International Labour Organization

Evaluation Office

i-eval Discovery

Promoting Sustainable Enterprises in India – Independent Midterm evaluation

QUICK FACTS

Countries: India
Evaluation date: 31 January 2023
Evaluation type: **Project**
Evaluation timing: **Mid-term**
Administrative Office: New Delhi
Technical Office: DWT/CO-Bangkok (Enterprises and Skills Development)
Evaluation manager: Ms. Sudipta Bhadra
Evaluation consultant(s): Mr. Pankaj Kumar Shrivastav
DC Symbol: IND/19/01/KOR
Donor(s) & budget: KOICA ; US$ 2,380,000
Objectives:

1. MSME policy initiatives and delivery mechanisms improve effectiveness and enable growth of sustainable enterprises and sectoral competitiveness guided by Decent Work (DW) agenda
2. MSMEs improve management practices in workplaces to boost productivity and working conditions and enhance global competitiveness

Beneficiary:
India: Relevant central ministries (such as Ministries of Labour & Employment (MOLE); Micro, Small & Medium Enterprises (MoSME) and Skill Development & Entrepreneurship (MoSDE), etc); 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
South Korea: Small business associations, industry experts in academic and research institutions

Key Words: Enterprises, Skills Development, TVET, In-Business, Soft Skills, STEM, Women, Workers, Employers, MSMEs

Acronyms and abbreviations

Abbreviation		Full Form
AEPC	:	Apparel Export Promotion Council
ALEAP	:	Association of Lady Entrepreneurs of India
AP	:	Andhra Pradesh
APEDA	:	Agricultural and Processed Food Products Export Development Authority
ASPIRE	:	A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship
ASSOCHAM	:	Association of Chambers of Commerce
BDS	:	Business Development Services
BHIM	:	Bharat Interface for Money
CEO	:	Chief Executive Officer
CFC	:	Common Facility Centre
CLCSS	:	Credit Linked Capital Subsidy Scheme
CO	:	Country Office
COVID-19	:	Novel Corona Virus
CSO	:	Civil Society Organisations
CTA	:	Chief Technical Advisor
MSME -DI	:	MSME Development Institute
DWCP	:	Decent Work Country Programme
DWT	:	Decent Work Team
EDP	:	Entrepreneurship Development Programme
EIT	:	Enterprise Improvement Team
ESDP	:	Entrepreneurship and Skill Development Programmes
FAPPCI	:	Federation of Andhra Pradesh Chamber of Commerce and Industry
FGD	:	Focus Group Discussion
FICCI	:	Federation of Indian Chambers of Commerce and Industries
FICCI	:	Federation of Indian Chamber of Commerce and Industries
FP	:	Food Processing
GBV	:	Gender Based Violence
GDP	:	Gross Domestic Product
GeM	:	Government E-Market
GEWE	:	Gender Equality and Women's Empowerment
GoAP	:	Government of Andhra Pradesh
GOI	:	Government of India
GoO	:	Government of Odisha
HH	:	Households
ICCK	:	Indian Chamber of Commerce in Korea
IED	:	Institute of Entrepreneurship Development, Bhubaneswar
ILO	:	International Labour Organization
ITC	:	International Training Centre of ILO Turin
KOICA	:	Korea International Cooperation Agency
KOTRA	:	Korea Trade Investment Promotion Agency
KOSI	:	Korea Small Business Institute
KSC	:	K-Startup Centre Delhi
KVIC	:	Khadi and Village Industries Centre
MSE- CDP	:	Micro & Small Enterprises Cluster Development Programme
MSME	:	Micro, Small & Medium Enterprises
NA	:	Not Applicable
NITI Aayog	:	National Institution for Transforming India
NPC	:	National Project Coordinator
NSIC	:	National Small Industries Corporation
OASME	:	Orissa Assembly of Small & Medium Enterprises

Abbreviation		Full Form
OECD/DAC	:	Organization for Economic Cooperation and Development Development Assistance Committee
PMEFE	:	PM Formalisation of Micro Food Processing Enterprises Scheme
PMEGP	:	Prime Minister's Employment Generation Programme
PSEI	:	Promoting Sustainable Enterprises in India Project
QR Code	:	Quick Response Code
RAMP	:	Raising and Accelerating MSME Performance
SC	:	Scheduled Castes
SCLSS	:	Special Credit Linked Capital Subsidy Scheme
SCORE	:	Sustaining, Competitive and Responsible Enterprise (Module)
SFURTI	:	Scheme of Fund for Regeneration of Traditional Industries
SIYB	:	Start and Improve Your Business (Module)
SME	:	Small and Medium Enterprises
ST	:	Scheduled Tribes
ToE	:	Training of Enterprises
TOR	:	Terms of Reference
TVET	:	Technical and vocational education and training
UN	:	United Nations
UNEG	:	United Nations Evaluation Group
UNEP	:	United National Environment Programme
UNSDCF	:	United Nations Sustainable Development Cooperation Programme
UPI	:	Unified Payments Interface
USD	:	United States Dollar

Table of contents

Acronyms and abbreviations 2

Executive Summary and Recommendations 6

1. BACKGROUND AND CONTEXT 10

1.1. Summary of the project context, project purpose, logic and structure 10

1.1.1. The Project Context 10

a. Overview of the MSME Sector in India 10

b. Impact of COVID-19 on MSMEs 10

c. Government policies and responses 11

1.1.2. Overview of the PSEI Project 12

a. Objectives of the project 12

b. The intervention logic of the project 12

c. Geographical Coverage of the project 15

d. Project strategy 16

e. Alignment with SDGs, ILO Programme and UNSDF, India 16

f. Alignment with the Donor's Objectives 16

g. Project management structure 16

1.2. Present situation of the project 17

1.3. Purpose, scope and clients of the evaluation 20

1.3.1. Evaluation background 20

1.3.2. Purpose of the evaluation 20

1.3.3. Scope of the Evaluation 21

1.3.4. Clients of the evaluation 21

1.4. Methodology of evaluation 21

1.4.1. The Evaluation Approach 21

1.4.2. The Evaluation Questions 21

1.4.2. Methodology Used 22

1.4.3. The Evaluation Instruments 23

a. Desk Review 23

b. Key Informant Interviews and Focus Groups 23

c. Case Studies 23

d. Stakeholder Validation Workshop 23

e. Validation and Triangulation 23

f. The Evaluation matrix 24

g. Evaluation criteria 25

h. Limitations 25

2. MAIN FINDINGS AND CONCLUSIONS 26

2.1. Main Findings 26

2.1.1. Relevance and Strategic fit 26

2.1.2. Coherence 29
2.1.3. Effectiveness 33
2.1.4. Efficiency of resource use 35
2.1.5. Impact Orientation and Sustainability 36
2.2 Conclusions 38
3. RECOMMENDATIONS 39
3.1 Recommendations 39
Annex 1: Case Studies 41
Annex 2: Documents reviewed 43
Annex 3: List of key informants 44
Annex 4: Progress against Indicators 45
Annex 5: List of Stakeholders of the project 54
Annex 6: Evaluation Terms of Reference 56

Executive Summary and Recommendations

Project context

Micro, Small and Medium Enterprises (MSMEs) play a significant role in India providing jobs to 111 M workers and contributing to more than one third of GDP, almost half of all exports and employing 85% of all workers in India. However, the sector is affected by poor productivity, heavy bias towards men in ownership of units, and a declining female labour force participation mainly due to cultural-structural issues. Additionally, the labour-generating intensity of MSMEs has been dropping due to falling wage rates and rising owner-operated enterprises. COVID-19 exposed the lack of resilience of the sector, as many enterprises shut down and millions of migrant and informal workers were laid off. Women workers faced the most severe income losses. In the above context, the Government of India launched a series of schemes for strengthening MSMEs in India.

Intervention Logic

In the above context, the 'Promoting Sustainable Enterprises in India' (funded by KOICA) aims to create an enabling environment to promote the resilience and sustainable growth of MSMEs. The project works in two states (Andhra Pradesh and Odisha) in the two labour intensive sectors of food processing and garments, as both states show great promise in scaling up enterprises and jobs.

The intervention logic of the project is predicated on the following approaches:

- Strengthening the policy environment and capacities at national and state levels to strengthen MSMEs for production and linking to global value chains
- Transforming youth into skilled, entrepreneurial and market-linked workforce
- Supporting MSMEs to become efficient, viable, responsible and market savvy enterprises and their meta-level institutions to become strong enablers for sustainability

The key stakeholders are national and state governments and relevant agencies in the targeted sectors, district level MSMEs and their associations, entrepreneurs, capacity development institutions, and interested Korean MSME agencies.

At mid-term, the project already has completed a number of planned activities. This evaluation reviews the results achieved and suggests the way forward to the rest of the period level.

Findings of the Evaluation

Relevance and strategic fit

The programme design, objective and interventions were found to be highly relevant to the MSME sector in India, Odisha and Andhra Pradesh. The project interventions enhanced the policy environment and institutional delivery mechanisms (Outcome 1), enhanced entrepreneurial skills of youth and strengthened enterprises in the two targeted sectors and districts (Outcomes 2 and 3).

The project also has done the initial groundwork for strengthening mechanisms to enhance resilience of enterprises by a) supporting systems to enhance job security at state and national level; b) strengthening skills of women and men entrepreneurs and MSMEs through SIYB and SCORE modules and c) by linking to relevant government schemes (PMEGP and PMEFE) for sustainability.
(Scale of achievement: Green)

Coherence

The project has collaborated effectively with national, state and district level stakeholders (external coherence) and with other UN agencies (internal coherence). It has addressed gender issues, social dialogue, international labour standards reasonably well. There is scope for building on the project achievements through gendered value chain development approaches and integrating environmental sustainability (beyond waste management by MSMEs), given that the two target states are highly

sensitive to climate change. In this context, ILO's Global Green Jobs programmes could be linked to, and resources for the same could be raised by the project.

Effectiveness
Barring a few indicators, the project has over-achieved in almost all indicators. The management arrangements were also effective, and close relations have been established with all stakeholders. Effectiveness could be further enhanced by strengthening staff capacities at state level for closer coordination with state government, MSME and other stakeholders.

The strategies chosen for project implementation seem to be effective (though more time is needed for the strategies to fructify due to suppressed achievement for various reasons). Strengthening E-commerce, Green Jobs and strengthening linkages to under-developed areas could be further areas for strengthening. The communication strategy could also be made more diversified and stronger.

Contrasting the ambitious project design of the project with the on-ground conditions of the State Governments, MSMEs capacities, and market linkages, the evaluation team finds that the timeline of the project needs to be longer. We therefore suggest a no-cost extension to complete the pending tasks and to initiate institutionalisation of the processes started.
(Scale of achievement: Amber)

Efficiency of resource use
The resource allocation appears to be appropriate, though expenditure rate can be now increased, given that the groundwork and relations are established. The project has also leveraged additional resources, which adds to the overall project allocation by the donor and enhances sustainability. Monitoring arrangements are adequate and can be enhanced by increasing state level coordination staff capacities, as stated earlier.
(Scale of achievement: Amber)

Impact Orientation and Sustainability
The project duration is too short, and the project not yet matured fully to make any definitive judgements on impact. However, the trends initiated by the project on strengthened MSME policies, implementation support structures (e.g., Common Facility Centres and export-oriented production) and institutionalisation of SCORE and SIYB modules are promising areas to strengthen going forward.

The SIYB and SCORE modules have both been received very well, and the project has been able to garner good traction from the private sector. It has also leveraged this relationship to integrate more just practices into the targeted MSMEs, which could be scaled up. The good relationships with private sector and governments can now be leveraged to further enhance the efficiency and quality of production, especially for export markets.

On sustainability, the project has good achievements on institutional sustainability (Scale: Amber) but economic, technological and environmental sustainability need more time and efforts (Scale: Red). However, this is not so much because of lack of the project efforts but because achieving sustainability needs much time and resources than allocated to the project.
(Scale of achievement: Amber)

Conclusions
Following are the key conclusions:

- The evaluation finds 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.

Recommendations

Recommendation 1:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	Medium
Recommendation 1: Skill development and employment generation are recognised as a critically important area both by national and state governments. The project has already started integrating PSEI project learnings into PMEGP and PMEFE, Industry Associations and existing EDP institutions such as IED. 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.			

Recommendation 2:

Addressed to	Priority	Time frame	Resources
ILO	High	Long-term	Low
Recommendation 2: The ILO project team (including senior management) and KOICA officials need to conduct an intensive dialogue on the role that KOICA can play (if interested) in scaling up the project learnings, as well as in developing closer cooperation between Korean Government Ministries and Korean MSMEs and larger private sector in identified priority sectors. This may require the project team to visit Korea to conduct detailed discussions with Korean MSMEs and business associations in Korea, and with Ministries of MSME, Science and Technology and other relevant ministries. A key area of cooperation could be developing an international quality Common Facility Centre in India with help from the Korean Government. This would also enhance the strategic importance of KOICA to the Indian Government. ILO, due to its neutral and International UN character, can play an important role in enhancing GoI's buy-in of KOICA in India. In case KOICA is not interested, ILO should explore fund mobilisation from other donors who have a technology advantage and focus for MSMEs.			

Recommendation 3:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	Low
Recommendation 3: Given that the project has already lost time in moving towards its objectives because of a) external complications such as COVID and b) because the objectives of the project are dependent on the speeds of the state Governments and MSMES, the project team should plan the			

next phase in full details. Any additional resources needed for completing the targets in time should be raised.

Recommendation 4:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	Medium
Recommendation 4: The project should establish strong partnerships with Green Jobs, ILO's global programme and its other specific interventions and integrate the same into the PSEI project, given that both target states are highly vulnerable to climate change related events. Funds for the same may be raised from ILO Global as well as various donors,			

Recommendation 5:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	NA
Recommendation 5: The evaluation team requests KOICA to grant the project a no-cost extension to achieve the planned deliverables. Additionally, the project may explore a follow-up phase of the project for long-term institutionalisation of key learnings (such as setting up international level Common Facility Centres). Support for the same could be raised from various donors, including KOICA (if interested).			

Recommendation 6:

Addressed to	Priority	Time frame	Resources
ILO	Medium	Medium	Medium
Recommendation 6: The Evaluation Team recommends that capacities and resources of state level persons from the Industry Associations may be enhanced for closer coordination with the State Departments. The donor is requested to permit any additional resources required for the same as part of the no cost extension.			

Recommendation 7:

Addressed to	Priority	Time frame	Resources
ILO	Medium	Long-term	Medium
Recommendation 7: The project needs to design a strategy to enhance the systems and mechanisms for addressing the following issues: • Enhanced access to Finance, Financial Services for MSMEs • Enhanced Market Research and Information Access to MSMEs • Promote E-Commerce and Digital Transformation of MSMEs			

Recommendation 8

Addressed to	Priority	Time frame	Resources
ILO	Medium	Short-term	Low
Recommendation 8: The project needs to strengthen its communication strategy and ensure knowledge products for disseminating project learning and for enhancing the international visibility of the issues addressed by the project.			

♦

1. BACKGROUND AND CONTEXT

1.1. Summary of the project context, project purpose, logic and structure

1.1.1. The Project Context

a. Overview of the MSME Sector in India

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.

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).

b. Impact of COVID-19 on MSMEs

The COVID-19 pandemic was a significant jolt for the MSME sector. The strict lockdown enforced by the Government from March 2020 disrupted the functioning of the MSMEs and their livelihoods. Estimates suggest that 104 million informally employed workers in Lockdown 1.0 and 69.4 million in Lockdown 2.0 were at risk of job loss. (Estupinian and Sharma 2020). Images of thousands of informal migrant workers walking back hundreds of kilometres to their homes in this period have left a lasting impression on Indian minds. The key effects of the COVID-19 pandemic and the ensuing lockdowns have been the following:

- The vulnerability of informal (especially migrant workers) became visible as a sharp dip in demand made enterprises unable to pay wages or repay loans. As cash flow, supply chains and markets were disrupted, enterprises closed down temporarily or permanently. Some businesses had to undertake wage reduction, layoffs, or enforce extended working hours.
- A situational assessment in the three states with the largest number of MSMEs (Maharashtra, Tamil Nadu, and Uttar Pradesh) showed that about 45% of businesses terminated employees either temporarily or permanently. 85% of employees reported no access to social security. 50%

of workers in these states reported earning less income than usual, while 39% reporting losing all income. 50% of these workers worked in states outside their native states.

- Most workers have not received any meaningful benefits or support, other from rations from the *Pradhan Mantri Garib Kalyan Yojana*. The absence of a worker database, according to the officials, is a key bottleneck. The bulk of workers were left to deal with the impacts on their own, relying on their savings and the help of friends, family, moneylenders.
- Women workers bore the brunt of the lockdown. Domestic violence against women increased drastically during the pandemic (Kumar and Anupama 2022). Also, 30% enterprises reported laying off women while only 24% reported laying off men in above states (ILO 2021). Similarly, using Periodic Labour Force Survey (2018–19) data and surveys, researchers found that about 83% of women all over the country faced a severe income drop, and 97% of women street vendors reported no source of income during the lockdown (Chakraborty 2020).

c. Government policies and responses

Table 1 below presents the various recent initiatives taken by the Government of India and Table 2 below presents the various schemes launched to support the MSME sector:

Table 1: Recent Initiatives by Government of India for MSMEs

Recent Government Initiatives	Objectives
1. Udyam Registration Portal	Replaced former process of Udyog Aadhaar Memorandum. 9.5 M MSMEs registered under the same by Sep 2022.
2. Govt. E Market (GeM) Portal	Same and Purchase of MSME products
3. Udyog Aadhaar Memorandum	One-page MSME online registration system (self-certification).
4. MSME Databank	For the Ministry of MSME
5. Web Application My MSME	To facilitate the enterprises
6. Technology Centre Systems Programme	To establish 15 new technology centres in the General Engineering, Automotive, Fragrance & Flavour and ESDM sectors.
7. MSME Sampark Portal	A digital platform to match jobseekers and recruiters
8. Direct Benefit Transfer	Bringing together welfare and subsidy schemes
9. Digital Payments	As part of the Digital India initiative integrating digital modes of payments such as BHIM, UPI and Bharat QR code.
10. MSME Sambandh	At least 25% mandatory public procurement from MSMEs including 4% from MSMEs owned by SC/ ST and 3% from MSMEs owned by Women. Tracked under MSME Sambandh portal.
11. E-Samadhan	An online grievance monitoring system to track and address grievances including on Centralised Public Grievance Redress and Monitoring System (CPGRAMS).
12. MSME Samadhan Portal	To track pending payments by Government to MSMEs
13. National SC ST Hub	To provide professional support to SC/ST entrepreneurs
14. MSME Sambhav	A national level awareness programme to push economic growth by promoting entrepreneurship and domestic manufacturing.

Source: (IBEF 2022)

Table 2: Various schemes launched relevant to MSMEs

Scheme Names for MSMEs	Objectives
15. Pradhan Mantri MUDRA Yojana (PMMY)	Loans to MSMEs
16. Prime Minister's Employment Generation Programme (PMEGP)	For new self-employment projects under KVIC
17. Credit Linked Capital Subsidy Scheme	Facilitate technology upgrade among MSMEs by providing capital subsidy of 15% (maximum Rs. 15 lakh)
18. Credit Guarantee Trust Fund for Micro and Small Enterprises	Provides collateral-free credit to the micro and small enterprise sector.
19. Special Credit Linked Capital Subsidy Scheme (SCLCSS)	Capital subsidy for the services sector.

Scheme Names for MSMEs	Objectives
20. Raising and Accelerating MSME Performance (RAMP)	Improve market and credit access, strengthen institutions and governance at the centre and state levels, improve centre-state connections and partnerships, resolve late payment difficulties, and promote green MSMEs.
21. A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE)	To create new jobs, promote entrepreneurship culture in the country, promote innovation in the MSME sector, etc. including livelihood business incubators and technology business incubators.
22. Entrepreneurship and Skill Development Programmes (ESDP)	Several programmes focussing on the improving skills, knowledge and capacity of entrepreneur to manage business venture
23. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	Organise traditional industries and artisans into clusters for competitiveness and long-term sustainability including common facility centres, etc.
24. Micro & Small Enterprises Cluster Development Programme (MSE- CDP)	Promote clusters for enhancing productivity and competitiveness
25. Financial Support to MSMEs in ZED Certification	Promotes Zero Defect and Zero Effect (ZED) manufacturing among MSMEs
26. Support for Entrepreneurial and Managerial Development of SMEs through Incubators	Promotes creativity of MSME and encourages adoption of latest technologies
27. Building Awareness on Intellectual Property Rights (IPR) for MSMEs	Promote awareness of Intellectual Property Rights and assist them in technology upgrade
28. Trade, import and export for MSMEs	NSIC to assist MSMEs working with Agricultural and Processed Food Products Export Development Authority (APEDA) across multiple areas

Source: (IBEF 2022)

1.1.2. Overview of the PSEI Project

a. Objectives of the project

The development cooperation project 'Promoting Sustainable Enterprises in India' (or PSEI) is the target of this evaluation. It is funded by the Korea International Cooperation Agency (KOICA). The project was formally approval in December 2020, and the project commenced in September 2021. It is due for completion in October 2023.

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.

b. The intervention logic of the project

i. Problem Tree and Objective Tree

The problem tree and the corresponding formulation of the results is shown in the Figures 1 and 2 below. The Evaluator suggests a reframing of the Outcome Statements (and later the indicators) to define clear boundaries and achievements and to make the Outcomes and indicators more realistic.

Figure 1: Reconstructed Problem Tree of the PSEI Project

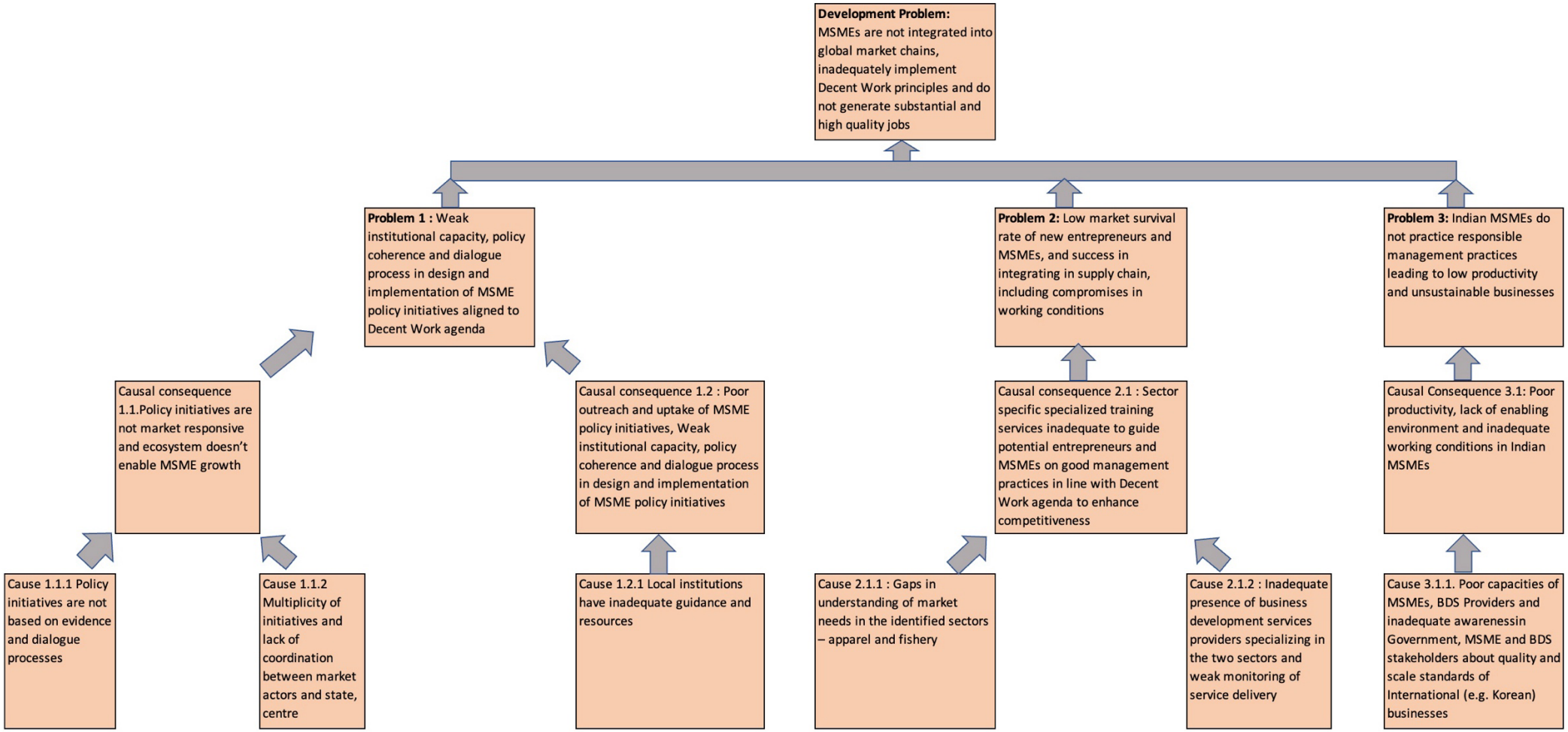
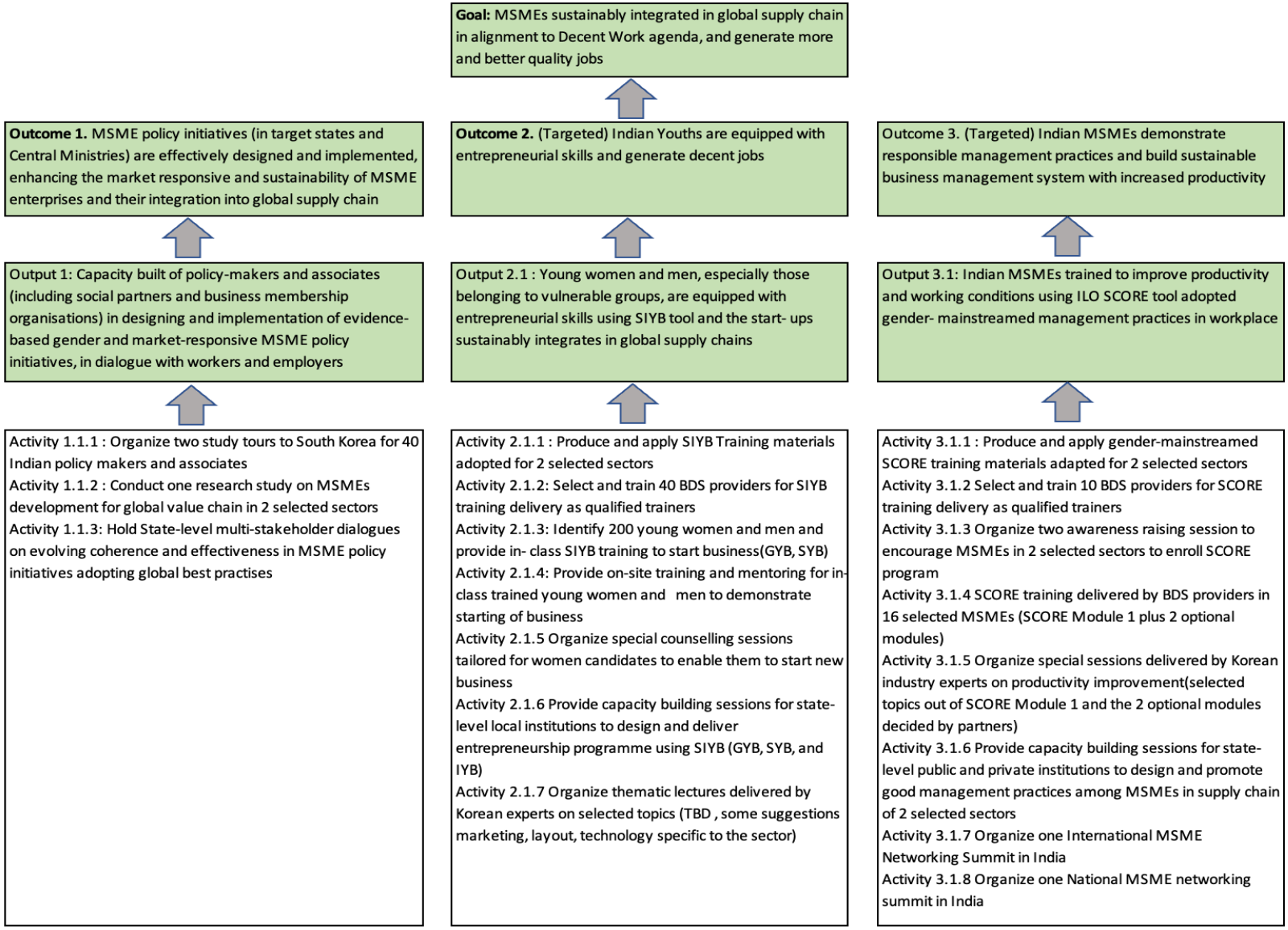


Figure 2: Objective Tree of the PSEI project with suggested rewording



ii. Project Results

Based on the problem analysis and objective formulation, the project has three key outcomes and three outputs as below (formulations as in original Project Document):

Outcome 1: MSME policy initiatives are effectively designed and implemented enabling their market responsiveness to promote sustainable enterprises and integration in the 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 SIYB tool and the start-ups sustainably integrates in global supply chains

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

> Output 3.1: Indian MSMEs trained to improve productivity and working conditions using ILO SCORE tool adopted gender-mainstreamed management practices in workplace

iii. Key Project Stakeholders

Annex 5 gives a detailed list of all stakeholders of the project. Following are the key stakeholder categories for quick reference:

Table 3: List of Stakeholders of the project

International Level	**National Level**
- The donor, Korea International Cooperation Agency (KOICA) - Korean Chambers of Commerce and other agencies for promoting linkages between Korean Industries and Indian MSMEs	- Relevant National Ministries and agencies for strengthening MSMEs and the two target sectors – Garments and Food Processing - National Institutions and agencies for strengthening MSMEs and their capacities - Agencies in Garment and Food Processing Sectors - Industry Federations, Associations, & Councils at national level - Export promotion and other relevant organisations
Andhra Pradesh	**Odisha**
- Relevant State Departments of Government of Andhra Pradesh, especially Department of Industries and other agencies for strengthening MSMEs and the two target sectors – Garments and Food Processing in Andhra Pradesh - State Commerce Chambers in Andhra Pradesh - State level NGOs in Andhra Pradesh - State level SIYB and SCORE Trainers trained in Andhra Pradesh	- Relevant State Departments of Government of Odisha, especially Department of Industries and other agencies for strengthening MSMEs and the two target sectors – Garments and Food Processing in Odisha - State Commerce Chambers in Odisha - State level NGOs in Odisha - State level SIYB and SCORE Trainers trained in Odisha
Internal Stakeholders: The project team, DWT Specialists, ILO Directorate	

c. Geographical Coverage of the project

The project works in two states- Odisha and Andhra Pradesh. Along with policy support to the two state governments in the State capitals (Bhubaneswar and Vijayawada resp.), it also engages with MSME stakeholders and their associations in food processing and garment sectors in Khorda-Cuttack district in Odisha and Vishakhapatnam district in Andhra Pradesh.

d. Project strategy

Flowing from the problem analysis and results structure described above, the project adopted a number of strategies to achieve its objectives:

1. Strengthen enabling business environment through tripartite social dialogues and state-level multi-stakeholder forums in the two states between various stakeholders
2. Enhance policy coherence through policy analysis and support state governments to adopt policies for strengthening MSMEs
3. Promote Entrepreneurship Education and Skill Building Programs through SIYB, SCORE modules, developing trainers and conducting trainings and on-site mentoring
4. Develop capacities of networks and associations of MSMEs (such as OASME, FAPPCI and FICCI) to deliver effective services to MSMEs
5. Fostering partnerships with larger businesses by initiating linkages between local MSMEs and industry giants in food processing and garment sectors and through exposure visit to South Korea.
6. Business Incubation and Acceleration Programs by mentoring support to new entrepreneur trainees of SIYB modules.
7. Encouraging women's entrepreneurship in SIYB trainings, special gender trainings and Counselling and Mentorship, technical and business support services for product development and value chain assessments
8. Get inputs from Korean experts on business development and international marketing through exposure visits to Korea and through online sessions.

e. Alignment with SDGs, ILO Programme and UNSDF, India

The PSEI project aligns with ILO Programme and Budget 2022-23:

Outcome 4: Sustainable enterprises as generators of employment and promoters of innovation and decent work.

The project is aligned to SDG 8, 9, and 12. Further, it is aligned to outcome 2.3 of India DWCP 2018-22, which is also CPO IND 103.

The project is also aligned to Outcome 4 of the UNSDCF:

Outcome 4: By 2027, people will benefit from and contribute to sustainable and inclusive growth through higher productivity, competitiveness and diversification in economic activities that create decent work, livelihoods, and income, particularly for youth and women.

f. Alignment with the Donor's Objectives

The donor KOICA list its Strategic Objective 1.2 as "Promoting the sustainable economic development of partner country". The key objectives of KOICA, besides supporting SDGs and economic development of target populations, is also to establish sustainable linkages with Indian MSMEs for garment and food processing industries[1]. State Government officials (name with-held) who were part of the Korean exposure visit reported that the Korean Government and Industry counterparts were keen to support Indian MSMEs with technologies to enhance the quality (esp. of the sea food products) so that they could meet their own demand in Korea and for their export clients. Considering the economic importance of Indian partnership, Korea has also established a Invest India Korea desk and a Delhi chapter of Korean MSME association.

g. Project management structure

The project is managed by a Chief Technical Advisor (CTA), based in New Delhi, India, responsible for the technical oversight, facilitation of global linkages, and overall project management, and reports to the Director, Decent Work Team (DWT) for South Asia and Country Office (CO) for India. The day-to-day implementation and coordination with various stakeholders in the two states in India is done by the National Project Coordinator. The project receives technical backstopping from the Specialist-

[1] From Key Informant Interview with Mr. Woo Chan Chang, Director, KOICA

Small Enterprise Development and Job Creation and concerned Programme Officer in ILO DWT for South Asia and CO for India.

The project management team therefore comprises of one Chief Technical Advisor, one National Project Coordinator, one technical officer and one project admin assistant. The Project team also includes Technical Officer responsible for providing insights on Korean MSME ecosystem and policies, mobilise Korean experts, facilitate bilateral institutional collaborations. The Technical officer left the project in December 2022, and the project has now engaged an India-based Korean expert as a consultant to save on recruitment time, considering only five more staff months are left against the post provisions for technical officer (that is, January to May 2023).

1.2. Present situation of the project

PSEI engages with potential entrepreneurs, that is, the youths, especially, women; and owners, managers, and workers in MSMEs in the supply chain of garments and food processing sector in Vishakhapatnam district in Andhra Pradesh and Khorda-Cuttack district in Odisha; alongside policymakers from State and central government; local institutions; employers and business membership organizations & and workers' organizations. The project supports in accelerating the ongoing efforts of the two states in boosting local economic development through private sector engagement, FDI, and local sourcing[2].

Based on the Annual Report 2021 and Quarterly Reports of 2021 and 2022, the project has completed the following activities (Table 3):

Table 3: Overview of work done under the project until Sep 2022

Activity Details	Progress as of Sep 22
1.1.1. Organize two study tours to South Korea for 40 Indian policy makers and associates	2021: Korean expert institutions identified. 2022: One Study Tour Completed in Sep 22
1.1.2. Conduct one research study on MSMEs development for global value chain in 2 selected sectors	2021: TOR drafted; Likely experts for study mapped. 2022: The value chain analysis (VCA) study on food processing and garments for Odisha and Andhra Pradesh completed. Being edited (Sep 22)
1.1.3. Hold State-level multi-stakeholder dialogues on evolving coherence and effectiveness in MSME policy initiatives adopting global best practices	2021: Links established with Dept. of Industries in AP and Dept. of MSMEs in Odisha. Meetings with ICCK, KSC, KOTRA. Preparation for the first policy dialogue on macro MSME policies for improving MSME ecosystem 'Building a market-responsive, resilient, and inclusive MSME ecosystem for job-rich and sustainable growth' . 2022: 1. International policy dialogue on 28 January 22 including speakers from Bangladesh, Vietnam, Indonesia, and South Korea, India. 2. On ILO's recommendation Andhra Pradesh and Odisha constituted district-level sectoral steering committee. Andhra Pradesh meeting held 16 March 2022. 3. Inputs provided to 'Foodpro' Odisha 20th July. 4. Inputs provided to consultative session on MSME Action Plan, Government of Andhra Pradesh on 17 May, followed by a technical submission note to GoAP. 5. Inputs provided to consultative session on MSME Action Plan on Food processing policy, and MSME development policy, Odisha on 27 September, followed by technical submission note to GoO.

[2] *Source: The Evaluation TOR by ILO*

Activity Details	Progress as of Sep 22
	6. Technical submission made to Ministry of MSME in May on the draft MSME policy.
2.1.1. Produce and apply SIYB Training materials adopted for 2selected sectors	2021: Experts for adaptation of the SIYB booklets into Oriya and Telugu brought on board. 2022: 4 SIYB information booklets on food processing and garments sector developed for Andhra Pradesh and Odisha
2.1.2. Select and train 40 BDS providers for SIYB training delivery as qualified trainers	2021: Potential BDS Trainers identified. 2021: 40 identified BDS providers underwent SIYB training of trainers (ToT) in 5-14 July in AP, and 14-23 July in Odisha.
2.1.3. Identify 200 young women and men and provide in-class SIYB training to start business (GYB, SYB)	2021: Partnership with ALEAP developed. 2022: In collaboration with Andhra Lady Entrepreneurs of India (ALEAP) first batch of 25 beneficiaries for food processing identified in Andhra Pradesh trained. 2nd batch also completed by Dec
2.1.4. Provide on-site training and mentoring for in-class trained young women and men to demonstrate starting of business	In progress
2.1.5. Organize special counselling sessions tailored for women candidates to enable them to start new business	2021: Preparation for special counselling sessions 2022: A special half-day training for the SIYB trainers organised on 30 September 2022 on special tools and methods to guide women beneficiaries
2.1.6. Provide capacity building sessions for state-level local institutions to design and deliver entrepreneurship programme using SIYB (GYB, SYB, and IYB)	2021: State level institutions identified 2022: Orientation meeting held with 10 training partners of APFPS on 12 Feb 2022. State-level institutions - District Industries Centre in Vizag AP, Khorda, Cuttack (Odisha) oriented Local industry associations, and CSOs oriented on SIYB Hybrid Workshop on food processing held on 22 April 2022 for entrepreneurs, government officials, industry associations, and MSMEs on sourcing practises and customer needs of 5 lead buyers (including one Korean company). Institute of Entrepreneurship Development, MSME-Development Institute, and DIC officials Khorda attended 10-day SIYB ToT held in Bhubaneshwar. AP State Skill Development Corporation, AP Food Processing Society and Districts industries centre - Vizag oriented on SIYB
2.1.7. Organize thematic lectures delivered by Korean experts on selected topics (TBD, some suggestions marketing, layout, technology specific to the sector)	2021 and 2022: 1. Discussions with ICCK, KSC, KOSI, large industry leaders to identify potential speakers to speak and mentor potential entrepreneurs.
3.1.1. Produce and apply gender-mainstreamed SCORE training materials adapted for 2 selected sectors	2021: TOR formulated and advertised. Expert identified. 2022: Sector-specific adaptation of SCORE materials for Module 1 on Workplace Cooperation, Module 2 on Quality and Module 3 on Productivity through Cleaner production completed.
3.1.2. Select and train 10 BDS providers for SCORE training delivery as qualified trainers	2021: Preparation with Govt. focal points for SCORE Training. 2022: 15 BDS providers from Andhra Pradesh and Odisha selected as SCORE trainers. Based on assessment, 10 selected and trained on SCORE ToT part 2 and 3
3.1.3. Organize two awareness raising session to encourage MSMEs in 2 selected sectors to enrol SCORE program	2021: Preparation with Govt. and State Industrial Associations for holding SCORE Awareness training. 2022:

Activity Details	Progress as of Sep 22
	Virtual session on SCORE awareness in garment sector done on 4 March. Awareness session held in Andhra Pradesh with 13 MSMEs on 7 April, and 32 enterprises on 18 April. With DIC Vizag, and FAPCCI, awareness sessions held for 18 food processing and 12 garment MSMES done on 7 April. With OASME awareness session for MSMEs from 28 food processing and garments sector done on 19 April 2022.
3.1.4. SCORE training delivered by BDS providers in 16 selected MSMEs (SCORE Module 1 plus 2 optional modules)	2021: Preparation for Module 1 and 2 with Govt. and Industry stakeholders. 2022: 20 enterprises (12 - FP - Andhra Pradesh and Odisha and 8 from garments - Andhra Pradesh and Odisha trained. These are members of industry associations - FAPCCI, AP; OASME, Odisha. SCORE training BSL AP - on 10 - 12 Aug 22 SCORE BSL at Odisha on 3 - 5 Aug 22 SCORE ToE Odisha FP on 7 - 8 Sept 22 SCORE ToE AP FP on 12 - 13 Sep 22 SCORE ToE Odisha Garments on 23 - 24 Sep 22 SCORE ToE AP garments on 27 - 28 Sep 22
3.1.5. Organize special sessions delivered by Korean industry experts on productivity improvement (selected topics out of SCORE Module 1 and the 2 optional modules decided)	2021 and 2022: 1. Discussions with ICCK, KSC, KOSI, CEPA, large industry leaders to identify potential speakers to speak and mentor potential entrepreneurs.
3.1.6. Provide capacity building sessions for state-level public and private institutions to design and promote good management practices among MSMEs in supply chain of 2 selected sectors	2021: Preparation for Capacity building sessions. 2022: 1. Virtual session on Knowledge Building on productivity management in garment sector and sustainable integration in global supply chain on Garment sector on 4th March 2022 attended by Dept,. of MSMEs, Odisha; Directorate of Industries, Odisha; Dept. of Industries, Andhra Pradesh; MSME Development Institutes – Cuttack, Vishakhapatnam; 15 DICs from Andhra Pradesh and Odisha in Food Processing, 13 DICs from Andhra Pradesh and Odisha in Garments. Four brands - H&M, Marks and Spencer, and Korean SME (Bogabe) and Apparel Export Promotion Council - shared sourcing practices in the apparel sector 2. Virtual session on Knowledge Building on productivity management in garment sector and sustainable integration in global supply chain on in Food processing on April 22, 2022. Dept,. of MSMEs, Odisha; Directorate of Industries, Odisha; Dept. of Industries, Andhra Pradesh; Dept. of food processing, Andhra Pradesh; Andhra Pradesh Food Processing Society; MSME Development Institutes – Cuttack, Vishakhapatnam; 15 DICs from Andhra Pradesh and Odisha in Food Processing, - Four brands / unicorns - Hector beverages, Liscious, Coca Cola, and Korean SME (Hanmi F3), Jubilant Foodworks Limited, Hindustan Unilever; Jaldi Foods and All India Food Processors Association, besides NITI Aayog - shared sourcing practices in FP sector
3.1.7. Organize one International MSME Networking Summit in India	In Process

Activity Details	Progress as of Sep 22
3.1.8. Organize one National MSME networking summit in India	PSEI gave inputs to "Make in Odisha" event on 2 Dec 2022. In the same event, MSME Networking event for Food Processing sector in collaboration with State Government Odisha and FICCI during “Make in Odisha” as a side event.
Monitoring & Evaluation	
1. Baseline & Midterm & End of Project	Baseline Data included in Annual Report
2. Development of IT Field Monitoring Platform	2021: Expert for the IT platform identified. 2022: In progress
3. Midterm Evaluation	Current Activity
4. Staff Capacities	2021: Staff capacities developed A project web-page created : https://www.ilo.org/newdelhi/whatwedo/projects/WCMS_806062/lang--en/index.htm

Source: Project Quarterly Reports

1.3. Purpose, scope and clients of the evaluation

1.3.1. Evaluation background

In accordance with ILO’s Evaluation Policy and guidelines for results-based evaluation, any project with a total budget of over USD 1 million is required to undergo at least two evaluations, one midterm and one at the end of the project. As per policy, this mid-term evaluation is managed internally, and the final evaluation will be independently managed.

The evaluation followed the criteria and approaches for international development assistance by the OECD/DAC Evaluation Quality Standard and the UNEG Code of Conduct for Evaluation in the UN System. Additionally, the evaluation followed the ILO policy guidelines for results-based evaluation; the ILO EVAL Policy and the Evaluation Guidance Note 2: Mid Term Evaluation; Checklist 3: Writing the Inception Report; Checklist 4 “Validating methodologies” and Checklist 5: “Preparing the evaluation report”. The evaluation also adhered to UN Evaluation Group (UNEG) Norms and Standards and Ethical Standards.

As per ILO policy for internally managed evaluation, this midterm evaluation process was managed by the Chief Technical Advisor of the PSEI project herself, who also is a certified ILO evaluation manager. The evaluator has applied a participatory and consultative process with all key stakeholders throughout the evaluation process, independent of the project team, as mandated by ILO evaluation guidelines.

1.3.2. Purpose of the evaluation

The Mid-term evaluation (Evaluation) serves two main purposes:

1. It provides an assessment of progress to date of the project, assessing performance as per the foreseen targets and indicators of achievement at outcome and output level; strategies and implementation modalities chosen; partnership arrangements, constraints, and opportunities; and
2. It provides recommendations for the remaining period of the project in terms of strategies, institutional arrangements, partnership arrangements and any revisions to the results-based framework mid-course and other areas within which the evaluation team may wish to make recommendations.

The evaluation for the PSEI project covers the period from 1 September 2021 to 10 November 2022. The scope of this evaluation covers activities in the project focus states – Andhra Pradesh, and Odisha.

The evaluation covers all the planned outputs and outcomes under the project, with particular attention to synergies between the components and contributions to state/national policies and programme.

1.3.3. Scope of the Evaluation

The mid-term evaluation specifically focused on following:

1. Assess the coherence, relevance, efficiency, and effectiveness of the project interventions, and how the project is perceived and valued by the target groups;
2. Identify the contributions of the project to the SDGs, UNSDF, the ILO objectives, CPOs, and its synergy with other projects;
3. Analyse the implementation strategies of the project with regard to their potential effectiveness in achieving the project outcomes and impacts; including unexpected results and factors affecting project implementation (positively and negatively);
4. Evaluation the institutional set-up, capacity for project implementation, coordination mechanisms, and the use and usefulness of management tools
5. Assess the implementation efficiency of the project
6. Evaluation the strategies for sustainability and orientation to impact
7. Identify lessons and potential good practices for the key stakeholders
8. Provide recommendations for the remaining period of the project

1.3.4. Clients of the evaluation

The primary clients of the evaluation are the PSEI project management team; the donor – KOICA; ILO evaluation units at regional and headquarters; the ILO technical unit – Decent Work Team for South Asia and Country Office for India, and ENTERPRISES. Others making use of the results will include tripartite constituents in the two states, and at national level.

1.4. Methodology of evaluation

1.4.1. The Evaluation Approach

Consistent with the expectations from this Evaluation, the Evaluation was conducted as a systematic learning exercise for all program stakeholders. It was therefore be structured to generate and share experiences and practical knowledge. The Evaluation assessed the achievements on the outcomes and impacts and the hindrances faced by the project. The process focused not on finding fault or assessing individual or institutional performance but was a forward-looking exercise for future programming.
The evaluation covered implementation in Andhra Pradesh and Odisha, the two project States as well as discussions with the donor, Project Team of ILO, Enterprise Specialist from Regional Office at Bangkok and ILO Senior Management based in New Delhi. Following is a brief overview of the Evaluation Design:

1.4.2. The Evaluation Questions

The Evaluation is expected to respond to the following key Evaluation questions:

Evaluation Criteria	Evaluation Questions
1.1. Relevance and strategic fit	1.1.1. The extent to which the intervention objective, design and approach responds to beneficiaries, national development plans, partners'/institutions'/donor's needs, policies, and priorities
	1.1.2. How well it meets the needs of the beneficiaries and how well it adapted to the changing needs of beneficiaries in the context of COVID-19
	1.1.3. How well it complements and fit with other on-going ILO and other UN activities in India in the areas of employment, market development, and sustainable enterprises?
	1.1.4. Is the modality used by the program sufficient and / or appropriate to achieve the objective?

Evaluation Criteria	Evaluation Questions
1.2. Coherence	1.2.1. Has the design and implementation adequately considered cross cutting issues like gender, social dialogue, environmental sustainability and relevant international labour standards
	1.2.2. Is the project realistic in terms of expected outputs, outcome, and impact, given the time and resources available, including performance and its M&E system, knowledge sharing, and communication strategy?
	1.2.3. Are there any opportunities or recommendations for improved leveraging or alignment to other relevant ILO or non-ILO initiatives?
1.3. Effectiveness	1.3.1. To what extent the outputs and outcomes have been achieved or likely to be achieved, including any differential results across groups, and what internal and external factors may have influenced the ability of the ILO to meet these
	1.3.2. Has the management and governance structure put in place worked strategically with all key stakeholders and partners, ILO, and the donor to achieve project goals and objectives? Does it adequately addressed the needs and implementation challenges, including those due to COVID-19?
	1.3.3. How effective were the chosen strategies and implementation modalities, in achieving the program targets? What are the good practices and lessons to be learned from the project approach and strategy? What are the key lessons learned and recommendations for the design of possible next phase?
	1.3.4. Has the knowledge sharing, and communication strategy been effective in raising the profile of the project within the country and among the cooperating partners?
1.4. Efficiency of resource use	1.4.1. How efficiently have resources (staff, time, expertise, budget, etc.) been allocated and used to provide the necessary support and to achieve the project outputs and specially outcomes?
	1.4.2. To what extent and how successfully has the program leveraged resources and knowledge with other interventions and through partnerships?
1.5. Impact Orientation and Sustainability	1.5.1. To what extent has the program contributed towards improving the capacity of constituents and other local institutions, involved in enterprise development, as a result of the program contribution?
	1.5.2. Which project-supported tools have been or have the potential to be institutionalized, by partners and / or replicated by external organizations?
	1.5. 3. Is the project contributing to expand the knowledge base and build evidence regarding the project outcomes and impacts?
	1.5.4. To what extent the constituents and local institutions have been successful in getting private sector support? e. Are there any positive or negative, intended or unintended, reversible or irreversible higher- level effects?
	1.5.5. What strategies have the Program put in place to ensure continuation of the initiative, beyond the project end? What steps can be taken to enhance the sustainability of Program components and objectives?

1.4.2. Methodology Used

Given the objectives the Evaluation, a mix of Summative and Formative strategies was used for the Evaluation. The evaluation also followed a mixed-methods approach in keeping with the subject matter. Where possible and available, the Evaluation will use the data coming in from ILO's M & E systems and other reports and publications. Additionally, the Evaluation was conducted in non-experimental design to ensure validity of findings.

1.4.3. The Evaluation Instruments

Based on the above design, the following Evaluation tools were used to arrive at the conclusions:

Evaluation Instruments
- Desk Review and Case Studies
- Key Informant Interviews
- Focus Groups
- Validation Workshop

a. Desk Review

Secondary literature provided by ILO was reviewed. This included the following documents:

- Donor Agreements, Project document, Workplans
- Progress reports submitted to KOICA, Mission reports, Quarterly and Annual reports
- Media Coverage reports
- Knowledge products (e.g., case stories, process documentation, learning compendiums, policy briefs, papers, toolkits, manuals, etc.)
- Monitoring Reports against Outcomes 1, 2 and 3
- Partner Reports submitted to ILO
- UNSDCF for India
- Decent Work Country Programmes (DWCPs) for India
- Reports of critical consultations and national and international exposure visits organized under the programs demonstrating influencing processes.
- SCORE and SIYB Modules of ILO
- Stakeholder Engagement Strategy Paper
- Other Strategic Plans and Policy Briefs by ILO and KOICA relevant to the project

b. Key Informant Interviews and Focus Groups

Key Informant Interviews and Focus Groups were conducted with the key informants at national level and in the two project states – Andhra Pradesh and Odisha through two Missions. Following were the respondent categories with whom KIIs and FGDs were done (Annex 3 for detailed list of informants):

i. SIYB and SCORE Trainers in Andhra and Odisha
ii. SCORE enterprises, and SIYB training beneficiaries
iii. Trade unions in Andhra and Odisha
iv. Employers' organisation, All India Organisation of Employers, in FICCI
v. PSEI Project team
vi. Relevant Government departments esp. Department of Industries, Department of MSMEs, MSME-DIs, IED, District Industries Centre, at State level)
vii. Donor representatives
viii. Implementing Project Partners and industry associations such as ALEAP, FAPPCI, OASME, etc.
ix. Other relevant informants / Groups suggested by ILO

c. Case Studies

To capture the qualitative aspects of the project achievements and gaps, select case studies have been collated from ILO Reports. These Case studies are given in Annex 5.

d. Stakeholder Validation Workshop

At the end of the evaluation, and on approval of the draft report, a full day face to face multi-stakeholder Validation Workshop (if necessary online) will be conducted by the Evaluator to validate the findings of the assessment. ILO will help the Evaluator identify the key stakeholders for this as Validation Workshop, so that the evaluation findings can be agreed upon by all critically concerned agencies and partners.

e. Validation and Triangulation

Systematic triangulation across different sources, methods, respondents, and locations was conducted to mitigate biases and validate findings in addition to use of the Stakeholder Validation workshop described above.

f. The Evaluation matrix

The Evaluation matrix below explains the relationship between the Evaluation methods and the Evaluation Questions.

Evaluation Questions	Desk Review Case Studies	KII and FGDs	Validation Workshop
1.1. Relevance and strategic fit			
1.1.1. The extent to which the intervention objective, design and approach responds to beneficiaries, national development plans, partners'/institutions'/donor's needs, policies, and priorities	✓	✓	✓
1.1.2. How well it meets the needs of the beneficiaries and how well it adapted to the changing needs of beneficiaries in the context of COVID-19	✓	✓	
1.1.3. How well it complements and fit with other on-going ILO and other UN activities in India in the areas of employment, market development, and sustainable enterprises?	✓	✓	
1.1.4. Is the modality used by the program sufficient and / or appropriate to achieve the objective?	✓	✓	
1.2. Coherence			
1.2.1. Has the design and implementation adequately considered cross cutting issues like gender, social dialogue, environmental sustainability and relevant international labour standards	✓	✓	
1.2.2. Is the project realistic in terms of expected outputs, outcome, and impact, given the time and resources available, including performance and its M&E system, knowledge sharing, and communication strategy?	✓	✓	
1.2.3. Are there any opportunities or recommendations for improved leveraging or alignment to other relevant ILO or non-ILO initiatives?	✓		✓
1.3. Effectiveness			
1.3.1. To what extent the outputs and outcomes have been achieved or likely to be achieved, including any differential results across groups, and what internal and external factors may have influenced the ability of the ILO to meet these	✓	✓	
1.3.2. Has the management and governance structure put in place worked strategically with all key stakeholders and partners, ILO, and the donor to achieve project goals and objectives? Does it adequately addressed the needs and implementation challenges, including those due to COVID-19?	✓	✓	✓
1.3.3. How effective were the chosen strategies and implementation modalities, in achieving the program targets? What are the good practices and lessons to be learned from the project approach and strategy? What are the key lessons learned and recommendations for the design of possible next phase?	✓	✓	✓
1.3.4. Has the knowledge sharing, and communication strategy been effective in raising the profile of the project within the country and among the cooperating partners?	✓	✓	✓
1.4. Efficiency of resource use			
1.4.1. How efficiently have resources (staff, time, expertise, budget, etc.) been allocated and used to provide the necessary support and to achieve the project outputs and specially outcomes?	✓	✓	
1.4.2. To what extent and how successfully has the program leveraged resources and knowledge with other interventions and through partnerships?	✓	✓	✓
1.5. Impact Orientation and Sustainability			

Evaluation Questions	Desk Review Case Studies	KII and FGDs	Validation Workshop
1.5.1. To what extent has the program contributed towards improving the capacity of constituents and other local institutions, involved in enterprise development, as a result of the program contribution?	✓	✓	✓
1.5.2. Which project-supported tools have been or have the potential to be institutionalized, by partners and / or replicated by external organizations?	✓	✓	
1.5.3. Is the project contributing to expand the knowledge base and build evidence regarding the project outcomes and impacts?	✓	✓	
1.5.4. To what extent the constituents and local institutions have been successful in getting private sector support?	✓	✓	✓
1.5.5. Are there any positive or negative, intended or unintended, reversible or irreversible higher- level effects?	✓	✓	
1.5.6. What strategies have the Program put in place to ensure continuation of the initiative, beyond the project end? What steps can be taken to enhance the sustainability of Program components and objectives?	✓	✓	

g. Evaluation criteria

The evaluation addresses the following ILO evaluation concerns:

1. Relevance and strategic fit
2. Validity of design
3. Program progress and effectiveness
4. Efficiency of resource use
5. Effectiveness of management arrangements
6. Impact orientation and sustainability as defined in the Office guidelines

The evaluation integrated gender equality and non-discrimination as cross-cutting concerns throughout the methodology, the deliverables, and the final report of the evaluation. These cross-cutting concerns were addressed in line with EVAL's Guidance Note no. 4. Similarly, EVAL's Guidance Note no. 7 was followed as much as practically possible to ensure stakeholder participation.

h. Limitations

Following are the limitations and challenges faced in the conduct of the evaluation:

1. Due to delayed implementation of the project, most interventions of the project were in an initial stage. Consequently, the evaluator had to discount the achievements against the time frame elapsed.
2. At the state level, a few targeted officials could not be available for interviews due to other engagements. For example, the "Make in Odisha" event delayed the evaluation process.
3. While an initial quick interview was done with all project staff, the Technical Officer of the project could not be interviewed as he quit the organisation.
4. The owners of enterprises could give only very little time for interviews due to other pressing demands on their time.

2. MAIN FINDINGS AND CONCLUSIONS

We assess the achievement of the results of the project on a traffic light scale as follows:
Green: High; Amber: Medium; Red: Low

2.1. Main Findings

2.1.1. Relevance and Strategic fit

Overall Score: Green	

Context:
As stated in section 2.1, the main problems faced by Micro, Small and Medium Enterprises (MSMEs) in India include:
1. Access to finance: MSMEs often have difficulty obtaining loans from banks and financial institutions due to a lack of collateral and credit history (Gupta et al 2022).
2. Lack of skilled labour: MSMEs often struggle to find and retain skilled workers, which can limit their ability to expand and grow their businesses.
3. Infrastructural and technological gaps: MSMEs often lack access to basic infrastructure and technology, which can make it difficult for them to compete with larger companies.
4. Limited market access: MSMEs often have limited access to markets and customers, which can make it difficult for them to grow their businesses.
5. Government policies: MSMEs also face challenges with government policies and regulations, which can be complex and difficult to navigate.
6. Inadequate support services: MSMEs also face challenges with inadequate support services such as marketing, accounting, and legal services.
7. Credit crunch: Due to the recent financial crunch, MSMEs are facing challenges with credit flow, which is affecting the growth of these businesses (Kelkar 2022).
8. Lack of standardization: MSMEs often lack standardization in their products and services, which can make it difficult for them to compete with larger companies.
9. Red tape: MSMEs often have to deal with excessive bureaucracy, which can be time-consuming and costly.
10. Lack of awareness about government schemes: MSMEs are often unaware of government schemes and incentives that are available to them, which can limit their ability to grow and expand their businesses.

Additional source for all above points (Ali and Hussain 2014).

In the above context following are the key findings of the evaluation related to the evaluation questions on relevance and strategic fit:

4.1.1. The extent to which the intervention objective, design and approach responds to beneficiaries, national development plans, partners', institutions', or donor's needs, policies, and priorities

The evaluation found that the programme design, objective and interventions are highly relevant to the MSME sector in India, Odisha and Andhra Pradesh as the interventions focus on enhancing the policy environment and institutional delivery mechanisms (Outcome 1) (more details in section 4.1.2. below); enhancing entrepreneurial skills of youth and creating jobs within new enterprises or existing enterprises (outcome 2 and 3). The project also has great relevance to help MSMEs integrate social security and enhanced efficiency and economic viability of target MSMEs through demonstrating on-site SCORE, SIYB trainings and by creating a pool of trained SIYB and SCORE trainers, alongside private

sector dialogues and networking opportunities, for strengthening capacity of government field institutions and industry associations to improve delivery of services to MSME. Table 4 below presents the details of SIYB and SCORE training modules.

Table 4: Details of SCORE and SIYB Training Modules

Sustaining, Competitive and Responsible Enterprise (SCORE)	Start and Improve Your Business (SIYB)
The SCORE methodology is a tool developed by ILO to help MSMEs improve their performance and competitiveness. It is designed to be easy to use and understand and has been translated into Telugu and Oriya for the project. The key modules of SCORE are: 1. Workplace Cooperation 2. Quality Management 3. Productivity and cleaner production 4. Human Resource Management 5. Occupational Health and Safety **Note:** Only modules 1, 2, and 3 above will be covered under PSEI Project.	The SIYB module helps entrepreneurs start and grow their businesses by developing business plans, manage their finances, and understand the legal and regulatory requirements of running a business. The modules have been translated into Telugu and Oriya for the project beneficiaries. The SIYB program consists of the following modules: 1. Generate Your Business 2. Start Your Business 3. Improve Your Business 4. Expand Your Business **Note:** Only modules 1 and 2 above will be covered under PSEI Project.

At the micro level, by the time of evaluation, the PSEI project could roll out only first module of the SCORE with select enterprises. Despite this, the evaluation team found that it was widely accepted by the MSMEs trained. Four enterprises (one in each of the two sectors and both states) where the SCORE methodology was implemented were visited. All four reported that they greatly benefited from the same. In Vizag, the food processing enterprise (Sandy Bay Ltd) was not in full production at the time of visit due to seasonal nature of the product (based on crab meat). However, the enterprise used the lean period to upgrade its management systems and improve soft skills of its employees through SCORE. The evaluation team found a tremendous enhancement in staff involvement and changes in overall hygiene and customer preparedness within the enterprises. Similarly, the garment enterprise in Andhra Pradesh reported an increase of about 40% in productivity. The two enterprises in Odisha also reported increases in productivity, and staff engagement, and reduction in cost of poor quality.

Currently, since the project has recently started, the numbers of trainers of both SIYB and SCORE are not enough for these modules to be scaled up by the State Governments. To overcome this bottleneck, the project works closely with District Industry Centres, and entrepreneurship institutes such as the Institute of Entrepreneurship Development, Bhubaneswar, with whom ILO has established a Long-Term Agreement for sustainability and scaling up the methodologies of SCORE and SIYB.

It is also building the capacity of industry associations to apply for funds under the schemes (e.g., PMFME and PMEGP schemes) and act as implementing partners of government to deliver trainings in other districts. Additionally, the Evaluation Team feels that the project may work with the respective State Governments to develop an *Entrepreneurship Skill Development Scaling Up Plan* to scale up the modules to other districts within the two states, as this is a critical bottleneck in entrepreneurship development.

The project is also most relevant to creating models for promoting more and better-quality local jobs at a large scale through MSMEs. The trainees of SIYB modules had just finished the introductory module and were exploring their ideas so it may be too early to make a judgement on the efficacy of the training. However, one of the trainees in Odisha had already got a very large order for cheese cakes from the ongoing Hockey World Cup organisers (Case Study 1, Annex 1), so the potential of the

training was becoming visible. As stated in sections above, the donor (KOICA) is also keen to support the project due to intersecting interests between Korean and Indian Industries.

4.1.2. How well it meets the needs of the beneficiaries and how well it adapted to the changing needs of beneficiaries in the context of COVID-19

The pandemic was a very big shock to MSMEs all over the country, as it was for the two target states. The nationwide lockdown during the pandemic exposed the extreme fragility of the largely informal and migrant labour force. Discussions with ILO officers and other experts during this evaluation revealed the following strategies can be used to enhance the resilience of the informal workforce against shocks such as COVID 19. Although the project was not able to support MSMEs in a big way during the pandemic, it has been initiated processes to enhance the resilience of the informal (and migrant) workers in the two states by strengthening following approaches (Table X below):

Table 5: Strategies initiated by project to enhance resilience of beneficiaries

Strategies to enhance resilience	Work done under the project
1. Strengthening the enabling policy and enterprise environment enhance job security and benefits to meet the fundamental rights of workers[3].	- ILO has worked on these issues closely with central and state governments, especially after the COVID-19 pandemic struck. The government repurposed most of its existing scheme by increasing the amount of subsidy in existing schemes under the COVID-19 recovery package. ILO's support on the four MSME policies focused on building resilience of MSMEs as their main focus. - Additionally, ILO worked on market development and access with industry associations, MSMEs, and government. Due to the efforts of the project, an enterprise that was on the verge of closure was saved by linking it to other enterprises. (See Annex 1, Case Study 3). - Guiding MSMEs to improve management practises by showing link between productivity and working conditions to improve their alignment to international labour and environmental standards. - SCORE training focusses on productivity improvement by introducing management practises which helps to reduce wastes for cost savings, but also demonstrates that these working conditions are critical for employees to perform effectively. - Supporting a partnership between All India Organisation of Employers (AIOE) with government institutions to build awareness of MSMEs on labour laws and guiding them on workforce management issues. - Awareness raising on labour laws and policies through partnerships with Trade Unions, and MSME Associations.
2. Strengthening skills of informal and migrant workers: who lack skills and knowledge necessary to progress in their careers.	- ILO support to SCORE and SIYB trainings, especially for women.
4. Building strong and inclusive communities: to enable workers to support each other, access resources, and improve their overall resilience	- The project established links to PMFME and PMEGP, linking to rural producers to urban value chains, especially in the food processing and garments sector which are most labour intensive and have supply chain starting from farms.

[3] a) Freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labour; (c) the effective abolition of child labour; (d) the elimination of discrimination in respect of employment and occupation; and (e) a safe and healthy working environment including occupational safety and hygiene and freedom from physical, mental and sexual harassment.

4.1.3. How well it complements and fit with other on-going ILO and other UN activities in India in the areas of employment, market development, and sustainable enterprises?

The project is well in line with the ILO's national 5-year technical cooperation framework, 'Decent Work Country Programme'. ILO is also part of the UNSDCF process (Outcome 4) in which the UN system in its UNSDCF has agreed to work with the GoI and State Governments on employment, market development and sustainable enterprises with ILO as the lead agency. Both UNSDCF and DWCP draw upon the national priorities, which has specific focus on MSMEs development, especially to drive India's journey towards 'Self-reliance or Atma Nirbhar'

4.1.4. Is the modality used by the program sufficient, appropriate to achieve the objectives?

The modality of implementation of the project is working through multiple actors:

- Government of India and State Governments: Enabling Policy environment, enhanced systems and capacities
- Employers' organisation: Advocacy for better terms for workers and efficiency improvements through SCORE and SIYB to enhance export competitiveness since labour and environment standards are critical for European markets.
- Trade Unions: Advocacy for better terms for workers in MSMEs
- Industry Associations: FICCI, OASME, FAPPCI to create a demand for better policies, programmes and facilities (such as credit, technology, linkage to markets, etc.)
- Korean Industry Associations: Support linkages for quality enhancement through exposure visits to Korea; Establish market linkages with Korean Importers
- Local institutions (government field institutions): Capacity building for better targeting and delivery of services under government schemes

Given the relatively early stage of the project interventions with each of these actors, the project needs to accelerate its interactions and engagements with each of the above stakeholders, if the project time period is unchanged by the donor. This could entail additional manpower and financial resources, which may need to be raised if the current donor (KOICA) is not able to support the same.

2.1.2. Coherence

Overall Score: Amber	

4.2.1. Has the design and implementation adequately considered cross cutting issues like gender, social dialogue, environmental sustainability and relevant international labour standards

The Evaluation found the following about the cross-cutting issues:

i) Gender: In order to boost the socio-economic progress of women, the project has specifically helped women enter formal positions through SIYB training. Additionally, SIYB training also helps women start their own businesses and achieve financial empowerment. SCORE trainers also encourage companies to adopt practices in line with international labour standards, particularly non-discrimination, prevention of sexual harassment in the workplace and equal pay for equal work, by exploring the linkages with productivity. (See Case Study 4, Annex 1).

The project now needs to be move to the next level of gendered Value Chain Development. Some key questions by ILO resource on the same to be explored for engendering Value Chains are given in Box 1 below:

Box 1: Guiding questions for gender-sensitive programme implementation

- What is the business case for working with women in the sector, what is their value and contribution as customers, suppliers and service providers?
- Would engaging with women present a new business opportunity to partners? How can a programme incentivise partners to work with women?
- Is there value to the sector and to women if they take on enhanced or new roles?
- What are the challenges and risks for partners to engage with women? What can the programme do to mitigate the challenges and risks and create a demonstration effect in which partners can demonstrate positive results from engaging with women and encourage behavioural change across the market system?
- How will women's empowerment be impacted by involvement in the interventions? Will they have higher incomes, better jobs, improved access, increased control and decision-making, greater return on labour, more manageable workloads?
- What implementation challenges is the intervention likely to face? Are there critical barriers or challenges for women that will need to be addressed?
- What implementation opportunities will the intervention be able to leverage? Are there social norms that will facilitate the intervention (e.g., women's current roles and social attitudes that support women's work in the sector)?

Source: (ILO, 2022)

ii) Social dialogue: The principle of Tripartism[4] forms the very core of ILO's strategy in the project. Under this process, ILO supports representatives of each of these groups (government, employers, and workers) coming together to discuss and negotiate policy proposals to reach mutually agreed solutions that benefit all parties. This approach has also been adopted under the project to address the challenges facing workers in the informal and migrant workforces including the district level sectoral steering committee.

iii) Relevant international labour standards:

The PSEI project contributes to 2007 ILC conclusions on promotion of sustainable enterprises. The project in its policy recommendations to AP, Odisha, and Ministry of MSME reflected decent work dimensions, and had emphasised upon the need to promote inclusive growth, and quality jobs by highlighting the link between productivity and working conditions. It is guiding the industry associations and government field institutions on the international labour standards, and links to trade agreement clauses, include the due diligence adopted by EU, Japan, and many other countries. At micro level, through the industry associations it is demonstrating reflection of international labour standards in shop-floor operations of MSMEs by helping them to upgrade management practises. It is also supporting the employers' organisations, All India Organisation of Employers in counselling MSMEs on good workforce management practises for compliance.

iv) Environmental sustainability:

Background: The ILO has identified Green Jobs as a global priority[5]. The ILO and UNEP define Green Jobs as: "Employment created in economic sectors and activities, which reduces their environmental impact and ultimately brings it down to levels that are sustainable." The ILO global Green Jobs programme currently concentrates on five priorities:

[4] Tripartism is a process of collaboration and consultation between the government, employers, and workers in order to address economic and social issues The goal of tripartism is to promote social dialogue and cooperation among these three key stakeholders, in order to improve working conditions, enhance economic growth, and promote social justice. See https://www.ilo.org/global/about-the-ilo/who-we-are/tripartiteconstituents/lang--en/index.htm

[5] http://www.ilo.org/greenjobs

1. Tools with which to diagnose labour market impact and to inform policy;
2. Practical approaches to the greening of enterprises;
3. Promotion of green jobs in waste management and recycling[6]
4. Green jobs in renewable energy and energy efficiency; and
5. Job creation and enterprise in the adaptation to climate change.

Some of ILO's Green Jobs initiatives for promoting decent work in the green economy include:

- Green Jobs Programme: A global initiative aimed at fostering the development of green jobs and promoting sustainable economic growth.
- Greening the Economy: A project that aims to support the transition to a green economy and promote green job creation.
- Promoting Decent Work in the Green Economy: A project that seeks to ensure that the transition to a green economy is socially inclusive, while protecting workers' rights.
- Decent Work in the Global Supply Chain: A project that promotes decent work in global supply chains, including those in the green economy.
- Skills for Green Jobs: A project that aims to develop the skills and competencies needed to support the transition to a green economy and promote green job creation.
- Promoting Decent Work in Renewable Energy: A project aimed at promoting decent work in the renewable energy sector, including the development of new skills and competencies for workers.
- Sustainable Enterprises and Green Jobs: A project that aims to support the development of sustainable enterprises and promote the creation of green jobs.

These initiatives are aimed at advancing the ILO's mission to promote decent work for all, while supporting the transition to a low-carbon, sustainable economy.

Source: http://www.ilo.org/greenjobs

Evaluation findings on project's focus on environmental sustainability:
The PSEI project has integrated waste management and will implement module 3 of SCORE which talks about productivity through cleaner production. More work is needed in the next phase to integrate environmental sustainability or green jobs as envisaged by ILO global programmes quoted above. Keeping in mind that both project states are highly prone to climate change (Brenkert at al, 2005), environmental sustainability in the framework of Green Jobs is an urgent priority that needs to be include in the long-term strategy of the project. The donor may also be interested in supporting such futuristic and existential issues, especially because MSMEs in Odisha and Andhra Pradesh are often affected by natural disasters (cyclones, floods, and droughts), causing damage to property and infrastructure, disrupting supply chains, and reducing demand for goods and services.

4.2.2. Is the project realistic in terms of expected outputs, outcome, and impact, given the time and resources available, including performance and its M&E system, knowledge sharing, and communication strategy?

Evaluation Findings:
The evaluation finds that the project timeline was not realistic in terms of achieving the outputs, far less the planned outcomes. This is for the following reasons:

a) Inadequate lead time programmed into the project
The project started almost 9 months late due to the COVID pandemic and project formalisation delays from the Central Government. Additionally, some of the other factors for delays were as follows:

[6] Note: Waste management is covered under SCORE module by PSEI and will be implemented, as per project staff

i) Establishing processes and cooperation with both State Governments took time, due to rapid transfer of officers and the lead time required to establish trust and get together the State Departments, MSMEs owners and staff for the SCORE and SIYB trainings, the Korean counterparts and industry associations.
ii) Economic slowdown and lack of business orders, alongside rising inflation are adversely impacting the MSMEs with many reporting closures or losses.
iii) Inadequate coordination among departments at state and district-level is impeding holistic development of the sectors.
iv) Movement of officials in decision-making positions and a further possibility of slowdown due to early announcement of State elections (in 2023) has and may further delay the implementation from the planned timeline.
v) Time required to adapt Korean best practices into the Indian context, for example a six-month period of scoping and preparation to support planning of a complex market development project like this.

b) Inadequate time budgeted for taking systemic changes to completion

Even if the above delays had not happened, and despite the extremely hard work put in by the project team, the projected outcomes of the project would still be too ambitious for the following reasons:
Firstly, in both states the legal and policy frameworks related to enterprises are still evolving. Also, the value chains are underdeveloped and is skewed towards primary commodity. The upgradation and development of forward and backward linkages for development of the value chain in such complex settings needs time to generate political will and skills.

Secondly, the two states have a long tradition of textiles and food processing enterprises with manly neighbourhood markets for local consumption. Entrepreneurial culture in both states is underdeveloped. Understanding and mapping the constraints and opportunities in the same as well as creating decent work frameworks for these largely informal enterprises requires time.

Thirdly, the capacity building (esp. the integration of SCORE and SIYB methodologies) into entrepreneurship training institutions (such as OASME, FAPCCI, IED and ALEAP) to effectively deliver services to MSMEs, requires strengthening their own organisational capacity first to manage such services systematically with a clearly articulated business plan for revenue generation. It also requires creation of a pool of dedicated trainers, regular updating of trainings modules and translations in local languages, monitoring of training service delivery, mobilising resources from government schemes and corporates, marketing and enrolling MSMEs to take their services; identify youths, especially women who are already facing multiple barriers in the society and encourage them to pursue entrepreneurship for income generation. All of this takes time and organisational capacity.

Fourthly, and importantly, both states have large informal and migrant labour populations. The current project facilitates transition to formalisation and contributes to PMFME as well by guiding informal enterprises to register and formalise. It also helps in developing models for greater employment security for such large populations by strengthening MSMEs and the terms of labour within them. Such model-building needs adequate time, if considered important.

Finally, establishing linkages between Korean and Indian MSMEs, transfer of institutional models such as Common Facility Centres from Korea to Indian states, and establishing sustainable value chains for MSMEs of the two states needs time, cannot be done in the 26 months assigned for the project without any prior foundation.

4.2.3. Are there any opportunities or recommendations for improved leveraging or alignment to other relevant ILO or non-ILO initiatives?

Please see section 1.2.1. for integration into ILO Green Jobs global programmes.

2.1.3. Effectiveness

Overall Score: Amber	

2.1.3.1. To what extent the outputs and outcomes have been achieved or likely to be achieved, including any differential results across groups, and what internal and external factors may have influenced the ability of the ILO to meet these?

Annex 4 presents the outcome and output indicators showing the achievement of results by the project. The key achievements of the project are as follows:

Outcome Level

- Four MSME policy initiatives and delivery mechanisms in India designed or revised based on global best practices by central government and state institutions
- 205 new jobs created by new start-ups and existing MSMEs
- A 261 per cent increase in social security coverage of MSME employees in Andhra Pradesh and Odisha
- A 390 per cent increase in turnover reported by new and existing MSMEs
- 65 per cent improvement in Key Performance Indicators among SCORE trained MSMEs

Output level

- Capacities of 40 Central and State policymakers and associates developed through exposure to Korea
- Three research papers developed MSMEs development for global value chain in 2 selected sectors
- 17 trainees completed business registration newly after the SIYB training
- 10 business development service providers certified as SIYB trainers
- SIYB training materials adapted to 2 selected sectors (food processing, textile) and 2 states
- 40 BDS providers completed SIYB delivery training as Trainers
- Capacities of 80 young women and men developed through in-class and on-site SIYB trainings and are receiving mentoring to start businesses
- 10 women received customised counselling sessions for starting new businesses
- Capacities of 2 state-level capacity building institutions enhanced in design and delivery of entrepreneurship programme using SIYB
- 3 special lectures by Korean experts on entrepreneurship development and 7 Korean experts on productivity enhancement delivered to Indian counterparts
- SCORE training materials produced & applied in adaptation of gender-mainstreaming for 2 selected sectors in 2 states

Evaluation findings:

The achievement of the project deliverables, though delayed, is impressive, given the bureaucratic, low skills and political will of government field institutions as well industry associations, capacity and market constraints faced by MSMEs in the two states. A further extension of project time period, and a second phase as stated in section above would be a recommendation to achieve the remaining deliverables and to consolidate the systemic and institutional achievements. Typically, a six-month period of scoping and preparation to support planning a complex project like this needs to be built in.

2.1.3.2. Has the management and governance structure put in place worked strategically with all key stakeholders and partners, ILO, and the donor to achieve project goals and objectives? Does it adequately addressed the needs and implementation challenges, including those due to COVID-19?

The project is managed by a Chief Technical Advisor (CTA), based in New Delhi, India, responsible for the overall project management, and reporting to the Director, Decent Work Team (DWT) for South

Asia and Country Office (CO) for India. The project receives technical backstopping from the Specialist-Small Enterprise Development and Job Creation and concerned Programme Officer in ILO DWT for South Asia and CO for India. The project management team comprises of one technical officer, one national project coordinator, and one project admin assistant.

The Evaluation team found evidence of close cooperation that the project team had developed by all actors - Central and State Government, Trade Unions, Industry Associations, MSME owners, SIYB and SCORE trainers and others. The coordination was further enhanced due to the massive reputation and credibility that ILO has built over decades of work as technical agency specialising in the world of work issues, and through its tripartite partners in India.

The above shows that the management and governance structure is adequate but can be improved. The project was led effectively by the Chief Technical Advisor who supervised the National Project Coordinator, Technical officer, and Admin Assistant, all based in Delhi. Since the state government interface and MSMEs need constant followup despite the close followup by the NPC, the Evaluation team feels enhancing the capacities and resources of the state coordination point persons from Industry Associations to follow up on a regular basis could enhance the efficiency of the project and the timeliness of achieving the deliverables.

2.1.3.3. How effective were the chosen strategies and implementation modalities, in achieving the program targets? What are the good practices and lessons to be learned from the project approach and strategy? What are the key lessons learned and recommendations for the design of possible next phase?

The Figure 3 below shows the effectiveness of various strategies, the scores that the evaluation team would give to each of these strategies along with reason for the same. In some of these criteria, the project has not started working yet, so the achievement is low. In other cases, such as in green jobs and sustainability, the criteria are not yet part of the project strategy.

No.	MSME strengthening strategy	Project Score	Rationale for score
1	Promote Entrepreneurship Education and Skill Building Programs	8	SIYB, SCORE Trainings
2	Strengthen Networks and Associations of MSMEs	7	Close work with OASME, FAPPCI and FICCI
3	Foster Partnerships with Larger Businesses and Value Chains	6	Linkages initiated with large businesses (garment, food industries) in India and Korea
4	Business Incubation and Acceleration Programs	5	Initial modules implemented, work in progress
5	Encourage Women's Entrepreneurship	4	Some elements of gender empowerment exist but more can be done
6	Technical and Business Support Services including product development	4	Initial work started, work in progress
7	Business Counselling and Mentorship	4	New Enterprises just starting, old enterprises in initial stage of SCORE.
8	Strengthen single-window access to government schemes, common facilities and entrepreneurship support ecosystems	4	Systemic intervention, policy changes initiated but will take time to achieve. Korean counterparts can help accelerate.
9	Promote Entrepreneurship for Employment and Economic Growth.	4	Employment generated in target MSMEs but scaling up to sector is still needed
10	Enhance access to Finance, Financial Services	3	Systemic issues, work in progress
11	Enhance Market Research and Information Access to MSMEs	3	Systemic issues, work in progress
12	Promote E-Commerce and Digital Transformation of MSMEs	2	Not part of design yet
13	Encourage Sustainable and Green Business Practices and Green Jobs	2	Not part of design yet
14	Promote entrepreneurship in underdeveloped and rural areas	2	Not part of design yet as a conscious strategy

2.1.3.4. Has the knowledge sharing, and communication strategy been effective in raising the profile of the project within the country and among the cooperating partners?

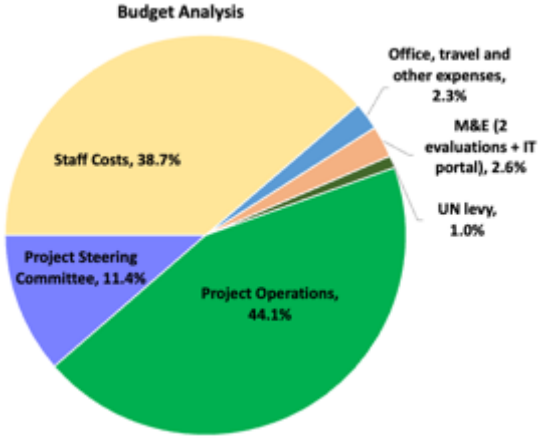
The capturing of learnings from the project and dissemination of the same to national and international audience of the project was done mainly through events such as "Make in India" in Odisha. Given that the project has not reached maturity, development of case studies within the states may take time. A large number of newspaper articles were published in both states both in English and in local languages. However, facts sheets, and dissemination material on the key priorities could be further developed to accelerate the project's visibility.

2.1.4. Efficiency of resource use

a. Resource allocation

The resource allocation appears to be adequate: (Table 5 and Figure 4 below):

Head	Amt in USD	%
Staff Costs	9,11,040	38.7%
Office, travel and other expenses	53,040	2.3%
M&E (two evaluations + IT portal)	60,000	2.6%
Project Operations	10,37,310	44.1%
Project Steering Committee	2,67,981	11.4%
UN levy	23,293	1.0%
Total funds allotted to ILO	**2,352,664**	
Funds for KOICA Monitoring	2,380,000	



Of the total tranche fund received by ILO in the project of amount USD 1,877,000, the project has spent USD 925, 783.32, which is 49%. Another USD 351, 225.03 is already committed and encumbered by the project under various ongoing activities with its partners through contractual arrangement.

While the late start of the project and delays in implementation due to reasons mentioned in section 2.1.2.2.b above are the main factors affected the expenditure, the evaluation recognises the project's efforts in leveraging resources in kind or as part of cost sharing through partnerships with government as part of its sustainable strategy. The leveraged resources are estimated to be about USD 40,000. This is another reason for the project showing lesser expenditure from KOICA funds, though the actual project expenditure has been higher.

b. Monitoring

The program's management arrangements were found to be adequate in ensuring effective program oversight, management and reporting. Workplans are also discussed with States Government focal departments and regular reviews are done. Implementation speed can now be enhanced given that the basic relationships and modules, etc. are in place. Section 2.1.3.2. above underlines the need for enhancing state level staff capacities and resources for closer monitoring.

c. Resource and knowledge leverage

Interviews with chosen public and private organizations responsible for carrying out the project showed a firm dedication to the project at all levels. This dedication was connected to government and business commitments to gender equality and diversity through policy. This connection was strengthened through regular communication with the state-level project partners.

2.1.5. Impact Orientation and Sustainability

Overall Score: Amber	

Note: Since the actual project implementation has been only for a year and three months, it is too early to identify the impact of the project. Despite this, we list below the major learnings on each of the following evaluation questions:

2.1.5.1. To what extent has the program contributed towards improving the capacity of constituents and other local institutions, involved in enterprise development, as a result of the program contribution?

The evaluation team found a strong impact orientation in the project.

Capacity building of local institutions on supporting MSMEs to upgrade, better align to international standards, and integrate in supply chain through private sector dialogue, SIYB and SCORE is one of the core strategies of the project of which the major beneficiaries have been the capacity building institutions themselves (such as DICs, MSME-DIs, FAPCCI, OASME, IED and ALEAP), the enterprise owners and entrepreneurs. The project has also developed the capacities of all stakeholders - Government officials, MSME and industry associations, employers' organisations and workers organisations.

2.1.5.2. Which project-supported tools have been or have the potential to be institutionalized, by partners and / or replicated by external organizations?

Both SCORE and SIYB show great potential to be institutionalised. The SCORE methodology is already quite popular and are in the process of being institutionalised through the SCORE Master trainers. IED Bhubaneshwar has also signed a letter of intent with ILO on applying SIYB in government programmes under PSEI.

2.1.5.3. Is the project contributing to expand the knowledge base and build evidence regarding the project outcomes and impacts?

The project has already supported research in Value Chain Development in the two sectors selected. In addition, within the budget available, it also carried a third study on local development strategies. It also provided opportunity to 9 officials to participate in a two-week virtual training on FDI, local sourcing and economic diversification for local developed conducted by International Training Centre of ILO at Turin. Additionally, the learnings from the participants who visited Korea were also captured and each institution prepared an action plan from the visit learnings.

Going forward, with the project entering second year of its implementations, the evaluation team recommends the project to do more in capturing and disseminating evidence from the field in the form of case studies, fact sheets, thematic research. Since this project has and will generate many learnings for scaling up to other districts and states, strong documentation of evidence and learnings are critical.

2.1.5.4. To what extent the constituents and local institutions have been successful in getting private sector support?

The project has received excellent support from MSMEs, and industry associations.

The project has also organised meetings between the garment and food processing industry leaders such as MSME networking event during Make in Odisha event, knowledge building workshop on garments, and food processing. Additionally, it technically supports the food processing session in the Make in Odisha event.

These partnerships can also be used to create mentoring opportunities for individual entrepreneurial trainees of the SIYB modules.

One of the major bottlenecks in scaling up of MSME products, as identified by MSMEs themselves is that they are not able to develop products of the quality required by industry giants (for example Zara (in garments) or Korean industries (in sea food)) done. This is related to inadequate quality of production processes as well as workforce skills at all levels, from workers to designers to MSME owners, besides R&D in new product development. In fact, estimates suggest that availability of a workforce skilled in the latest technological advancement across sectors may be a very large bottleneck to industrial growth for the Asia Pacific countries[7].

2.1.5.5. Are there any positive or negative, intended or unintended, reversible or irreversible higher- level effects?

It is too early in the project implementation cycle to make definitive judgements about higher level effects. However, the following trends initiated by the project (and reinforced by national and global trends) appear to be on their way to be established in the long run:

- Shift of the national and state government policies towards greater support to MSMEs
- Creation of implementation support structures for MSMEs (for e.g., in the form of Common Facility Centres and export-oriented production)
- Need for rapid scaling up of skilled workforce for MSMEs. Here SCORE and SIYB have a critical role to play.

2.1.5.6. What strategies have the Program put in place to ensure continuation of the initiative, beyond the project end? What steps can be taken to enhance the sustainability of Program components and objectives?

We assess the levels of sustainability of the societal processes initiated by the project on a traffic light scale as follows:
Green: Close to achieving
Amber: Midway to achieving
Red: Far from achieving.

On sustainability, the Evaluation Team found that even though the project has put in place foundations, many changes are needed in the external environment (perhaps beyond the life of the current phase of the project). The project has initiated interventions to achieve the following kinds of sustainability:

a) Institutional Sustainability: Setting up policy and legal environments; institutional capacities within Government and MSME associations to carry forward SCORE methodology for strengthening MSMEs, Integration of SIYB principles into entrepreneur trainings, enhancing the availability of SCORE and SIYB trainers. These need to be strengthened in the next two years. Scale of achievement: Amber

b) Economic Sustainability: Economic sustainability of MSMEs is dependent on various systemic, policy, industry, quality, worker level and economic parameters which needs a longer time to achieve. The project can only aspire to contribute to the process. Scale of achievement: Red

[7] The Korn Ferry "Global Talent Crunch study" reports a high level of shortage of labour force for technological advancements. The report states that: *"*Asia-Pacific faces an imminent labour shortage of 12.3 million workers by 2020, rising to 47.0 million by 2030 at an annual opportunity cost of $4.238 trillion... Technological advancement across all sectors of the Asia-Pacific economy could be hindered by an acute talent shortage of 2.0 million technology, media and telecommunications (TMT) workers, at an annual opportunity cost of more than $151.60 billion by 2030*".* *(*https://www.kornferry.com/content/dam/kornferry/docs/pdfs/KF-Future-of-Work-Talent-Crunch-Report.pdf).

c) Technological Sustainability: Indian MSMEs are technologically still much in need of technological improvements. To achieve technological sustainability, the improved technology itself, but also supply chains, manpower to service and maintain the technology and so on. Scale of achievement: Red

d) Environmental Sustainability: Not yet part of the project design. Much work is needed to strategise for the same. Scale of achievement: Red

2.2 Conclusions

Following are the main conclusions from the evaluation:

1. The evaluation finds that although the project design seems overly ambitious in certain crucial areas, it has succeeded in establishing a favourable environment and initiated mechanisms for enhancing MSMEs in both states.

2. The SCORE and SIYB methodologies have been well received. A pool of trainers in both methodologies are being created. Initial steps to institutionalise the same in Government and private entrepreneurship development institutes has also started and need to be strengthened. The evaluator is convinced that SCORE and SIYB are an important contribution to building capacities if the MSMEs in the two states and in India

3. Delays in project implementation have happened due to various factors, most out of control of the project team. However, if KOICA agrees to provide a no cost extension the deliverables are achieved well in the interest of all stakeholders. This may include enhancing staff capacities for closer coordination with various stakeholders at state level.

4. Policy change initiatives by the project have definitely resulted in a more favourable policy regime in both states. However, the implementation of these policies would require more multi-stakeholder dialogue, planning and model-building. Additionally, an accelerated integration of the project learnings into Government, Industry and MSME associations, and even individual MSMEs is now required. Through this project, ILO is uniquely placed to provide such support provided it manages to overcome the time and resource crunch that it currently faces in the project.

5. At the core of the project is the strengthening of individual women and men entrepreneurs starting afresh, as well as increasing efficiencies of production and decent work conditions for workers. The SIYB and SCORE are methodologies already available in the two states. The project has initiated integration into IED, MSME associations and Government schemes such as PMFME and PMEGP. Government representatives expressed scaling up of skilling and employment generation as an urgent need.

6. The project has effectively contributed to achieving the development objectives set by DWCP and the project itself in terms of skill development and improving the employability of men and women in businesses. Despite this progress, there are still obstacles to creating sustainable value chains. From a practical standpoint, the project has made the best use of limited resources and has successfully secured additional funding from both government and private sector sources. The SCORE and SIYB modules have demonstrated how MSMEs can involve their employees in the production process and how entrepreneurs can start and maintain businesses. While it is too soon to fully assess the long-term impacts of training and capacity building, the project has laid the groundwork for future success. To make this progress truly sustainable and transformative, further efforts beyond the life of the project are necessary.

3. RECOMMENDATIONS

3.1 Recommendations

Based on the above conclusions, the evaluation has the following recommendations for the project in the next phase:

Recommendation 1:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	Medium

Recommendation 1: Skill development and employment generation are recognised as a critically important area both by national and state governments. The project has already started integrating PSEI project learnings into PMEGP and PMEFE, Industry Associations and existing EDP institutions such as IED. 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.

Recommendation 2:

Addressed to	Priority	Time frame	Resources
ILO	High	Long-term	Low

Recommendation 2: The ILO project team (including senior management) and KOICA officials need to conduct an intensive dialogue on the role that KOICA can play (if interested) in scaling up the project learnings, as well as in developing closer cooperation between Korean Government Ministries and Korean MSMEs and larger private sector in identified priority sectors. This may require the project team to visit Korea to conduct detailed discussions with Korean MSMEs and business associations in Korea, and with Ministries of MSME, Science and Technology and other relevant ministries.

A key area of cooperation could be developing an international quality Common Facility Centre in India with help from the Korean Government. This would also enhance the strategic importance of KOICA to the Indian Government. ILO, due to its neutral and International UN character, can play an important role in enhancing GoI's buy-in of KOICA in India.

In case KOICA is not interested, ILO should explore fund mobilisation from other donors who have a technology advantage and focus for MSMEs.

Recommendation 3:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	Low

Recommendation 3: Given that the project has already lost time in moving towards its objectives because of a) external complications such as COVID and b) because the objectives of the project are dependent on the speeds of the state Governments and MSMES, the project team should plan the next phase in full details. Any additional resources needed for completing the targets in time should be raised.

Recommendation 4:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	Medium

Recommendation 4: The project should establish strong partnerships with Green Jobs, ILO's global programme and its other specific interventions and integrate the same into the PSEI project, given that both target states are highly vulnerable to climate change related events. Funds for the same may be raised from ILO Global as well as various donors,

Recommendation 5:

Addressed to	Priority	Time frame	Resources
ILO	High	Short-term	NA
Recommendation 5: The evaluation team requests KOICA to grant the project a no-cost extension to achieve the planned deliverables. Additionally, the project may explore a follow-up phase of the project for long-term institutionalisation of key learnings (such as setting up international level Common Facility Centres). Support for the same could be raised from various donors, including KOICA (if interested).			

Recommendation 6:

Addressed to	Priority	Time frame	Resources
ILO	Medium	Medium	Medium
Recommendation 6: The Evaluation Team recommends that capacities and resources of state level persons from the Industry Associations may be enhanced for closer coordination with the State Departments. The donor is requested to permit any additional resources required for the same as part of the no cost extension.			

Recommendation 7:

Addressed to	Priority	Time frame	Resources
ILO	Medium	Long-term	Medium
Recommendation 7: The project needs to design a strategy to enhance the systems and mechanisms for addressing the following issues: • Enhanced access to Finance, Financial Services for MSMEs • Enhanced Market Research and Information Access to MSMEs • Promote E-Commerce and Digital Transformation of MSMEs			

Recommendation 8

Addressed to	Priority	Time frame	Resources
ILO	Medium	Short-term	Low
Recommendation 8: The project needs to strengthen its communication strategy and ensure knowledge products for disseminating project learning and for enhancing the international visibility of the issues addressed by the project.			

Annex 1: Case Studies

Case Study 1: Women leading the way: Case study on Momhand

Ms. Nilima Patra, an engineer by profession was working in Bengaluru. COVID-19 pandemic forced her to return to Odisha. During lock-down, her passion for baking re-ignited. Consumer trend towards health food quickly caught her attention and with research, she started experimenting with preparing Odisha's tradition sweet 'Chena Podi' preparing products using millets, jaggery, and other organic ingredients. Motivated by family, Nilima decided to leave her job and start a bakery business from home. The SIYB training convinced her to formalize her business by registering it if she had to grow and expand her business. 'Momhand' is now a registered company and has received subsidy from PMFME scheme. The training on marketing and finance in SIYB helped Ms. Patra to successfully negotiate an order for her product worth of 0.8 million for supply during 2023 hockey world cup in Odisha.

Case Study 2: Baby steps into Republic of Korea Market: The case of SCORE enterprise "Sprint Exports"

Sprint Exports (P) Ltd is a leading seafood exporter in India and has been in this business for over a decade. It has established purchase centres across coastal Andhra Pradesh and operates its own fleet of insulated trucks and refrigerated vehicles to transport raw shrimps from its centres to factory to ensure freshness and quality. The study tour to Korea in September provided, Mr. Somorouthu Saradi, Manager, Sprints Ltd, an opportunity to observe in details end-to-end value chain in Korean fish processing companies, which is driving their business performance. It also provided an exposure into the policy enablers and other drivers in the eco-system for enhancing competitiveness of Korean MSME fish processors. Interaction with fish processors, and orientation on Korean consumption preference for fishes, including retention of nutrition value and safety standards, were an eye opener. The company was quick in capitalizing on its study tour learnings and worked upon negotiating a business order directly with a Korean fish processor eliminating third party trade, building on a direct lead identified in Korea. Within two months of the study tour, they received a consignment order for a 20 FCL (Full Container Load) worth approx. 2.3 million USD with a Korean importer, 'Green Labs'.

Case Study 3: Case of rescuing SCORE enterprise from closure and saving 50 jobs

Swarnima Beverages, one of fruit pulp processing enterprise implementing SCORE, due to poor investment decisions and resultant non-performing assets was on the verge of closure in December, which would have impacted 50 workers employed by the company.

The project guided OASME to explore potential for business orders to Swarnima from local companies. Agri-link food processing, a fruit processing enterprise dealing in carbonated fruit juices was identified and both the enterprises were connected for further discussions. Swarnima Beverages has now entered into an agreement with Agri Link, which will allow the latter to utilize the facilities and workers of Swarnima for its production. Further, packaging has been outsourced to Swarnima by Agro-link. With some rays of hope for income flow, Swarnima is now receiving guidance from SCORE trainer after a two-month halt, on strengthening its business based on the SWOT analysis done by EIT.

Case Study 4: Gender mainstreaming paves the way for productive workplace: Case study of Fastech Fashion (P) Ltd., Bhubaneshwar, Odisha

Fastech Fashion, a young garment manufacturing company established in 2020, has started investing in gender-responsive workplace practises after joining SCORE training in October 2022. Women employees account for 60% of its workforce and are majorly in tailoring.

"Our company operates from a residential unit and hence there are limitations of space and changing layouts. Though women account for majority workforce, we never had a separate toilet for women. However, despite the space constraints, in December the management decided to separate the toilets for men and women as they recognized the link between our productivity and basic amenities in workplace. We are very happy about it. Our absenteeism is now less on those special days, and we are also able to concentrate better in our work", says Lipsa Nayak, Supervisor.

Figure 6: Women employees of Fasttech in front of women's toilet

Women employees now feel more comfortable and responsive to company's requirements. Women absenteeism rate within a month has dropped from 14.44 % to 0% thus improving on-time delivery rate from 23.41 to 12.46 %. In seven SCORE supported garment units, separate toilet for women have been done within 3-4 months of SCORE training.

Source: PSEI Annual Report, 2022

Annex 2: Documents reviewed

Project Documents Reviewed

1. Donor Agreements, Project document, Workplans
2. Progress reports submitted to KOICA, Mission reports, Quarterly and Annual reports
3. Media Coverage reports
4. Knowledge products (case studies, process documentation, learning compendiums, policy briefs, papers, toolkits, manuals, etc.)
5. Monitoring Reports against Outcomes 1, 2 and 3
6. Partner Reports submitted to ILO
7. UNSDCF for India
8. Decent Work Country Programmes (DWCPs) for India
9. Reports of critical consultations and national and international exposure visits organized under the programs demonstrating influencing processes.
10. SCORE and SIYB Modules of ILO
11. Stakeholder Engagement Strategy Paper
12. Other Strategic Plans and Policy Briefs by ILO and KOICA relevant to the project

References

1. Ali, A., & Husain, F. (2014). MSMEs in India: Problems, solutions and prospectus in present scenario. _International Journal of Engineering and Management Sciences, 5 (2), 109-115.
2. Brenkert, A.L., Malone, E.L. Modelling Vulnerability and Resilience to Climate Change: A Case Study of India and Indian States. Climatic Change 72, 57–102 (2005). https://doi.org/10.1007/s10584-005-5930-3
3. Chakraborty, Shiney. "COVID-19 and women informal sector workers in India." Economic & Political Weekly_ 55.35 (2020): 17.
4. Estupinan, Xavier, and Mohit Sharma. "Job and wage losses in informal sector due to the COVID-19 lockdown measures in India." Available at SSRN 3680379_ (2020).
5. Gupta U., Agarwal b., Nautiyal N. Financial technology adoption — a case of Indian MsMEs. Finance: Theory and Practice. 2022;26(6):192-211. DOI: 10.26794/2587-5671-2022-26-6-192-211
6. ILO DWT for South Asia and Country Office for India, "Situation analysis on the COVID-19 pandemic's impact on enterprises and workers in the formal and informal economy in India", 2021
7. ILO Evaluation Unit, "Checklist 3: Writing the Inception Report", 2014
8. ILO Evaluation Unit, "Guidance Note 2: Mid Term Evaluation", 2013
9. India Brand Equity Foundation, "MSME", www.ibef.org, Aug 2022
10. Kelkar, Abhijit, “Financial Management of Micro, Small and Medium Enterprises during COVID Times – Analytical Review with reference to Indian MSMEs". Medicon Engineering Themes 2.3 (2022): 12-25.
11. KOICA Annual Report 2020, 2021
12. Kumar, Piyush, and Advocate Anupama, "Impact of Covid-19 pandemic on Prevalence of violence against women complaints in India-A cross-sectional comparative research study from 2014 to 2022." (2022).
13. Ministry of Micro, Small and Medium Enterprises, Government of India, "Annual Report 2017-18", 2018
14. Ministry of Micro, Small and Medium Enterprises, Government of India, NSSO 73rd Round quoted in "Annual Report 2019-20", 2020
15. NITI Aayog, "Strategy for New India @ 75", Nov 2018
16. Sheikh, C.A. and Saxena, P., 2020. REDEMPTION OF INDIAN MSME SECTOR TOWARDS SUSTAINABILITY AMID COVID 19 PANDAMIC ATTACK. Sambodhi, 43, pp.86-97.
17. Somji, A. Gender-sensitive approaches to value chain development: a complementary guide.
18. Tripathy, S., and T. Bisoyi. "Detrimental impact of COVID-19 pandemic on micro, small and medium enterprises in India." Jharkhand Journal of Development and Management Studies_19.1 (2021): 8651-8660.
19. UN Group on Job Creation, Skilling and Entrepreneurship, "Enhancing women’s labour force participation in India": Policy Brief prepared for Niti Aayog, Unpublished, 2022.
20. Yagnik, Jignasu. "Is Indian MSME sector heading towards jobless growth?", The Empirical Economics Letters, May 2022, 20(1):143-153

Annex 3: List of key informants

Name and designation of person met	Organisation
Dr S Srijana, Director Industry	Government of AP
Mr. V R V R Naik, Joint Director MSME	Government of AP
Ajay Babu, Director Project	ALEAP
Sneha Bopanna ALEAP	ALEAP
Mr. Madhusudan Mr. L. Srinivas Rao Mr. G S K Rao Mr. Hemadri Pulluru SIYB Trainer	IED, SIYB Trainers, Vishakhapatnam
Beneficiaries of SIYB Training	IED
Ms. P Vyedhi, Secretary Mr. Srikant - Executive officer, Vizag office	FAPPCI
Mr. Krishan Kumar Mr. P V Anil Kumar Mr, Gangadhar Vaddi Ms. Srilatha Saggi Dr R S Chalapathi	SCORE Trainers, Vishakhapatnam
Akhil Kumar (Director) and EIT members	Sandy bay (P) Ltd., Vishakhapatnam
Ethan Desilva (CEO) and EIT members	Volta Fashion, Vishakhapatnam
Mr. Bibhuti Dash, Special Secretary, MSME	Government of Odisha, Bhubaneswar
SIYB trainee entrepreneurs and business development service providers in food processing	IED, Mancheswar, Bhubaneswar
OASME and trainers	Quality Testing Centre, Mancheswar, Bhubaneswar
'Utkal Exports' a SCORE enterprise (shrimps processing) and enterprise improvement team (EIT)	Bhubaneswar
'Fastech fashions', a SCORE enterprise (readymade garments uniforms)	Bhubaneswar
Mr Kelvin Sergeant, Specialist: Job Creation and Enterprises Development	ILO DWT for East and South-East Asia and the Pacific
Mr Satoshi Sasaki, Deputy Director	ILO Delhi
Ms. Sudipta Bhadra, Chief Technical Advisor	PSEI, ILO, Delhi
Mr. Ashish Dhiman, National Program Coordinator	PSEI, ILO, Delhi

Annex 4: Progress against Indicators

Result	**Indicator #**	**Baseline**	**Target**	**Planned Target** ***(Year 2 - 2022)***	**Actual Performance and % (*Year 2 2022 - achieved against target)***	**Cumulative Performance** ***(1st Year: 2021- Year 2: 2022)***
Outcome 1	**Indicator 1.1**	**Baseline**	**Target**	**Planned Target** ***(Year 2 - 2022)***	**Actual Performance (%) *(Year 2 - 2022)***	**Cumulative Performance** ***(1st Year: 2021- Year 2: 2022)***
MSME policy initiatives are effectively designed and implemented, enabling their market responsive to promote sustainable enterprises and integration in global supply chain.	4 MSME policy initiatives and delivery mechanisms in India designed or revised based on global best practices by central government and state institutions	0	2	1	(4) 400%	4
Output 1.1	Indicator 1.1	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
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	5	(5) 100%	5
	Indicator 1.2	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Research paper published and disseminated	0	1	1	(1) 100%	1

Result		**Indicator #**	**Baseline**	**Target**	**Planned Target *(Year 2 - 2022)***	**Actual Performance and % (*Year 2 2022 - achieved against target)***	**Cumulative Performance *(1st Year: 2021- Year 2: 2022)***
	Activity 1.1.1	Indicator 1.1.1	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Organize two study tours to South Korea for 40 Indian policy makers and associates	Capacities of 40 Central and State policymakers and associates developed through exposure to Korea	0	40	20	(18) 90%	18
	Activity 1.1.2	Indicator 1.1.2	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Conduct one research study on MSMEs development for global value chain in 2 selected sectors	Three research papers developed MSMEs development for global value chain in 2 selected sectors	0	1	1	(1) 100%	1
	Activity 1.1.3	Indicator 1.1.3	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Hold State-level multi-stakeholder dialogues on evolving coherence and effectiveness in MSME policy initiatives adopting global best practices	5 State-level multi-stakeholder dialogues held on MSME policy initiatives adopting global best practices	0	3	1	(4) 400%	5
Outcome 2		Indicator 2.1	Baseline	Target	Planned Target	Actual Performance	Cumulative Performance

Result		Indicator #	Baseline	Target	Planned Target *(Year 2 - 2022)*	Actual Performance and % (*Year 2 2022 - achieved against target)*	Cumulative Performance *(1st Year: 2021- Year 2: 2022)*
					(Year 2 - 2022)	(%) *(Year 2 - 2022)*	*(1st Year: 2021- Year 2: 2022)*
Indian Youths are equipped with entrepreneurial skills and generate decent jobs		205 new jobs created by new start-ups and existing MSMEs	0	20 %	10	205 (2050%)	205
Output 2.1		Indicator 2.1	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
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		17 trainees completed business registration newly after the SIYB training	0	120	20	(17) 85%	17
		Indicator 2.1	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
		10 business development service providers certified as SIYB trainers	0	20	2	(10) 500%	10
	Activity 2.1.1	Indicator 2.1.1	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Produce and apply SIYB Training materials adopted for 2 selected sectors	SIYB training materials adapted to 2 selected sectors (food processing, textile) and 2 states	0	2	2	(4) 200%	4
	Activity 2.1.2	Indicator 2.1.2	Baseline	Target	Planned Target	Actual Performance	Cumulative Performance

Result		Indicator #	Baseline	Target	Planned Target *(Year 2 - 2022)*	Actual Performance and % (*Year 2 2022 - achieved against target)*	Cumulative Performance *(1st Year: 2021- Year 2: 2022)*
					(Year 2- 2022)	(%) *(Year 2- 2022)*	*(1st Year 2021- Year 2 - 2022)*
	Select and train 40 BDS providers for SIYB training delivery as qualified trainers	40 BDS providers completed SIYB delivery training as Trainers	0	40	40	(40) 100%	40
	Activity 2.1.3	Indicator 2.1.3	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Identify 200 young women and men and provide in-class SIYB training to start business	Capacities of 80 young women and men developed through in-class and on-site SIYB trainings and are receiving mentoring to start businesses	0	200	100	(80) 80%	80
	Activity 2.1.4	Indicator 2.1.4	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Provide on-site training and mentoring for in-class trained young women and men to demonstrate starting of business	80 Number of in-class trained young men and women who received on-site training and mentoring to demonstrate starting of business	0	160	100	(80) 80%	80
	Activity 2.1.5	Indicator 2.1.5	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*

Result		Indicator #	Baseline	Target	Planned Target *(Year 2 - 2022)*	Actual Performance and % (*Year 2 2022 - achieved against target)*	Cumulative Performance *(1st Year: 2021- Year 2: 2022)*
	Organize special counselling sessions tailored for women candidates to enable them to start new business	10 women received customised counselling sessions for starting new businesses	0	20	10	(10) 100%	10
	Activity 2.1.6	Indicator 2.1.6	Baseline	Target	Planned Target *(Year 2-2022)*	Actual Performance (%) *(Year 2-2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Provide capacity building sessions for state-level local institutions to design & deliver entrepreneurship programme using SIYB	Capacities of 2 state-level capacity building institutions enhanced in design and delivery of entrepreneurship programme using SIYB	0	2	2	(4) 200%	4
	Activity 2.1.7	Indicator 2.1.7	Baseline	Target	Planned Target *(Year 2-2022)*	Actual Performance (%) *(Year 2-2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Organize thematic lectures delivered by Korean experts on selected topics	3 special lectures by Korean experts on entrepreneurship development delivered to Indian counterparts	0	4	2	(3) 150%	3
Outcome 3		Indicator 3.1	Baseline	Target	Planned Target *(Year 2-2022)*	Actual Performance (%) *(Year 2-2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
Indian MSMEs demonstrate responsible management practices and build sustainable business management system with increased productivity		A 261% percentage increase in social security coverage of MSME employees in AP and Odisha	1,37,43,395	50%	16.6% (Targeted increase of 21,98,943)	(Increase of 59,45,148 over baseline) 261%	1,96,88,543 (increase of 59,45,148 over baseline)

Result		Indicator #	Baseline	Target	Planned Target *(Year 2 - 2022)*	Actual Performance and % (*Year 2 2022 - achieved against target)*	Cumulative Performance *(1st Year: 2021- Year 2: 2022)*
							(AP: 5335941; Odisha: 609207)
		Indicator 3.2	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
		A 390-percentage increase in turnover reported by new and existing MSMEs	2257	50%	16.6% (targeted increase of 375)	2351 Targeted increase of 390 (104) %	2351
Output 3.1		Indicator 3.1	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
Indian MSMEs trained to improve productivity and working conditions using ILO SCORE tool adopted gender-mainstreamed management practices in workplace		65 percent improvement in Key Performance Indicators among SCORE trained MSMEs	0	20%	10%	(achieved 65%) Achievement of 650% over target	65%
		Indicator 3.2	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
		Number of business development service providers who are certified as trainers for SCORE delivery	0	5	0	0	0
	Activity 3.1.1	Indicator 3.1.1	Baseline	Target	Planned Target	Actual Performance	Cumulative Performance *(1st*

Result		Indicator #	Baseline	Target	Planned Target *(Year 2 - 2022)*	Actual Performance and % (*Year 2 2022 - achieved against target)*	Cumulative Performance *(1st Year: 2021- Year 2: 2022)*
					(Year 2- 2022)	(%) *(Year 2- 2022)*	*Year 2021- Year 2 - 2022)*
	Produce & apply gender-mainstreamed SCORE training materials adapted for 2 selected sectors	SCORE training materials produced & applied in adaptation of gender-mainstreaming for 2 selected sectors	0	2	2	(2) 100%	2
	Activity 3.1.2	Indicator 3.1.2	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	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	0	0 (Module 1 completed; other modules to follow)	0
	Activity 3.1.3	Indicator 3.1.3	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Organize two awareness raising session to encourage MSMEs in 2 selected sectors to enrol SCORE program	76 MSMEs participated awareness raising program for enrolment of SCORE Program	0	50	50	(76) 152%	76
	Activity 3.1.4	Indicator 3.1.4	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	SCORE training delivered by BDS providers in 16 selected	Number of MSMEs which completed SCORE trainings for	0	16	0	0	0

Result		Indicator #	Baseline	Target	Planned Target *(Year 2 - 2022)*	Actual Performance and % (*Year 2 2022 - achieved against target)*	Cumulative Performance *(1st Year: 2021- Year 2: 2022)*
	MSMEs (SCORE Module 1 plus 2 optional modules)	productivity improvement (1+2 Modules)					
	Activity 3.1.5	Indicator 3.1.5	Baseline	Target	Planned Target *(Year 2-2022)*	Actual Performance (%) *(Year 2-2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Organize special sessions delivered by Korean industry experts on productivity improvement	7 special sessions provided by Korean industry experts on productivity improvement	0	2	1	(7) 700%	7
	Activity 3.1.6	Indicator 3.1.6	Baseline	Target	Planned Target *(Year 2-2022)*	Actual Performance (%) *(Year 2-2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Provide capacity building sessions for state-level public and private institutions to design and promote good management practices among MSMEs in supply chain of 2 selected sectors	Number of public and private institutions at state-level which participated capacity building sessions for design and promote good management practices among MSMEs in supply chain of 2 selected sectors	0	2	2	(6) 300%	6
	Activity 3.1.7	Indicator 3.1.7	Baseline	Target	Planned Target *(Year 2-2022)*	Actual Performance (%) *(Year 2-2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Organize one International MSMEs Networking Summit in India	International MSMEs Networking Summit in India organized	0	1	0	0	0

Result		**Indicator #**	**Baseline**	**Target**	**Planned Target *(Year 2 - 2022)***	**Actual Performance and % (*Year 2 2022 - achieved against target)***	**Cumulative Performance *(1st Year: 2021- Year 2: 2022)***
	Activity 3.1.8	Indicator 3.1.8	Baseline	Target	Planned Target *(Year 2- 2022)*	Actual Performance (%) *(Year 2- 2022)*	Cumulative Performance *(1st Year 2021- Year 2 - 2022)*
	Organize one National MSME networking summit in India	National MSME networking summit in India organized	0	1	1	(1) 100%	1

Annex 5: List of Stakeholders of the project

International Level	National Level
- The donor, Korea International Cooperation Agency (KOICA) - Korea Start-up Center (KSC, India office of Korea SMEs & Start-up Agency - KOSME) - Korea Trade-Investment Promotion Agency (KOTRA) - Chungcheongnam-do economic promotion agency (CEPA) - Korea Development Institute (KDI) - Indian Chamber of Commerce in Korea (ICCK) - Korea Productivity Center (KPC) - Korea Small Business Institute (KOSI) - Korea Chamber of Commerce and Industry (KCCI) - Korea Institute for International Economic Policy (KIEP) - Invest India Korea desk - 11) Korea International Trade Association (KITA)	Ministries - Ministry of MSME - Ministry of Food Processing Industries - Department of Fisheries, Ministry of Fisheries, Animal Husbandry & Dairying - Ministry of Textiles - Ministry of Labour and Employment National Institutions - National Institute for Micro, Small and Medium Enterprises, (NI-MSME) - National Institute of Food Technology Entrepreneurship and Management (NITFEM) - National Institute for Entrepreneurship and Small Business Development (NIESBUD) - Entrepreneurship Development Institute of India (EDI) Sectoral Authorities - Agriculture and Processed Food Products Export Development Authority (APEDA) - Marine Products Export Development Authority (MPEDA) Industry Federations, Associations, & Councils - Federation of Indian Chamber of Commerce and Industries (FICCI) - Confederation of Indian Industries (CII) - Textile Sector Skill Council Other Organisations - Invest India - Apparel Export Promotion Council (AEPC) - Coastal Aquaculture Authority - India Brand Equity Foundation - Apparel Export Promotion Council - Food Industry Capacity & Skill Initiative (FICSI)
Andhra Pradesh	**Odisha**
State Departments - Department of Industries, Government of Andhra Pradesh (AP) the focal department - AP MSME Development Corporation - AP Economic Development Board - Andhra Pradesh Food Processing Society - Department of Fisheries - Department of Handlooms and Textiles - MSME Development Institute - Andhra Pradesh MSME Development Cooperation - District Industry Centre, Vishakhapatnam State Commerce Chambers - Andhra Chamber of Commerce - Andhra Pradesh Chambers of Commerce and Industry Federation (AP Chambers)	State Departments - Micro, Small and Medium Enterprises Department, the focal department - Handloom, textiles and handicrafts department - MSME Development Institute - Institute of Entrepreneurship Development, Odisha - Regional Directorates Of Skill Development And Entrepreneurship (RDSDE) Odisha - Odisha Small Industries Corporation Ltd. - Directorate of Export Promotion and Marketing - Odisha Investment And Export Promotion Office (OIEPO State Commerce Chambers - Association of Industrial Entrepreneurs of Bhubaneshwar - CII Odisha state office - FICCI, Odisha state level council

International Level	National Level
- Federation of Andhra Pradesh Chamber of Commerce and Industry – FAPCCI - FICCI state council for Andhra Pradesh - CII Andhra Pradesh state council - Sea Foods Exporter Association of India - The Garments Manufacturer And Wholesalers Association, Hyderabad - The Vizagapatanam Chamber of Commerce and Industry NGOs - Association of Lady Entrepreneurs of India (ALEAP) Trainers - SIYB and SCORE Trainers at State level	- ICC - North Orissa Chamber Of Commerce & Industry - Odisha Industry Association - Odisha Small Scale Industry Association - Orissa Assembly of Small & Medium Enterprises (OASME) - Orissa Young Entrepreneurs Association - Sea Food Exporters Association of India, Odisha Region - Textile Merchant Association - Utkal Chamber of Commerce - World Trade Centre, Bhubaneshwar NGOs - Centre for Youth and Social Development (CYSD) - Harsha Trust - Pradan Trainers - SIYB and SCORE Trainers at State level
Internal Stakeholders: The project team, DWT Specialists, ILO Directorate	

Annex 6: Evaluation Terms of Reference