key training providers in Timor-Leste to better understand the concept of CBT and initiate the process of defining and approving competency standards and the development of learning modules based on these competency standards.
- Work with SEFOPE in partnership with Victoria University and AusAID to provide accredited training for Vocational Trainers. The first programme in the Certificate IV in Training and Assessment was completed in 2007 with twenty-seven participants came from nineteen different VT institutions covering six districts across Timor-Leste.
- With additional budget from UNDP for the Women in Self-Employment (WISE) project initiative and the technical inputs from STAGE, the ILO international training package "Gender and Entrepreneurship Together" (Get-Ahead) was introduced in Timor-Leste in 2008. The Get-Ahead programme aims at assisting local training providers in promoting enterprise development among women in poverty who want to start or are already engaged in small-scale business.

Training of Trainers (TOT) in Small Business Development

The TOT was a fundamental part of the STAGE strategy to expand the national capacity to train potential and existing entrepreneurs in the framework of the community empowerment process and the program conducted a series Training of Trainer courses for trainers from all the Business Development Centres. These courses covered training of trainers of Start Your Business courses, Improve Your Business courses,

Training of Master Trainers on SIYB

To strengthen the national capacity to market and deliver Start and Improve Your Business (SIYB) training programmes, STAGE supported a programme for two Timorese SIYB Trainers to complete the process of certification as Master Trainers. SIYB Master Trainers are internationally certified by the ILO and their certification should be a further aid in ensuring the longer term sustainability of the programme.

Preparation of Training Materials

STAGE helped to produce a wide range of manuals and guides which have been well received by training institutions. Publications included the following.

Trainer Guide Manuals for Vocational Training - these were developed in partnership with the SEFOPE and the SENAI VT Centre covering the areas of Sewing-Tailoring, Carpentry-Construction, Bakery and Masonry. Prepared in Tetun, they provide guidance in terms of course

curriculum and planning of theoretical and practical sessions. Training materials were also prepared for the courses in Carpentry-Furniture, Electricity, Plumbing and Car Mechanic.

Know about Business Manuals – STAGE Programme developed a package of nine training modules in Tetun and Portuguese covering how to become an entrepreneur, how to get a good business idea, how to organise and operate an enterprise and the steps involved in becoming an entrepreneur. These are used to support the implementation of the programme “Know About Business” in the Technical Schools of the Ministry of Education and Ministry of Agriculture and Fisheries.

Manuals for Business Training Courses – These were:

- Generate Your Business Idea;
- Generate Your Business Idea for illiterates;
- Start Your Business;
- Trainers Guide;
- Generate Your Business Idea Session Plans Booklet;
- Start Your Business Session Plans Booklet;
- Business Game Manual;
- Monitoring and Evaluation toolbox.

A working group comprising a team of Timorese trainers was established for the preparation of the materials. All manuals were developed directly in Tetum language.

Manual on Competency Based Training - to provide general information on CBT, including basic definitions and framework. The manual is used in training courses but has also been distributed widely to help increase CBT awareness. It is available in Tetun, Portuguese, English and Bahasa Indonesia

Professional Development for Vocational Trainers

STAGE, in partnership with the Tibar VT Centre under the administrative care of SEFOPE, organised a 4-month pilot professional development programme for “Guest Trainers” aimed at vocational trainers from training providers in districts outside Dili. The programme provided them with opportunities to gain technical skills in training methodologies, course development and access to training materials. It also emphasised the need to establish new contacts with employers and industry sectors relevant to their particular courses to improve the transition from training to employment.

3.3.3 Immediate Objective 3

Empowering communities through the provision of skills and enterprise training that leads to paid and/or self-employment.
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In this area, the project aimed to increase opportunities for communities to access appropriate skills and enterprise training and credit schemes so that community members gained skills and resources that lead to paid and/or self-employment

Self-employment Impact Assessment

In 2007, STAGE and SEFOPE conducted a Self-Employment Impact Assessment. The assessment appraised the effectiveness and results of the coordination between the DESD, MFIs, and business development services providers. 188 EVTF beneficiaries were interviewed and 91% of the beneficiaries reported starting businesses.

Role of District Employment Centres

The role of DEC has been critical in supporting local community empowerment strategies. The economy in Timor-Leste offers very few opportunities for wage employment apart from the civil service positions and as a consequence the DEC activities in job brokerage and matching have been very limited. Nevertheless, the DEC has continued to play an important role in providing counseling, advice and information to jobseekers, especially to young people entering the work force. They have also actively promoted opportunities for local communities to obtain training and employment support through proposals under FEFOP to develop local income generating opportunities. They are also a focal point for access and referral to local courses run by VT providers as well as handling recruitment exercises for labour-based projects and the emergency cash-for-work programme such as those introduced after the crisis in 2006. They also serve as a monitoring agency and coordination point between training providers, MFI and local communities involved in implementing EVTF proposals.

Expansion of Community Empowerment Activities

As further evidence of the improved capacity of SEFOPE and its effectiveness together with the DEC in publicising the revised FEFOP guidelines for submitting proposals, there was a considerable increase during 2008 in the number and coverage of proposals approved by FEFOP extending the coverage of community empowerment activities to another eight districts in addition to the original four districts of Dili, Baucau, Bobonaro and Oecusse. This in turn has extended the responsibilities and workload of the existing four DEC as well as SEFOPE teams in providing support to these additional districts. Some examples of the impact at community level achieved by the project are worth noting and are summarised below.

Better Targeting – MOU Between SENAI and CDE

One very effective strategy introduced with STAGE support has been the “Better Targeting” approach which involves greater interaction among partner organizations involved in the implementation of skills and enterprise training, under the overall coordination of the DEC. The “Better Targeting” approach begins at the time proposals are being prepared for submission to the EVTF by different organizations and this greater collaboration results in better linkages and

compatibility of objectives in terms of the number and location of training participants and contributing to the overall improvement of the effectiveness and efficiency of the community empowerment process¹⁰.

The success of this approach the STAGE Programme has highlighted when a new milestone was reached in the implementation of the strategy with the signature of a Memorandum of Understanding (MOU) between the SENAI VT Centre, supported by the Brazilian Cooperation, and the Dili Business Development Centre (CDE) of the Ministry of Economy and Development. 'The MOU provides ground for institutional cooperation in which the SENAI graduates in technical areas with potential for self-employment are offered the possibility to participate in the business start-up training provided by the CDE. A total of 160 graduates per year are expected to benefit with the present agreement.'¹¹

CDC Business Plan Exercise

Early in the project, the "Centro de Desenvolvimento Comunitário" (CDC) was selected as local partner of the STAGE Programme as part of the community empowerment process for the district of Baucau. STAGE assisted the strengthening of the CDC for the delivery of community based training in different skills areas and for the provision of post-training monitoring and support to the trained community groups. STAGE and CDC cooperated in the design and implementation of the "Blacksmith" training in Baucau which has resulted in the trained Blacksmith group now producing and selling tools for a number of clients in different districts of Timor-Leste. STAGE subsequently supported CDC to develop a business plan to help promote its sustainability resulting in a 5-year strategy and work plan being completed.

Loron Aban Hahu Ohin (LAHO) Business Development Plan

A further successful intervention has been the STAGE support given to the local organization LAHO (Loron Aban Hahu Ohin – The Future Starts Today) to prepare a comprehensive Business Development Plan for Sericulture. This builds on previous support already provided by STAGE to LAHO which included staff capacity building and resources for training of farmer groups and expansion of activities. STAGE also supported the construction of the eggs breeding plan/laboratory, which was considered the most critical factor constraining further development.¹²

The evaluator visited the LAHO site and met representatives and farmers involved in the project. LAHO management impressed with their strong commitment and enthusiasm as well as their practical approach. Farmers have already received some training and displayed a good understanding of the various tasks involved, expressing confidence and high expectations regarding its success. Inevitably there have been some setbacks and the project is still in its early stages but the LAHO business plan provides a solid basis for ongoing support to this work. A brief outline of the LAHO project is shown in the following outline Box.

¹⁰ See Page 31 in the STAGE Annual Report March 2008 for more details on this approach.

¹¹ Page 32 STAGE Annual Report March 2008.

¹² More information on the LAHO initiative is contained on Page 18, STAGE Progress Report, September 2008, from which this summary is taken.

LAHO Business Development Plan - Sericulture

The aim of the plan is to develop LAHO from an operating NGO project into a community co-operative whose main impacts will have been to realize the transition from subsistence farming to income generating farming for the local farmers and to provide sustainable employment for staff in the manufacture of silk product.

Although sericulture is a new activity to Timor-Leste, silkworm cultivation and the silk product produced from the silkworm cocoon have a high cash value that is capable of providing additional income to poor rural populations.

The relatively high dollar value of silk product is due to the fact that sericulture and the various processing operations involved in the industry are highly labour intensive. All the required resources for a successful sericulture project are available in Timor-Leste, particularly in the districts of Baucau, Viqueque and Lautem, including the labour potential and land that is not being used for other productive purposes. The correct climate, rainfall and soil conditions are also perceived as positive determiners for the successful growing and cultivation of the mulberry leaf.

The support of the STAGE Programme to the LAHO aims to strengthen the Timor-Leste agricultural sector through environmentally sustainable activities and moving towards the following main objectives:

- (i) To produce a high quality silk product that will meet international standards and which will attract local and boutique markets;
- (ii) To generate income for the villagers and farming community in the surrounding area of south-west Baucau;
- (iii) To increase production and sale by increasing the number of farming groups, the area of land under mulberry cultivation, the quantity of mulberry leaf cultivated, the number of silkworms hatched, and therefore the quantity of silk produced;
- (iv) To access the growing tourist industry as a visitor site with saleable items wholly made in Timor-Leste; and
- (v) To negotiate the transfer of responsibility from a NGO project to a community co-operative.

Source: STAGE Progress Report, September 2008

Efforts to promote sustainability

As part of the plan to promote the sustainability of the FEFOP, all agreements signed with Micro-Finance Institutions (MFIs) stipulate the full reimbursement of the contracted amount to the Fund at the end of the defined timeline of implementation.

3.4 Gender Mainstreaming

SEFOPE has shown a strong commitment to advancing the gender equality issues and has established a Gender Unit within the Ministry which delivers training to staff throughout the organization and to new recruits. STAGE assisted in strengthening the work of the unit in a number of ways:

- Assistance in drafting annual work plans which included a proposal for setting up a gender network within SEFOPE
- Support for staff to attend training on “Enhancing Organizational Capacity to Foster Collective Commitment to Gender Equality through Participatory Gender Audits” was planned to contribute to the building of organizational capacity to identify and design appropriate gender equality promotion measures.
- Support in the delivery of a Gender Responsive Budgeting Training for SEFOPE officials - training covered the concept of gender budgeting and the provision of examples of gender tools and gender-specific initiatives that could address the specific

needs of women it also included a skill-building exercise in addressing gender issues in Timor-Leste employment and vocational and skills training contexts.

More broadly, the findings of the report ‘Gender Dimensions in Vocational Training in Timor-Leste’¹³ served as a basis for strengthening initiatives by SEFOPE to ensure equality of access to training for women and to broaden their skills training options. As the number of available VT courses organized by SEFOPE and STAGE has increased during 2008, there has also been an increase in the level of participation of women and the latest figures indicate that women now represent 46.6 percent of the total of participants in skills training. It is also significant to note that women represent the large majority of the participants in the enterprise training courses, corresponding to 80.9 percent of the total¹⁴.

TARGETS and RESULTS

The objectively verifiable indicators listed for each output in the Programme Results Logframe are predominantly qualitative in nature, however, following a brief review of achievements against outputs listed for each immediate objective, all the indications are that the STAGE project has performed exceedingly well against these measures. This message also came through strongly during field interviews as part of this evaluation. VT providers and Business Development Centre representatives in Dili and in Baucau strongly supported the work of the STAGE project and SEFOPE staff and acknowledged the training and help that had been provided especially in relation to the opportunities for community development that had been achieved under proposals approved by FEFOP.

The CTA advised that all quantifiable targets for the project have already been achieved or surpassed and the latest figures available confirm this. The following table shows numbers assisted as at September 2008.

Table 2: Statistics on the number assisted under the project/EVTF proposals

Type	Target	Actual
Vocational training graduates	1350	1616
Business enterprise training graduates	6650	3977
Microcredit clients initiating income		2793
Employment placements		534
Total		8920
Actual Total assisted		10883**
Other indicators		
Unemployed jobseekers registered		24297
% jobseekers aged between 15-29 years		67%
% with secondary or technical school education or above ¹⁵		61.5%

**The CTA advised that the project identified that 86% of graduates from Business Enterprise training courses had subsequently started their own business and that they employ on average 1.5 staff.

¹³ This report was produced as a supplement to the 2008 Technical and Vocational Education and Training Impact Assessment Report conducted by SEFOPE and supported by STAGE

¹⁴ Page 31, STAGE Progress Report, April-September 2008.

¹⁵ Page 19, Stage Progress Report April-September 2008.

The basis for showing a higher overall number of persons benefiting under that component by taking into account additional employment directly generated seems valid particularly as these outcomes have been substantiated by SEFOPE field staff follow-up and monitoring visits as well as tracer studies conducted by SEFOPE.

The CTA also acted as ILO Liaison Officer for Timor-Leste and strategically this has also served the project well, as it was noted that STAGE was able to attract additional inputs from different sources to support SEFOPE in a number of areas including contributions from Irish Aid, to cover the 12 months extension of the STAGE International Labour Market Information (LMI) Expert; GTZ (using funds provided by the EC), to cost-share the Youth Employment Study; and Victoria University (funded by the Victorian Government), which assigned a VT International Advisor to the Ministry, working with STAGE in the provision of technical assistance to DESD.

4. Recommendations

SIMU – the National Labour Market Information System

SEFOPE has developed, with STAGE assistance, a national labour market information system which has a number of different components including a data entry module for the FEFOP database; a module for computerised registration of employers, vacancies and jobseekers and a reporting module and further enhancements are being proposed.

Recommendation

Further enhancements to the LMI system (SIMU) database software including improved anti-virus protection should be considered. These would significantly improve the usefulness and efficiency of the database and improvements in the reports module would also ensure that timely and up-to-date information is available through SIMU.

Project Steering Committee

The PSC met biannually during most of the project and only once in 2008. A review of the minutes of these meetings indicated that the PSC took a strong ongoing interest in the implementation of STAGE, providing appropriate guidance, policy advice and direction throughout the project. However it was also noted that no representative from VT providers or MFIs attended any meetings although it was originally envisaged that such representation would be included on the PSC. The CTA advised that there were good reasons for not including this representation for political reasons particularly during the early implementation of the project. However good cooperation was subsequently developed with these groups over the life of the project.

Recommendation

Use of a Steering Committee with external representatives is an important way to ensure more inputs come from other stakeholders and better guidance and management support is provided to project implementation team. SEFOPE should give consideration to maintaining the Steering Committee in some form beyond the project or establishing an Advisory Board with broad representation to provide ongoing policy guidance and independent advice.

FEFOP

The transformation of EVTF to FEFOP created a permanent mechanism and capacity within SEFOPE to coordinate skills training, enterprise development and employment services. The revised FEFOP guidelines encourage the submission of a broader and more flexible range of proposals covering training and employment opportunities and provide scope for considerable expansion to local community groups throughout Timor-Leste.

Recommendation

FEFOP should be showcased as a successful model in supporting local community empowerment to encourage development partners and donors to fund or co-fund the further expansion of the fund.

District Employment Centres

STAGE supported the establishment of DEC in Dili, Baucau, Bobonaro, and Oecusse and the role of DEC is seen as critical in supporting local community empowerment strategies. The economy in Timor-Leste offers very few opportunities for wage employment apart from the civil service positions and as a consequence the DEC activities in job brokerage and matching have been very limited. Nevertheless, over the last 12 months there has been a surge in the number of unemployed persons registering with DEC and this is becoming an increasing workload and

potentially could create unrealistic job expectations in the minds of jobseekers who are registering.

Recommendation

The role of the DEC's should be clarified with greater emphasis being given to their proactive responsibilities as coordination point between training providers, MFI and local communities involved in developing and implementing FEFOP proposals rather than on jobseeker registrations.

Recommendation

Further expansion of the DEC office network should be considered to support the expected increase in proposals approved under FEFOP and to actively promote access by other districts and local communities.

Recommendation

Further training and support should be given to improve staff skills in providing counseling, advice and information to jobseekers, especially to young people entering the work force.

IADE/CDE Support

The Business Development Centres of the Ministry of Economy and Development provided major support throughout the project. Direct capacity building support in that area was beyond the capacity of STAGE but a similar need for institutional strengthening clearly exists. The Business Development Centres provide a key role for private sector development through their identification of business opportunities and the business training for business start-up and business improvement which they provide. The Business Development Centres also play a critical role in promoting rural development in Timor-Leste.

Recommendation

Further capacity building support for the Ministry of Economy and Development and its Business Development Centres should be pursued to enable them to strengthen their contribution in private sector development through their identification of business opportunities and the business training courses which they can provide particularly in the agricultural sector.

Further Support

STAGE and SEFOPE have been successful in attracting further donor support to enhance aspects of the work already commenced under STAGE e.g. Irish AID funding for the SIMU project and Government of Victoria additional support for the VT CBT reforms being undertaken by INDMO and improving skills of DEC staff. However ongoing support is still needed.

Recommendation

Additional development partners and donors should be sought to provide further technical support for the VT reform agenda commenced under STAGE and being continued by SEFOPE.

5. Lessons Learned

- The requirement that the project implementation office and staff should be located within the counterpart agency in projects of this type is frequently advocated in principle but not so often implemented in practice. The results achieved by STAGE as measured by the strong working relationships and the clear understanding and commitment of SEPOFE staff in implementing changes is further evidence of the importance and benefits to be gained in advocating this approach when other projects of this type are being proposed and implemented.
- The five-year implementation timeframe provided the opportunity for strong capacity building initiatives to be introduced and reinforced within the SEFOPE. The ongoing commitment to the project from the Secretary and senior officials in SEFOPE, despite several major restructures of the Ministry, was also a key element in the project's success. Equally important was the selection and retention of a highly qualified and committed CTA and international specialists over the life of the project. Projects with large capacity building components clearly benefit when a longer timeframes is involved.
- The integrated approach adopted by the project management team resulted in implementation being fully embedded within the organizational framework of SEFOPE. The recruitment of national project staff using a Service Contract with the Ministry enabled national staff to be recruited directly on Government conditions of service. This approach promoted counterpart ownership and team spirit and facilitated the capacity building process as well as strongly enhancing sustainability in the longer term as these staff and their expertise is expected to be retained by SEFOPE after the project has concluded. This approach should be seriously considered where other projects require a significant number of national staff to be recruited.
- VT providers received access to considerable training and workshop activities as well as follow-up monitoring and support particularly when implementing FEFOP proposals. These manuals and handbooks were widely acknowledged as major resources and references tools particularly for trainers especially when they were reviewing and refining their training courses to suit communities' needs and the opportunities available in the labour market. The benefits of these aids and the importance of keeping them up to date should always be important considerations in projects of this type
- .
- It had been anticipated that useful links and synergies would be developed between STAGE and the other components of the Rural Development Programme for Timor-Leste but this did not eventuate. An important issue for future projects is to acknowledge that while there is a strong internal focus especially during the early stages of project implementation, every effort should also be made to identify and establish beneficial linkages with other relevant projects and programmes to maximize synergies and avoid overlaps.
- The project experience shows that having a gender expert in the team throughout the project duration will be very helpful to facilitate the integration of gender concerns in

the work of the technical units. In addition, as SEFOPE structure is becoming stable and programmes and initiatives are growing, demands for gender expertise are much larger than at the onset of STAGE. Programme planning, implementation, and monitoring at the departmental level needs specific gender inputs just as much as the needs at the Secretariat-level. A full time international gender expert is much needed for this level of work.

- UNDP was responsible for overall monitoring and evaluation of the **Rural Development Programme for Timor-Leste** of which STAGE project was one component. The mid-term review noted that the value-added of having a single agency (UNDP) managing the four components implemented by the other agencies had not materialized and a subsequent M&E review of STAGE conducted by a UNDP consultant was also inconclusive.

Clear monitoring and evaluation arrangements should be established and in place early in the project's life.

A Programme Steering Committee for all implementing agencies and their counterparts to meet regularly could support synergy building between different programme components.

6. Attachments

Attachment 1: Terms of Reference

TERMS OF REFERENCE	
FOR	
Final Evaluation	
of	
EC/UNDP/ILO Skills Training for Gainful Employment (STAGE) in Timor-Leste	
GEOGRAPHICAL COVERAGE	Timor-Leste (4 districts)
STARTING DATE	October 2004
ENDING DATES	12 May 2009
WORK PERIOD FOR EVALUATION	October 2004 – March 2009
EVALUATION DATE	15 February – 15 April 2009
PROGRAMME LANGUAGE	English
EXECUTING UNIT	ILO Jakarta Office
IMPLEMENTING UNIT	ILO Jakarta Office
TOTAL BUDGET AND SOURCE OF FUNDS:	European Commission: Euro 4,650,994 ILO:Euro: 236,000 UNDP: Euro 200,000

I. Background and Justification

1. After 30 year of Indonesian occupation and internal political strife since independence in 2002, Timor-Leste began establishing national administration capacity in support of sustainable social and economic development. Skills training and employment support programme is one critical national priority. The majority of the Timorese populace lives in rural area under poverty line. The country's job market is small and unable to satisfy job demands. 15,000-20,000 of new labour market entrants are registered each year. Formal jobs are restricted to the civil service sector.
2. The "Skills Training for Gainful Employment Programme (STAGE)" is an ILO-executed programme that is part of the Programme Package "Rehabilitation and Community Development in Rural Areas (RCDRA)" funded by the European Commission with UNDP, as the signatory of the Contribution Agreement with EC, being responsible for the overall implementation of the programme package. The Programme Package comprising four programmes. The objective of the UNDP/UNOPS -AIM programme is to improve rural population's access to market and social services. The UNDP/UNOPS-OCAP programme is community-based, aiming to enhance livelihood opportunities for the recipient communities. The UNDP/ILO-STAGE programme aims to improve the skills base and employability of the East Timorese through capacity building of regulators, service providers and rural beneficiaries. Finally, the UNDP/UNIFEM-PERWL programme aims to strengthen rural women's capacity to effectively participate in the nation-building process. A common theme among all programmes is capacity building to ensure sustainability of the proposed interventions.
3. The main partner of STAGE in Timor-Leste is the Secretariat of State for Labour and Solidarity, since then transformed into the Ministry of Labour and Community Reinsertion (MLCR) and in 2007 recreated as the Secretariat of State for Vocational Training and Employment. The STAGE programme is a 5 years programme with the European Commission providing the bulk of the funding (Euros 4,650,994). The ILO contributes Euro 236, 000 and the UNDP Euro 200,000.
4. The programme was designed in 2003-2004, based on the fact that in Timor-Leste, there was and is an urgent need to enhance people's capacity to generate income. Almost 90 percent of the poor are in rural areas and poverty is primarily a rural phenomenon. Furthermore, open unemployment is near worldwide maximums at around 20 percent in urban areas, reaching about 43 percent among urban youth (2004 figures).
5. This present extremely difficult situation of the economy associated with the high demographic dynamic (17,4 % population increase during the last 3 years), places the employment creation at the top of priorities to be addressed. Estimates of the age structure suggest that as many as 15,000 young people will enter the labour market each year over the next four years.
6. On the other hand, the creation of full-time wage employment will be an extremely difficult option. Currently only about 13 percent of males and 9 percent females are engaged in formal employment. Hence, there is a strong need for adopting strategies that will focus, at least in the short-term, on informal sector activities.
7. Skills training is an important part of the process, considering that the progress of the country is intimately connected with the development of its people. The quality of training in Timor-Leste is generally poor and there is very limited relevance of the training to the communities throughout the country.

8. The STAGE programme was designed to meet the employment complex of Timor-Leste where by labour market improvement is as important as provision of skills training and employment and strengthening the capacity of national administration and other relevant institutions. The programme development objectives are:
1. Strengthening and expanding the coverage of the DESD services, enhancing its capacity for labour administration, programme coordination, implementation of employment promotion initiatives and provision of quality labour market services.
 2. Community empowerment through delivery of an integrated system of skills and enterprise promotion interventions.

9. To achieve these objectives the programme has three strategic components:

1 Secretariat of State for labour and Solidarity capacity building

The STAGE will strengthen the SSLS enabling it to: (i) service and build the capacity of a National Vocational Training Authority Secretariat to provide policy and programming advice to the Government; (ii) coordinate and monitor vocational and enterprise skills development; (iii) develop effective public employment services; (iv) establish and maintain a gender disaggregated labour market Management Information System (MIS); and (v) improve the management and scope of the Employment and Vocational Training Fund (EVTF) available to training providers and micro finance institutions, leading to income generating activities.

2 Strengthening the capacity of existing rural and urban training providers

In order to develop effective training capacities and a micro-enterprise development mechanism in Timor-Leste, the STAGE is to strengthen the capacity of existing training institutions by providing them with management training, training of trainers, field support monitoring, development of needs-based curricula, and financial resources through the EVTF.

Training providers will work closely with the SSLS District Employment Centres for the delivery of training to the communities. The STAGE will carry out all the activities to ensure that such coordination is established, and that the training services will be fully accessible to women and that will enhance their opportunities for paid and self-employment.

3 Community empowerment

STAGE will place a particular focus on informal sector opportunities for employment and income generating activities, linking skills and business training to identify viable self-employment and small business opportunities.

Broadly, this component of the strategy will involve: (i) building the capacity of communities to identify employment and training opportunities and to prepare proposals for business start-up to be financed by the EVTF; (ii) design and delivery of appropriate gender sensitive training projects; and (iii) provision of linkages to necessary post-training support services, including credit facilities, technical assistance and market development and information.

10. The proposed Final Evaluation is also in line with ILO's and UNDP's policies on evaluation of technical evaluation. It seeks to complete the monitoring and evaluation requirements laid out in the Project Document as well as enrich knowledge about project performance that has been previously created through various monitoring and evaluation exercises. During the course of implementation, the STAGE programme a set of project and technical evaluations took place,

including the project mid-term evaluation by the European Commission (2006), the financial verification by the European Commission, and the RDP (October 2008), and the STAGE's technical impact assessment of its self-employment programme (2006) and the Technical Education and Vocational Training Impact Assessment (2007/08). These evaluations, characteristically external and independent evaluations, gave recognition to good progress made within the programme and pointed to areas where and how sustainability could be achieved. But the achievements, as well as the challenges and implementation difficulties, of the STAGE Programme can also be fruitfully examined from different vantage points.

11. ILO and UNDP programme staff in Dili, SEFOPE staff and management who have been actively involved in project implementation, training and employment services providers who have been partners of the STAGE to deliver services to the people of Timor-Leste, and the men and women of the Timor-Leste and their communities who have influenced and benefit from project implementation. As the STAGE programme is drawing to a closure, the experiences of STAGE from the viewpoints of these actors can provide a set of knowledge that could be useful for further development of the Secretariat of State for Vocational Training and Employment's employment support programme. For the ILO, UNDP, and the EC, such knowledge can be specifically useful for its development support to Timor-Leste in the short and medium term and generally for employment support programmes in other countries and in post-crisis situations where the agencies are and will be involved.

II. Progress to date

12. Despite a delayed start-up and periodic security crises during 2004-2008, the STAGE programme was able to deliver satisfactory services within the three strategic areas of intervention. A summary of achievements in each strategic area as reported in the STAGE Result Framework which is part of the Progress Report of September 2008 is provided below and the Result Framework is presented in Annex D to this TOR.

13. Capacity Building of SEFOPE:

- ✚ District Employment Centres (DECs) were established in Dili, Baucau, Bobonaro and Oecusse, representing the backbone of the articulation of the entire community empowerment process. As of December 2008, 9,333 unemployed received assistance from District Employment Services and were successfully placed in employment.
- ✚ The establishment of the National Labour Force Development Institute (INDMO) as an autonomous body at the national level to manage national skills development systems.
- ✚ The establishment and expansion of the Labour Market Information Unit within SEFOPE and the integration of the SEFOPE's labour market information database as instrumental in SEFOPE's programme monitoring and evaluation.
- ✚ Formulation of national policy strategies in areas such as employment, skills development, youth employment, and employment intensive infrastructure works
- ✚ National labour code reform and definitions of SEFOPE structures
- ✚ A gender cabinet unit established within SEFOPE and involved in project monitoring

14. Strengthening the capacity of rural training providers:

- ✚ The creation of the Youth Employment Fund (FEFOP – Fundo de Emprego e Formação Profissional), which replaced the Employment and Vocational Training Fund created by STAGE, as a national fund to receive state budget on a regular basis.

- ✚ Entrepreneurship education integrated in national school system and rural employment promotion programmes
 - ✚ Training providers are linked up with the DEC's and received technical support to improve training quality and match better the skills demand in the market
 - ✚ Competency-based training system introduced and adopted as national policies
- 15. Community Empowerment:**
- ✚ Of September 2008, 24,297 unemployed were registered in the DEC's.¹⁶ Women's participation in the STAGE Programme as service recipient shows improvement from 25% in October 2005 to 49% in September 2008.
 - ✚ Of the total number of registered job seekers, 534 men and women (30.3 percent women) found a job with the assistance of the DEC's. These job seekers were mostly male, aged between 15-29 years, and educated.
 - ✚ 1,616 jobseekers completed skills training courses. There has been a steady increased in women's participation rate. In April 2007, women's participation rate was 29.7%. In September 2008, the reported rate was 46.6%.
 - ✚ 3,977 jobseekers enrolled in enterprise development programme, 81% being women and 2,793 people eligible to receive microcredits from participating micro finance institutions (or 70%).
 - ✚ EVTF beneficiaries: 5,017 recipients of EVTF supported training and credit programmes (Results Frameworks May 2007-October 2007)
16. These progress and achievements are the work of various organizations and their staff in Timor-Leste that have participated in and benefit from the capacity building programme implemented by STAGE. A network of skills training and business development support organizations and government units is behind the achievements outlined above. They are the project's direct target groups whose ability and capability to delivery gainful employment services have been enhanced over the years.

The STAGE Programme has been implemented by providing embedded technical assistance to SEFOPE's Employment and Vocational Training Directorate.

III. Implementation Approach

17. Signing the grant agreement with the EC for all the four programme components, UNDP takes the ultimate responsibilities for achieving the objectives of the Programme Package through partnerships with ILP, UNOPS and UNIFEM. ILO is hence the executing agency of STAGE.
18. The Project is divided into two three components, Capacity Building, Integrated Vocational Training and Self-Employment, and Community Empowerment. Each component is assigned to ILO technical specialists who work closely with their SEFOPE counterparts. STAGE Programme Chief Technical Advisor is responsible for overall coordination, strategic planning, and technical assistance.
19. STAGE technical team has devolved from 6 technical specialists who are directly financed by the STAGE programme (CTA, vocational training, self-employment, community mobilization, labour market information, and gender) in the team to 3 in 2008, including CTA, self-employment, and community mobilization). Other ILO programme initiatives that have

¹⁶ See page 20, STAGE Progress Report, September 2008

germinated from STAGE initiatives (such as the Labour Market Information project, the Serbisu Ba Dame, the Youth Employment Promotion Programme, and the Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation (TIM-Works)) provided for technical expertise in MIS data management, technical and vocational education and training, and labour-based infrastructure works.

20. Project national staff is small in number and specific to internal ILO project financial and administration. Investment in building national capacity is channeled through an “on-the-job” training to qualified national professionals who are interested in a career in the civil service. STAGE-trained staff have been absorbed into SEFOPE regular payroll as SEFOPE’s permanent staff.
21. Private and public skills training providers, business training providers, and micro-finance institutions are linked through a strategic alliance through the creation of the Employment and Vocational Training Fund and the work of the DEC’s to register job seekers, referrals to skills and enterprise development training, and recommend to employers for job placements. Appropriate technical tools of international standards and use in ILO programme worldwide such as the Start Your Business training kit, the Generate Your Business Ideas, and the Competency-based Skills Training approach have been adapted to the Timorese conditions. Training of trainers were provided to business development service providers affiliated with IADE (Institute for Business Support), Ministry of Economy and Development and its 5 Business Development Centres in Dili, Baucau, Maliana, Maubisse and Oecusse and quality assurance of service delivery by these partner organizations were monitored.
22. Delivery of skills training and enterprise development training were provided by the project partners as per their respective policies and programmes. Many of these training programmes are provided on a pay-for-service basis. Microcredits are granted on merit basis and repayment is enforced by the credit providers.
23. STAGE programme delivery has been over times challenged by a series of political crises. Hence constant programme adjustments were necessary so as to assist SEFOPE contribute to government’s efforts to stabilize the country’s peace process. In retrospective the political crisis in 2006 and 2007 provided an opportunity for SEFOPE to demonstrate the relevance of its employment mandate to achievement of national priorities in time of peace and tensions. With the initial support of STAGE, SEFOPE gradually develops institutional capacity to administer programmes that provide short-term income earning to men and women (e.g., cash for work programmes) and, importantly, gains recognition from the Government of Timor-Leste as a capable and relevant contributor to national investment in rural development and youth employment.
24. In addition, STAGE has played a critical role in supporting SEFOPE develop focused programme initiatives that will be implemented beyond 2009. These are: the Youth Employment Promotion Programme, the Labour Market Information System, and the TIM-Works.
25. As above outlined, STAGE implementation approaches as implemented in the past 4 years display a highly dynamic technical cooperation approach. It contributes to creation of capable institutions to deliver skills training and employment services, integrates crisis sensitivity, and lays paths towards sustainable social and economic development.

IV. Scope and Purpose

Scope

26. The proposed final evaluation will examine the progress, achievements, good practices, and lessons learned from the implementation of the STAGE programme throughout the programme implementation period from October 2004 – March 2009. It will draw from the findings and recommendations of previous evaluations and supplement these findings by providing insights from the views of programme implementers in the ILO, UNDP, SEFOPE, and partner organizations, programme administrators, and programme target groups and beneficiaries.
27. The evaluation shall include all activities and programmatic coordination and management undertaken by the STAGE programme and SEFOPE during the October 2004 – March 2009, existing SEFOPE initiatives and the synergies between STAGE-supported programme and other initiatives undertaken by SEFOPE, STAGE implementation programme progress vis-à-vis the priorities and strategic focus of the United Nations Country team and the United Nations Development Assistance Frameworks of 2003-2005 (extended to 2008) and of 2009-2013, and the Timor-Leste Decent Work Country Programme.

Purpose

28. STAGE programme completion date is 12 May 2009. At the planned starting date of the proposed final evaluation, it will have been implemented for 54 months (October 2004-March 2009) out of the planned 60 months. The proposed final evaluation is expected to provide a summative account of overall programme relevance, efficiency, effectiveness, and sustainability and give recommendations with regards to critical areas to better match SEFOPE's administration and technical capacity with the employment needs of Timorese men and women that may have not been met or outside the scope of STAGE programme framework.
29. The immediate clients of the proposed final evaluation will be:
 - Government of Timor-Leste, in particular SEFOPE, INDMO, IADE, and FEFOP;
 - ILO Programme staff in Timor-Leste, Jakarta, and HQs;
 - UNDP Programme staff in Timor-Leste; and
 - The European Commission
30. The findings and recommendations from the proposed final evaluation are expected to be of immediate and strategic use to these evaluation clients, which will remain actors in Timor-Leste social and economic development. For the latter three (i.e., ILO, UNDP, and European Commission), the findings from the proposed evaluation can also be of use in their crisis-response and development programmes in other countries.
31. In sum, the evaluation will seek specifically the following:
 - ✚ To gain insights into the achievements/results of STAGE implementation and challenges of STAGE from design and actual implementation of the STAGE programme from STAGE programme implementers, administrators, target groups, and beneficiaries; and the sustainability of STAGE's results
 - ✚ To identify good practices, lessons learned, and factors that influence programme delivery particularly in the capacity building component and integration of skills training and enterprise development so that men and women have equal access and benefits to employment services generated through and in association with the STAGE programme

- ✚ To recommend practical measures related to capacity building of SEFOPE and STAGE programme partners that can be pursued by ILO and UNDP and supported by the European Commission after completion of STAGE

V. Suggested Analytical Framework

32. The evaluation shall address the overall ILO evaluation concerns such as relevance, effectiveness, efficiency, and sustainability. Specific aspects for the examination are: project design; relevance of strategy; implementation process; performance and achievements; replicability; sustainability; and partnership. It will be carried out in line with the guidelines for project evaluation as defined by the ILO, UNDP, and the European Commission which are based on the OECD/DAC and UN standards (see website www.ilo.org/eval).
33. The proposed final evaluation is to provide a retrospective examination of STAGE performance the past 4 years, review current technical cooperation arrangements particularly those between ILO and SEFOPE, extended to other government entities, and recommend actions for immediate adoption by SEFOPE and ILO, in particular, and by UNDP and the European Commission in general. The proposed evaluation will review project's achievements and challenges with regards to capacity building and programme management/implementation approaches that have enhanced or hindered STAGE capacity building focus. Strategic programme frameworks that will inform the proposed evaluation are:
 - National Youth Employment Action Plan
 - National Employment Strategy
 - National Skills Development Strategy
 - United Nations Development Assistance Frameworks (2003-2005 with extended date to 2008; 2009-2013)
 - Timor-Leste Decent Work Country Programme (2008-2013)
 - National Workfare Programme (Phase I), i.e., TIM Works Project

VI. Expected Outputs of the Review

34. **An Evaluation report (20-30 pages):**
The report should contain findings, summary of achievements, conclusions, recommendations for immediate application by SEFOPE/Government of Timor-Leste, the ILO team in Timor-Leste, Jakarta, and Headquarter team, and UNDP and recommendations for the programme stakeholders', including the European Commission's, future engagement in and areas of lessons learned and good practices and model of interventions in post-crisis and employment support programme. The recommendations should indicate the responsibility of the relevant unit, programme linkages, long-term and short-term benefits and risks. The report shall be presented to and endorsed by the STAGE Programme Steering Committee comprising of representatives of the Government of Timor-Leste, UNDP, ILO, and the European Commission.
35. **Targeted audience:** The Evaluation report is to address the interests of four groups of audiences:
 - Government of Timor-Leste, in particular SEFOPE, INDMO, IADE, and FEFOP;
 - ILO Programme staff in Timor-Leste, Jakarta, and HQs;
 - UNDP Programme staff in Timor-Leste; and
 - The European Commission

VII. Evaluation Methodology

36. The proposed final evaluation will be managed by ILO Evaluation Unit. As an external evaluation, the selection of the Evaluation Team Leader will be a joint-responsibility of ILO and UNDP.
37. **Composition of the Final Evaluation Team:**
- i. The team leader with strong background in post-conflict institutional capacity building, rural development, and gender mainstreaming who has not been involved in project design, implementation, and previous evaluation initiatives. S/he will have technical background in vocational training, skills development, and labour market information.
 - ii. Two national professional staff of UNDP and ILO not involved with project implementation since 2004 with knowledge and familiarity in project evaluation, international development, development priorities in Timor-Leste, and/or quantitative and qualitative research.
 - iii. Associate team members by appointment of the Government of Timor-Leste

ILO STAGE Project in Timor-Leste and UNDP will serve as the secretariat to the evaluation team

38. **Evaluation methodology:** The evaluation is an external evaluation and the final methodology and evaluation questions will be determined by the Team Leader, with inputs and agreement from the SEFOPE, the ILO, and the UNDP.
- **Review of background documents** namely:
 - Project Document
 - Six-month project progress report
 - Technical review and assessment reports published by the STAGE in partnership with SEFOPE
 - Mid-term Evaluation Report of the RDP carried out by the European Commission
 - YEP, TIM-Works, and LMI Project Document / Inception Reports
 - UNDAF 2003-2005 and 2009-2013
 - Timor-Leste Decent Work Country Programme (2008-2013)
 - **In-depth interviews** with key programme staff and stakeholders:
 - STAGE CTA and technical specialists (including those who have completed their appointment, to the extent feasible)
 - UNDP country managers and programme staff related to STAGE
 - European Commission representative in Dili
 - SEFOPE senior officials (Secretary of State and Directors)
 - Members of the National Priority Working Groups – Priority 4
 - **Site visits and focused group discussion** with SEFOPE officials, service providers, and community groups
39. **Evaluation Questions:**
- Design:**
- To what extent the Project design envisaged active engagement by key stakeholders, particular UN agencies, local and national governments, and ILO's

constituents? In emergency and crisis situations, what should be a realistic planned engagement of ILO's constituents?

- How does the Project address the evolving skills and employment challenge in Timor-Leste?
- To what extent the Project design estimated involvement, receptivity, and financial contribution of the Government of Timor-Leste?
- How does the Project target involvement of national organizations and capacity building of these organizations in delivery of skills training, vocational training, and programme monitoring and evaluation.
- In what way does and does not STAGE Programme facilitate integration of skills development and employment agenda in national development framework, UNDAF, and Timor-Leste Decent Work Country Programme, policy coherence, and aid coordination?

Implementation: Efficiency and Effectiveness

- To what extent has the Project adjusted its implementation strategy to the evolving situation in Timor-Leste, anticipate new developments, seize opportunities, minimize risks, and design its sustainability?
- How does the absence of SEFOPE structure in the districts affect project implementation and ability to strengthen SEFOPE's institutional capacity and ability to fulfill its mandate to provide employment support to all Timorese citizens?
- How did the SEFOPE, ILO, and UNDP address administration capacity challenge within its respective organization within Timor-Leste that would enable implementation of a sustainable, credible and successful programme?
- How does and does not STAGE Programme contribute to community empowerment and participation of rural communities and community of development practitioners in programme implementation, monitoring, and evaluation?
- How does STAGE Programme resource allocation and management (within ILO and UNDP) support or hinder programme achievements and sustainability? How does the STAGE programme balance the needs for investment in programme physical and organizational infrastructure and the needs for service delivery? What are the trade-offs in the resource allocation and management as implemented by the STAGE programme?

Sustainability

- To what extent the Project's interventions can be sustained and continued to ensure genuine capacity is created in SEFOPE and other government units and the service delivery networks that have received capacity building support from the STAGE Programme?
- What are the key factors that enable the intervention to evolve or not evolve during the STAGE implementation timeframe and in the next five years?
- What are the key skills set the STAGE Programme has been able to effect within the workforce of SEFOPE and other government units, the service delivery networks, and the rural communities it have worked with/for? What are the necessary programme interventions that will need to be undertaken in the immediate terms to support the sustainability of these key skills?
- What are STAGE Programme communications strategies that need to be further supported and improved?

40. The Team Leader will coordinate, set out the final evaluation methodologies and arrangements, guide and supervise the work of other evaluation team members, and facilitate the involvement of all key stakeholders throughout the evaluation process to ensure ownership of all partners over the evaluation recommendations.
41. A final consultation workshop will be organized by the STAGE Programme as part of the STAGE Programme Steering Committee Final Meeting.

Financial Arrangement:

42. Expenditures associated with the proposed final evaluation will be charged to the STAGE Programme. This will cover the following expenditures:
 - External contract collaborator for the international evaluation team leader (20.5 fee days; 9 day DSA or as per actual mission days; return economy international travels)
 - Local travels
 - Focus-group discussions and associated activities
 - Stakeholders meeting

Annexes

Annexes:

- a. Tentative time table
- b. Evaluation Report Template
- c. Project Document
- d. Project Progress Reports of September 2008
- e. STAGE Mid-term Evaluation Report
- f. RDP Programme Mid-term Evaluation Report
- g. UNDAF 2009-2013
- h. Timor-Leste Decent Work Country Programme

Attachment 2: List of Persons Met
Name

Title/Organization

Guglielmo Colombo	Attaché Program Officer European Commission
Pradeep Sharma	UNDP Senior Assistant Resident Representative UNDP East Timor Poverty Reduction and Environment Unit
Ms Lin Cao	Head of Planning, Monitoring and Evaluation, and Programme Support Unit UNDP Strategic Planning, Monitoring & Evaluation Unit
Mr José Assalino	Chief Technical Adviser & Liason Officer, ILO
Mr Fernando Encarnação	International Expert on Community Empowerment
Mr Roberto Pes	International Expert on Small Business Training, ILO
Mr Romualdo A. de Saousa	DEC Coordinator, Baucau
Mr Simão Luis Da Costa	Program Coordinator, Centro de Desenvolvimento Comunitario CDC Baucau
Mr João Do Carmo Pinto	Administrative Coordinator, Centro de Desenvolvimento Comunitario CDC Baucau
Mr Olivier Langoisseux	NGO Adviser, Centro de Desenvolvimento Comunitario CDC Baucau
Mr Alfredo Guterres	LAHO Project Manager
Coordinator	Blacksmith Community Production Center Baucau
Coordinator	Hadomi Produto Lokal (HPL), Baucau
Hernani Soares,	Director of IADE/CDE Ministry of Economy and Development
José Maria de Costa Soares	Director of Employment SEFOPE
Frederico Matos	Head of Employment Services Department SEFOPE
Carlos Bento	Head of Self Employment Department SEFOPE
Anne Keogh	Vocational Training Expert Vocational Training Department, SEFOPE

Ms Angelina	Secretariat FEFOP
Angelo C Soare	Executive Director Tuba Rai Metin
Junior Indart	ILO, Labour Market Information Unit, SSVTE Management Information System Expert (ILO)
José da Conceição da Costa	President Timor-Leste Trade Union Confederation
Rigoberto Monteiro	General Secretary Timor-Leste Trade Union Confederation