Promoting Sustainable Enterprises in India (PSEI)

ILO DC/SYMBOL: IND/19/01/KOR

Type of Evaluation: Project

Evaluation timing: Final

Evaluation nature: Independent

Project countries: India

P&B Outcome(s): Outcome 4 - Sustainable enterprises for inclusive growth and decent work

SDG(s): Goal 5, 8, 12 and 17

Date when the evaluation was completed by the evaluator: Click here to enter a date

Date when evaluation was approved by EVAL: 18 October 2024

ILO Administrative Office: ILO CO – New Delhi

ILO Technical Office(s): ENTERPRISE, SKILLS

Joint evaluation agencies: N/A

Project duration: September 2021 - December 2024

Donor and budget: Korea International Cooperation Agency (KOICA); US$ 2,380,000

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Evaluation budget: US$ 21,728.16

Acknowledgements

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Acronyms List

AIFPA	All India Food Processors Association
ALEAP	Association of Lady Entrepreneurs of India
AP	Andhra Pradesh
APCRE	Association for Promotion of Competitive and Responsible Enterprises
APFPS	AP Food Processing Society
APSSDC	Andhra Pradesh State Skill Development Corporation
BDS	Business Development Service
BMO	Business Membership Organization
B2B	Business to Business
CEPA	Chungcheongnam Economic Promotion Agency
CITI	Confederation of Indian Textile Industries
CO	Country Office
CTA	Chief Technical Advisor
DIC	District Industries Center
DPR	Detailed Project Report
DW	Decent Work
DWCP	Decent Work Country Programme
EDP	Entrepreneurship Development Programme
EIC	Enterprise Indicator Card
EIT	Enterprise Improvement Team
ESIS	Employees' State Insurance Scheme
FAPCCI	Federation of Andhra Pradesh Chambers of Commerce and Industries
FDCO	Foreign, Commonwealth and Development Office
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GeM	Government e-Marketplace
GoI	Government of India
HR	Human Resource
IME	Informal Micro Enterprises
IED	Institute of Entrepreneurship Development
IDI	In-depth Interview
ILO	International Labour Organization
INR	Indian Rupee
INTUC	Indian Trade Union Congress
GST	Good and Services Tax
JAF	Joint Action Forum
JTO	Junior Technical Officer
KDI	Korea Development Institute
KOFOTI	Korea Federation of Textile Industries

KOICA	Korea International Cooperation Agency
KOSI	Korea Small Business Institute
KOTRA	Korea Trade-Investment Promotion Agency
KPI	Key Performance Indicator
KSC	Korea Start-up Centre
KTDI	Korea Textile Development Institute
MDP	Management Development Programme
MOLE	Ministry of Labour and Employment
MoFPI	Ministry of Food Processing Industries
MSME	Micro, Small and Medium Enterprise
MSS	Ministry of SMEs and Start-up
NIFT	National Institute of Fashion Technology
OASME	Odisha Assembly of Small and Medium Enterprises
OSH	Occupational Safety and Health
P&B	Programme and Budget
PMEGP	Prime Minister Employment Generation Programme
PMFME	Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme
PSEI	Promoting Sustainable Enterprises in India
PSU	Public Sector Unit
SCORE	Sustaining Competitive and Responsible Enterprises
SDG	Sustainable Development Goal
SIYB	Start and Improve Your Business
SME	Small and Medium Enterprise
SSE	Social and Solidarity Economy
ToE	Training of Entrepreneurs
ToR	Terms of Reference
ToT	Training of Trainers
TNA	Training Needs Assessment
TU	Trade Union
UAP	Udyam Assist Platform
UNEG	United Nations Evaluation Group
WIDB	Women in Digital Business
WISC	Workers Information and Support Center
YSA	Youth Start-up Academy
ZED	Zero Defect and Zero Effect

Executive Summary

Background and Context

Summary of the project purpose, logic and structure

The Promoting Sustainable Enterprises in India (PSEI) project, implemented from September 2021 to December 2024, was implemented by the International Labour Organization (ILO) and funded by the Korea International Cooperation Agency (KOICA) with an overall budget of US$ 2,380,000. The project focused on two key sectors: food processing and textiles, and its geographical focus was in the states of Andhra Pradesh and Odisha. The overall development objective of the project was 'MSMEs sustainably integrated in global supply chain in alignment to Decent Work (DW) agenda and generate more and better quality jobs.' The project has three outcomes, with one output for each outcome. The three outcomes and their outputs are as follows:

- **Outcome 1**: MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain.
  - o **Output 1.1**: Capacity built of policy-makers and associates (including social partners and business membership organisations) in designing and implementation of evidence-based gender and market-responsive MSME policy initiatives, in dialogue with workers and employers' organization.
- **Outcome 2**: Indian Youths are equipped with entrepreneurial skills and generate decent jobs.
  - o **Output 2.1**: Young women and men, especially those belonging to vulnerable groups, are equipped with entrepreneurial skills using Start and Improve Your Business (SIYB) tool and the start ups sustainably integrates in global supply chains.
- **Outcome 3**: Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity.
  - o **Output 3.1**: Indian MSMEs trained to improve productivity and working conditions using ILO Sustaining Competitive and Responsible Enterprises (SCORE) tool adopted gender-mainstreamed management practices in workplace.

The key stakeholders and beneficiaries of the project included policymakers, government departments and agencies, industry associations and Business Memberships Organisations (BMO), MSMEs and Business Development Service (BDS) providers. The project also closely collaborated with Korean experts and institutions.

The project was managed by the ILO Country Office (CO) New Delhi under overall supervision of Director DWT CO New Delhi, and the team consisted of a Chief Technical Advisor (CTA), Junior Technical Officer (JTO), National Project Coordinator (NPC), and admin and finance assistant.

Present situation of the project

The PSEI project's implementation coincided with the second and third wave of the COVID-19 pandemic which led to delayed start of the project. The project, initially planned for 26 months, received three no-cost extensions, with the effective project duration now being 40 months. At the time of evaluation, the project received the third no-cost extension of four months and is scheduled to end in December 2024. At this stage, the project team comprises of CTA and an admin and finance assistant.

Purpose, scope and clients of the evaluation

The purpose of the evaluation was twofold: to fulfil ILO's accountability requirements and to contribute to the learning agenda for future projects. The evaluation aimed to assess the relevance, effectiveness, efficiency, impact, and sustainability of the PSEI project, which supported the growth and integration of MSMEs into global supply chains. The evaluation covered the project's implementation from September 2021 to June 2024. In addition to reviewing project design, implementation, and outcomes, the evaluation sought to extract lessons learned, good practices, and recommendations to inform future projects. The primary clients of the evaluation were KOICA, ILO's New Delhi Country Office, and ILO's tripartite constituents, including national and state-level government agencies, employers, BMOs, MSMEs and workers.

Methodology of evaluation

The evaluation employed a mixed-method approach, combining both qualitative and quantitative data collection and analysis. The primary data collection involved in-depth interviews (IDIs) and focus group discussions (FGDs) with key stakeholders, including MSMEs, policymakers, business membership organizations (BMOs), business development service (BDS) providers, and project beneficiaries in Andhra Pradesh and Odisha. The evaluation took special measures to ensure gender balance in the different respondent categories. Secondary data sources included project documents, progress reports, financial reports, and other relevant materials. The evaluation followed ILO's guidelines, ensuring adherence to UNEG norms and standards. A key limitation of the evaluation was the timing, which coincided with state and national elections in India. This led to restricted availability of government officials and stakeholders, causing delays in data collection. The evaluation had to extend the data collection period to cover all the respondents, especially senior government officials.

Main Findings and Conclusions

Relevance and strategic fit

The evaluation found that the PSEI project was highly relevant and well-aligned with both national and international priorities. It addressed key challenges faced by MSMEs and was consistent with India's national policies on MSME development and employment generation. The project's focus on promoting gender equality, youth entrepreneurship, and decent work aligned with the Sustainable Development Goals (SDGs), particularly SDGs 5, 8, and 9, and the ILO's Decent Work Agenda.

Validity of design

The PSEI project's overall Development Objective was quite ambitious, especially considering the limited duration and resources. The results framework has one output per outcome, making it difficult to differentiate the level of results, and indicates the absence of clear logic in the project design. The project design had different indicators for different elements within a given output, which helped in establishing the logical connect between the Outputs and Outcomes. However, the design lacked a clear connection between the Outcomes and the overarching Development Objective. Additionally, the Outcome and Output indicators could have effectively tracked the progress of MSMEs' integration into the global supply chain. The project effectively promoted gender equality and women's empowerment through its design and implementation. By focusing on capacity building, promoting women entrepreneurs, and implementing gender-responsive management practices, the project achieved significant outcomes, such as increased participation of women in entrepreneurship training, improved working conditions and improved access to social security benefits for women workers. The project's gender-disaggregated monitoring data collection ensured effective tracking of its progress towards gender equality.

Coherence

The PSEI project demonstrated coherence with other ILO initiatives at both national and global levels. It contributed to priority action programs on the informal economy and decent work in supply chains. Additionally, the project collaborated with other ILO projects and social partners to conduct capacity building activities and support migrant workers, aligning with the ILO's broader strategies in India.

Effectiveness

The PSEI project, aiming to sustainably integrate MSMEs into the global supply chain, successfully achieved its Outcome 1 of strengthening MSME policy initiatives. Through capacity building efforts and active engagement with policymakers, the project contributed to five MSME related policies and delivery mechanisms at the state and central levels. Specifically, the project's study tours to Korea provided valuable insights into Korean MSME development models and governance systems. These learnings contributed to the development of action plans by participating organizations and informed policymaking at the state and central levels. Additionally, the project's value chain analysis studies and multi-stakeholder dialogues provided evidence and facilitated discussions on market-oriented policies for MSME development. While the project achieved significant results, it's important to note that further efforts are needed to ensure the implementation of the policies and to provide technical support to new governments in the focus states.

The PSEI project successfully achieved its Outcome 2, which aimed to equip Indian youths with entrepreneurial skills and generate decent jobs. The project's systems-strengthening approach focused on capacity building of local institutions and entrepreneurs, leading to significant achievements. Specifically, the project's efforts resulted in the creation of 308 jobs, of which 70% were for women, surpassing the initial target. Through the SIYB tool, the project trained 241 entrepreneurs, including 149 women, equipping them with essential entrepreneurial skills. Additionally, 163 entrepreneurs registered their businesses, with a notably high success rate among women. Of these 163 registered micro-enterprises, 32 are formalised. The factors that contributed to these achievements include partnerships with the relevant government institutions, linkage with the government schemes, and enhancing access to new government initiatives like Udyam. The project further strengthened the capacity of local institutions by partnering with them to deliver entrepreneurship development programs. This has contributed to their ability to provide quality training and BDS services to aspiring entrepreneurs. While these achievements are significant, further efforts are required to support the integration of micro-enterprises into global supply chains. The current capacities of local institutions may not be sufficient for this task, requiring a more intensive sector development approach.

The PSEI project successfully achieved Outcome 3, which aimed at MSMEs adopting responsible management practices and building a business management system with increased productivity. The project's interventions led to some changes in the behaviour of 17 participating MSMEs triggering significant improvements in the social security coverage of their workers, turnover, productivity, and work environment. Specifically, ILO's SCORE modules equipped 17 MSMEs with practical tools and knowledge to enhance their performance. These modules focused on areas such as workplace cooperation, quality, and productivity, leading to measurable improvements in key performance indicators. Additionally, the project strengthened the capacity of BMOs to deliver responsible management practices training to their members. While the project achieved significant results, it's important to note that further efforts are needed to integrate the participating MSMEs into global supply chains. The prevailing challenges that further efforts must address include inadequate quality, delivery delays and non-compliance with labour laws.

The PSEI project effectively promoted gender equality, social dialogue, tripartism, occupational safety and health (OSH), and just transition. It supported gender mainstreaming in policy initiatives, provided training and mentoring to women entrepreneurs, and promoted gender-sensitive management practices in MSMEs. The project also organized multi-stakeholder dialogues, supported trade unions in building their capacity on OSH, and focused on environmental sustainability through cleaner production practices under SCORE modules. While the project did not have a specific strategy for disability inclusion, it did promote the rights of women and migrant workers. Overall, the PSEI project demonstrated a commitment to ILO's cross-cutting themes within the MSME sector, although further efforts are needed to strengthen its impact on disability inclusion.

Efficiency

The PSEI project's overall efficiency in its resource management and timely delivery of results was found to be satisfactory. The project effectively utilized its human, financial, and technical resources, achieving planned targets and delivering additional activities. While there were some challenges related to staff turnover and project initiation delays, the project team took appropriate measures to address the issue of staff turnover. The project's financial resources were utilized efficiently, with a high utilization rate of 100%. The monitoring and evaluation system was effective in tracking progress (upto Outcome levels) and identifying risks. The project's regular reporting and knowledge-sharing practices contributed to its transparency and accountability. However, there is room for improvement in communication and coordination with the donor to ensure more regular and in-depth exchanges on project progress.

Potential to Impact

The PSEI project's interventions have the potential to create a lasting impact on MSME development in India. The project successfully influenced policies in AP and Odisha aimed at promoting MSMEs within the food processing and textile and garments sectors. These policy changes, when supported by appropriate actions and programs, can facilitate the integration of MSMEs into global supply chains. Further, the project's capacity building efforts have equipped policymakers and associates to implement effective MSME development strategies. These efforts can impact state-level schemes and initiatives aimed at supporting MSMEs' integration into global supply chains. The project's efforts have also attracted the attention of Korean experts and industry players, who have shown interest in partnering with Indian MSMEs in the food processing sector. Such collaborations can have a significant long-term impact on the sector's development. The evaluation findings suggest that the new governments in the two project states may build upon the momentum created by the PSEI project.

Sustainability

The PSEI project's approach to sustainability focused on systems strengthening, which included influencing policy changes and building the capacity of BMOs and local institutions. The policy changes implemented through the project's efforts are sustainable results, as they are likely to have a long-lasting impact on the MSME sector. Additionally, the enhanced capacity of local institutions and BMOs to deliver entrepreneurship development programs and responsible management practices is another sustainable outcome. The embedding of the SIYB curriculum into state-level training programs in both states is a significant step towards sustainability. The project's efforts to support BMOs in developing proposals for government schemes and facilitating partnerships with Korean experts are also key factors for sustainability. These initiatives can help ensure that the project's outcomes are sustained and expanded in the long term.

Recommendations, Lessons Learned and Good Practices

Recommendations

Recommendation 1: ILO and KOICA must explore the project's next phase to capitalise on its successes and support MSMEs' integration into the global supply chain.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi and KOICA	High	High	Short term

Recommendation 2: ILO and KOICA must focus on harmonising efforts of key stakeholders in the sub-sectors of aquaculture and food processing to enhance bilateral economic cooperation between Korea and India in the next phase.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi and KOICA	High	Medium	Medium term

Recommendation 3: The ILO can use this project's achievements and lessons to develop a business case for greater economic cooperation between India and Korea for MSME development and share it with a broader audience in the project end workshop.

Addressed to	Priority	Resource	Timing
ILO PSEI Project Team	High	Low	Short term

Recommendation 4: **ILO projects on entrepreneurship and enterprise development in partnership with government stakeholders must include an Inception Phase to formalise partnerships, develop realistic workplans as per the changes in the context and to set up communication and reporting protocols with the donor, especially in case of new donors.**

Addressed to	Priority	Resource	Timing
ILO CO New Delhi	Medium	Low	Short to Long term

Recommendation 5: **In future projects, the ILO must review its results framework in cases of significant differences in the targets and achievements visible in the early stages of the project. In the case of entrepreneurship and enterprise development projects, these targets can be at the policy, enterprise, BDS provider, or worker levels.**

Addressed to	Priority	Resource	Timing
ILO CO New Delhi	High	Low	Short to Long term

Recommendation 6: **Entrepreneurship and enterprise development projects provide the ILO with an opportunity to promote decent work for people with disabilities. Accordingly, the projects must focus on disability inclusion in their implementation strategy and in the results framework.**

Addressed to	Priority	Resource	Timing
ILO CO New Delhi	High	Low	Short to Long term

Lessons Learned

1. The project design needs to clearly outline the logical connection between the Outcomes and the Development Objective, the outcomes could have been better delineated by framing more than one output per outcome and the indicators in the results framework must track the project's progress toward the Development Objective.

2. Mechanisms for inter-departmental coordination and coherence in the government require continued prioritisation by key government officials.

3. Development of a cadre of certified BDS providers at the local level is a resource-intensive exercise and is a challenge in upscaling the BDS.

4. Many entrepreneurs and MSMEs do not systematically document enterprise-level data, which may lead to discrepancies in the results being reported.

5. Engagement of Korean experts and donors in the field raised stakeholders' expectations regarding possible investments/business interests. Managing expectations beyond the project period can be a challenge.

6. Enabling environment and supportive contextual factors significantly impact project results

Good Practices

1. International Study Tours in partnership with host country institutions are a significant learning experience.

2. Formal agreement and collaboration with state government agencies can lead to scaling up and ensuring the sustainability of initiatives.

3. Capacity building of the BMOs to broad base their services and to deliver responsible management practices training sustainably.

1. Context and Project Description

"Promoting Sustainable Enterprises in India (PSEI)" is an International Labour Organization (ILO) project supported by the Korea International Cooperation Agency (KOICA) that is being implemented in India, with a focus on the states of Andhra Pradesh (AP) and Odisha. The project's implementation period is from September 2021 to 31st December 2024 (includes no-cost extension). The project focused on two labour-intensive sectors of food processing and textiles (including garments) and aims to boost local economic growth by promoting sustainable enterprises in alignment with the ILO's Decent Work Agenda. The PSEI project has an overall budget of US$ 2,380,000.

1.1 Context

Micro, Small and Medium Enterprises (MSME) play a crucial role in the Indian economy. According to the Indian regulations, the MSMEs are categorised as per the following criteria:

Table 1: MSME categorisation as per investment and turnover

Category	Investment in Plant & Machinery or Equipment (INR) (Maximum)	Turnover (INR) (Maximum)
Micro	10 million	50 million
Small	100 million	500 million
Medium	500 million	2500 million

As per the National Sample Survey of 2015-16, there are more than 63 million MSMEs, of which more than 99% are micro, 0.52% small and 0.01% medium.[1] The sector generated more than 110 million jobs, which makes it the second largest employer after the agricultural sector.[2] The MSME sector contributed 29.15% to the nation's Gross Domestic Product (GDP) in 2021-22, 40.83% of the overall manufacturing output in 2021-22 and 45.56% to the overall exports in 2023-24 (upto September 2023).[3]

The Government of India (GoI) has taken a major initiative in registering MSMEs under 'Udyam', an online, self-declaration-based process. Udyam replaced Udyog Aadhaar Memorandum (UAM) with the objective of simplification of registration process of MSMEs as it does not require any documents and has an automatic integration with the tax authorities.[4] The process is non-fee based, and the enterprise receives a permanent registration number, making it eligible for various government schemes. This initiative was part of the government's efforts to promote the MSME sector in the country under Aatma Nirbhar Bharat Abhiyan[5] to fight the Covid-19 pandemic.[6] According to Udyam's website accessed on 7 August 2024, 48.06 million MSMEs have registered,

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[1] Ministry of MSME, Government of India. (2023). Annual Report 2022-23.
https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf
[2] Ibid.
[3] Press Information Bureau, Government of India (11 December 2023). Contribution of MSMEs to the country's GDP.
https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1985020
[4] Press Information Bureau, Ministry of MSME, Government of India (19 July 2021). Setting UP New Units of MSMEs.
https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1736789
[5] Atmanirbhar Bharat Abhiyaan or Self-reliant India campaign was launched by the Prime Minister of India on 12 May 2020 which includes special economic and comprehensive package of INR 20 Lakh Crores - equivalent to 10% of India's GDP – to fight COVID-19 pandemic in India. https://www.investindia.gov.in/atmanirbhar-bharat-abhiyaan
[6] Press Information Bureau, Government of India (29 November 2021). Revival of MSMEs.
https://pib.gov.in/Pressreleaseshare.aspx?PRID=1776102

of which around 98% are micro, around 1.5% small and 0.5% medium. These 48.06 million registered units reported generating 208.2 million employments.[7] Additionally, the GoI launched Udyam Assist Platform (UAP) under its MSME formalisation project in January 2023 to provide Udyam registration to Informal Micro Enterprises (IME) not registered with Good and Services Tax (GST) authorities.[8] The key objective of the UAP is to provide the IMEs with the benefit of priority sector lending. UAP, since its inception, has registered around 21 million IMEs, which reported employment of around 25 million persons.[9]

There is significant gender inequality in the Indian MSME sector, as only 20% of the units are owned by women. Gender inequality is more stark in the 'Small' and 'Medium' categories, where women's owners are only around 5% and 2%, respectively.[10] Similarly, only 24% of the employed persons are women. Most of the women entrepreneurs own micro-enterprises, which is also highlighted by the UAP data, i.e. 70.49% of the IMEs are women-owned and 70.84% are women workers in IMEs.[11] According to the Expert Committee on Micro, Small and Medium Enterprises, the key challenges that MSMEs face are related to formalisation, access to knowledge services, access to timely and adequate finance, improving competitiveness, availability of skilled manpower, access to the latest technology and marketing.[12] It also found that the MSME sector was affected by structural changes in the Indian economy. According to the Periodic Labour Force Survey of 2017-18, only 4% of MSMEs are significant job creators, as the majority of MSMEs (70%) employ less than ten employees.[13] Between 2012-13 and 2015-16, the non-performance and insolvency among MSMEs had also doubled, which is majorly due to low productivity.[14] Further, the Indian MSME sector was badly hit due to COVID-19 pandemic, which led to disruptions and closures of enterprises in a large number of MSMEs.

Despite these constraints, India's MSME sector can generate decent large-scale jobs if it is adequately guided and supported. The project selected two neighbouring coastal states in India's eastern and southeastern parts, AP and Odisha. Further, the project selected two labour-intensive sectors: food processing and textiles (including garments). At the time of project design, the two selected states were amongst the potentially fastest growing economies within the country and top investment destinations due to ease of doing business.

In this context, the project also identified key problems that the MSME sector faces in India, which informed the project strategies and results. These key problems are mentioned later in the relevant sections. The project strategy development included discussions between ILO India and KOICA and the Ministry of Skill Development, Ministry of Labour and Employment (MOLE), Ministry of MSME, State Governments of AP and Odisha, and social partners.

1.2 Project Description

The PSEI project builds upon the special strategic framework the Republic of Korea and India signed in July 2018. This framework provides a platform for establishing knowledge-sharing mechanisms, long-term relationships between MSMEs in both nations and the ongoing exchange of best practices and cooperative work. It is also important to note that the PSEI project is

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[7] https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm (accessed on 9 August 2024)
[8] Udyam Assist Platform, MSME Formalisation Proejct. SIDBI. https://www.sidbi.in/udyam-assist-platform
[9] https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm (accessed on 9 September 2024)
[10] Ministry of MSME, Government of India. (2023). Annual Report 2022-23. https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf
[11] Press Information Bureau, Ministry of MSME, Government of India (19 July 2021). 5 February 2024. Women Entrepreneurs in MSMEs. https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2002574
[12] Ministry of MSME, Government of India (2019). Report of the Expert Committee on Micro, Small and Medium Enterprises, June 2019.
[13] Project Document, Promotion of Sustainable Enterprises in India (PSEI) Project, ILO.
[14] Ibid.

KOICA's first development cooperation project in India, and KOICA's India office was set up during the course of this project's implementation.

The PSEI project aims to establish an enabling environment for the sustainable growth of MSMEs in the two targeted states of AP and Odisha. Building on the two states' competitive advantage, it aims to support MSMEs' sustainable integration in international supply chains, stimulate market system development, and strengthen the regional economy.

During conceptualisation, the project identified two key problems that the project intends to address:

- Weak institutional capacity, policy coherence and dialogue process in design and implementation of MSME policy initiatives aligned to the Decent Work agenda.
- Low market survival rate of new entrepreneurs and MSMEs, and success in integrating in the supply chain, including compromises in working conditions.

PSEI project's result framework is as follows:

Development objective: MSMEs sustainably integrated in global supply chain in alignment to Decent Work (DW) agenda and generate more and better quality jobs.

The project has three outcomes, with one output for each outcome.

Outcome 1: MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain.

- **Output 1.1**: Capacity built of policy-makers and associates (including social partners and business membership organisations) in designing and implementation of evidence-based gender and market-responsive MSME policy initiatives, in dialogue with workers and employers' organization.

Outcome 2: Indian Youths are equipped with entrepreneurial skills and generate decent jobs.

- **Output 2.1**: Young women and men, especially those belonging to vulnerable groups, are equipped with entrepreneurial skills using Start and Improve Your Business (SIYB) tool and the start ups sustainably integrates in global supply chains.

Outcome 3: Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity.

- **Output 3.1**: Indian MSMEs trained to improve productivity and working conditions using ILO Sustaining Competitive and Responsible Enterprises (SCORE) tool adopted gender-mainstreamed management practices in workplace.

Sectors and Geographies

The project selected food processing and textiles as the two sectors in consultation with the national and state-level stakeholders. As already mentioned, the project selected the states of AP and Odisha. At the time of project conceptualisation, these selected sectors were believed to have the potential for integrating MSMEs into the global supply chain, and the state governments had also prioritised these sectors for investments. The project had made an assumption that these

government commitments would lead to significant investments in the selected sub-sectors creating an enabling environment for the project to link the MSMEs in the global supply chain.

Beneficiaries and stakeholders

The targeted beneficiaries of this project were identified during project development, and the stakeholders under each category were further finalised during implementation. The numbers presented below are the targeted numbers as per the project document, and the names of the stakeholders are the ones with which the project partnered and provided inputs during the implementation. The project planned to cover at least 10 per cent of women participants under each category.

- At least **40 policymakers and associates** (including employers/business membership organisations and workers organisations) with at least 30% women
    - Central level:
        - MOLE, Ministry of MSME, Ministry of Textiles and Ministry of Food Processing
        - Confederation of Indian Textile Industries (CITI)
    - State level:
        - Industries and Labour departments in AP and Odisha
        - District Industries Center (DIC) in Khurda and Vishakhapatnam
        - AP MSME Development Corporation
        - Andhra Pradesh State Skill Development Corporation (APSSDC)
        - AP Food Processing Society (APFPS)
        - Federation of Andhra Pradesh Chambers of Commerce and Industries (FAPCCI).
        - Institute of Entrepreneurship Development (IED), Government of Odisha.
        - Odisha Assembly of Small and Medium Enterprises (OASME)
        - Indian Trade Union Congress (INTUC) Odisha and Joint Action Forum of Trade Unions
        - Association of Lady Entrepreneurs of India (ALEAP)
- At least **16 MSMEs** from apparel/textiles and food processing sectors: To improve productivity and working conditions through SCORE training and sustainably integrate into the supply chain
- At least **200 young women and men**, especially from vulnerable groups: To acquire entrepreneurial skills through SIYB training, start a business and integrate in the supply chain of apparel/textiles and food processing sectors.
- At least **50 business development service providers (BDS)** (40 in SIYB and 10 in SCORE): To be trained and guided to provide systematic, quality and affordable services on productivity improvement and entrepreneurship in association with MSME initiatives of State and Central Government and/or industry associations. The project partnered with the SIYB Association of India for SIYB trainers and the Association for Promotion of Competitive and Responsible Enterprises (APCRE) for SCORE trainers.
- At least **2 business membership organisations (BMOs) / industry associations and 2 local institutions** advised and supported to broad-base and strengthen their enterprise support service portfolio

The project also collaborated with **Korean experts and institutions,** which included the following:

- New Delhi Business Centre of Chungcheongnam Economic Promotion Agency (CEPA)
- Korea Development Institute (KDI)
- Korea Small Business Institute (KOSI)

- KOTRA India office
- Korea Start-up Centre (KSC) in India (affiliated to the Ministry of SMEs and Start-up)
- Korea Textile Development Institute (KTDI)
- Seven Korean experts

2. Evaluation Purpose and Methodology

2.1 Purpose, Scope and Objectives

The independent final evaluation is part of the ILO's mechanism to fulfil its accountability mandate. Additionally, it is undertaken as a learning exercise to inform future strategies. The key objectives of the independent final evaluation as per the Terms of Reference (ToR) are as follows:

- Assess the relevance (is the project doing the right things?) and/or validity of the Project design, project results framework, and implementation strategy.
- Assess the Project achievement towards achieving its planned outcomes and outputs (global in alignment to global programs and priorities, country level and project level), including identifying supporting factors and constraints that could affect the achievement and nonachievement of results.
- Identify unexpected results, both positive and negative, that emerged from the Project implementation.
- Analyse the efficiency of the Project especially in its delivery and/or performance, strategy and management, and implementation and the extent to which the recommendation of the midterm evaluation has been taking into consideration.
- Assess to what extent are Project results or gains likely to continue or be sustainable;
- Assess the extent to which gender equality/mainstreaming has been considered throughout the project design and implementation
- Identify strategic recommendations, lessons learned and good practices (national, subregional, community and enterprise levels) can be applied to similar future projects in India.

2.1.1 Scope and client of the evaluation

The evaluation covers the project implementation period from September 2021 to June 2024. Its primary clients are KOICA, ILO CO New Delhi, and the ILO's tripartite constituents at the national and state levels (as mentioned in the Beneficiaries and Stakeholders sub-section).

2.2 Evaluation Methodology

The evaluation followed a mixed-method approach, using both qualitative and quantitative data. The evaluation followed UNEG norms and standards and ethical guidelines wherein the primary data collection involved qualitative methods with the sampled respondents. The evaluation criteria and questions were proposed in the ToR of this final independent evaluation and were finalised during the inception phase.

2.2.1 Evaluation Questions and Data Sources

The evaluation questions as per the evaluation criteria is as follows:

Table 2: Evaluation Criteria and Questions

Criteria	Evaluation questions
Relevance and strategic fit	- To what extent was the Project consistent with the key needs, demands and priorities of ILO constituents (government, employers, and workers)?
	- How is the Project aligned to the DWCP India, ILO P&B Outcomes, SDGs – particularly Goal 5 and Goal 8, and UN Sustainable Development Framework?
Coherence	- Are the project strategy and activities complementary with other projects in the country, other interventions and strategies of the ILO at the national levels?
Validity of design	- Was the project design adequate to meet project objectives and identified outcomes? To what extent does the Project's Results Framework link the outputs to the intended outcomes and objectives? And whether the design aimed at addressing gender equality and women empowerment in MSME.
	- Did the project adequately consider the gender dimension in the Project Document, Monitoring and Evaluation Plan, and interventions? How was this achieved?
Effectiveness	- To what extent is the Project achieving its objectives and results? Have there been any unintended results (positive or negative) that emerged during the implementation? Have the project communicated its achievement and best practices?
	- To what extent has the project adapted to the evolving situation that came because of the COVID-19 pandemic or any other risk factor? Are there evidences of certain project components/objectives advancing more over the others? What would be the contributing factors both that facilitated or hindered progress? How adaptable (and responsive) has the project been to this changing context?
Efficiency of resource use	- How well are the project's resources (human, financial and technical) being managed to ensure timely, cost effective and efficient delivery of Project results?
	- Assess whether sufficient information was collected during the implementation and monitoring of specific result indicators to measure the progress on gender equality results?
	- Are there any alternate ways in which the project could have done to better manage its resources?
(Potential) Impact	- How likely will the project interventions result in positive and long-term changes? Will these interventions help in promotion of MSME development and creation of more and better quality jobs? What is the likelihood of both the states in India achieving the project intended outcomes by the end of the Project?
	- To what extent has the project strengthened the institutional capacity (service and policy) of the government, employers' and workers' organizations in improving working conditions of MSME workers?
Orientation to sustainability	- What mechanisms and actions did the project put in place to ensure ownership of the project's results at the country, regional/province and enterprises level?
	- Is the project sustainability strategy being implemented?
	- Which project outcomes are most likely to be sustainable and transferable to the communities/sectors or relevant institutions when the project ends?
ILO Cross-Cutting Themes	- Has the project integrated gender equality, just transition to environmental sustainability, social dialogue and non-discrimination as a cross - cutting concern throughout its deliverables, including periodic reports?
	- Has the project contributed or is contributing to social dialogue and tripartism, and ILO Conventions specifically on OSH?

2.2.2 Data sources

The **primary data sources** of this evaluation included key stakeholders and beneficiaries of the project. The evaluation followed purposive and non-probability sampling to identify these respondents. The evaluation made special efforts to maintain gender balance in the respondent list, especially at the level of entrepreneurs and workers. A detailed respondent list is attached as Annexure:

- ILO (CO New Delhi, Project Team and Specialists)
- KOICA, New Delhi
- Government departments and agencies at the national and state levels
- Social partners, including trade unions and employers
- Implementing partners
- Beneficiaries (Entrepreneurs, Workers and Enterprises)

For the **secondary data**, the following documents were analysed and examined:

- Project document
- Work plans, annual and quarterly progress reports
- Report of the implementing partners
- Mid-term evaluation report
- Budget and financial reports
- Knowledge products and event reports
- Activity reports within different outputs
- Relevant databases
- DWCP and other ILO strategy documents
- Policy documents and research studies

2.2.3 Evaluation Schedule

The evaluation was conducted from 10 June 2024 to 30 September 2024. Evaluation missions to project locations in AP and Odisha were conducted between 1 July and 15 July. Further, the findings were shared with the key stakeholders through a virtual meeting on 28 August 2024.

2.2.4 Data Collection Methods

The data collection method included in-depth interviews (IDI) and focus group discussions (FGD). IDIs were conducted with most respondents, while FGDs were conducted with the BDS providers, trained entrepreneurs and Enterprise Improvement Teams (EIT) of the SCORE enterprises. These consultations were held face-to-face and virtually. The project team supported the evaluation team in scheduling the interviews and discussions. The data collection included site visits to two SCORE enterprises, one in AP and another in Odisha, which included FGDs with the members of the EITs in both the enterprises and IDIs with the owner and HR team members. These two SCORE enterprises were selected based on their availability as per the suggestions of the project team. The data collection coverage as per gender disaggregation for IDI and FGDs is present below:

Table 3: Data Collection Coverage

Respondents of IDI	Female	Male	Total
Government	2	4	6
Donor	0	1	1
BMOs/Industry Association	2	3	5

	Female	Male	Total
MSMEs (SCORE)	1	4	5
ILO	5	2	7
Trade Unions	0	1	1
SCORE Senior Trainers	0	1	1
Sub-total	*10*	*16*	*26*
Respondents of FGDs	**Female**	**Male**	**Total**
SIYB Entrepreneurs	19	2	21
SIYB Master Trainers and Trainers	2	10	12
Workers in SCORE MSMEs (EIT members)	8	7	15
SCORE Trainers	0	4	5
Korean experts	0	3	3
Sub-total	*29*	*26*	*55*
TOTAL	**39**	**42**	**81**

As mentioned above, a half-day online workshop was organized to debrief the evaluation findings to key project stakeholders.

2.2.5 Data Analysis

This evaluation report is developed as a comprehensive document as per the EVAL guidelines to present the key findings of the evaluation as per the evaluation criteria and questions, lessons learned and good practices and recommendations. The evaluation report followed the detailed guidelines mentioned in the 'Checklist 4.2: preparing the evaluation report' dated Feb 2021, v 2 (v.1 - 2014). The evaluation referred to the qualitative and quantitative data from the primary and secondary sources. This report was finalised after receiving inputs from the key stakeholders.

2.3 Limitations and Mitigating Strategies

The evaluation period coincided with the national and state level elections in both the project states of AP and Odisha. In India, national and state-level elections are an elaborate exercise that includes a moral code of conduct for government officials. This code of conduct restricted them from interacting with external agencies till the completion of elections. Further, following the elections, the political party in power changed in both states. These factors led to the unavailability of government officials (especially in AP) and other key stakeholders during the planned data collection period. The evaluation extended the data collection period and, with the close support of the project team, organised interviews (both virtual and face-to-face) as per their availability.

3. Evaluation Findings

This section presents the evaluation findings as per the evaluation criteria, and the evaluation questions guide the analysis:

- Relevance and strategic fit
- Validity of design
- Coherence
- Effectiveness
- Efficiency
- Impact
- Sustainability

3.1 Relevance and Strategic Fit

This evaluation criteria assessed the PSEI project's relevance to the needs and priorities of the tripartite constituents, including government, workers, and employers, and its alignment with other national, regional, and global commitments such as DWCP, ILO's P&B Outcomes, UNDAF, and SDG targets.

3.1.1 Relevance to the needs and priorities of the government

The Indian government recognises the significant role played by the MSME sector in the country's economic and social development. The Ministry of MSME is the apex body for MSME development in the country, which is also part of the Union Cabinet, the supreme decision-making body in the country. The national government, in its latest budget, allocated around INR 221.4 billion, which it plans to spend through a variety of schemes that aim to enhance access to low-cost institutional finance and technology upgradation support to the MSMEs.[15] The national government has an elaborate institutional mechanism to support the delivery of the schemes in partnership with the state governments. At the state level, MSME development is part of the Industries Department. The national and central governments have dedicated policies for MSME development, highlighting the high priority given to the sector by the government.

As part of its conceptualisation process, the project identified 'Weak institutional capacity, policy coherence, and dialogue process in design and implementation of MSME policy initiatives aligned to DW agenda' as the critical problem to be solved. The leading causes of this problem were identified as policies not based on evidence and social dialogue, multiplicity of initiatives, lack of coordination between market actors and the government, and limited capacity and support to local institutions. The project rightly identified the key problem and its causes, as found during stakeholder consultations and secondary research.

Accordingly, the project is highly relevant to the government's needs and priorities, as Outcome 1 directly targeted supporting the government's efforts in designing and implementing market-responsive MSME policies that promote MSME sustainability and integration in the global supply chain. Outcomes 2 and 3 are also highly relevant to the government, as the project's strategies included capacity building of the government institutions in delivering entrepreneurship development programs and promoting sustainable, productive and responsible MSMEs. Further,

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[15] The Economic Times (July 24, 2024). Budget 2024: Which MSME schemes got more money and which ones have lost out. https://economictimes.indiatimes.com/small-biz/sme-sector/budget-2024-which-msme-schemes-got-more-money-and-which-ones-have-lost-out/articleshow/111981282.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

the two selected sectors of food processing and textile and apparel are part of the focus sectors in both the project states.

Overall, through its three outcomes, the project is highly relevant to the national and state governments' needs and priorities, as evidenced by government commitments in the sectoral and sub-sectoral policies, strategies and plans.

3.1.2 Relevance to the needs and priorities of the MSMEs and entrepreneurs

The project identified the low market survival rate of new entrepreneurs and MSMEs, the inability to successfully integrate into the supply chain and compromises in the working conditions of its workers as key problems. The problems are due to a lack of sector specific specialised training services to guide potential entrepreneurs and MSMEs on good management practices in line with decent work agenda to enhance their competitiveness. This is further due to gaps in understanding of market needs, especially in the focus sectors, inadequate BDS providers and weak monitoring of service delivery. The project also identified the prevalence of informality as the leading cause of micro-enterprises not accessing government schemes.

The project, under Outcome 2, targeted to build the capacities of new and existing micro-entrepreneurs in entrepreneurship skills using the SIYB tool. These micro-enterprises were informal, and the project targeted to register them with Udyam, leading to their formalisation. The project strategies under this Outcome especially focused on women and youths belonging to vulnerable groups. The project targeted building their capacities related to financial management, product development, understanding market trends and business development. Under Outcome 3, the project targeted to build the capacities of MSMEs to improve their productivity and working conditions and adopt gender-mainstreamed responsible management practices at the enterprise level using the ILO's SCORE tool. The project, under Outcome 3, also targeted to build the capacities of the MSMEs on environmental standards, international standards related to labour and quality and compliance with national labour and food safety and hygiene legislation. Further, these two outcomes are targeted to build the capacities of the BMOs and industry associations to service their members sustainably. The project also targeted the development of quality trainers and BDS providers to provide high-quality services to the MSMEs. Even under Outcome 1, the project aimed to develop the capacities of the BMOs by exposing them to international best practices and facilitating their participation in multi-stakeholder dialogues for strengthening industry-government engagement.

Overall, the project is highly relevant to entrepreneurs, MSMEs, and their associations as it directly targets developing their capacities to start businesses, enhancing their competitiveness and productivity, improving the quality of BDS, and adopting gender-mainstreamed and sustainable management practices, leading to an overall supportive entrepreneurial ecosystem.

3.1.3 Alignment with the DWCP, ILO's Strategic Objectives, and SDGs

The implementation period of the PSEI project is part of the two Decent Work Country Programme (DWCP) periods of India, i.e. DWCP 2018 – 22 and DWCP 23 – 27. The project was significantly aligned with and contributed to **Priority 2 of DWCP 2018 – 22, i.e.** 'Create sustainable, inclusive and decent employment for women and the youth, especially vulnerable to socio-economic and environmental exclusion and in the informal economy.' It specifically contributed to **Outcome 2.3 –** 'By 2022, states have institutionalized measures that promote sustainable enterprises and transition to formalization.'

In the current DWCP, i.e. 23 – 27, the project is aligned with **Strategic priority 2 –** 'Ensure full and productive employment and decent work for all women and men, including through formalization and just transition' and specifically contributes to **Outcome 2.2 –** 'By 2027, all

enterprises, MSMEs, social and solidarity economy (SSE) entities and value chains, including those led by women, other informal and vulnerable groups, will benefit from improved productivity, sustainability and innovations, for realizing just transitions and decent work.'

At the global level, the project contributed to Programme and Budget (P&B) **Outcome 4 –** 'Sustainable enterprises as generators of employment and promoters of innovation and decent work'.

The project objectives and outcomes directly contribute to five of the Sustainable Development Goals (SDG) which are presented below:

SDG 5: Achieve gender equality and empower all women and girls

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 12: Ensure sustainable consumption and production patterns

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

3.2   Project Design Validity

This section assesses the PSEI project design's adequateness to meet the project objectives and stated Outcomes. It further assesses whether the project design addressed gender equality and women empowerment in MSMEs. It does so by examining the consideration given to gender in the project document, monitoring and evaluation plan and interventions.

3.2.1 Project design's adequateness to meet the Objective and Outcomes

The PSEI project's overall objective is to sustainably integrate MSMEs in the global supply chain in alignment with the DW agenda to generate more and better quality jobs. As the project's implementation experience suggests, this objective was significantly ambitious, especially considering the project's initial duration of twenty six months and allocated financial resources. The project's mid-term evaluation also highlighted this. As brought out by the value chain studies conducted under the project, integrating MSMEs into any global supply chain requires an intensive value chain approach to develop the particular sub-sector in an integrated manner so that MSMEs are developed to provide high-quality value-added products consistently in a price-competitive environment. This requires significant investments in technology upgradation, access to skilled manpower, access to quality raw materials, infrastructure development and access to national and international markets. Any intervention to address these issues requires a close partnership with all the relevant government and private sector institutions within each sub-sector right from the start of the project. The project design selected food processing and textile and garments as the two focus sectors in the two states, however, the project strategies were limited in scope in relation to the overall objective. Projects with such ambitious objective need a long-term approach and a duration of five to ten years.

According to the project team, the project design involved a detailed process of around two years involving close engagement of KOICA, which included discussions with the tripartite constituents and KOICA's missions to the selected states of AP and Odisha. The project design considered the lessons from the earlier interventions of the government and other international and national agencies, which highlighted the need for strengthening local institutional capacity and policy coherence and improving the quality of BDS in India.

The project design has three pathways, each reflected by one Outcome, to address the issues and problems identified. Outcome 1 focuses on strengthening policy initiatives, Outcome 2 focuses on entrepreneurship development, and Outcome 3 focuses on sustainable MSMEs. Capacity development of local institutions to promote policy coherence and quality of BDS is a cross-cutting strategy across three Outcomes. According to the ILO experts, the project has an interesting experimental design as it targets problems at three levels: policy at the macro level, capacity of institutions at the meso and enterprises and entrepreneurs at the micro level.

The results framework has one output per outcome, and the Outcome and Output statements make it difficult to differentiate the level of results and indicate the absence of clear logic in the project design. This shortcoming is, however, mitigated to some extent at the level of indicator framing where the project has framed different indicators for different elements within a given output. The logical connect between the Outputs and Outcomes was found to be adequate only when the Output and Outcome statements are analysed along with the indicators. Based on these two levels of indicators, the project strategies were found to be adequate. However, there is an inadequate logical connection between the three Outcomes and the Development Objective. The project design does not establish on how the results under the three Outcomes will contribute to the overall development objective of sustainably integrating MSMEs in the global supply chain. Further, no indicator was assigned to the Development Objective. 'Integrating MSMEs into the global supply chain' is included in some of the Outcome and Output statements, however, the indicators do not measure or track this aspect. Specifically,

- Outcome 1 statement highlights the designing of MSME policy initiatives to promote sustainable enterprises and their integration into the global supply chain. However, the indicators of Outcome 1, the Output 1 statement and their indicators do not track the extent to which the initiatives contributed to the overall development objective.

- The output statement under Outcome 2 highlights training youth so that start-ups sustainably integrate into global supply chains; however, the indicators at the Outcome and Output levels do not track the progress of this integration.

- Under Outcome 3, the Outcome and Output statements do not mention integration into the global supply chains, and the indicators do not track the progress of MSMEs integration into the global supply chains.

It is to be noted that the results framework included in the PRODOC is in the donor's format and does not contain the definition of the indicator, their means of verification and the assumptions made while setting targets for Outcome and Output indicators. The project separately maintained a detailed results framework which included means of verification and category of indicators, however, it did not specify the assumptions under each indicator. The project submitted this detailed table of the results framework as an annexure to the annual reports.

3.2.2 Promotion of gender equality and women empowerment in MSMEs

Promoting gender equality and women's empowerment in MSMEs was an important design element of the PSEI project. Under each of the three Outcomes, the project design made special provisions for this purpose. Outcome 1 focused on building the capacities of the stakeholders so that they can design and implement gender-responsive policies, leading to quality and affordable entrepreneurship development services. Under Outcome 2, the project promoted women entrepreneurs and conducted special counselling sessions for them to overcome socio-cultural barriers. Under Outcome 3, the project promoted gender-mainstreamed management practices in the MSMEs to offer more decent job opportunities to women. Further, the project targeted to cover at least 10% of women participants under each of the beneficiary categories.

During the PSEI project's implementation, the project gave due importance to gender equality and women empowerment, as conceived in the project's design. Under Outcome 1, project focused on capacity building of the key stakeholders to promote gender quality in the policies. The project also provided inputs during policy formulation to include gender-responsive components. For e.g. AP MSME Action Plan for 2022-23 has targeted intervention for micro-enterprises which is majorly owned by women entrepreneurs. Special attention to this category, instead of clubbing with the overall MSME category', shall directly benefit women entrepreneurs. Similarly, the project provided technical advice to the Ministry of MSME to revise its public procurement policy to address the constraints faced by women entrepreneurs to participate in the procurement process, where 3% is reserved for women entrepreneurs. Under Outcome 2, over 75% of the entrepreneurs who received entrepreneurship training and started businesses are women. Further, 33% of the SIYB certified trainers are women. Under Outcome 3, the project promoted gender-responsive management practices that led to a number of gender-sensitive measures within the MSMEs. For e.g. separate toilets for women workers, equal pay to women workers. Significantly, the proportion of women workers who are covered by the social security measures is around 10% more in comparison to the baseline. Specifically, around 61% of the total workers in the targeted MSMEs were covered by the social security measures during baseline, which is now 72%. As part of the SCORE module, the project promoted at least 50% participation of the women workers in the EIT within each MSME.

As part of its monitoring and evaluation plan, the project collected all its monitoring data in a gender-disaggregated manner. As part of regular reporting, the project highlighted the efforts and results related gender equality and women empowerment. The evaluations as per the ILO guidelines had gender equality as one of the criteria. These measures led to effective tracking of the project's efforts toward promoting gender equality. Overall, the project successfully promoted gender quality and women's empowerment through its design and implementation mechanisms.

3.3   Coherence

This evaluation criteria assesses the complementarity of the PSEI project's strategy and activities with other ILO projects in the country, and other interventions and strategies of the ILO at the national and global levels.

The project contributes globally to two of the four Priority Action Programmes, i.e., the transition from the informal to the formal economy and decent work in supply chains.

According to the CTA, at the country level, the project conducted capacity building of TUs on OSH in coordination with the Japan-funded Safety + Health for All Workers in South Asia: India Component (RAS/20/08/JPN_ Component India) and ACTRAV's CO strategy on TU capacity building and advocacy. In AP, the project conducted entrepreneurship development training programmes for returnee migrants and potential outbound women migrants to Middle East in coordination with the Foreign, Commonwealth and Development Office (FDCO), Government of United Kingdom funded project, Work in Freedom, Phase II - Fair recruitment and decent work for women migrant workers in South Asia and the Middle East (RAS/17/11/GBR). The project organised Workers Information and Support Centers (WISC) for migrant workers in AP, which contributed to ACTRAV's strategy on TU capacity building on membership and broad-basing services in India.

3.4   Effectiveness of Interventions

This section assesses the project's achievements and under-achievements as per the results framework and its factors. It further assesses any unintended results (positive or negative) and

examines how the project adapted to the changing context, including the COVID–19 pandemic or any other risks. The findings are organized according to the project's three Outcomes.

3.4.1 Outcome 1: MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain

The project's strategy to achieve this Outcome was capacity building of the policy makers, industry players, support institutions and other key stakeholders. The capacity building strategy included study tours to Korea, value chain studies in the chosen sectors of food processing and textiles and garments that also focused on capturing global best practices, and holding multi-stakeholder policy dialogues and sectoral events at the national and state levels. The project also provided technical advice to revise the policies as per the ILO standards and global best practices.

Table 4: Status of Indicators - Outcome 1

Outcome/Output	Indicator	Baseline	Target	Achieved
Outcome 1: MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain	Indicator 1.1: Number of MSME policy initiatives (incl. sectoral) and delivery mechanisms in India designed or revised based on global best practices	0	2	5
Output 1.1: Capacity built of policymakers and associates (including social partners and business membership organizations) in designing and implementation of evidence-based gender and market-responsive MSME policy initiatives, in dialogue with workers and employers organization	Indicator 1.1.1: Number of action plans submitted by each institution during the capacity building program in Korea	0	10	14
	Indicator 1.1.2: Research paper published and disseminated	0	1	3

Achievements under Outcome 1

Strengthening and effective designing of MSME policy initiatives and delivery mechanisms
At the Outcome level, the project made significant achievements as it contributed to five policy initiatives and delivery mechanisms at the central and state levels as against the target of two. The state governments of AP and Odisha recognise the project's contributions to policy-making, especially in bringing voices from the ground (of entrepreneurs and MSMEs) to the policy levels. The project's inputs were also substantiated with the best practices from other countries in the form of case studies from other countries, including the Korean model. The inputs focused on employment generation and skill development along with growth. Further, it stressed promoting

Decent Work in MSMEs and selected sectors and attempted to establish the link between responsible investment and local development.

Apart from building the capacities of the key stakeholders through study tours, value chain studies, and multi-stakeholder dialogues to influence policy-making, the project undertook consistent and systematic engagement with the governments, which allowed them to participate in the policy review processes and contribute to policy drafting.

A brief of the specific inputs provided is presented below in the table:

Table 5: Details of policy level results under Outcome 1

Name of the Policy	Inputs provided and included in the policy/delivery mechanism
AP MSME Action Plan 2022-23	- Targeted intervention for micro enterprises instead of clubbing under 'MSME' - Upgrade management development programme (MDP) trainings for MSMEs - Conduct MSME survey of the state to assess growth pattern, skill needs and job creation
Odisha Food Processing Policy 2022	- Value chain approach and value addition for up and downstream integration of MSMEs - Skill development of workforce
Odisha MSME policy 2022	- Subsidies for employees of MSME to avail Employees Provident Fund and Employees State Insurance Corporation's schemes. - Value chain approach and value addition for up and downstream integration of MSMEs - Skill development of workforce - Buyer-seller networking
AP Industrial Policy 2023	- Plug and play model and integrated techno-park (as in Vietnam, Korea, Philippines and Malaysia) - Workforce preparedness level including digital skills - Promote renewable energy (wind) and green technology for jobs and transition
Draft National MSME Policy 2022 (Not released yet)	- Targeted intervention for micro enterprises to facilitate their graduation to small enterprise - Accelerate digitalization, environmentally sustainable practices, and compliance with labour laws for greater participation in supply chain - Simplification of regulations and accelerate registration of informal enterprises (referring to 'SMEs regulatory reform impact assessment' by Ministry of SMEs and Start-up, Korea) - Incentivise new and existing MSMEs to cover social security of employees and consider wage subsidy provision - Strengthen local sourcing content and supplier development model in investment policies (based on examples shared from Korea, Singapore and Malaysia)
Public Procurement Policy of Ministry of MSME (Not finalised yet)	- Technical advice to address field constraints faced by women entrepreneurs in participating in public procurement policy which currently reserves 3% for women. - Training on digital skills to access GeM portal and quality improvement to meet minimum requirements - Seller-buyer dialogue and targeted mentoring programme by PSUs under CSR in underrepresented geographic clusters for gradual upgrading of capacity of women entrepreneurs to meet the requirements

	- Simplification of GeM registration process and documentation requirements

Capacity building of policymakers and associates (social partners and BMOs)

At the Output level, the project successfully conducted two study tours to Korea, which led to action plans by the participating organisations, three studies, and a number of multi-stakeholder dialogues.

- **Study tours to Korea**: The project facilitated two five-days study tours to Korea in which 40 key stakeholders (seven women) participated. The participants included representatives of state and central governments from the relevant departments, sectoral organisations or associations, BMOs and owners of MSMEs. These two visits were conducted with close support from the Korean institutions, and their agenda was informed by the two sectoral value chain studies conducted by the project.
  - o **1st study tour with a focus on the food processing sector**: This study tour, conducted in September 2022 in partnership with the Korean Development Institute (KDI), focused on the fisheries subsector within the food processing sector. The study tour included on-site visits to a few Korean food processing companies, including a smart factory, food start-up centre, national food processing cluster, Ministry of SMEs and Start-up (MSS), Garak wholesale market management, Busan Metropolitan and interaction with fish importers. Although, the tour had to cancel some of the scheduled meetings due to COVID, the tour was able to provide insights into governance systems, innovative MSME development policies and enterprise support models.
  - o **2nd study tour with a focus on the textiles and garment sector**: This study tour was conducted in July 2023 in collaboration with Korea Small Business Institute (KOSI), affiliated to MSS, Government of Republic of Korea. During this tour, the delegates met MSS, TIPS Town[16], Youth Start-up Academy (YSA), and the Ministry of Employment and Labour (MoEL). It included visits to the Korea Federation of Textile Industries (KOFOTI), Korea Textile Development Institute (KTDI), LEDOME, Gyeongbuk integrated technopark, and a few textile and garment factories. The tour had a particular focus on sustainable textiles and ESG standards.

  According to the participants, both study tours were excellent learning exercises as they helped improve their understanding of design, implementation, and governance framework, which has been a critical enabler for the emergence of Korean MSMEs as global players. The delegates were exposed to public-private partnership models, infrastructural support, integrated common facility services, product innovation, and policies on investment in R&D and technology. It also provided an understanding of the importance of Korean policies in smart technology use, automation, and AI adoption. The delegates also learnt about the high-quality standards (including safety and hygiene) of Korean firms and quality inspection institutions, which has led to the recognition of Korean national standards and certifications by the US and other developed countries. The participants especially appreciated the industry-government partnership and the government's support to promote MSMEs and also plug and play facilities for start-ups.

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[16] TIPS (Accelerator Investment-Driven Tech Incubator Program for Startup) of Korea is designed to identify and nurture the most promising startups with innovative ideas and groundbreaking technologies. "TIPS Town" is located in the centre of Korea's startup scene in Seoul, where startups, investors, and supporting organizations work together. (http://www.jointips.or.kr/global/)

For many of the MSMEs who are part of domestic value chains, the tour was an eye-opener that expanded their vision for future growth. The study tour also provided opportunities for business development and networking.

These learnings, directly and indirectly, contributed to the policy-making at the state and central levels. For e.g., the concept of an integrated techno-park is mentioned in AP Industry policy, which is based on LEDOME in Korea. The participating organisations developed action plans following the study tour, which was more like an ambition statement for them. Some of these action plans are being followed upon. For e.g. The PSEI project is supporting the development of two self-paced learning modules on technical textiles being developed by KTDI, which will be promoted by CITI among its members. The government of India has announced the setting up of more food quality testing centres in the 2024 budget, which was also one of the recommendations from the first study tour. Further, according to the project, the concept of integrated co-working space for start-ups in textile sector, based on the concept of LEDOME in Korea in under discussion by CITI with Ministry of Textiles, National Institute of Fashion Technology (NIFT) and other institutions.

- **Value chain analysis studies of two sectors and one paper on local development strategies:** The project conducted two value chain analysis studies, one each in the selected sub-sector and a research paper on local development strategies. These studies generated evidence for the need to develop gender-sensitive and market-oriented policies for the development of MSMEs. These studies were published on the ILO website and were also shared with the key stakeholders for capacity building through a variety of multi-stakeholder dialogue forums. The three studies are:
    o **Value chain analysis of the food processing sector in Andhra Pradesh and Odisha:** The study focused on fruit pulp (specifically Mango) and fisheries (Shrimp aquaculture).
    o **Value chain analysis of the textiles and garments industry in the States of Andhra Pradesh and Odisha**
    o **'FDI and private sector led local development strategies for sustainable growth and more and better-quality jobs':** This additional research paper includes case studies on local economic development models from South Korea, Singapore, Malaysia, Philippines, and Cambodia.

The two value chain studies analysed the challenges and opportunities in the selected sub-sectors and made recommendations to develop necessary policies to promote backward and forward linkages, promotion of entrepreneurship in the missing segments, upgradation of management practices and capacity building of enterprises to align to international labour, environment and quality standards, real-time market intelligence support, and R&D in product development, among others. According to the project team, the FDI and private sector led local development study contributed to the AP Industrial Policy 2023 – 27, other sectoral policies of the two project states and the internal procedures of the Industries departments for appraising their institutions and key events.

- **Multi-stakeholder dialogues:** The project reported organising six multi-stakeholder dialogues with the objective of evolving coherence and effectiveness in MSME policy initiatives adopting global best practices. Some of these dialogues gave the opportunity to the key stakeholders from both the states to learn about the global best practices on MSME development and local economic development strategies. Further, the project also participated in other state level dialogues to give inputs to the industry and sectoral policies.

o **'Building a market responsive, resilient, and inclusive MSME ecosystem for job rich and sustainable growth,' January 2022**: This regional policy dialogue organised for the key stakeholders of AP and Odisha was on transformative MSME policy initiatives necessary to enable local enterprises to be globally competitive. The event had 102 participants and was held virtually due to COVID-19. The participants included the Secretary, Ministry of MSME, GoI, along with senior government representatives from Bangladesh, Indonesia, South Korea and Vietnam and senior government officials from AP and Odisha.

o **'Conclave on Promoting Sustainable Enterprises for Local Development,' November 2023**: The project organised the Conclave on global policy dialogue and international MSME networking in partnership with Ministry of MSME, GoI. The Conclave discussed strategies for enabling entrepreneurship development with specific focus on women and digitalisation, MSME productivity, value chain upgradation, formalization of enterprises, and responsible supply chain amongst others. The Conclave had the participation of more than 100 senior policymakers, experts and industry representatives from Bangladesh, Ethiopia, India, Indonesia, Japan, Korea, Netherlands, South Africa, and Vietnam. This included the Hon'ble Ambassador of the Republic of Korea; Director, ILO DWT CO – New Delhi; Additional Secretary and Deputy Director General of the Ministry of MSME; and senior officials of state governments of AP and Odisha. Hon'ble Minister of the MSME, GoI, could not attend due to illness. However, his speech was delivered by a senior official of the Ministry of MSME.

o **District level Sectoral Steering Committees in AP and Odisha**: Based on recommendations of the project, AP and Odisha had established Sectoral Steering Committees at the district levels in 2022. These committees were set up in Vishakhapatnam district in AP and Khurda district in Odisha to promote coherence amongst the different departments and stakeholders in delivering support services to the MSMEs. In 2022, two meetings of these committees were held in each state, which provided forums to discuss the findings of the value chain studies, work plans of government departments for inter-linkage, and dialogue with enterprises to identify areas for capacity building. The meetings were attended by relevant government departments and aimed to promote innovative localized strategies for market systems development in a bottom-up participatory manner. However, these sectoral committees did not continue their operations in 2023 in both the states due to movement of key officials and limited capacities of the nodal department (in Odisha).

o **Participation as a key partner in multi-stakeholder dialogues organised by the State governments:** In AP, the project participated in the multi-stakeholder dialogue event to draft 'AP Industrial Policy 2023', wherein it submitted its recommendations based on the findings of the value chain study and other field evidence. The project participated as a special guest in the AP Global Summit organised by the state government in March 2023 and, as a technical partner, curated the session on 'Agriculture and food processing' and delivered the keynote address. Similarly, in Odisha, the project participated as a special guest in the Make in Odisha event, wherein it had the privilege of releasing the Food Processing Policy jointly with the State Minister of MSME. It is important to note that the ILO, through this project, was the only UN organisation and non-corporate organisation invited to these events organised by the state governments. The project also organised an MSME networking session jointly with FICCI and

OASME on the sidelines of the main event, which had the participation of potential MSME suppliers in food processing and buyers, including those from Korea, who had joined virtually.

- o **Multi-stakeholder dialogue on public procurement policy with focus on women's participation**: The project responded to a special request of the Ministry of MSME to provide evidence-based technical advice to strengthen the participation of women entrepreneurs in public procurement policy. The project undertook an elaborate process to provide the recommendations that included consultations with the clients, i.e. procurement officers of Public Sector Units (PSUs) and government departments, consultations with women entrepreneurs in the two project states, analysis and review of current practices and their challenges in the country and good practices in other countries. Specifically, the project organised a multi-stakeholder dialogue in Odisha in partnership with OASME, which was attended by 150 participants, of which 80% were women. Other participants included representatives of the government and other stakeholders. According to the project, these inputs have been included in the Public Procurement Policy, however, the policy itself is yet to be finalised and released.

- **Learning event on local development in ITC Turin**: The project facilitated the participation of nine participants in a two-week online training course on 'Economic diversification, industrial linkages and FDI local sourcing towards decent work' conducted by ITC Turin from November to December 2023. Participants were from industry associations, workers' organizations, and the government.

Under-achievements & Work in Progress under Outcome 1

According to the result table and the indicators at the outcome and output levels, the project has overachieved as per the planned targets and there are no areas of underachievement. However, the policy changes influenced by the project need to be translated into action, wherein the government takes specific measures through special initiatives and schemes to promote the integration of MSMEs in the global chain in the selected sub-sectors. The evaluation notes that the implementation of the policies by the government takes time. With the change of government in both the focus states, the governments will need further technical support to implement these policies.

3.4.2 Outcome 2: Indian Youths are equipped with entrepreneurial skills and generate decent jobs.

Under this Outcome, the project took a systems-strengthening approach to develop the entrepreneurship development eco-system in both states with a focus on the two selected sectors of food processing and textiles and garments. Accordingly, the project strategy included capacity building of the local institutions by strengthening the training curriculum and pedagogy and improving the quality of BDS providers. The project partnered with ALEAP, APMSME Development Corporation and APSSDC in AP and IED in Odisha. The project adopted ILO's SIYB tool as per selected sectors and the available government schemes. Further, as per the project design, the project trained men and women in entrepreneurship development using the adopted SIYB tool, and also on compliance and responsible management practices. These trainings served as demonstrations for the local institutions to understand the EDP delivery mechanisms to upscale at the state level. As a strategy, the project worked to establish linkages with the government schemes, Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme (PMFME)

and Prime Minister Employment Generation Programme (PMEGP), so that entrepreneurs, after receiving the training, successfully set up their businesses. The project took the initiative to expose the institutions, BDS providers and trained entrepreneurs to global best practices in product development, marketing and networking. The project also made special efforts to promote women entrepreneurs, which included training women participants using the Women in Digital Business (WIDB) tool.

Table 6: Status of Indicators - Outcome 2

Outcome/Output	Indicator	Baseline	Target	Achieved
Outcome 2: Indian Youths are equipped with entrepreneurial skills and generate decent jobs	Indicator 2.1: Number of jobs created by new start-ups and existing MSMEs	0	20	308 (70% women)
Output 2.1: Young women and men, especially those belonging to vulnerable groups, are equipped with entrepreneurial skills using SIYB tool and the start-ups sustainably integrates in global supply chains	Indicator 2.1.1: Number of trainees who completed business registration newly after the SIYB training	0	120	163 (75% women)
	Indicator 2.1.2: Number of business development service providers who are certified as trainers for SIYB delivery	0	20	21 (33% women)

Achievements under Outcome 2

Job creation by new start-ups and existing MSMEs
The project overachieved significantly under this Outcome (more than 15 times), creating 308 jobs against the planned target of 20. Notably, more than 70% of the new jobs created went to women, highlighting the success of project strategies promoting gender equality and women empowerment. The reported jobs include self-employed entrepreneurs, full-time and part-time employees hired by them and family members contributing to the business. Further, the enterprises are new, registered and operational for 1 – 14 months, and existing enterprises, which were earlier informal, are now registered. It is important to note that all the enterprises are micro, employing less than 10 employees; the results regarding jobs created are self-declared. The project reported that GoI's Udyam initiative expedited the registration process, which significantly contributed to this achievement along with project's linkages the PMFME and PMEGP schemes and partnership with IED in Odisha and ALEAP in AP.

Table 7: Number of jobs created under Outcome 2

State	Number of Jobs created	Number of women who got new jobs
Andhra Pradesh	142	104
Odisha	166	112
Total	308	216

The evaluation notes that the target setting for this Outcome indicator was significantly conservative. The target of 20 new jobs in the project results framework included the net jobs created by the 20 MSMEs trained under Outcome 3, i.e., SCORE modules. The project reported creating 205 new jobs by December 2022 which was more than 10 times the planned target. Out

of 205 new jobs, 54 jobs were created by 19 of the 80 SIYB trained entrepreneurs, which was achieved within three months of the training. Remaining 151 of the reported new jobs were generated by the SCORE enterprises. It is noteworthy that the project design targeted enterprises in the labour intensive sectors to witness a 50% increase in their turnover (Outcome Indicator 3.2) without generating any significant employment. The evaluation notes that the target could have been revised during project reviews to make it realistic.

The project reported generating 1,019 new jobs in its Annual Report of 2023. These numbers included the jobs created by the MSME who underwent SCORE training (under Outcome 3) as per the project's results framework. However, the evaluation team suggested limiting this to only jobs created by SIYB trained entrepreneurs under Outcome 2 as per the project's logical framework. The project agreed to this revision, and accordingly, there is a significant reduction in numbers from what was reported in the Annual Report of 2023. The data on jobs created by the MSMEs who received SCORE training is separately mentioned in the section on Outcome 3.

Capacity building of local institutions for entrepreneurship development

In Odisha, the project successfully formalised its partnership with IED-Bhubaneshwar, the key government agency responsible for EDP in the state and directly affiliated with the Department of MSME, State Government of Odisha. The training was also linked with the central government's flagship schemes of PMFME and PMEGP. Similarly, the project attempted to partner with state government agencies of APSSDC, AP MSME Development Corporation and APFPS in AP. However, the partnerships could not be established due to structural changes in the relevant departments. Accordingly, the project moved ahead with ALEAP, an association of women entrepreneurs, as the local institution in AP with a proven track record of entrepreneurship development and linking the entrepreneurs with government schemes. ALEAP is also credited with establishing dedicated industrial estates for women. Despite challenges related to the transfer of officials, the project continued its efforts to establish partnerships with the state government agencies, and at the time of evaluation, APSSDC has agreed to adopt the SIYB tool to deliver EDPs at scale within the state under the RAMP scheme. The project also worked closely with District Industries Centers (DICs), the key agency at the district level for EDP, to deliver the training of trainers (ToT) and training of entrepreneurs (ToE).

The project conducted ten days of ToT on the SIYB tool for the local institutions to design and deliver SIYB systematically. These organisations also participated in Korea study tours, which exposed them to advanced EDP strategies and methods.

In Odisha, the SIYB curriculum content is formally embedded within the IED's EDP, and the training curriculum was adopted to link it with the PMEGP. The APSSDC has recently adopted it in AP for state-wide EDP training programmes. The curriculum was translated into local languages in both states: Telugu in AP and Odiya in Odisha.

Formalisation of the enterprises and training of the entrepreneurs

The project had a specific focus on the formalisation of the enterprises, both new as well as existing, and facilitated the registration of 163 persons (75% women) enterprises under Udyam as against the target of 120. Out of 163 businesses registered, 108 were new businesses, and 55 were existing informal enterprises (mostly operating for less than two years). There was a significantly high success rate amongst trained women, as around 88% of women, who received in-class training, on-site demonstration, and mentoring, registered their businesses. In comparison, only 56% of trained men registered their businesses. This highlights the positive outcome of gender mainstreaming in the ToEs and the special support provided to women trainees. Around 80% of the entrepreneurs opened businesses in the food processing sector servicing local markets and domestic supply chains. This includes retail businesses like bakeries, tiffin service, manufacturing

of chips, chocolate, etc. In the garments sector, the businesses are mostly related to the online retailing of clothes and boutiques in the domestic market.

Table 8: Number of entrepreneurs trained, and businesses registered under Outcome 2

	Andhra Pradesh	Odisha	Total	Target
Number of trainees who completed business registration newly after the SIYB training	69 (women – 57)	94 (66 women)	163 (women: 123)	120
Number of young women and men who completed in-class SIYB training	97 (women – 63)	152 (women – 86)	241 (women – 149)	200
Number of in-class trained young men and women who received on-site training and mentoring to demonstrate starting of business	97 (women – 63)	113 (women – 76)	210 (women – 139)	160

Of the 163 enterprises, the project reported 32 enterprises (26 women) being registered and formalised, 25 in Odisha and 7 in AP. A key factor that contributed to the registration and formalisation of the enterprises was the project's focus on linking the trained entrepreneurs with the government's schemes of PMFME and PMEGP. It is to be noted that Udyam registration is a prerequisite to apply for government schemes, and as such, the project's focus on linkage with the government schemes enabled the formalisation process. Additionally, the launch of PMFME in June 2020 coincided with the project period, and the two project states' focus on meeting the scheme's targets further helped the project achieve its targets. Overall, 114 enterprises were linked with the government schemes of PMFME and PMEGP, of which 74% are women-owned.

Table 9: Enterprises linked with government schemes

	Enterprises linked with PMFME	Enterprises linked with PMEGP	Total linked with the two government schemes	Total enterprises registered under each sector
Food processing	70 (women – 57)	22 (women – 17)	92 (women – 74)	129 (women – 108)
Garments		8 (women – 4)	8 (women – 4)	8 (women – 4)
Others		14 (women – 4)	14 (women – 4)	26 (women – 11)
Total	70 (women – 57)	44 (women – 25)	114 (women – 82)	163 (women – 123)

The project trained 241 entrepreneurs against the target of 200, as highlighted in Table 8. This overachievement is due to one additional batch of 31 candidates trained in Odisha in partnership with the DIC on a cost-sharing basis under the PMEGP scheme. It is to be noted that the applicants of the PMEGP scheme must attend a 12-day mandatory training to access the scheme funds. Of these 31 candidates, 13 registered (including six women) their businesses under Udyam.

All the stakeholders appreciated the high quality of training provided by the project using the SIYB tool. According to them, the tool uses participatory methods, such as games, which appealed to the trainees and generated their interest in entrepreneurship. Further, the project supported the trainees in refining their business ideas, preparing good quality detailed project reports (DPR) and linking them with government schemes to access low-cost finance. These factors contributed to high conversion rates compared to state-sponsored EDPs, where there is a significant gap in quality. The strong foundational training and mentoring have also reduced the number of

entrepreneurs closing their operations within a few months of their existence. Many women entrepreneurs appreciated the WIDB tool that helped them to start their online businesses. It is to be noted that the project trained 50 women in WIDB, an additional activity that the project undertook based on the requirement of women entrepreneurs that also highlights the adaptiveness of the implementation strategy. The stakeholders also attributed the programme's success to the thorough selection process using training needs assessment (TNA) exercises.

The project reported that 11 micro-enterprises were linked to domestic business-to-business (B2B) supply chains to supply their products to retail outlets and other institutions. Ten of the 11 enterprises are from the food processing sector. Two enterprises also attempted to access the international markets, which are still in the negotiation stage. The project reported that the entrepreneurs were supported with technical sessions on packaging to improve the shelf life of the food products to help them to access big buyers in external markets.

Caselets – SIYB Entrepreneurs

1. Devi is from Vishakhapatnam in AP who was part of the fourth batch of SIYB training. She has a Diploma in Fashion Designing and used to run a boutique which got closed due to COVID. She came to know about the SIYB training, listened to Rama Devi's videos (Rama Devi heads ALEAP) and then approached ALEAP to enrol in the training. After receiving training and support from SIYB trainer, she reopened her boutique, which has had a turnover of around INR 1.5 lakhs with 33% of profit margin.

2. Sunita is from Bhubaneswar who attended SIYB and WIDB training. She along with her husband started business of producing and selling cold-pressed oil (coconut and mustard) which is good for health in 2020. She has a shop in the old market area from where she sells her product and has employed three persons. The training helped her to understand the strategies to grow her business and use of social media. She now plans to expand her business by branding her product after obtaining required government's license.

Development of trainers/BDS providers to provide quality EDP

The project successfully trained 78 (32 women) BDS providers in the SIYB in both states in four batches. This is almost double the target of 40 trainers. The project trained additional BDS providers to create an additional pool of trainers, as both states are taking up EDP at scale. 21 of the trained BDS providers are ILO-certified SIYB trainers (mainly from the first two batches of 40 trained persons), which gives them a license to use SIYB for commercial purposes for two years. These certified trainers must regularly update their training in the global ILO SIYB gateway. They are further monitored by the Master Trainers, who must undertake this to retain their licenses. This is as per the global SIYB system, which reduces the monitoring cost of the local partner institutions. The ILO global SIYB system also organises reinforcement training for active trainers, and virtual trainers meet to refresh their learnings.

Table 10: Number of SIYB trainers trained and certified under Outcome 2

	Andhra Pradesh	Odisha	Total
Number of trainers certified as SIYB trainers	14 (4 women)	7 (3 women)	21 (7 women)
Number of persons trained in SIYB	37 (18 women)	41 (14 women)	78 (32 women)

The trained BDS providers must complete at least two ToEs, making them eligible to apply for certified trainers. According to the project, since the last two batches of ToT were organised in 2023, many trainers have yet to complete two ToEs. Accordingly, more trainers are expected to get certified in due course. The project recommended trained SIYB trainers, including non-certified ones, to undertake ToEs in both states, as there would be a shortage of trainers.

In Odisha, the trainers are independent BDS providers who were associated with IED and DICs to deliver EDP and are familiar with government structures and schemes. In AP, the first batch of 20 trainers were trained in coordination with ALEAP, while the second batch of 18 trainers were trained in collaboration with APSSDC.

Apart from the core curriculum of entrepreneurship development, the ToTs also focused on gender inclusiveness and mainstreaming, linkage with government schemes, compliance with laws and the link between productivity and working conditions.

Knowledge building workshops and sessions by Korean experts, Korean companies and other national and international brands.

The project organised a number of virtual and face-to-face knowledge-building workshops and sessions for local institutions, entrepreneurs and government departments on a variety of issues. Two of the virtual sessions focused on food processing, garments, and textiles. These sessions had experts, lead buyers and corporations from Korea and India, and leading sectoral associations like the Apparel Exports Promotion Council (AEPC) and All India Food Processors Association in India (AIFPA). Some of the leading companies, such as H&M, Marks and Spencer, and Pogabé (a Korean company), gave presentations at the garments workshop. Similarly, the workshop on the food processing sector had presenters like Hector Beverages, Jubilant Foodworks, Coca-Cola, Hindustan Unilever and Hanami F3 (a Korean company).

Similarly, the project organised several sessions with guest speakers from leading brands, financial institutions, successful entrepreneurs, Korean experts and entrepreneurs. These sessions dwelt upon international standards, market research and access, access to finance, packaging and product development, and others. Apart from knowledge building, these sessions also provided opportunities for networking and exhibiting their products. It also allowed supporting institutions to understand buyers' requirements in the global and domestic value chains.

Under-achievements & Work in Progress under Outcome 2

As per the results table and outcome and output level indicators, the project has significantly overachieved the planned targets of training entrepreneurs and BDS providers. All the SIYB-trained entrepreneurs are micro-enterprises that operate in localised and domestic supply chains. Their integration into global supply chains shall require a separate strategy and a far more intensive sector development approach than currently deployed in the project. The current capacities of the local institutions (after capacity building) are not adequate to support the integration of the micro-enterprises in the global supply chains.

3.4.3 Outcome 3: Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity.

The strategy under this Outcome comprised of capacity building of the local institutions, BMOs, to deliver MSME capacity development programmes with a focus on linking productivity with working conditions by adopting responsible management practices. The state-level BMO partners are FAPCCI in AP and OASME in Odisha. The project piloted three improvised SCORE modules as per the two selected sectors, i.e. food processing and textiles and garments in 17 MSMEs in

both states. The three SCORE modules implemented are workplace cooperation, quality, and productivity through cleaner production. This served as a demonstration for BMOs to undertake capacity building of their member MSMEs to implement SCORE modules independently. The project also developed and trained SCORE trainers in both states with the support of senior SCORE trainers in the country. The project strengthened the understanding of BMOs and their members regarding key factors determining supply chain integration, which included the adoption of technology solutions related to digitalisation and AI, adherence to international standards on labour, quality, and environment, and responsible business conduct. The Industries departments of both the states and DICs at the district levels were closely coordinated with the overall objective of building their capacities. Further, these BMOs and MSMEs participated in the Korea study tours, multi-stakeholder dialogues, knowledge building sessions and networking events as already mentioned under Outcome 1 and Outcome 2.

Table 11: Status of Indicators - Outcome 3

Outcome/Output	Indicator	Baseline	Target	Achieved
Outcome 3: Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity	Indicator 3.1: Percentage increase in social security coverage of MSME employees	0	20%	266%
	Indicator 3.2: Percentage increase in turnover reported by new and existing MSMEs	0	50%	50.2%
Output 3.1: Indian MSMEs trained to improve productivity and working conditions using ILO SCORE tool adopted gender- mainstreamed management practices in workplace	Indicator 3.1.1: Percentage improvement of Key Performance Benchmarks among SCORE trained MSMEs	0	20%	19%
	Indicator 3.1.2: Number of business development service providers who are certified as trainers for SCORE delivery	0	5	5 (no women)

Achievements under Outcome 3

Increase in social security coverage of MSME employees

The project significantly overachieved at the Outcome level as per Indicator 3.1 as 17 MSMEs reported an increase of 266% of their employees' social security coverage. It is to be noted that all the enterprise-level data are self-declared by MSMEs and have not been validated by the project through corresponding documentary evidence. As evident from the table below, the majority of the MSME employees are women, who have benefited from this increased social security coverage. The social security coverage is mainly under the Employees' State Insurance Scheme (ESIS) of GoI, whose main objective is to protect industrial workers from the impact of incidences of sickness, maternity, disablement and death due to employment injury and to provide medical care to insured persons and their families.

It is to be noted that indicator 3.1 was at the systems level in the results framework, which captured state-level data from the e-Shram[17] portal for the two project states. Accordingly, the baseline

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[17] E-Shram portal is an initiative of Ministry of Labour and Employment, Government of India to create a National Database of Unorganized Workers (NDUW), which includes migrant workers, construction workers, gig and platform workers, etc. (https://eshram.gov.in/e-shram-portal)

figures and the yearly achievement figures reported earlier (in the annual reports) are significantly higher than the figures reported in this report. In order to facilitate better linkage of the project strategies to the Outcome level results, the evaluation team suggested that the project team capture the results for this indicator with the 17 enterprises that participated in the programme. The results are presented in the table below:

Table 12: Results related to social security coverage of MSME employees under Outcome 3

	Andhra Pradesh	**Odisha**	**Total**
Number of enterprises	8	9	17
Baseline: Number of employees covered by social security coverage	530 (women –326)	239 (women - 151)	769 (women: 477)
Endline: Number of employees covered by social security coverage	2115 (women – 1534)	698 (women – 507)	2813 (women – 2041)
% Increase in social security coverage	299% (women – 370%)	192% (women – 235%)	266% (women – 327%)

The SCORE training sensitised the MSME owners about the benefits of the ESIS scheme and the low costs of enterprises, which lead to significant benefits to workers. Apart from this, the SCORE module's focused on making a business case for productivity and working conditions, which may have also contributed to this outcome-level result. There are other contextual factors that may have led to this Outcome. During COVID-19, many MSMEs struggled to retain employees and, in some cases, had to bear their employees' medical expenses. This may have triggered MSMEs to ensure government social security coverage of their workers. European Union (EU) has made it mandatory for all exporting units to cover their permanent workers under social security. Since many of the MSMEs (especially in food processing) are exporters, they had to ensure security coverage for all their employees. The government also generated awareness about ESIS coverage for industrial workers. Other than that, four of the units expanded their operations wherein they opened new factories; this increase in the number of employees in these four units has also contributed to this result.

The 17 enterprises also reported creating 633 jobs in the two project states. The net jobs generated calculation considered job losses reported by the enterprises during the project period. As can be seen from the table below, more than 60% of the female workers were employed. Around 89% of the net jobs generated are in the food processing sector, and more than 94% of workers were hired on a contractual basis.

Table 13: Jobs generated by the 17 trained MSMEs (SCORE)

	Number of net jobs generated (new jobs – job losses)		
	Male	Female	Total
Andhra Pradesh	105	181	286
Odisha	130	217	347
Total	235	398	**633**

Increase in turnover of MSMEs

The project almost achieved the planned target under this indicator, as 17 MSMEs who underwent SCORE training reported a 50.2% increase in their annual turnover from the baseline. The baseline figures of INR 22,563.9 million reported in previous annual reports included a turnover of 20 enterprises; however, as three enterprises dropped out of the programmes, the baseline turnover of 17 enterprises is INR 22,361.9 million. The endline annual turnover of the 17 enterprises for the financial year 23-24 is INR 33,587.6 million. It is to be noted that these figures are self-declared by the MSMEs and are collected by SCORE trainers and verified by the senior trainer.

Discussions with the sampled MSMEs suggest that some MSME owners do not attribute the increase in their business operations and turnover to the PSEI project as they believe many other factors are responsible for the bottom-line performance. However, some owners mentioned that the PSEI project helped them expand their vision, which contributed to their decision to expand their business operations. Also, during baseline, the businesses were affected by the COVID-19 pandemic, while as the economy opened, their business operations got normalised, leading to better bottom-line performance.

Overall, while the MSMEs have seen a 50% increase in their turnover, however, based on the inputs of MSMEs, direct relationship with the project inputs is difficult to establish.

Improvement in key performance benchmarks of trained MSMEs

The project achieved the targeted improvement in key performance benchmarks at the Output level, as 19% of the trained MSMEs reported increased productivity. This is as per the global SCORE M&E platform where the trained MSMEs are required to enter their data using the Enterprise Indicator Card (EIC) which consists of a set of Key Performance Indicators (KPI). It is to be noted that 20 MSMEs had attended module 1; however, 3 MSMEs dropped out as they closed their operations. The distribution of the trained MSMEs as per sector and state who completed the three SCORE modules is as follows:

Table 14: MSMEs who completed three modules of SCORE

Number of MSMEs who completed three modules of SCORE	Andhra Pradesh	Odisha	Total
MSMEs from **readymade garments** sector	3	3	6
MSMEs from **food processing** sector	5	6	11
Total	8	9	17

Within the readymade garments sector, all six SMEs are part of the domestic value chain, whereas the 11 MSMEs from the food processing sector are mostly involved in fisheries (mostly shrimp), and many are exporters.

The other significant improvement that the MSMEs reported after the SCORE training are as follows:

- 70% reported a reduction in absenteeism
- 44% reported an increase in cost savings
- 41% reported a reduction in in-line defects
- 37% reported a reduction in labour turnover
- 33% reported a reduction in end-line defects and energy consumption
- 22% reported a reduction in accidents.

Some of the key inputs of the SCORE training that the MSMEs and their workers appreciated include EIT[18] formed in each MSME to undertake projects for improvement with the participation of women workers, 10-minute daily line meetings, a Notice board and a suggestion box. These initiatives led to significant improvements in internal communication within the MSMEs, where the workers, including women workers, started giving suggestions to improve factory conditions and productivity and reduce defects and wastage. As mentioned above, it led to a significant reduction in absenteeism and labour turnover. In one reported case, the MSME took the extraordinary initiative to remove the pay gap between women and men workers.

Caselets – SCORE Enterprises

1. Sabri Food Products Private Limited is a Shrimp exporting company based in Bhubaneswar, Odisha. It is an MSME in the 'Medium' category, and China and Vietnam are its major markets. The Shrimp exporting unit was set up in 2013, and Visal, heading Sabri, is a second-generation entrepreneur. He was part of the Korea study tour, which motivated him to expand Sabri's operations. He started another factory unit in another location with a subsidy of INR 100 million from MoFPI. He believes that SCORE modules helped improve internal communication in the factory, and workers' contribution is valued. The SCORE modules have helped address the high attrition rate of the workers. The EIT (formed as part of the SCORE module) has 50% women members and meets weekly to undertake projects suggested by the workers. Some successful projects include separate toilets and changing rooms for women workers and including women workers in specific male-dominated tasks like 'loading.' Significantly, Sabri Food Products removed the wage gap, and now women workers are paid the same as men workers for similar tasks.
The company plans to implement the SCORE module in the new unit using its own funds.

2. Fastech Fashions is a seven-year-old company based in Bhubaneswar that sells readymade garments in the domestic market. It was incubated at the National Institute of Technology, Bhubaneswar, of which Abhijit Sahoo, the founder, is an alumnus. According to Abhijit, Korea study tour was a big eye-opener for him where he witnessed Korea's obsession with quality. What struck him was also the way Korean MSMEs have taken their businesses at scale along with maintaining high quality. This inspired him to import high-end used machines from Korea for specialised tasks. With the help of these machines, the company is undertaking high-end tasks and has designed samples for Peter England, a leading menswear company in India. According to him, SCORE modules helped his company set up HR and internal communication systems. The company also started collecting data to measure and track employees' performance and productivity, helping them identify areas for improvement. According to Abhijit, getting big orders is one of the key challenges of MSMEs. In Korea, the associations work closely with the government to help MSMEs get big orders, which can also be a model to follow in India. The government, in partnership with associations and MSMEs, have promoted K-Fashions, the common brand for Korea garment industry, which is directly benefiting the Korean MSMEs.

Development of trainers/BDS providers to deliver SCORE modules

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[18] As part of the SCORE module, one Enterprise Improvement Team (EIT) is formed in each enterprise that leads all improvement activities in the enterprise as per the Enterprise Improvement Plan (EIP). The EIT meets every week and comprises of workers and supervisors to ensure workers' participation in the change process and also helps establish social dialogue within the organisation.

The project achieved its target of developing certified SCORE trainers, as five BDS providers are certified as SCORE trainers. Overall, the project trained 12 BDS providers combining classroom and enterprise SCORE delivery, of which seven completed training in all three modules and five have been certified. None of the SCORE trainers are women, as it is highly difficult to find women professionals in this segment because it involves travelling and factory visits, with which women professionals are uncomfortable.

Table 15: Number of trainers who completed three modules of SCORE

Number of SCORE trainers who completed all the three modules	Andhra Pradesh	Odisha	Total
Number of SCORE trainers who completed all the three modules in **readymade garments sector**	1	2	3
Number of SCORE trainers who completed all the three modules in **food processing sector**	3	1	4
Total	4	3	**7**

The project selected experienced professionals and followed a thorough process to train them to provide quality services to MSMEs. They were also included in the knowledge workshops and webinars organised by the project (including with Korean experts) to strengthen their understanding of sectoral developments. These certified SCORE trainers are part of the global SCORE platform, where they have to update their progress regularly and are also under the supervision of senior trainers. This assures the quality of the SCORE-certified trainers, who are recommended to the BMOs and local institutions.

Capacity building of BMOs and local institutions to broaden and strengthen their services

The project implemented the SCORE training of the 17 MSMEs and 12 BDS providers in close collaboration with FAPCCI in AP, OASME in Odisha and DICs at the district level. This was part of the project's overall strategy to build the capacity of the BMOs and local institutions to broad-base and strengthen their services to the MSMEs to establish the link between productivity and working conditions for competitiveness. Accordingly, implementing SCORE modules in 17 enterprises helped demonstrate the services for the MSMEs. This was preceded by an orientation programme for BMOs and local institutions on responsible management practices with the SCORE training programme as a reference framework. As a result, FAPCCI in AP and OASME in Odisha organised awareness programmes for its members, of which 51 participated in AP and 25 in Odisha from the two focus sectors. The SCORE modules were adapted for the two selected sectors and translated into local languages.

Further, the project also trained the two BMO partners on costing and revenue generation models for sustainable delivery of SCORE training. They have also been oriented to adopt the SCORE curriculum components to guidelines of public programmes such as Zero Defect and Zero Effect (ZED). The project has also developed software to manage and track the performance of trainers and training. The project plans to hand over the web-based software to BMOs as part of the capacity-building support to broaden their services.

The project also made significant efforts to build the capacities of the BMOs and their members in networking with lead buyers for business development and conducted special sessions on responsible business management practices. As reported under Outcome 1, the project participated in state government events as technical partners and highlighted the importance of adherence to responsible business practices to participate in the global supply chain. The project also organised training sessions on compliance with laws and standards. The BMOs and members were also part of the Korea study tour, multi-stakeholder dialogues and knowledge-building workshops and sessions, as reported under Outcome 1 and Outcome 2, respectively. The BMOs

and the MSMEs were supported to contribute to policy-making by giving recommendations based on their field experiences. Further, the BMOs and MSMEs also participated in networking events to build contacts with buyers, experts and value chain actors from Korea and other countries.

Under-achievements & Work in Progress under Outcome 3

The project achieved all the targets as per the outcome and output level indicators, and there are no areas of under-achievement. However, from the perspective of the Development Objective, integration of the MSMEs in the global supply chain requires further efforts. The prevailing challenges to integrating the MSMEs into the global supply chain are inadequate quality, delivery delays and non-compliance with labour Standards. Some enterprises operate in the global supply chains; however, they did so before this project's intervention. Some of the enterprises in the textile sector in the domestic supply chains have expanded their activities significantly, however, their integration in the global supply chain is yet to happen. The project is continuing to build the capacities of the BMOs so that they can access government schemes to create facilities and infrastructure to help their members become part of global supply chains.

3.4.4 Focus on ILO Cross-cutting themes

This section assesses the project's performance regarding the ILO's cross-cutting themes: gender equality, social dialogue, tripartism and OSH, just transition to environmental sustainability, and disability inclusion.

<u>**Gender equality**</u>
The project made significant efforts to promote gender equality in MSMEs under all its three Outcomes. The project supported the capacity building of key stakeholders in the MSME ecosystem to mainstream gender equality in the central and state policy initiatives. Further it majorly promoted women micro-entrepreneurs by providing SIYB training and mentoring. The project organised special mentoring sessions using WIDB for selected women entrepreneurs. It also organised a special virtual session for women entrepreneurs to interact with Korean entrepreneurs on the occasion of Women's Day in 2023. The project also organised a capacity building workshop 'Wonder Women' in Odisha for more than 200 women, which provided orientation on linking to public procurement, registering to GEM portal, taking advantage of e-commerce platform supported by government 'ONDC' and other government initiatives. The SCORE trainers were specially trained to coach and guide MSMEs to adopt gender-sensitive and non-discrimination management. This included measures for preventing sexual harassment in the workplace and equal pay for equal work. The MSMEs were encouraged to provide separate changing rooms, separate toilets for women, and transport for local women workers. Please refer to section 3.2.2 for more details on how the project promoted gender equality.

<u>**Social dialogue, tripartism and OSH**</u>
The project organised multi-stakeholder dialogues for policymaking and knowledge building that promoted social dialogue as the participants included representatives of BMOs/employers, government, micro-entrepreneurs and workers. In addition, the SCORE modules promoted social dialogue through its module on 'workplace cooperation'.

Even though not part of project design, the project supported the trade unions (TU) to build their capacity to contribute to MSME sector. The project selected the areas of 'social protection coverage' and 'OSH' to support the TUs in AP and Odisha. In Odisha, the project supported the Joint Action Forum (JAF) of central trade unions to set up an OSH committee to promote awareness of OSH among members employed in MSMEs. The committee further met to review the progress made and prepare a charter of recommendations for policy changes. The charter was

submitted to the Principal Secretary, Department of Labour, and Labour Commissioner, for consideration.

In AP, the project supported a Workers Information and Support Center (WISC) in Vishakhapatnam district to build awareness among workers (especially informal and migrant) on labour rights, address grievances and improve access to social protection schemes, in particular, registration in the government's e-shram portal. The WISC provided counselling services to workers, especially migrants employed in the industrial clusters in Vishakhapatnam, on minimum wages, working hours, OSH, and other workplace-related issues. This WISC provided services to around 1100 workers of which 690 are women.

Just transition to environmental sustainability
The project promoted 'Just Transition' at the MSME level, mainly through SCORE training under module 3 on cleaner production, which guides enterprises on shop-floor management practices to improve resource efficiency (including energy). Further, the second Korea study tour had a dedicated session on the Environmental, Social, and Governance (ESG) framework by KTDI, in which 5 Korean textile firms shared their best practices.

Disability
While the project promoted the rights of women and migrant workers in the MSME sector, it did not have a specific strategy for including persons with disabilities in entrepreneurship training or for promoting decent jobs for them in MSMEs. The project reports also do not present any data that highlights any results related to the inclusion of persons with disabilities.

3.4.5 Adaptation to changes due to COVID-19

COVID-19's second wave in 2021 significantly impacted the project in the initial phase, i.e. in the first half of 2021, as the project could not start till September 2021. COVID-19's third wave in the first quarter of the second year, i.e. 2022, led to travel restrictions, which impacted the project's implementation strategy. The project mitigated these challenges by conducting virtual workshops, meetings and dialogues. The first study tour to Korea was also delayed due to travel restrictions. One of the study tour participants was diagnosed with COVID-19 during the study tour, so the participant had to be quarantined and couldn't physically attend the meetings. The project, however, made arrangements for him to attend the meetings virtually. According to the COVID-19 policy of the Korean government, some of the planned meetings in the study tour could not be organised. Some of the SIYB ToTs and SCORE module 1 were organised virtually due to travel restrictions, which impacted the quality of delivery since participatory training methods could not be applied effectively.

3.5   Efficiency

This evaluation criterion assesses the effectiveness of the project's resources, i.e., human, financial, and technical, to ensure timely, cost-effective, and efficient delivery of the project results. It further assesses the effectiveness of the monitoring, evaluation, and learning systems.

3.5.1 Effectiveness of Management Structure and Human Resources

The project team comprises a Chief Technical Advisor (CTA) supported by a Junior Technical Officer (JTO), a National Officer and an admin and finance assistant. The project document detailed the roles of the project team members, wherein the CTA is responsible for the overall project management supported by other team members. It is to be noted the CTA and JTO are international positions, wherein the JTO is expected to be an expert in Korean affairs to source inputs from Korea. The project is technically backstopped by the Enterprise Development

Specialist in DWT/CO New Delhi and the Programming Unit in the Country Officer New Delhi. The overall guidance and responsibility of the project is of The Director of the ILO DWT for South Asia and CO for India. The Project team worked received relevant support from the SME Unit in the Enterprises Department in ILO HQ, Geneva.

The CTA has relevant technical expertise and experience and has led the project with full commitment and provided effective and efficient leadership to the project. The project witnessed staff turnover, especially in the positions of JTO and admin and finance assistant, which affected the project to some extent. In the case of JTO, who left the project in December 2022, the project swiftly recruited a consultant (on a deliverable basis) with the knowledge of Korean MSME eco-system to support the project. The evaluation found this to be an appropriate step as filling up an international position would have taken significant time. However, according to the donor, the expertise to support the project with Korea-related matters could have been at more senior and experienced level to effectively connect Korean experts and institutions with the key stakeholders in India. In the case of the admin and finance assistant, the project took immediate measures to fill the position. At the times of the evaluation, the project team comprised of CTA and admin and finance assistant.

3.5.2 Timeliness of Delivery

The project's overall efficiency regarding timeliness of delivery is satisfactory. The project has achieved all the planned targets under Outcomes and Outputs. In addition, the project has also delivered a number of unplanned activities. It is to be noted that the project effectively started in September 2021, even though the donor agreement was signed in December 2020. This delay was caused by COVID-19 and the delay in recruiting the project team. Accordingly, the first extension of eight months was to make up for this delayed start. The second extension of ten months was to deliver the planned outputs as per the capacity of the implementing partners, which required an adjustment in the pace of the training programmes. This was highlighted by the partners during the mid-term evaluation. Considering this, the project so far has effectively utilised 36 months as on 31st August 2024. The project finds this utilisation of an additional ten months as justified as the initial duration of 26 months was inadequate to deliver the planned Outputs. The third extension of four months is to close the project logically with the newly formed state governments so that sustainability and handover of some project initiatives can be done appropriately. Considering the close collaboration with government institutions, BMOs and local institutions and their expectations, the evaluation finds this third extension appropriate.

Table 16: Project extension details

Particulars	Start Date	End Date	Duration
Initial Project Duration	14 Dec 2020	28 Feb 2023	26 Months
Extension 1	01 Mar 2023	31 Oct 2023	8 Months
Extension 2	01 Nov 2023	31 Aug 2024	10 Months
Extension 3	01 Sep 2024	31 Dec 2024	4 Months

3.5.3 Efficiency of financial resources

The project has a total budget of around USD 2.38 million and its utilization status as per the Outcomes is presented below in the table. As on 2nd August 2024, the project's utilisation rate including encumbrances is more than 100% which means that the project shall be utlising almost all its budget under different heads before the project's closure. This directly corresponds to the progress made in the project under the three Outcomes.

Table 17: Budget utilisation status

Particulars	Approved Budget (US$)	Total Actuals + Encumbrances (US$)	Balance as of 02 August 24 (US$)
Outcome 1	243,611	242,702	909
Outcome 2	308,162	302,987	5,175
Outcome 3	464,185	457,711	6,474
Monitoring and Evaluation	45,963	39,552	6,411
Project Staff + Operational Cost	999,471	1,034,902	(35,431)
Project Support Cost	267,980	271,684	(3,7034)
UN Levy 1%	23,293	23,293	-
KOICA direct expense	27,336	27,336	-
Total	**2,380,000**	**2,400,165**	**(20,165)**
Note: Figures in the table have been rounded off.			

3.5.4 Effectiveness of Monitoring, Evaluation and Learning

The PSEI project followed the monitoring and evaluation systems as proposed in the project document and as per the donor's suggestions and guidelines. The regular monitoring system included quarterly reporting of the status of the targets in the log-frame and the indicators at the activity, Output and Outcome levels. The project submitted an annual report to the donor, containing a detailed narrative of the project's progress under each Output, along with the Results Table, which contained the year-wise and cumulative status of the indicators as per the log frame. The annual and quarterly reporting was done using the templates provided by the KOICA. Further, the project team maintained a weekly activity plan and a detailed log of activities. Based on KOICA's feedback, it is suggested that the numbers reported in the Results Table could be validated internally before their submission to the donor. Initially, the performance targets for indicators were for the entire project period, which the donor requested to report annually at the time of the project's first extension. According to the project team, this posed a challenge when calculating the results and capturing data points for different result areas.

As part of the monitoring system the project collected detailed data in a gender disaggregated manner at the enterprise, BMOs and support institutions levels for all the project activities. It also conducted period review meetings with the BMOs and implementing partners at the state level to review and plan project's activities. The SIYB entrepreneurship training details under Outcome 2 and SCORE training details under Outcome 3 were also entered into the global M&E platform for SIYB and SCORE, which monitored the performance of training and the trainers.

The project design of the PSEI project had identified key risks related to project implementation and tracked them during implementation. The project's annual reports highlighted the risks' status and mitigation measures that the project took to overcome them. Some of the main risks that the project faced include: COVID-19, transfer and movement of key government officials, lack of coordination between state and district level departments, staff movement, local, state and national elections, limited adaptability of Korean good practices in Indian context and the language barrier, and economic slowdown.

The project documented the knowledge-building workshops, events, meetings, and stakeholder dialogues in detail and shared them with the participants after the events. This contributed to the

project's learning agenda. The project completed an internal mid-term evaluation in March 2023, and this final independent evaluation is being conducted as per the ILO's evaluation policy.

The CTA communicated regularly with KOICA to update the project's progress and to take their input on project activities. In addition, KOICA undertook monitoring visits to the project states in 2023. KOICA participated in most of the knowledge-building and networking events held at the regional, national, and state levels. KOICA also contributed to the agenda of the Korea study tours and in the identification of Korean experts. ILO CO Directorate, i.e. Director and/or Deputy Director, annually met the KOICA to update the project's progress and held meetings on the sidelines of other key events like regional policy dialogue and Korea study tours. However, considering the donor's feedback, there is scope for improved communication at regular intervals to review the project's progress and exchange updates. Also, the level and periodicity of engagement of the Country Director need to be decided during the initial planning phase with the donor to manage expectations realistically.

3.6 Potential Impact and Likelihood of Sustainability

This section presents the findings related to the impact and sustainability of the project.

3.6.1 Potential Impact

The development objective of PSEI project is: MSMEs sustainably integrated in global supply chain in alignment to Decent Work (DW) agenda and generate more and better quality jobs. To achieve this, the project successfully influenced policies in AP and Odisha to promote MSMEs within food processing and textile and garments sectors. These policy changes are long-term measures and, when supported by appropriate actions and programmes, have the potential to integrate MSMEs into the global supply chains. The capacity building of the policymakers and associates due to Korea study tour, value chain studies, research papers and global best practices can impact the state-level schemes which will be required to help the MSMEs integrate with the global supply chains.

Further, due to the project's efforts, many Korean experts and industry players became aware of the potential of both states, especially in shrimp culture. One Korean company has shown interest in introducing technology to use shrimp waste by-products for cosmetic and pharmaceutical products. While these discussions are in the early stages, there is potential for business partnerships that can have a significant impact in the long term.

The political party in power changed in both states in the recent state-level assembly elections held in June 2024. However, given the importance of MSME development in the state's economic development, the new governments will continue to prioritise the MSME sector. The stakeholder consultations in both states also suggest that the new governments will continue with the momentum created by the PSEI project. In AP, the new government is working to develop a new industry policy and FAPCCI reported that they are providing inputs to the development of this new policy by highlighting the need to focus on productivity enhancement through adoption of ILO's SCORE modules.

The PSEI project successfully embedded the SIYB curriculum in state-level training programmes in both states in collaboration with IED in Odisha and APSSDC in AP. The project also created a cadre of BDS providers trained in SIYB who can support the government's efforts to take up EDP at a scale. The SIYB trainings have demonstrated the creation of new and better-quality jobs. Accordingly, the capacities created at the state level of the state level institutions are long term results that will help them undertake MSME development to create better quality jobs. However, the micro-entrepreneurs developed through the EDP and SIYB training programmes are

operating in the domestic value chains, and the application of EDP training for integration in global supply chains has yet to be demonstrated.

The project has made efforts to build the capacities of the BMOs in AP and Odisha to broaden their services and deliver responsible management practices by adopting SCORE modules. The project successfully demonstrated the business case for responsible management practices, which is a win-win case for both enterprises and workers. While the BMOs and MSMEs are convinced, they are not yet ready to pay for this service and look for external support. Accordingly, the project is providing technical support to link them with the ZED government scheme under the central government's Raising And Accelerating MSME Productivity (RAMP) scheme. While the BMOs feel confident about delivering the adopted SCORE modules to their members, the limited availability of SCORE trainers is one of the critical challenges. Many of the MSMEs who participated in the project, including SCORE training, Korea study tour and knowledge building workshops, have expanded their vision which led to significant expansion of their businesses and increase in their annual turnovers. It is expected that the capacity building of the BMOs and the MSMEs can potentially impact the creation of decent jobs in both states at a scale. However, more efforts are required to integrate MSMEs operating in the domestic value chains into the global supply chains.

Overall, the project delivered a number of long-term results, including policy changes and capacity building of BMOs and local institutions to deliver EDP and responsible management and productivity services to create more quality jobs. However, the project results do not include the integration of MSMEs in the global supply chain. MSMEs in the global supply chain who participated in the project for SCORE were part of the global supply chain from before. Accordingly, more efforts are required to achieve the overall objective of integrating MSMEs into the global supply chains.

3.6.2 Sustainability

The project adopted a systems strengthening approach which included influencing policy changes and capacity building of the BMOs and local institutions for MSME development.

The policy changes that the project influenced at the central and state levels are sustainable results. Similarly, the enhanced capacity of the local institutions and BMOs to broad base their services to deliver EDP and responsible management practices is sustainable.

In both states, SIYB is now successfully embedded into the EDP of the key government agencies, which is a sustainable result. In Odisha, the SIYB Association of India is implementing and monitoring the delivery of 50 EDPs, which target coverage of 1500 youths. The state government plans to extend this to 400 EDPs after the initial 50 EDP pilots. Similarly, APSSDC in AP has adopted the SIYB for its EDP programme and has targeted to train 26 batches of entrepreneurs in the state. The project created a cadre of SIYB and SCORE trainers, which shall also sustain beyond the project period and shall continue to contribute to the MSME development for the creation of decent jobs.

The project is technically supporting BMOs, OASME, FAPCCI, and ALEAP in developing proposals to access government schemes like ZED and RAMP to integrate responsible management practices (SCORE modules) into relevant government programmes and schemes. Follow-up discussions with Korean experts have resulted in ALEAP expressing interest to develop a proposal on forming a women industrial cluster on fish waste upcycled products with Korea's know-how. The project is providing technical support to ALEAP in proposal development for setting up this industrial cluster to submit to AP government (for subsidy and land), and to KOICA (for technology transfer from Korea). FAPCCI in AP is developing proposals for the government to adopt SCORE modules in other sectors and clusters and also get funding under the RAMP

scheme. Further, FAPCCI is also planning to set up an MSME Trade Facilitation Center to provide end-to-end services to potential entrepreneurs and existing members, ranging from registration of enterprises to export promotion, to support the growth of MSMEs. Similarly, OASME in Odisha is applying for a number of initiatives to set up common infrastructure for its members available under different government schemes. The above-mentioned initiatives, if successful, have the potential to be sustained beyond the project period.

4. Lessons Learned and Emerging Good Practices

4.1 Lessons Learned

1. **The project design needs to clearly outline the logical connection between the Outcomes and the Development Objective, the outcomes could have been better delineated by framing more than one output per outcome and the indicators in the results framework must track the project's progress toward the Development Objective.**

   The PSEI project has the overall development objective of integrating MSMEs into the global supply chain, and the project design included three Outcomes to achieve this objective. The project design did not establish a logical connection between the three Outcomes and the development objective. This is evident from the implementation experience as the project achieved all the Outcomes and Outputs targets as per the Results Framework; however, the MSMEs have not made any significant progress towards being integrated into the global supply chain. While the project's overall Development Objective was undoubtedly ambitious, the Outcome and Output indicators in the results framework should have tracked the project's movement towards the overall development objective. Further, the project design had only one output per outcome, which made it difficult to differentiate the level of results. The project design must frame different outputs to cover different elements of the result areas.

2. **Mechanisms for inter-departmental coordination and coherence in the government require continued prioritisation by key government officials.**

   The project set up district level sectoral steering committees in both states in the first year of the project through government notifications. These committees helped to enhance inter-departmental coordination and coherence and served as a platform to discuss the evidence and strategies for MSME development. However, the committees stopped functioning from 2023 onwards due to the transfer of officials and the lack of interest shown by new officials. In the case of Odisha, the relevant department expressed its inability to hold the meetings of this committee due to limited capacities. This highlights the need for continued prioritisation of the mechanisms established.

3. **Development of a cadre of certified BDS providers at the local level is a resource-intensive exercise and is a challenge in upscaling the BDS.**

   The project developed a cadre of BDS providers, SIYB and SCORE trainers in both states to support local institutions and BMOs to broadbase their services to their members. The project experience suggests that training and certification of these trainers in ILO tools and as per ILO standards significantly improves the quality of BDS; however, it is a time-consuming and resource-intensive exercise. In the case of SIYB, the project successfully developed a cadre of BDS providers in both states in sufficient numbers. However, as can be noted, the project could develop only four certified SCORE trainers in AP and one in Odisha. According to the BMOs, the limited availability of quality SCORE trainers locally is a critical challenge in upscaling. Further, the BMOs also require technical support from these BDS providers in developing proposals, which is not readily available due to a lack of quality trained and certified BDS providers.

4. **Many entrepreneurs and MSMEs do not systematically document enterprise-level data, which may lead to discrepancies in the results being reported.**

The PSEI project collected enterprise-level data from SIYB trained entrepreneurs and the SCORE MSMEs to report the results against the Outcome and Output indicators. The primary data collected by the evaluation suggests that many SIYB trained entrepreneurs do not maintain documentation of the enterprise level data related to their income and expenditure including salaries or wages paid and workers hired. Also, many of the SCORE MSMEs do not systematically document the information related to KPIs using the EIC. Even though SCORE has institutionalised EIC and KPIs where the enterprises enter the data in the global SCORE platform, the SCORE trainers observed some differences in the data officially reported by the enterprises and the actual ground-level situation, especially for metrics like overtime, attrition, and inventory. According to the SCORE trainers, the continuity and reliability of the enterprise level data is also affected by fluctuations in enterprise operations, such as production shutdowns and management changes. As SCORE is a voluntary programme, SCORE trainers highlighted their inability to independently verify the information that the enterprises shared. Accordingly, this is a lesson for the future as it risks the veracity of the data being reported by the project and may lead to discrepancies in the results being reported.

5. **Engagement of Korean experts and donors in the field raised stakeholders' expectations regarding possible investments/business interests. Managing expectations beyond the project period can be a challenge.**

   The project reported that the close engagement of the Korean experts and donor officials raised the expectations of the key stakeholders, including BMOs and their members, regarding possible investments in the state in some of the specific sectors like, shrimp processing and aquaculture. Since the project states did not witness any investments or collaborations with Korean businesses, the project reported that managing engagements of the key stakeholders beyond the project period could be a challenge for the ILO CO.

6. **Enabling environment and supportive contextual factors significantly impact project results**

   The project significantly overachieved some of its targets, especially related to jobs created by the new and existing enterprises under Outcome 2 and the percentage increase in the number of MSME employees covered by social security under Outcome 3. These overachievements are due to government schemes, including Udyam and PMFME, which significantly expedited the registration of trained micro-enterprises. Similarly, COVID-19 impacted the policies of the MSMEs to link their employees with social security coverage as some of the MSMEs had to spend on their employees' medical expenses. Further, the new regulation of EUs for exporters also led the MSME owners to provide social security coverage to employees. Accordingly, contextual changes beyond the project's control led to a supportive enabling environment that significantly impacted some of the project results. The project also adapted to these changes to focus on the project strategies that leveraged these factors.

4.2   Emerging Good Practices

1. **International Study Tours in partnership with host country institutions are a significant learning experience.**

   The project conducted two study tours to Korea for key stakeholders including policymakers, local institutions, support institutions, BMOs and MSMEs. The study tours focused on selected sectors of food processing and textile and garments, and their agenda

was informed by the findings of the value chain studies and with inputs from Korean experts and institutions, including KOICA. The international study tours were significant learning experiences for the participants as they gained knowledge on MSME governance frameworks, the use of advanced technology, and effective coordination between government, academia and research organisations, BMOs and MSMEs. It also incentivised many of the participants, especially MSMEs, who got exposed to advanced production systems, quality control and responsible management practices.

2. **Formal agreement and collaboration with state government agencies can lead to scaling up and ensuring the sustainability of initiatives.**

In Odisha, the project signed an agreement with IED, the lead government agency for EDP in the state, in the early stages of the project, wherein the EDP training based on SIYB was carried out as a pilot. Based on the successful demonstration of these pilot trainings, the IED agreed to embed SIYB in their EDP and has scaled this up to conduct 400 batches of EDP training in the state. Accordingly, this formal agreement with the IED helped the project embed SIYB in the state's EDP and ensured its sustainability.

3. **Capacity building of the BMOs to broad base their services and to deliver responsible management practices training sustainably.**

As part of the strategy, the project delivered responsible management practices training (through SCORE modules) in close collaboration with the state-level BMOs, OASME and FAPCCI. The project also included them in other capacity-building and knowledge-building initiatives to strengthen their capacities. This led to BMOs owning the project initiatives, which also helped them broaden their portfolio of services for their members. This approach has improved the sustainability potential of project initiatives.

5. Conclusions

The PSEI project has an interesting experimental design as it targeted working at the macro, meso and micro levels with the overall objective of integrating MSMEs in the global supply chains. The project was highly relevant to the key stakeholders and aligned with national priorities and international frameworks such as the Decent Work Agenda and relevant SDGs. The project design has adequate logical connect between the activities, outputs and their outcomes, however, there is inadequate connect between the three outcomes and the overall development objective. The project design had only one output per outcome, and the outcomes could have been better delineated by framing more than one output per outcome. Additionally, the outcome and output indicators could have better tracked the project's progress towards the overall development objective. The development objective was also found to be ambitious considering the resources allocated to the project.

A significant achievement of the PSEI project is its contribution to MSME policy reforms at the state and national levels. Through multi-stakeholder dialogues, study tours to Korea, and knowledge-sharing sessions, the project successfully contributed to five key MSME policy initiatives. Some of the policy initiatives created a more enabling environment for MSMEs, improving policy coherence and institutional capacity. The project played a critical role in building the capacities of key stakeholders—policymakers, industry associations, and BMOs for them to contribute to the evidence-based and market-responsive policies in alignment with global best practices for MSME development. However, a significant challenge was the limited translation of these policy changes into practical mechanisms for integrating MSMEs into global supply chains. While stakeholders' capacities improved, the complexities of international market access—such as meeting global compliance standards, upgrading technologies, and forming global market linkages—require more sustained and intensive support.

The project also made considerable progress in promoting entrepreneurship and formalisation of informal micro-enterprises through the ILO's SIYB tool and linkage with the government schemes. It exceeded its target by training 241 young men and women, leading to the registration of 163 new or existing businesses, 75% of which were owned by women. The project also created 308 jobs, with over 70% of these jobs filled by women. This focus on gender equality highlights the project's success in creating economic opportunities for marginalized groups, especially women. The project's linkage with national schemes such as the PMFME and PMEGP played a pivotal role in supporting the formalization and operationalisation of these businesses. The project was further successful in embedding SIYB in the state-level EDP programmes for large-scale replication. The project has also developed a cadre of BDS providers in both states that can support the upscaling of EDP programmes using the SIYB tool. Despite these successes, challenges persist in integrating these micro-enterprises into global supply chains. While the project has effectively helped many entrepreneurs formalize their businesses and improve local market participation, most enterprises remained confined to local markets. The complexities of scaling up to global supply chains—such as meeting international compliance standards, adopting advanced technologies, and navigating global market entry—require further interventions.

Another area of success was the project's promotion of responsible management practices through the SCORE tool. The project trained 17 MSMEs in three SCORE modules, leading to a 50% increase in turnover for participating enterprises and improvements in key performance benchmarks such as productivity and social security coverage. These efforts led to some changes in the behviour of the SMEs that contributed to better workplace cooperation, cleaner production, and improved gender-mainstreamed management practices, with a notable increase in the percentage of women covered by social security. The project also built the capacities of the BMOs to broad base the portfolio of their services for their members. The project also made efforts to build the capacities of the MSMEs and BMOs in terms of business development strategies and

compliance with laws and global standards. However, the limited availability of certified SCORE trainers and the reluctance of MSMEs to invest in such services without continued external support are challenges related to industry wide replication.

Overall, the PSEI project made significant contributions to improving MSME productivity, entrepreneurship development, and policy reform, with a strong emphasis on capacity building for key stakeholders. There are significant lessons and good practices from this project which can be applied in the next phase and other future initiatives. Future initiatives could focus on addressing the complexities of global market integration and ensuring the long-term sustainability of responsible management practices. They could also benefit from a more integrated approach that ensures a stronger connection between outcomes and the overarching development objective.

6.   Recommendations

Recommendation 1: ILO and KOICA must explore the project's next phase to capitalise on its successes and support MSMEs' integration into the global supply chain.

The PSEI project's achievements include policy changes in both states to promote MSME development and capacity building of the BMOs and local organisations. However, the MSMEs need further support to become part of the global supply chains. This support requires significant investments, which can come through the government's special initiatives and programmes. The BMOs and local organisations require ILO's technical support to access these government schemes successfully. The project has successfully built high trust levels with the governments in both states, which can be used to link the MSMEs with government programmes. The project also introduced value chain players of Korean and Indian BMOs and MSMEs, especially in the fisheries (shrimp) sub-sector. The MSMEs and their associations need further support and facilitation to formalise these partnerships with Korean businesses. Accordingly, ILO and KOICA must explore the project's next phase to capitalise on the opportunities created in this project to integrate MSMEs in the global value chain.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi and KOICA	High	High	Short term

Recommendation 2: ILO and KOICA must focus on harmonising efforts of key stakeholders in the sub-sectors of aquaculture and food processing to enhance bilateral economic cooperation between Korea and India in the next phase.

The PSEI project successfully introduced the key stakeholders of MSME development in Korea and India to each other. The project experience suggests that there is a need to harmonise the efforts of agencies within India and Korea that have the mandate to develop economic bilateral cooperation and also to develop the subsectors of aquaculture and food processing, which have been identified as high-potential sectors with Korea as the market.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi and KOICA	High	Medium	Medium term

Recommendation 3: The ILO can use this project's achievements and lessons to develop a business case for greater economic cooperation between India and Korea for MSME development and share it with a broader audience in the project end workshop.

The PSEI project can document its achievements and lessons and pitch it as a business case for greater economic cooperation between India and Korea within the high potential sectors of aquaculture and food processing in which Korea can be a significant market and provider of the latest technology. As the project is planning a project-end workshop in November 2024, the project's key achievements, lessons and opportunities can be shared with other stakeholders like national level industry associations, tripartite constituents of other states and the relevant government and non-governmental agencies in India and Korea. This engagement with the broader audience can further facilitate greater engagement and commitment of the stakeholders. This can also help in providing greater visibility to the project and its achievements.

Addressed to	Priority	Resource	Timing

ILO PSEI Project Team	High	Low	Short term

Recommendation 4: ILO projects on entrepreneurship and enterprise development in partnership with government stakeholders must include an Inception Phase to formalise partnerships, develop realistic workplans as per the changes in the context and to set up communication and reporting protocols with the donor, especially in case of new donors.

The PSEI project experience suggests that an inception phase at the start can help in the project's implementation in several ways. In the case of entrepreneurship and enterprise development projects, establishing formal partnerships with the host organisations takes time and also allows for mitigating the effects of any changes in the leadership of these institutions from the time of project conceptualisation. The inception phase can also allow the projects to develop realistic work plans and monitoring systems as per the changes in the context. In the case of donors with whom the ILO is working for the first time (as in this case with KOICA), the phase shall also allow for finalising communication and reporting protocols so that the donor's expectations are realistically managed.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi	Medium	Low	Short to Long term

Recommendation 5: In future projects, the ILO must review its results framework in cases of significant differences in the targets and achievements visible in the early stages of the project. In the case of entrepreneurship and enterprise development projects, these targets can be at the policy, enterprise, BDS provider, or worker levels.

The PSEI project significantly overachieved its target of generating new jobs within 15 months of the start of the implementation. This experience suggests that the results framework and the targets must be reviewed periodically in cases where there is a significant difference between the targets and the actual achievements. In cases where there is clear evidence of targets being conservative or too ambitious, the project teams must revise them to make them realistic in consultation with the donor.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi	High	Low	Short to Long term

Recommendation 6: Entrepreneurship and enterprise development projects provide the ILO with an opportunity to promote decent work for people with disabilities. Accordingly, the projects must focus on disability inclusion in their implementation strategy and results framework.

According to the ILO's Disability Inclusion Policy and Strategy 2020-2023, the ILO's projects, programmes, and operations must mainstream disability inclusion and collect disability-disaggregated data to inform the design, implementation, and monitoring of projects and operations. Accordingly, ILO projects on enterprise development provide an opportunity to further this important agenda to promote decent work amongst persons with disabilities. The projects must focus on including persons with disabilities in the beneficiary selection for entrepreneurship training, developing a separate employment policy at the enterprise level as part of the responsible management practice, and creating special provisions in the state and national

level policies. The projects can also collect disability disaggregated data to highlight the project's achievements to promote decent work amongst the persons with disabilities.

Addressed to	Priority	Resource	Timing
ILO CO New Delhi	High	Low	Short to Long term

ANNEXES

Annex A. Evaluation Data Collection Matrix

Criteria	Evaluation questions	Method	Data Sources
Relevance (and strategic fit)	• To what extent was the Project consistent with the key needs, demands and priorities of ILO constituents (government, employers, and workers)?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- Implementing partners - ILO CO and the project team - Relevant ILO DWT Specialists - Mid-term evaluation report - Event and research reports - Beneficiary groups - Annual reports - Prodoc
	• How is the Project aligned to the DWCP India, ILO P&B Outcomes, SDGs – particularly Goal 5 and Goal 8, and UN Sustainable Development Framework?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO CO Delhi and the project team - Relevant ILO DWT Specialists - Mid-term evaluation report - Annual reports - Prodoc - Output related documents
Coherence	• Are the project strategy and activities complementary with other projects in the country, other interventions and strategies of the ILO at the national levels?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO Project team - ILO CO New Delhi - Relevant ILO DWT Specialists - Mid-term evaluation report - Annual reports - Prodoc
Validity of design	• Was the project design adequate to meet project objectives and identified outcomes? To what extent does the Project's Results Framework link the outputs to the intended outcomes and objectives? And whether the design aimed at addressing gender equality and women empowerment in MSME.	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO CO and project team - Mid-term evaluation report - Annual reports - Prodoc

	• Did the project adequately consider the gender dimension in the Project Document, Monitoring and Evaluation Plan, and interventions? How was this achieved?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO project team - Implementation partners - Mid-term evaluation report - Annual Reports - Prodoc
Effectiveness	• To what extent is the Project achieving its objectives and results? Have there been any unintended results (positive or negative) that emerged during the implementation? Have the project communicated its achievement and best practices?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- Beneficiary groups - ILO CO and project team - Implementing partners - Relevant ILO DWT Specialists - Mid-term evaluation report - Annual Reports - Quarterly progress reports - Any other relevant document like case studies or research, event reports
	• To what extent has the project adapted to the evolving situation that came because of the COVID-19 pandemic or any other risk factor? Are there evidences of certain project components/objectives advancing more over the others? What would be the contributing factors both that facilitated or hindered progress? How adaptable (and responsive) has the project been to this changing context?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO project team - Implementing partners - Mid-term evaluation report - Annual Reports - Any other relevant document like case studies or research, event reports
Efficiency of resource use	• How well are the project's resources (human, financial and technical) being managed to ensure timely, cost effective and efficient delivery of Project results?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO project team - Annual Reports - Financial reports
	• Assess whether sufficient information was collected during the implementation and monitoring of specific result indicators to measure the progress on gender equality results?	- Stakeholder consultations (Interviews and FGDs) - - Document reviews	- ILO project team - Annual Reports - Mid-term evaluation report - Relevant activity reports under each Output - Databases

	• Are there any alternate ways in which the project could have done to better manage its resources?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO project team - Annual Reports
(Potential) Impact	• How likely will the project interventions result in positive and long-term changes? Will these interventions help in promotion of MSME development and creation of more and better quality jobs? What is the likelihood of both the states in India achieving the project intended outcomes by the end of the Project?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- Beneficiary groups - ILO project team - Implementing partners - Annual reports - Mid-term evaluation report
	• To what extent has the project strengthened the institutional capacity (service and policy) of the government, employers' and workers' organizations in improving working conditions of MSME workers?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- ILO CO and project team - Implementing partners - TPRs
Orientation to sustainability	• How likely will the project interventions result in positive and long-term changes? Will these interventions help in promotion of MSME development and creation of more and better quality jobs? What is the likelihood of both the states in India achieving the project intended outcomes by the end of the Project?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- Beneficiary groups - ILO project team - Implementing partners - Mid-term evaluation report - Annual reports - Any other relevant document like case studies or research, event reports
	• Is the project sustainability strategy being implemented?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- Beneficiary groups - ILO project team - Implementing partners - Mid-term evaluation report - Annual reports - Any other relevant document like case studies or research, event reports
ILO Cross-Cutting Themes: (Gender,	• Has the project integrated gender equality, disability, and non-discrimination as a cross - cutting concern throughout its deliverables, including periodic reports?	- Stakeholder consultations (Interviews and FGDs)	- Beneficiary groups - ILO project team - Implementing partners - Mid-term evaluation report

disability, and non-discrimination; tripartism and social dialogue)		- Document reviews	- Annual reports - Any other relevant document like case studies or research, event reports
	• Has the project contributed or is contributing to social dialogue and tripartism, and ILO Conventions specifically on OSH and Labour inspection?	- Stakeholder consultations (Interviews and FGDs) - Document reviews	- Beneficiary groups - ILO project team - Implementing partners - Mid-term evaluation report - Annual reports - Any other relevant document like case studies or research, event reports

1. Project Documents, including donor agreements (original and extensions), PRODOC including workplans.
2. Quarterly and Annual reports submitted to the donor
3. Mid-term evaluation report
4. Budget and financial data shared by the project
5. Activity reports under each of the three Outcome
6. Media Coverage reports
7. Knowledge products: value chain studies, policy briefs, research papers developed by the project, case studies, event reports (of the multi-stakeholder dialogues organised by the project) and other knowledge products developed under Outcome
8. Decent Work Country Programmes (DWCPs) for India
9. Other UN and ILO documents related to enterprise development.
10. Other articles and documents as mentioned in the footnotes of the main report.

Annex C.   List of Stakeholders Interviewed

SN	Stakeholder Category	Name	Designation	Organisation
1	Government, Odisha	Mr. Bibhuti Bhushan Das	Special Secretary	Department of MSME, Government of Odisha
2	Government, Odisha	Mr. Prabhakar Rao	Director	Institute of Entrepreneurship Development, Government of Odisha
3	Government, Odisha	Ms. Samuchita Mallick	Joint Director	Institute of Entrepreneurship Development, Government of Odisha
4	Trade Union, Odisha	Mr. Ram Chandra Khuntia	Secretary General	State INTUC and also convenor Joint Action Forum of TUs
5	Industry association, Odisha	Mr. Satwik Swain	Secretary General	Odisha Assembly of SMEs (OASME)
6	Industry association, Odisha	Mr. Abhilash Dash	Additional Secretary General	Odisha Assembly of SMEs (OASME)
7	Industry association, Odisha	Mr. Prakash Nayak	Vice Chairman	Odisha Assembly of SMEs (OASME)
8	Beneficiary Groups, Odisha	FGD with SIYB beneficiaries and trainers (Bhubaneshwar and other)		
9	Beneficiary Groups, Odisha	Mr. Vishal Sasi	Director	SABRI FOOD PRODUCTS PRIVATE LIMITED
10	Beneficiary Groups, Odisha	Abhijeet Sahoo	Director	Fastech Fashions Private Limited
11	Beneficiary Groups, Odisha	Mrs. Sribidya	Director	Utkal Exports Private Limited
12	Government, AP	Mr.N. Yuvaraj	Secretary	Department of Industries, Government of AP
13	Government, AP	Mr. Sudarshan Gurrala	ED	AP MSME Development Corporation, Government of AP
14	Government, AP	Mr. Thulasi J	Sr. Executive_Operations	Andhra Pradesh State Skill Development Corporation, Government of AP
15	Industry Assocaition, AP	Rama Devi K	CEO	Association of Lady Entrepreneurs of India (ALEAP), AP
16	Industry Association, AP	P Vydehi	Secretary	Federation of Andhra Pradesh Chambers of Commerce and Industries (FAPCCI)
17	Beneficiary Groups, AP	FGD with SIYB beneficiaries		
18	Beneficiary Groups, AP	Mr. KISHORE KUMAR CHERUKUMALLI	Managing Director	Sandy Bay Private Limited

19	Beneficiary Groups, AP	Mr. Navratna	Managing Director	Ganpathy Fashions
20	Donor	Mr. Woochan Chang	Country Director	KOICA India
21	Korean Expert	Mr. Jaedong Kang	Expert	
22	Korean Expert	Mr. Sang-gi Hong	Senior Researcher/International Cooperation Team	KTDI
23	Korean Expert	Mr. Byeong Dae Choi	Emeritus Professor	Gyeongsang National University, Department of Marine and Food Engineering
24	Korean Expert	Mr. Jae-min Cheon	Director	Biotin
25	SIYB Association	Mr Ekambaram, Mr. Madhuban, Mr. Isac Singh	SIYB Master trainer	SIYB Association of India (for Master Trainers and trainers)
26	SIYB Trainers	FGD with Trainers from AP and Odisha		
27	SCORE Trainer	Mr. S M Jagadish	SCORE senior trainer	APCRE
28	SCORE Trainer	FGD with SCORE Trainers		
29	Industry association	Ms. Chandrima Chatterjee	Secretary General	Confederation of Indian Textile Industries (CITI)
30	ILO	Ms Michiko Miyamoto	Director	DWT/CO-New Delhi
31	ILO	Mr Satoshi Sasaki	Deputy Director	DWT/CO-New Delhi
32	ILO	Ms Bharti Birla	Enterprise Development Specialist	DWT/CO-New Delhi
33	ILO	Ms Ruchira Chandra	Programme Officer	Programme Unit (PROG); CO-New Delhi
34	ILO	Ms Sudipta Bhadra	Project Manager (Chief Technical Advisor)	Promoting Sustainable Enterprises in India (PSEI)
35	ILO	Mr Kelvin SERGEANT	Specialist on Job Creation and Enterprises Development	ILO Decent Work Technical Support Team for East and South-East Asia and the Pacific
36	ILO	Ms Sandra YU	Specialist, Enabling Environment for Sustainable Enterprises	Micro, Small and Medium sized Enterprises Branch; ENTERPRISES

Annex D.   Performance Monitoring Plan Indicator Results

Outcome 1	Indicator 1.1	Baseline	Target	Cumulative Performance
MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain.	Number of MSME policy initiatives and delivery mechanisms in India designed or revised based on global best practices by central government and state institutions	0	2	5
Output 1.1	Indicator 1.1	Baseline	Target	Cumulative Performance
Capacity built of policymakers and associates (including social partners and business membership organizations) in designing and implementation of evidence-based gender and market-responsive MSME policy initiatives, in dialogue with workers and employers organization	Number of action plans submitted by each institution during the capacity building program in Korea	0	10	14
	Indicator 1.2	Baseline	Target	Cumulative Performance
	Research paper published and disseminated	0	1	3
Activity 1.1.1	Indicator 1.1.1	Baseline	Target	Cumulative Performance
Organize two study tours	Number of Indian policymakers and	0	40	40 (Women – 7)

				Cumulative Performance
to South Korea for 40 Indian policy makers and associates	associates participated in capacity building program in Korea			
Activity 1.1.2	Indicator 1.1.2	Baseline	Target	Cumulative Performance
Conduct one research study on MSMEs development for global value chain in 2 selected sectors	Research paper published and disseminated	0	1	3
Activity 1.1.3	Indicator 1.1.3	Baseline	Target	Cumulative Performance
Hold State-level multi- stakeholder dialogues on evolving coherence and effectiveness in MSME policy initiatives adopting global best practices	Number of State-level multi-stakeholder dialogues held on MSME policy initiatives adopting global best practices	0	3	6
Outcome 2	**Indicator 2.1**	**Baseline**	**Target**	**Cumulative Performance**
Indian Youths are equipped with entrepreneurial skills and generate decent jobs	Number of jobs created by new start-ups and existing MSMEs	0	20	Total : 308 (Women-216)[19] Odisha : 166 (Women- 112); AP : 142 (Women– 104)

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[19] Self-declared by enterprises – a) new enterprises registered and operational between 1 -14 months; b) Informal enterprises trained and registered which existed and were operational prior to training.

Output 2.1		Indicator 2.1	Baseline	Target	Cumulative Performance
Young women and men, especially those belonging to vulnerable groups, are equipped with entrepreneurial skills using SIYB tool and the start-ups sustainably integrates in global supply chains		Number of trainees who completed business registration newly after the SIYB training	0	120	Total: 163[20] (123 women) AP: 69 (57 women) Odisha: 94 (66 women;) AP: 59 (46 women) in food sectors; 3 in garments (2 women) Odisha: 70 (60 women) in food sector; 5 (2 women) in garment/handloom
		Indicator 2.1	Baseline	Target	Cumulative Performance
		Number of business development service providers who are certified as trainers for SIYB delivery	0	20	Total: 21 (7 women) AP: 14 (4 women) Odisha: 7 (3 women)
	Activity 2.1.1	Indicator 2.1.1	Baseline	Target	Cumulative Performance
	Produce and apply SIYB Training materials adopted for 2 selected sectors	Number of SIYB training materials produced and applied in adaptation of 2 selected sectors (food processing, textile)	0	2	4
	Activity 2.1.2	Indicator 2.1.2	Baseline	Target	Cumulative Performance

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[20] Includes informal enterprises registered and formalized – AP – 7 (5 women); Odisha – 25 (21 women)

Select and train 40 BDS providers for SIYB training delivery as qualified trainers	Number of BDS providers who completed SIYB delivery training as Trainers	0	40	78 AP : 37 (Women : 18) ; Odisha : 41 (women 14)
Activity 2.1.3	Indicator 2.1.3	Baseline	Target	Cumulative Performance
Identify 200 young women and men and provide in-class SIYB training to start business	Number of young women and men who completed in-class SIYB training	0	200	Total: 241 (Women 149) AP: 97 (63 women) Odisha: 152 (86 women)
Activity 2.1.4	Indicator 2.1.4	Baseline	Target	Cumulative Performance
Provide on-site training and mentoring for in- class trained young women and men to demonstrate starting of business	Number of in-class trained young men and women who received on-site training and mentoring to demonstrate starting of business	0	160	210 (Women 149) AP: 97 (63 women) Odisha: 113 (76 women)
Activity 2.1.5	Indicator 2.1.5	Baseline	Target	Cumulative Performance
Organize special counselling sessions tailored for women candidates to enable them to start new business	Number of women candidates who received tailored counselling sessions for starting new businesses	0	20	50
Activity 2.1.6	Indicator 2.1.6	Baseline	Target	Cumulative Performance

	Provide capacity building sessions for state-level local institutions to design and deliver entrepreneurship programme using SIYB	Number of state-level local institutions which participated in capacity building sessions in design and delivery of entrepreneurship programme using SIYB	0	2	13
	Activity 2.1.7	Indicator 2.1.7	Baseline	Target	Cumulative Performance
	Organize thematic lectures delivered by Korean experts on selected topics	Number of special lectures held by Korean experts on entrepreneurship development	0	4	16
Outcome 3		**Indicator 3.1**	**Baseline**	**Target**	**Cumulative Performance**
Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity		Percentage increase in social security coverage of MSME employees	0	20	266% 17 enterprises; (AP – 8, Odisha - 9) Baseline absolute : 769[21] (Women : 292; Men : 477) **AP** Baseline: 530 (total), 204 (M), 326 (F) End : 570(M), 1534 (F), 2115 (total)

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[21] Only regular employees (but not full coverage to all regular employees)

				Odisha
				Baseline : 239 (Total), 88(M),151 (F), End :698 (total), 191 (M), 507 (F)
	Indicator 3.2	Baseline	Target	Cumulative Performance
	Percentage increase in turnover reported by new and existing MSMEs	0	50	50.2% [22] (17 enterprises; AP – 8, Odisha - 9) Baseline (INR in millions): 22,361.9 million. Endline (INR in millions): 33,587.6
Output 3.1	Indicator 3.1	Baseline	Target	Cumulative Performance
Indian MSMEs trained to improve productivity and working conditions using ILO SCORE tool adopted gender-mainstreamed management practices in workplace	Percentage improvement of Key Performance Benchmarks among SCORE trained MSMEs	0	20	19[23] (17 enterprises; AP – 8, Odisha - 9)
	Indicator 3.2	Baseline	Target	Cumulative Performance

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[22] Self-reported by enterprises collected at time of baseline and end of training by SCORE trainers and verified by senior trainer.

[23] Source: module end reports (MER) prepared by SCORE trainer based on self-declaration by enterprise at end of module training to capture 'Before' and 'After'. SCORE trainers also validate by random check of records, subject to willingness of enterprise to share the data records book. MERs are entered in SCORE global platform which has option for aggregate report generation with combining various KPIs. This figure has been taken from SCORE Global platform generated report.

			Baseline	Target	
		Number of business development service providers who are certified as trainers for SCORE delivery	0	5	5 (no women) AP : 4 Odisha : 1
	Activity 3.1.1	Indicator 3.1.1	Baseline	Target	Cumulative Performance
	Produce and apply gender-mainstreamed SCORE training materials adapted for 2 selected sectors	Number of SCORE training materials produced and applied in adaptation of gender-mainstreaming for 2 selected sectors	0	2	5
	Activity 3.1.2	Indicator 3.1.2	Baseline	Target	Cumulative Performance
	Select and train 10 BDS providers for SCORE training delivery as qualified trainers	Number of BDS providers who completed SCORE tool delivery training as Trainers	0	10	7[24] AP : 4 (1 woman in AP who had completed module 1 training) Odisha : 3 trainers
	Activity 3.1.3	Indicator 3.1.3	Baseline	Target	Cumulative Performance
	Organize two awareness raising session to encourage MSMEs in 2 selected sectors to enroll SCORE program	Number of MSMEs which participated awareness raising program for enrollment of SCORE Program	0	50	106

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[24] BDS providers completed class-room and practical trainings alongwith assessment module-wise. 12 BDS providers (including 1 women) receive training on Module 1 (mandatory module). 10 were satisfactory and received training on Module 2 out of which 7 could graduate to Module 3 training and complete. Hence, 7 BDS providers have completed training in all the three modules.

Activity 3.1.4	Indicator 3.1.4	Baseline	Target	Cumulative Performance
SCORE training delivered by BDS providers in 16 selected MSMEs (SCORE Module 1 plus 2 optional modules)	Number of MSMEs which completed SCORE trainings for productivity improvement (1+2 Modules)	0	16	17
Activity 3.1.5	Indicator 3.1.5	Baseline	Target	Cumulative Performance
Organize special sessions delivered by Korean industry experts on productivity improvement	Number of special sessions provided by Korean industry experts on productivity improvement	0	2	21

Annex E. ILO Lessons Learned and Emerging Good Practice Templates

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 10 September 2024

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may beincluded in the full evaluation report.

LESSON LEARNED ELEMENT	**The project design needs to clearly outline the logical connection between the Outcomes and the Development Objective, the outcomes could have been better delineated by framing more than one output per outcome and the indicators in the results framework must track the project's progress toward the Development Objective.**
Brief description of lessons learned (link to specific action or task)	The PSEI project has the overall development objective of integrating MSMEs into the global supply chain, and the project design included three Outcomes to achieve this objective. The project design did not establish a logical connection between the three Outcomes and the development objective. Also, each outcome had only one Output under each Outcome which made it difficult to establish the difference in the level of results.
Context and any related preconditions	This is relevant to the projects working on MSME development and their integration into global supply chains.
Targeted users / Beneficiaries	ILO staff involved in project proposal development and project execution.
Challenges /negative lessons - Causal factors	The project's overall Development Objective to integrate MSMEs into global supply chain was ambitious considering the limited project duration, however, the project was also not able to track the project's progress towards the overall development objective due to inadequate linkage between the three Outcomes and the overall objective. As the design had only one Output under each Outcome, it was difficult to differentiate the level of results at the two levels.
Success / Positive Issues -Causal factors	The project successfully achieved all the targets at the outputs and outcome levels, which was also due to adequate logical connect between the activities, outputs and their outcomes and their indicators.
ILO Administrative Issues (staff, resources, design, implementation)	A lesson to be considered while designing future projects and during initial phase while preparing detailed work plans in partnership with tripartite constituents.

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 10 September 2024

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may beincluded in the full evaluation report.

LESSON LEARNED ELEMENT	Mechanisms for inter-departmental coordination and coherence in the government require continued prioritisation by key government officials.
Brief description of lessons learned (link to specific action or task)	The project set up district level sectoral steering committees in the two project states in the first year of the project through government notifications. These committees helped to enhance inter-departmental coordination and coherence and served as a platform to discuss the evidence and strategies for MSME development.
Context and any related preconditions	This is relevant to initiatives that involve partnership of government institutions and the setting up of structures to strengthen inter-departmental coordination.
Targeted users / Beneficiaries	ILO, tripartite constituents and other development partners
Challenges /negative lessons - Causal factors	The sectoral committees stopped functioning in the second year of the project due to the transfer of officials and the lack of interest shown by new officials. In the case of one of the states, the relevant department expressed its inability to hold the meetings of this committee due to limited capacities. This highlights the need for continued prioritisation of the mechanisms established.
Success / Positive Issues -Causal factors	The ownership of the project by state government at the senior levels led to issuance of notifications to formal the district level sector committees.
ILO Administrative Issues (staff, resources, design, implementation)	Future ILO projects need to consider the risks in the formation and functioning of governmental sectoral committees and accordingly plan for mitigating actions.

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 10 September 2024

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LESSON LEARNED ELEMENT	Development of a cadre of certified BDS providers at the local level is a resource-intensive exercise and is a challenge in upscaling the BDS.
Brief description of lessons learned (link to specific action or task)	The project developed a cadre of BDS providers, SIYB and SCORE trainers to support local institutions and BMOs to broadbase their services to their members.
Context and any related preconditions	This lesson is relevant to the projects that include development of BDS providers as part of their overall MSME development strategy.
Targeted users / Beneficiaries	ILO, governments, BMOs and other development partners
Challenges /negative lessons - Causal factors	Development of BDS providers as per ILO's standards of SIYB and SCORE is a time-consuming and resource-intensive exercise. This leads to development of insufficient numbers of local BDS providers in adequate numbers. This limitation works as a critical challenge in upscaling BDS services by the BMOs to its members.
Success / Positive Issues -Causal factors	The project experience suggests that training and certification of these trainers in ILO tools and as per ILO standards significantly improves the quality of BDS.
ILO Administrative Issues (staff, resources, design, implementation)	ILO and other project designing teams need to allocate adequate resources to develop high quality BDS providers or trainers.

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 10 September 2024

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LESSON LEARNED ELEMENT	Many entrepreneurs and MSMEs do not systematically document enterprise-level data, which may lead to discrepancies in the results being reported.
Brief description of lessons learned (link to specific action or task)	The project trained new and existing enterprises in SIYB with the objective of formalising them to generate decent jobs and implemented SCORE modules in 17 MSMEs to promote responsible management practices. Many of the trained entrepreneurs did not maintain documentation of the enterprise level data related to their income and expenditure including salaries/wages paid, workers hired. Also, many of the SCORE MSMEs did not systematically document the information related to KPIs using EIC.
Context and any related preconditions	This lesson is relevant to ILO and other key stakeholders working for enterprise development.
Targeted users / Beneficiaries	ILO, governments and other development partners
Challenges /negative lessons - Causal factors	Many entrepreneurs do not fully acknowledge the benefits of the professional and systematic maintenance of enterprise-level data (even after training), which leads to estimated calculations regarding their costs and profits and other KPIs. This may also lead to discrepancies in the results being reported by the project related to enterprise level results.
Success / Positive Issues -Causal factors	Some of the enterprises reported maintaining the accounts and other data points regarding their enterprise's performance in a systematic manner which helps in accurate calculation of results.
ILO Administrative Issues (staff, resources, design, implementation)	ILO project design teams may consider the provision of the mentoring component to orient and guide the entrepreneurs in the documentation of their enterprises' performance. In case of SCORE, the trainers can focus on building trust with the enterprises and provide close support to build the capacity for systematic documentation.

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 10 September 2024

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LESSON LEARNED ELEMENT	Engagement of Korean experts and donors in the field raised stakeholders' expectations regarding possible investments/business interests. Managing expectations beyond the project period can be a challenge.
Brief description of lessons learned (link to specific action or task)	The project worked with Korean experts and institutions officials for capacity building of the MSMEs in partnership with BMOs and government. This involved closer interaction with Korean experts and donor representatives in the field with the key stakeholders of the project. Since the engagements were related to supply chains, the key stakeholders expected investments from Korea in the selected sub-sectors.
Context and any related preconditions	This lesson is relevant to ILO projects that facilitate enterprise development in global supply chains in partnership with bilateral agencies.
Targeted users / Beneficiaries	ILO
Challenges /negative lessons - Causal factors	Since the project states did not witness any investments or collaborations with Korean businesses, the project reported that managing engagements of the key stakeholders beyond the project period could be a challenge for the ILO CO.
Success / Positive Issues -Causal factors	None.
ILO Administrative Issues (staff, resources, design, implementation)	ILO project team needs to develop a strategy to manage the unmet expectations of the key stakeholders.

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 10 September 2024

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LESSON LEARNED ELEMENT	Enabling environment and supportive contextual factors significantly impact project results
Brief description of lessons learned (link to specific action or task)	The project targeted generating 20 new jobs (Outcome 2) and increasing the number of MSME employees covered by social security (Outcome 3) by 20 percent. The project significantly overachieved these targets due to supportive contextual factors related to government schemes, improved policies of the MSMEs to link their employees with social security coverage due to COVID-19, and the EU's new regulation for exporters. Accordingly, enabling environment and contextual factors beyond the project's control can significantly impact the project results.
Context and any related preconditions	This is relevant to most of the projects in which government's policies and enabling environment can play significant role in influencing project results.
Targeted users / Beneficiaries	ILO and other development partners.
Challenges /negative lessons - Causal factors	The targets must be revised during the implementation phase as per the field realities to keep them relevant.
Success / Positive Issues -Causal factors	The project adapted to the changes in the context and focused on the project strategies to positively utilize the supportive contextual factors and the enabling environment, which led to the overachievement of the targets.
ILO Administrative Issues (staff, resources, design, implementation)	The ILO project design teams can highlight the assumptions in the results framework that can significantly impact the results.

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 11 September 2024

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GOOD PRACTICE ELEMENT	International Study Tours in partnership with host country institutions are a significant learning experience.
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	The project conducted two 5 days study tours to Korea for key stakeholders including policymakers, local institutions, support institutions, BMOs and MSMEs to build their capacity in the selected sub-sectors.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	This good practice is relevant to projects that include exposure visits as a strategy to build the capacity of key stakeholders.
Establish a clear cause-effect relationship	The agenda of the study tours were designed in a scientific manner with the inputs of value chain studies and relevant experts. This helped in connecting the purpose of the study tours with the needs of the key stakeholders especially BMOs and MSMEs. The international study tours were significant learning experiences for the participants as they gained knowledge on MSME governance frameworks, the use of advanced technology, and effective coordination between government, academia and research organisations, BMOs and MSMEs. The MSMEs also got exposed to advanced production systems, quality control and responsible management practices. Some of the MSMEs reported broadening of their vision due to this study tour which led expansions of their businesses.
Indicate measurable impact and targeted beneficiaries	Increase in the knowledge of the key stakeholders leading to significant contribution in the policy making. Some of the MSMEs also reported broadening of their vision due to this study tour which led expansions of their businesses.
Potential for replication and by whom	ILO projects working on enterprise development and global supply chains.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	- Outcome 2.2 of DWCP India 2023-27 - P&B Outcome 4
Other documents or relevant comments	Study tour reports and value chains studies

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 11 September 2024

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GOOD PRACTICE ELEMENT	Formal agreement and collaboration with state government agencies can lead to scaling up and ensuring the sustainability of initiatives.
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	In Odisha, the project signed an agreement with IED, the lead government agency for EDP in the state, in the early stages of the project, wherein the EDP training based on SIYB was carried out as a pilot. Based on the successful demonstration of these pilot trainings, the IED agreed to embed SIYB in their EDP and has scaled this up to conduct 400 batches of EDP training in the state.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	This good practice is relevant to the projects that target partnership with government agencies for replication and sustainability of the ILO tools like SIYB.
Establish a clear cause-effect relationship	The formal agreement with the IED led to a strong commitment by the leading government agency on enterprise development, which helped the project embed SIYB in the state government's EDP and ensured its replication and sustainability.
Indicate measurable impact and targeted beneficiaries	The state government has planned to train 400 batches of new and existing micro-entrepreneurs, i.e. around 1200 persons, in entrepreneurship development using ILO's SIYB tool.
Potential for replication and by whom	ILO
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	- Outcome 2.2 of DWCP India 2023-27 - P&B Outcome 4
Other documents or relevant comments	Project reports

Promoting Sustainable Enterprises in India (PSEI)

Project DC/SYMBOL: IND/19/01/KOR
Name of Evaluator: Brajesh Pandey
Date: 11 September 2024

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GOOD PRACTICE ELEMENT	Capacity building of the BMOs to broad base their services and to deliver responsible management practices training sustainably.
Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)	As part of the project strategy, the project delivered responsible management practices training (through SCORE modules) to MSMEs in close collaboration with the state-level BMOs, i.e. OASME and FAPCCI. The project undertook other activities to build the capacities of the BMOs to promote responsible management practices amongst MSMEs in a sustainable manner.
Relevant conditions and Context: limitations or advice in terms of applicability and replicability	This good practice is relevant to the ILO projects that target capacity building of the BMOs. One of the key factor and prerequisite is high level of ownership of the project interventions by the BMOs.
Establish a clear cause-effect relationship	The project strategies led to enhanced capacities of the BMOs to deliver services to its member related to responsible management practices. The BMOs are now advocating replication of ILO tools like SCORE in new sectors and clusters with the government support.
Indicate measurable impact and targeted beneficiaries	Number of MSMEs trained by the BMOs in the responsible management practices.
Potential for replication and by whom	Enterprise development projects of the ILO and other development partners.
Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)	- Outcome 2.2 of DWCP India 2023-27 - P&B Outcome 4
Other documents or relevant comments	Project reports

International Labour Organization

Terms of Reference[1]
Promoting Sustainable Enterprises in India (PSEI)
Final Independent Evaluation

1. Key facts

Title of project being evaluated	Promoting Sustainable Enterprises in India (PSEI)
Project DC Code	IND/19/01/KOR
Project Duration	September 2021 - Aug 2024
Type of evaluation (e.g. independent, internal)	Independent
Timing of evaluation (e.g. final, final)	Final
Donor	Korea International Cooperation Agency (KOICA)
Administrative Unit in the ILO responsible for administrating the project	ILO CO-New Delhi
Technical Unit(s) in the ILO responsible for backstopping the project	ENTERPRISE SKILLS
P&B outcome (s) under evaluation	Contribution to the ILO policy outcome areas, which address the essential elements of a human-centred recovery with decent work, such as **Outcome 4:** Sustainable enterprises as generators of employment and promoters of innovation and decent work
SDG(s) under evaluation	Goal 5; Goal 8, Goal 12 and Goal 17
Budget	US$ 2,380,000

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[1] The TOR is subject to revision upon receiving inputs from KOICA

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2. Introduction and Rationale of the Final Evaluation

This Terms of Reference (TOR) concern the final independent evaluation of the project 'Promoting Sustainable Enterprises in India (PSEI)' which is being implemented in India.

The evaluation's purposes are to promote accountability and learning. The focus are to provide an overall assessment of the project's achievement, the project's sustainability, impact, and to document lessons learnt and good practice. The final evaluation also aims to understand the extent of intended and unintended results that have been achieved and to analyse factors affecting the project's results and the implications of the results. The evaluation will also address all relevant cross-cutting issues which include gender equality, disability inclusion, and non-discrimination, promotion of international labour standards, tripartite processes and constituent capacity development. The findings and recommendations will be used for evidence-based policy-making, the lessons learnt and good practice identified will help improve similar endeavours in the future.

The project midterm evaluation was conducted in early 2023. The independent final evaluation will be carried out between March to May 2024. It will be conducted in compliance with the UNEG Evaluation's Norms and Standards and with the principle for project evaluation set forth in the ILO Policy Guidelines for Evaluation: Principles, Rationale, Planning and Managing for Evaluations, 4th edition (Aug 2020). Given the upcoming general election in India scheduled to take place in April, the evaluation will take place a little more advance than the project end date aiming to reach out to the key stakeholders particularly the government who are engaged with the project.

The final evaluation will be managed by an independent evaluation manager and will be conducted by a qualified evaluator(s). Key stakeholders, including tripartite constituents, and key stakeholders, partners, and beneficiaries covered under the project will be consulted throughout the evaluation process.

3. Background

Micro, Small and Medium Enterprises (MSMEs) play a significant role in India. 63.388 Million (M) of unincorporated non-agriculture MSME units exist in India, providing jobs to 111 M workers (Ministry of MSME 2021-22). MSMEs contribute to 38% of GDP, 40% of exports and 45% of manufacturing in the country. The sector is estimated to employ 85% of all workers in the country (Sheikh and Saxena, 2020). 99% of the MSMEs belong to the Micro Sector and are informal in nature with few or no employment rights, benefits, and social protection for workers.

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The MSME sector is also skewed towards men. 79.63% of enterprises are owned by men compared to 20.37% owned by women. Similarly, 76% of the 111 M employees are men while 24% are women. (Ministry of MSME 2021-22). India also shows a low and declining female labour force participation rate. In 2011, there were 23.7% women in the Indian labour force, compared to 61% in China and 56% in the United States (NITI Aayog 2018). The primary explanations offered for the same are the unequal distribution of unpaid caregiving responsibilities on women, lack of flexible work arrangements, lack of basic transport and other infrastructure, lack of safety in public areas and workplaces, lack of decent jobs to suit educated women's qualifications, lack of education and skills among girls and women in job-growth sectors, lack of adequate career guidance and counselling, and restricted access to digital technology, finance, and productive assets for enterprises. (UN 2022).

Moreover, employment per unit (or employment intensity) of MSMEs has been dropping despite the 111 M jobs the sector generates. This is seen from the difference between the growth rate of MSME enterprises (6.43% per annum from 2006–7 to 2015–16) and rate of growth of employment (3.6% per annum in the same decade). Floor pay being less than minimum wages, longer working hours, or unpaid or casual labour costs not represented in official records are all cited as possible causes for the same. Another explanation suggested is that promotion of MSMEs created many owner-operated businesses during this decade, with relatively little incremental job creation. (Yagnik 2020). As a result, only 4% of MSMEs are job creators and 70% are micro-enterprises employing less than 10 employees (ILO 2021).

3.1. The Project

The project builds on the special strategic framework signed between Governments of India and Republic of Korea in July 2018, which provides a platform to build long-term relationships between the MSMEs in both countries and to establish knowledge-sharing mechanisms for continued exchange of best practices and collaborative work. The project design emanates from the vision articulated by the Government of India (in particular, Ministry of Labour and other line ministries, Ministry of Micro, Small and Medium Enterprises, State Governments and others), workers and the employers' organization on 'sustainable enterprise' in India during the joint formulation of India Decent Work Country Programme (DWCP) 2018-22, the 5-year programme framework of ILO. This resulted in a dedicated outcome 2.3 on promotion of sustainable enterprises in India DWCP along with outcome strategy on creating an enabling environment for promoting sustainable enterprises by strengthening capacity of local institutions to improve service delivery, policy frameworks, and investment in managerial and entrepreneurial skills. The PSEI project will contribute in driving this outcome strategy.

The project has main impact and three long-term outcome, which focus on promoting sustainable enterprises and integration in global supply chain to Decent Work(DW) agenda. Gender equality is mainstreamed in Project outcomes, outputs and indicators:

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- **Impact**: MSMEs sustainably integrated in global supply chain in alignment to Decent Work(DW) agenda, and generate more and better quality jobs
- **Outcome 1**: MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain
- **Outcome 2**: Indian Youths are equipped with entrepreneurial skills and generate decent jobs
- **Outcome 3**: Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity

The hypothesized relationship between the Project's outputs and outcomes is reflected in the Project Results Framework attached as Annex I.

The PSEI project aims to create an enabling environment for promotion and sustainable growth of MSMEs in two states in India – Andhra Pradesh and Odisha. It will build on the comparative advantage of the two states to boost the local economy, catalyse market systems development, and to facilitate sustainable integration in the global supply chains. This is expected to enhance the quantity and quality of jobs being generated. The project focuses on two labour intensive sectors of food processing and garments.

The midterm evaluation conducted in early 2023, concludes that although the project design seems overly ambitious in certain crucial areas, it has succeeded in establishing a favourable environment.

- The SCORE and SIYB methodologies have been well received and can be scaled up.
- Delays in project implementation have happened due to various factors, most out of control of the project.
- Policy-change initiatives by the project have definitely resulted in a favourable policy regime in both states.
- The project has effectively contributed to achieving the development objectives of DWCP and the project itself in terms of skill development and improving the employability of men and women in businesses.
- The project has initiated integration of project learnings into IED, MSME associations and Government schemes such as PMFME and PMEGP. The evaluation team feels that such integration can be further strengthened through mounting a comprehensive policy research study (*Policy Research on Scaling Up Entrepreneurship and Skill Development*). This has been expressed as an urgent need by the Government and would help state governments scale up project learnings. Skill development and employment generation are recognised as a critically important area both by national and state governments.

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4. Purpose, objectives, and scope of the evaluation

The evaluation will be conducted in accordance with the ILO Evaluation Policy, the ILO Results-Based Evaluation Strategy. The ILO considers that evaluation is an integral instrument of accountability and learning. The ILO applies the evaluation criteria established by the OECD / DAC Quality Standards for Development Evaluation and the UNEG Code of Conduct for Evaluation in the UN System.

4.1. Evaluation Purpose and Objectives

The evaluation's purposes are to promote accountability and learning. The focus are to provide an overall assessment of the project's achievement, the project's sustainability, impact, and to document lessons learnt and good practice. The final evaluation also aims to understand the extent of intended and unintended results that have been achieved and to analyse factors affecting the project's results and the implications of the results. The evaluation will also address all relevant cross-cutting issues which include gender equality, disability inclusion, and non-discrimination, promotion of international labour standards, tripartite processes and constituent capacity development. The findings and recommendations will be used for evidence-based policy-making, the lessons learnt and good practice identified will help improve similar endeavours in the future.

Specifically, the evaluation will have to:
- **Assess the relevance** (is the project doing the right things?) and/or validity of the Project design, project results framework, implementation strategy
- **Assess the Project achievement** towards achieving its planned outcomes and outputs (global in alignment to global programs and priorities, country level and project level), including identifying supporting factors and constraints that could affect the achievement and nonachievement of results
- **Identify unexpected results**, both positive and negative, that emerged from the Project implementation
- **Analyse the efficiency of the Project** especially in its delivery and/or performance, strategy and management, and implementation and the extent to which the recommendation of the midterm evaluation has been taking into consideration
- **Assess to what extent are Project results or gains likely to continue or be sustainable;**
- **Assess the extent to which gender equality/mainstreaming** has been considered throughout the project design and implementation
- **Identify strategic recommendations**, lessons learned and good practices (national, subregional, community and enterprise levels) can be applied to similar future projects in India

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4.2. Evaluation Scope

The independent final evaluation will cover the period from September 2021 until the time of evaluation. In terms of geographic coverage, the final evaluation will include all project areas specifically Odisha and Andhra Pradesh, including the activities that were implemented / conducted by the Project's implementing partners.

Thematically, the final independent evaluation will cover the areas of compliance to labour standards, occupational safety and health, and gender equality. In relation to gender equality, where possible, the evaluation must be conducted with gender equality as a mainstreamed approach and concern. This implies (i) applying gender analysis by involving both men and women in consultation and evaluation's analysis; (ii) inclusion of data disaggregated by sex and gender in the analysis and justification of project documents; (iii) the formulation and/or analysis of gender-sensitive strategies and objectives and gender-specific indicators; (iv) inclusion of qualitative methods and utilization of a mix of methodologies; (v) forming a gender-balanced team, and (vi) assessing outcomes to improve lives of women and men. Thus, analysis of gender-related concerns will be based on the ILO Guidance Note 3.1: Integrating Gender Equality in Monitoring and Evaluation, and the Supplementary Guidance Note: integrating gender equality in ILO M&E (Nov. 2023) The evaluation will be conducted following UN evaluation standards and norms.

The evaluation should also include an assessment of the impact of the COVID – 19 pandemic on project's implementation and management.

5. Evaluation criteria and questions (including Cross-cutting issues/ issues of special interest to the ILO)

The final independent evaluation will be conducted in accordance with the OECD/DAC evaluation criteria of relevance and strategic fit, coherence, efficiency, effectiveness, [potential] impact, and sustainability.

The following questions (below) intend to guide and facilitate the evaluation. Other questions or aspects that are relevant to the evaluation based on the inception phase and consultation with stakeholders can be added in accordance with the evaluation purpose and consultation with the evaluation manager.

Evaluation Criteria	Evaluation Questions
Relevance and Strategic Fit: looks at the extent to which the objectives are aligned with national, regional and local priorities and needs, the stakeholders', including	▪ To what extent was the Project consistent with the key needs, demands and priorities of ILO constituents (government, employers, and workers) and whether its consistent with the ILS?

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donor priorities for each project country's priorities and needs	national needs, priorities and strategies for promoting compliance to labour standards, including on occupational safety and health (OSH) and gender equality? ■ Are the objectives, outputs and activities consistent with the ILO Programme and Budget, DWCP in India and United Nations Sustainable Development Framework ?
Validity of the Design: Assesses the overall project design including the linking of its results and complementarity of the different project components	■ Was the project design adequate to meet project objectives and identified outcomes? To what extent does the Project's Results Framework link the outputs to the intended outcomes and objectives? And whether the design aimed at addressing gender equality and women empowerment in MSME. ■ Did the project adequately consider the gender dimension on the Project Document, Monitoring and Evaluation Plan, and interventions? How was this achieved?
Coherence: assess the extent to which other interventions (particularly policies) support or undermine the intervention, and vice versa. Also includes assessment of synergies and interlinkages between the intervention and other interventions carried out by the ILO and its partners, and consistency of the intervention with other actors' interventions in the same context (i.e., harmonisation or coordination to avoid possible duplication).	■ How is the Project contribution to the ILO Decent Work Country Programmes, Sustainable Development Goals – particularly Goal 5 and Goal 8, and relevant ILO Conventions? ■ Are they complementary with other projects in the countries, other interventions and strategies of the ILO at the global, national, regional / provincial and enterprise levels?
Efficiency: Assess the extent to which the intervention delivers results in an economic and timely way. It also assess the extent to which management capacities and arrangements put in place support the achievement of results	■ How well are the project's resources (human, financial and technical) being managed to ensure timely, cost effective and efficient delivery of Project results? ■ Are there any alternate ways in which the project could have done to better manage its resources? ■ Assess whether sufficient information was collected during the implementation and monitoring of specific result indicators to measure the progress on gender equality results?
Effectiveness: Assess the extent to which the intervention achieved, or is expected to achieve, its objectives and results.	■ To what extent is the Project achieving its objectives and results? Have there been any unintended results (positive or negative) that emerged during the implementation? Have the project communicated its achievement and best practices?

	▪ To what extent has the project adapted to the evolving situation that came because of the COVID-19 pandemic or any other risk factor? Are there evidences of certain project components/objectives advancing more over the others? What would be the contributing factors both that facilitated or hindered progress? How adaptable (and responsive) has the project been to this changing context?
[Potential] Impact: Assess the extent to which the intervention has generated or is expected to generate significant positive or negative, intended, or unintended, higher-level effects	▪ How likely will the project interventions result in positive and long-term changes? Will these interventions help in promotion of MSME development and creation of more and better quality jobs? What is the likelihood of both India achieving the project intended outcomes by the end of the Project? ▪ To what extent has the project strengthened the institutional capacity (service and policy) of the government, employers' and workers' organizations in improving working conditions of MSME workers? ▪
Contribution towards sustainability: Assess the extent of contribution to which the net benefits of the intervention continue or are likely to continue.	▪ What mechanisms and actions did the project put in place to ensure ownership of the project's results at the country, regional/province and enterprises level? ▪ Is the project sustainability strategy being implemented? ▪ Which project outcomes are most likely sustainable and transferable to the communities/sectors or relevant institutions when the project ends?

Other evaluation criteria that the evaluation will also focus on

ILO Cross-Cutting Themes: Gender, disability, and non-discrimination; tripartism and social dialogue	▪ Has the project integrated gender equality, disability, and non-discrimination as a cross-cutting concern throughout its deliverables, including periodic reports? ▪ Has the project contributed or is contributing to social dialogue and tripartism, and ILO Conventions specifically on OSH and Labour inspection?

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6. Methodology

The evaluation will comply with UNEG evaluation norms, standards and follow ethical safeguards, as specified in ILO's evaluation procedures. The evaluation should address OECD/DAC and UNEG evaluation criteria and concerns, i.e. relevance, coherence, effectiveness, efficiency, sustainability and impact. The evaluator may adapt the evaluation criteria and questions, but any fundamental changes should be agreed between the evaluation manager and the evaluation team.

The evaluation will use mix of evaluation approaches and ensure triangulation of information using available information like current results achievements, annual reports of the project, research studies, currently available data sources etc.

The evaluators should review data and information that is disaggregated by sex and assess the relevance and effectiveness of gender-related strategies and outcomes to improve the lives of women and men. Furthermore, the evaluation should follow non-discriminating factors that allow for a balanced view of the project's performances. All this information should be accurately included in the inception report and evaluation report. To the extent possible, data collection and analysis should be disaggregated by sex as described in the ILO Evaluation Policy Guidelines and relevant Guidance Notes (Annex 5).

The methodology for collection of evidence should be implemented in three phases: (1) an inception phase based on a review of existing documents; (2) a fieldwork phase to collect and analyse primary data; and (3) a data analysis and reporting phase to produce the final evaluation report.

Both qualitative and quantitative evaluation approaches should be considered for this evaluation. Proposed methods of data collection include, but not limited to the following:
- Document review (including project documents, secondary data and literature): The data material will be prioritised according to relevance of content, source and credibility and analysed by consultant but not limited to the following:
  - ILO's policy framework for tackling the economic and social impact of the COVID-19 crisis
  - Decent Work Country Programme for India
  - ILO programme and budget 2020-2021, 2022-2023 and 2024-2025
  - Annual project progress and quarterly progress reports
- Review of Theory of change and/or reconstruct one to help refine and/or finalize the evaluation questions
- Key Informant Interviews and/or Focus Group Discussions key project partners, and direct beneficiaries,
- Stakeholders consultation workshop
- Field visits to pilot enterprises and entrepreneurs

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A detailed methodology will be elaborated on the basis of this TOR. The detailed methodology should include key and sub-question(s), detailed methods, data collection instruments, and data analysis plans. It's expected that the evaluator(s) will refine evaluation questions after the initial desk review of relevant documents and propose evaluation tools that include multiple levels and types of respondents/informants, with appropriate statistical and quantitative data analysis methods for each evaluation question as deemed appropriate.

Attempts should be made to collect data from different sources by different methods for each evaluation question. Findings be triangulated to draw evidenced based, valid and reliable conclusions and recommendations. Data shall be disaggregated by sex where possible and appropriate. It is expected that the evaluator will define or identify best possible platform for data collection in relation to the COVID – 19 situation in India. The evaluator should ensure that both women's and men views (as in women workers as well as women representatives of stakeholders and partners to the extent possible) and perceptions are also reflected in the data collection tools and that gender-specific questions are also included.

To the extent possible, the data collection, analysis and presentation should be responsive to and include issues relating to ILO's normative work, social dialogue, diversity and non-discrimination, including disability issues.

6.1.   Key Stakeholders

The final evaluation should include key stakeholders and ILO staff who have been instrumental and critical in the Project's management and implementation. It is also envisioned for the evaluation to collect data from workers' in selected target enterprises.

List of Proposed Stakeholders

India
- Relevant central ministries
  - Ministry of Labour & Employment (MOLE);
  - Ministry of Micro, Small & Medium Enterprises (MoSME)
  - Ministry of Skill Development & Entrepreneurship (MoSDE),
  - Selected institutions under the Central Government (such as V V Giri National Labour Institute (VVGNLI) of MOLE;
- National Institute for Entrepreneurship & Small Business Development (NIESBUD) of MoSDE,
- MSME Division of MoSME;
- District Industries Centres;
- Employers' Organisations and Industry Associations;
- Workers Organisations;
- Young women and men especially belonging to vulnerable groups,
- workers and employers in MSMEs

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South Korea
- Small business associations, industry experts in academic and research institution

7. Main deliverables

Under this engagement, the evaluation consultant is expected to deliver the following:

Deliverable 1: Inception Report and workplan (not more than 20 pages excluding annexes)
The Inception Report will include the details on how the evaluator understands what is being evaluated including the evaluation questions. The inception report must elaborate the methodology being proposed in the TOR, with changes if applicable, including proposed methods, data sources, and data collection procedures. The report shall also include selection criteria or sampling methodology for the selection for individuals for interviews or group discussions, and selection of target area or enterprise to be visited, and list of stakeholders that will be included in the evaluation. A detailed timeline / workplan along with a detailed methodology should clearly state the limitations of the chosen evaluation matrix methods, including those related to representation of specific group of stakeholders. A detailed timeline / workplan will also be part of the inception report.

Deliverable 2: Presentation of initial findings (PowerPoint presentation to be submitted by the evaluator and delivered during a face-to-face workshop or online meeting)
A presentation should be prepared for the ILO, its key partners and KOICA on the evaluation's initial findings. The Evaluation Manager will organize and coordinate with the Project team for the list of stakeholders for the workshop/online meeting. On this activity, the evaluator will present the initials findings to validate information and data collected through the various data collection methods.

Deliverable 3: A first draft of the evaluation report (not more than 35 pages excluding annex) The draft evaluation report will have to be written in English and should adequately cover the evaluation criteria and questions as finalised in the inception report, along with the recommendations, lessons learned, good practices, technical recommendations for the key stakeholders. The draft evaluation report should be in the format of the ILO https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_746808.pdf

Deliverable 4: Final Evaluation Report including an Evaluation Summary in standard ILO format (not more than 35 pages excluding executive summary and annexes)

The final evaluation report will be submitted to the evaluation manager. The Evaluation Manager has to ensure that all comments from the Project team and the Project's key stakeholders are integrated. The Report's annexes shall include the questions matrix, tools

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used during data collection, field work schedule, a list of interviewees, list of documents analysed, lessons learned template and emerging good practices standard template. The template will be provided to the evaluators in due course.

The quality of the report will be determined based on quality standards defined by the ILO Evaluation Office as per Checklist 4.9 Rating of an Evaluation Report wcms_746818.pdf (ilo.org)

The final evaluation report approved by ILO may be converted to a document that will detail brief summary of the evaluation methodology and findings. This can be in the form of an executive summary document or infographic.

The report and all other outputs of this evaluation must be produced in English. All draft and final reports, including other supporting documents, analytical reports and raw data should be provided in electronic version compatible with Microsoft Word for Windows.

8. Management arrangements and work plan (including timeframe)

The ILO final independent evaluation will be managed by an independent evaluation manager who has no prior involvement in the project. Mr. Asitha Seneviratne, Programme Officer of ILO Columbo Office and a certified ILO evaluation manager will be the evaluation manager. The Regional Evaluation Officer based at the ILO Regional Office for Asia and the Pacific will provide quality assurance of the evaluation process and report before it's submitted to the ILO Evaluation Office for final approval.

The evaluation will require approximately 27 working days of effort to be undertaken for approximately 3 months duration (from March 2024 – May 2024). Data collection will be in March/April 2024. A detailed timetable will be included in the inception report to be developed by the evaluator.

Given the upcoming general election in India scheduled to take place in April, the evaluation will take place little more advance than the project end date aiming to reach out to the key stakeholders particularly the government who are engaged with the project.

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International Labour Organization

Below is an estimated timeline for the evaluation:

Tasks	No of Days (Lead Evaluator)	Tentative Dates
• Desk Review of Project related documents • Preparation and finalizing of the inception report	-4 days	1- 7 March 2024
• Data collection: Interviews, surveys and/or group discussions with key partners, ILO staff and project team; beneficiaries at the factory level • Debriefing with the Project Team • Stakeholders' workshop	13 days	7 March – 25 March 2024 Stakeholder debriefing in the week of 2nd April 2024
• Report drafting and finalization • Sharing the draft report to all concerned for comments • share to Technical Units and Project Teams for comments • EM consolidate the comments and send to the Team Lead	8 days	3 April – 15 April 2024
• finalization of evaluation report	2 days	20th April 2024
• Approval of the final evaluation report by ILO EVALUATION OFFICE		31 May 2024
Total number of days	27days	

All logistics costs associated with the evaluation mission will be covered by the Project.
The evaluator will report to the Evaluation Manager. Any technical, logistical and methodological matters should be discussed with evaluation manager.

8.1. Role of the ILO's Evaluation Manager
- Develop the Terms of Reference in consultation with the Project team, ILO staff and specialists and key stakeholders
- Review the inception report including evaluation questions, data collection methods and tools together with the evaluation team and coordinate with concerned stakeholders, whenever applicable
- Monitor the conduct or implementation of the evaluation, as appropriate, particularly adherence to ILO principles and guidelines and timelines
- Review the evaluation report and provide initial comments in line with EVAL's guidance for evaluation managers;
- Circulate the draft evaluation report to all concerned stakeholders;
- Collect comments on the draft report and forward to the evaluator;
- Liaise with Project staff whenever necessary especially in arranging procurement and logistical processes

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- Liaise with the Regional Evaluation Officer on issues and other concerns regarding the management of the evaluation

8.2. Role of the Project Team

- Provide all documentary and information requirements of the Project including list of key stakeholders
- Provide assistance on logistical arrangements such as facilitating scheduling of meetings or evaluation activities with stakeholders

9. Profile of the Evaluator

The evaluator has the responsibility to undertake the evaluation and deliver all the required deliverables as per this TOR. For data collection in India, he/she will be supported by a national consultant (if required) who will support for t field data collection with beneficiaries and interviews with key partners, whenever applicable.

The table below described desired competencies and responsibilities for the evaluator:

Responsibilities	Profile
✓ Designing, planning and conducting the evaluation and the evaluation report, in accordance with the ILO's guidelines, specifications and timeline ✓ Conduct evaluation and deliver all deliverables under this TOR ✓ Desk review of project documents and other related documents ✓ Develop evaluation instrument and draft inception report ✓ Organize and schedule all necessary interviews/stakeholder consultations, in coordination / consultation with ILO and other partners; ✓ Participate in briefings and discussions in line with the work outlined in the TOR ✓ Facilitate stakeholders' workshop/ debriefing with the project and key stakeholders ✓ Draft evaluation report ✓ Finalize evaluation report	✓ Advanced university degree preferably in social sciences, economics, development studies, evaluation or related fields, with demonstrated strong research experience; ✓ A minimum of 7 years of professional experience in evaluating international programmes, projects and development initiatives with particular experience in evaluating labour, OSH, and supply chain and rural sectors related programmes; ✓ Strong background in results – based management, logical framework/ Theory of Change and other strategic approaches, evaluation methods and approaches, information analysis and report writing, ✓ Has professional experience evaluating or conducting research on labour context in particularly in the rural sectors supply chain ✓ Ability to bring gender-sensitive dimensions into the evaluation in the design, data collection, analysis and report writing of the evaluation ✓ Knowledge of ILO's roles and mandate and its tripartite structure as well as UN evaluation norms and its programming is desirable and extensive international experience in the fields of

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Responsibilities	Profile
✓ Draft stand-alone evaluation summary as per standard ILO format ✓ Supervise other team members, such as national consultant (to be contracted separately by the ILO) and ensure quality assurance for their deliverables	project formulation, execution, and evaluation is an advantage; ✓ Excellent communication and interview skills, ✓ Proven ability to produce analytical reports in good English ✓ Excellent analytical skills with the ability to analyse and interpret data from a range of sources ✓ Flexible and responsive to changes and demand and open to feedback

10. Legal and ethical matters

This evaluation will comply with UN and ILO norms and standards for evaluation and ensure that ethical safeguards concerning the independence of the evaluation will be followed. Evaluators also must act with cultural sensitivity and pay particular attention to protocols, codes and recommendations that may be relevant to their interactions with women. The United Nations Evaluation Group (UNEG) Ethical Guidelines for Evaluation will be applied in the evaluation and has to be followed. The consultant should not have any links to project management, or any other conflict of interest that would interfere with the independence of the evaluation. The evaluator will follow ILO EVAL's Code of Conduct for carrying out the evaluations.

10.1. Confidentiality and non-disclosure

All data and information received from the ILO or other stakeholders for the purposes of this assignment shall be treated as confidential and shall be used for the purpose of this independent evaluation.

All intellectual property rights for this evaluation and its product is attributed to the ILO and may not be disclosed to third parties or published without the prior written consent of the ILO.

--- *End of the Terms of Reference* ---

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