

## Mid-term Internal Evaluation: Scaling up STED: Skills for Trade and Economic Diversification

### **Final Report**

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**INTERNATIONAL LABOUR ORGANIZATION  
TECHNICAL COOPERATION**

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# Contents

<b>Executive summary .....</b>	<b>v</b>
<b>Acronyms .....</b>	<b>ix</b>
<b>1 Background and project description .....</b>	<b>1</b>
<b>2 Purpose of the evaluation .....</b>	<b>3</b>
<b>3 Evaluation methodology .....</b>	<b>3</b>
3.1 Limitations .....	4
<b>4 Overall review of implementation by outcome.....</b>	<b>5</b>
<b>5 Findings and conclusions by evaluation criteria .....</b>	<b>7</b>
5.1 Relevance and strategic fit .....	7
5.1.1 Alignment with global strategies on skills development.....	8
5.1.2 Relevance for situation facing Member States' governments and social partners .....	9
5.1.3 Coherence and complementarities to ILO's strategy for skills development .....	10
5.1.4 Comparative advantage of the ILO .....	11
5.2 Validity of design.....	12
5.2.1 Adequacy of project design to meet objectives .....	13
5.2.2 Quality of project design: methods, timing, staffing .....	13
5.2.3 Project design targeted at capacity strengthening.....	14
5.2.4 Project design adequate for partner capacities .....	14
5.2.5 Coherence of project design .....	14
5.2.6 Gaps in project design.....	14
5.2.7 Alternative forms of project design .....	15
5.3 Project progress and effectiveness.....	16
5.3.1 Results by project component .....	16
5.4 Efficiency: resource use and management arrangements .....	22
5.4.1 Management arrangements and effectiveness of HQ backstopping support .....	22
5.4.2 Timeliness of delivery .....	23
5.4.3 Appropriateness of RBM and M&E frameworks .....	23
5.4.4 Resource use .....	23
5.4.5 Factors affecting project performance .....	23
5.5 Likelihood of sustainability for STED .....	25
5.5.1 Project strategy and management .....	25

5.5.2 Changes in knowledge about skills development in sectoral policies.....	26
5.5.3 Changes in attitudes and skills.....	26
5.5.4 Enabling environment.....	26
5.5.5 Exit strategy .....	26
5.5.6 Replication of tools and procedures.....	27
<b>5.6 Cross cutting ILO objectives.....</b>	<b>29</b>
5.6.1 Women’s economic empowerment objectives.....	29
5.6.2 Labour standards .....	29
5.6.3 Social dialogue .....	30
<b>6 Lessons learned .....</b>	<b>31</b>
6.1 Emerging good practices .....	31
<b>7 Conclusions .....</b>	<b>32</b>
<b>8 Recommendations .....</b>	<b>34</b>
<b>Annex 1: Terms of Reference .....</b>	<b>40</b>
<b>Annex 2: Bibliography.....</b>	<b>47</b>
<b>Annex 3: People interviewed .....</b>	<b>48</b>
<b>Annex 4: Implementation progress by specific objectives.....</b>	<b>49</b>
<b>Annex 5: Evaluation matrix.....</b>	<b>52</b>
<b>Annex 6: Evaluation questionnaire .....</b>	<b>53</b>
<b>Annex 7: Lesons learned templates.....</b>	<b>57</b>
<b>Annex 8: Emerging good practices template .....</b>	<b>67</b>

## Figures

Figure 1: STED Theory of Change, 2016 .....	2
Figure 2: Assessment of STED implementation by overall objectives .....	5
Figure 3: Use of Global Public-Private Knowledge Sharing Platform by STED countries.....	21
Figure 4: SWOT analysis of STED.....	24

## Executive summary

1. This document constitutes the Mid-Term internal Evaluation of Scaling up STED: Skills for Trade and Economic Diversification, funded by the Swedish International Development Agency (Sida), as part of the Sida-ILO partnership programme 2014-2017. The report focuses on the perspectives of project implementers in Geneva and at country level. Separate evaluation reports from the implementation countries (Cambodia, Malawi and Myanmar) with insights from national stakeholders are also available to truly triangulate the findings of the present report.
2. Project implementation under this global component started in June 2014 and is scheduled to finish in June 2017 with a budget of USD 1.4 m for the global component. The project consists of three sub-components: i) STED country projects in Cambodia, Malawi and Myanmar; ii) STED programme development including Results-based Management (RBM), Monitoring and Evaluation (M&E) frameworks and analytical research; and iii) Regional and global knowledge sharing. Cambodia together with Myanmar, as well as Malawi have an additional budget, as the Sida-funded STED project has a decentralised budget structure.
3. The purpose of the evaluation, which comprised 14 consultancy days in total, is to look back at implementation achievements and challenges over the last 20 months and to inform on strategic choices for the remaining project period, till December 2017. All project sub-components implemented to date are part of the evaluation scope.
4. The external evaluator used a mixed-methods approach. The main assessment tools and processes used for the Mid-Term Evaluation included: i) a document review, ii) a briefing meeting followed by an inception meeting with the Project Management in Geneva; iii) a semi-structured questionnaire, which was revised following ILO comments during the inception of this evaluation and applied in 28 interviews, iv) the project logframe to analyse performance to date, v) a presentation of emerging findings and conclusions with the Project Team to facilitate the formulation of feasible recommendations.
5. **Relevance: Is STED doing the right thing?** The STED project shows an overall relevance which is high to very high. Implementers assess the relevance of STED as high as 85%. STED responds to the demand of Member States, many in serious need for economic diversification and trade with new queries for example from Tunisia or Azerbaijan even after the implementation of this STED component started. STED is aligned with the global agenda on skills development, the G20 Development Working Group being one example.
6. The cooperation with sister international organizations like the International Trade Centre (ITC) is highly relevant due to complementary agendas and a clear comparative advantage of the ILO in skills and standards, but this has not been translated into significant potential synergies to scale up STED due to changes in prioritizations by ILO senior management with less visibility and leadership.
7. **Validity of project: Is STED well designed?** The evaluation finds that the project design is sub-optimal. This coincides with low ratings provided by project implementers, reaching in average a 39% concerning the validity of project design.
8. On the positive side, the project design enables ILO to reach out beyond their traditional counterparts, the Ministries of Labour (MOL), to more central and better funded ministries such as the Ministries of Trade, Industry and Commerce. Overall, the coherence of project design is good with the strongest links between the RBM and M&E framework (component 2) and the country projects (component 1).

Project background

Evaluation purpose

Methods

Evaluation results

9. Direct targeting at capacity strengthening is strong for the analytical phase but suboptimal for the implementation phase, as direct implementation is foreseen in the project document in only one out of the six sectors benefitting from Sida-funded STED in the three project countries. The STED project design seems in fact heavy on the analytical phase. In the absence of performance measures and a clear Theory of Change in the project documents, it remains unclear what constitutes success in the STED project: strengthened analytical capacities in the countries or the full implementation of STED? Or both?
10. The following gaps in the project design emerge: i) the timing of the STED M&E and RBM work requiring retrofitting at country level; ii) high expectations raised for STED implementation, even if it is only foreseen in one selected sector; and iii) despite significant and successful efforts to bring STED staff together twice in 2015, insufficient formal and particularly informal knowledge sharing between countries. A weakness in project design is the implicit project assumption that STED research results would be readily picked up by other donors for full implementation funding, which is questionable.
11. **Project progress and effectiveness: were results achieved?** Despite shortcomings in the project design and budget cuts of about 14% due to exchange rate fluctuations between the Swedish Krona and the US Dollar, the project implementation is advancing. The level of progress varies. The implementers “high to very high” ratings of 82% on project effectiveness seem too optimistic. For component 1, country programmes, Malawi shows good progress, followed by average progress in Cambodia and less than expected progress in Myanmar.
12. In Malawi, the final draft STED report for the oilseeds and horticulture sectors was presented and validated by stakeholders. A second phase of research is being planned involving local universities. The Ministry of Labour and the Ministry of Industry and Trade agreed that the report recommendations on proposed responses for the two sectors should be implemented. Demand from social partners is resulting in piloting STED implementation since 2015. Funded by the MasterCard Foundation’s Work4Youth project in cooperation with the ILO, USD 154,805 was made available to focus on implementing STED recommendations on skills upgrading (Work-based learning) in the high value horticulture sector comprising vegetables such as peppers, broccoli and lettuce. 40 graduates are benefitting from the pilot project, to be finalised in August 2016.
13. In Cambodia, the project was affected by a lengthy recruitment process of project staff and in getting the Prakas (Ministerial Ordinance) on setting up the Project Advisory Committee signed. Following an inclusive analytical phase with good involvement of social partners, survey results for the two sectors have been shared with social partners and sector representatives. STED reports for both the light manufacturing and food processing sectors are still to be issued. Limitations in time and particularly the budget available for implementing STED in one sector are of concern.
14. As in Cambodia, the STED project in Myanmar experienced delays due the lengthy recruitment process. Work in the tourism sector is more advanced than in the vegetable and fruits sector, with a draft STED report on survey results available for the former. The main reasons are the strong support by social partners, including the Minister of Hotels and Tourism in person. The vegetable and fruits sector is larger and less well organised with fragmentation of oversight by different government authorities. For 2016 the ILO Yangon offices secured funding under the social safety nets projects of the ILO-Japan cooperation for implementing at least some STED report recommendations in the tourism sector for tours guides. The concept note was prepared with STED staff.
15. Under component 2, progress is good for RBM and M&E. Both frameworks are developed and being used in the Sida-funded project. Knowledge products research with the World

Trade Organization (WTO) is on-going. Comparative studies and programme management show progress, with questions about the use of comparative studies, beyond sharing with country-based staff for comments and challenges in formal and informal communication and learning across STED. Component 3 shows good progress with regards to the knowledge sharing workshops (Arab States workshop), while the Global Public-Private Knowledge Sharing Platform on Skills for Employment (Global KSP) was expanded but remains under-used due to low awareness among project countries.

**16. Efficiency: are resources being used appropriately to achieve results?** Implementers rate the efficiency of STED as “medium to high”, with a 64% rating on efficiency. This largely coincides with the findings of the present evaluation. STED benefits from well-functioning management arrangements with adequate HQ backstopping and appropriate M&E and RBM frameworks. 61% of the global component’s budget was used after about 64% of project implementation time.

17. However, the timeliness of project delivery was affected in all three project countries by recruitment delays of up to 6 months. Efficiency of resources use for M&E and RBM frameworks is suboptimal, as at least 30% of the expenditure for fees could have been saved, given customary fee rates for the industry. This view is not shared by the project team, being guided by consultants rates applied in ILO ENTERPRISE for similar ILO DCED-based work. Those fee rates are significantly higher than the customary fee rates in the industry and closer to the practices in the private sector. Budget cuts resulting from exchange rate fluctuations are the main factors affecting the project performance.

**18. Likelihood of sustainability: will STED results last?** The *likelihood* of sustainability seems mixed. This coincides with the ratings of project implementers. Engaging ministries responsible for trade, industry and commerce with more leverage in governments enhances the opportunities for project sustainability. Awareness about how to analyse skills development in sectoral policies seems to have been raised in all 3 project countries; however, it is too early to assess changes in knowledge, attitudes, skills or the extent the STED approach might be replicated in the project countries. Exit strategies were developed only during the project implementation in the three countries. The evaluation finds that this was rather late to clearly manage stakeholder expectations.

**19. Cross-cutting objectives:** The concept of social dialogue is central to STED, as expressed in the project documents and shown in the interviews with most ILO implementers. Women’s economic empowerment objectives are referred to in the project documents but not reported on specifically in the technical annual progress reports. Labour standards, inherently focused on in the STED approach are neither prominently considered in the project documents and nor in annual technical progress reporting.

20. Following the above key findings, the Mid-Term Evaluation drew conclusions, presented in the main report leading to the following recommendations:

## **Recommendations**

### ***Senior management of Employment Policy Department:***

- Lead discussion with STED project team to what extent budget from the global component can be shifted to the STED implementation in one country.
- Given the recognition of STED, senior management should develop a clear view how to link positive results on the ground with ILO’s priorities on trade and employment.

***Employment Policy Department:***

- Ensure systematically that performance measures and a theory of change are developed for any project document.
- Diversification of ILO's counterparts in government, particularly more central and well resources ministries should be actively promoted as a means to enhance the likelihood of sustainability
- Ensure that TC projects systematically include and report on the cross cutting issues of gender and labour standards.
- Be more cost-sensitive when choosing consultancy services by not using private sector-equivalent fee rates

***STED project management:***

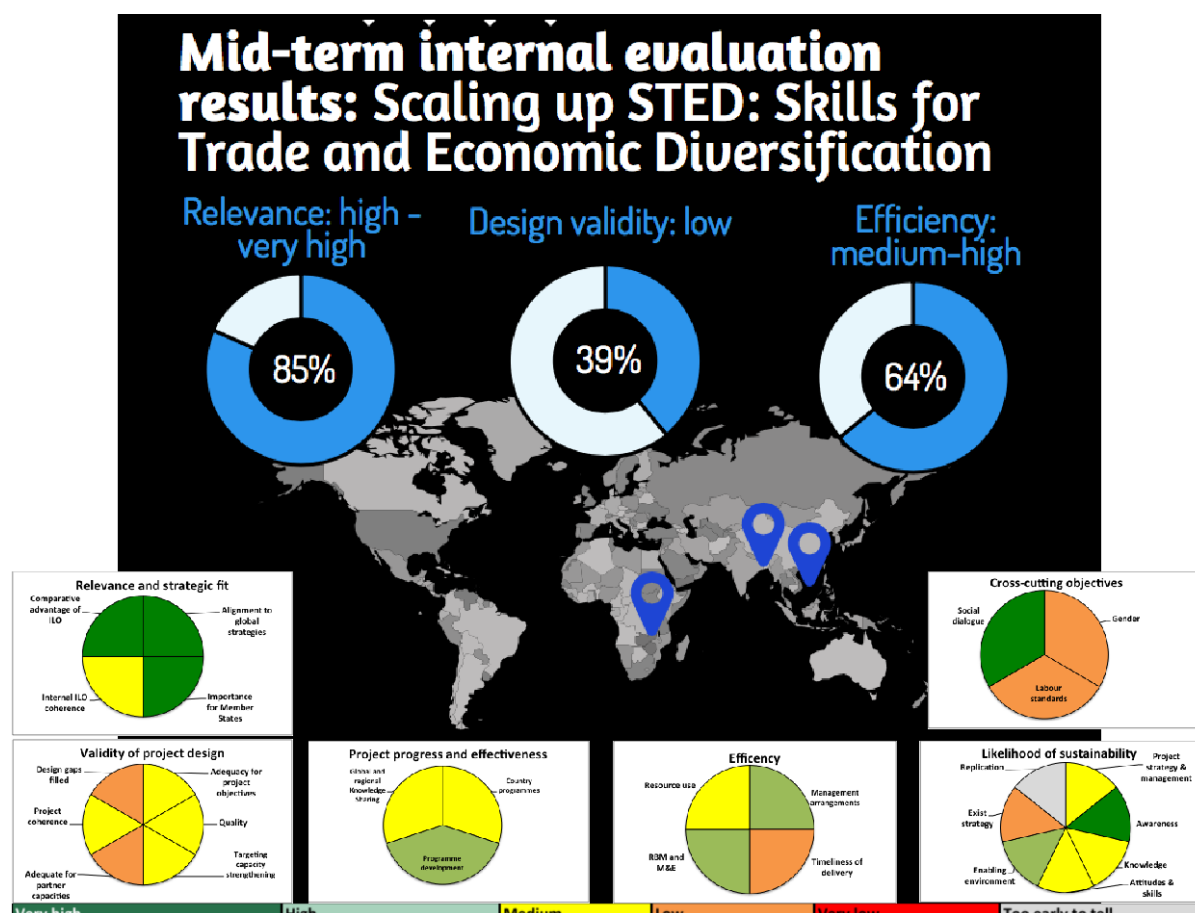
- STED capacity strengthening support of national counterparts is still required.
- Future STED country selection in LDC's should carefully consider national capacities.
- Consider analytical phase of STED with Chief Technical Officers but then withdrawing CTAs from the project once National Project Officers are sufficiently acquainted to ensure cost-effectiveness. CTA's working 50% on STED are an alternative to be considered for cost reduction.
- Integrate more fully the Global KSP in project countries

***Sida:***

- Engage ILO senior management on a dialogue about the future of STED, including the preparedness to include at least some components into the budget of the Employment Policy Department for the next Programme and Budget.
- The results of engaging ILO senior management should inform the consideration of future funding for STED after 2017.

21. The main evaluation results are summarised in the figure below:





## Acronyms

ACT/EMP	ILO's Bureau for Employers' Activities
ADB	Asian Development Bank
AfTIAS	Aid for Trade Initiative for Arab States
BLP	Business Linkage Programme (UNCTAD programme)
DAC	Development Assistance Committee
CTA	Chief Technical Advisor
DWCP	Decent Work Country Programme (ILO)
DWG	G20 Development Working Group
Global KSP	Global Public-Private Knowledge Sharing Platform on Skills for Employment
ILO	International Labour Organization
ITC	International Trade Centre
LDC	Least Developed Countries
M&E	Monitoring and Evaluation
MOL	Ministry of Labour
MSME	Micro, Small and Medium Enterprise

NELP	Malawi's National Employment and Labour Policy
NEP	National employment policy
NES	National export strategy
OECD	Organisation for Economic Co-operation and Development
RBM	Results-based Management
RBSA	Regular Budget Supplementary Account (ILO)
Sida	Swedish International Development Agency
SDG	Sustainable Development Goal
SPX	Subcontracting and Partnership Exchange
STED	Skills for Trade and Economic Diversification (ILO programme)
SWOT	Strengths-Weaknesses-Opportunities-Threats
TC	Technical Cooperation
TNC	Transnational Corporation
TVET	Technical and vocational education and training
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
WBL	Work Based Learning
WTO	World Trade Organization

## Acknowledgements

The external evaluator wishes to thank ILO staff in Geneva and other internal implementers in regional and country offices for their valuable time to reflect on processes and results of the Sida-funded STED project.

Requirements of the evaluator were often accommodated at very short notice.

ILO's SKILLS branch efficiently facilitated the evaluation and the responsiveness of Bolormaa Tumurchudur-Klok was invaluable for this evaluation process.

Dr Achim Engelhardt  
Frankfurt/M and Geneva

## 1 Background and project description

1. The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.
2. After its launch in 2010, STED was piloted in four countries. Currently STED is being implemented in a number of countries within an overarching framework financed by different donors: i) Sida-funded "Scaling up STED: Skills for Trade and Economic Diversification" in Cambodia, Malawi and Myanmar, ii) Russian-funded "Applying the G20 Training Strategy Project"; and iii) Aid for Trade Initiative for the Arab States<sup>1</sup>
3. This Mid-Term Evaluation focuses on the Sida-funded project, funded between June 2014 and December 2018 with a budget of USD 1.4 m for the central HQ component. The latter consists of three sub-components: i) STED country projects in Cambodia, Malawi and Myanmar; ii) STED programme development including Results-based Management (RBM), Monitoring and Evaluation (M&E) frameworks and analytical research; and iii) Regional and global knowledge sharing. Each country has an additional budget, given the project's decentralised budget structure. The main outputs for those sub-components are listed below:
  - Component 1: STED country projects  
Main outputs:
    - **Cambodia:** Full STED programme in two selected sectors: analysis of export growth potential sectors and analysis of skill needs to realise that growth; strengthened capacity of industry skills councils; implementation of recommendations to upgrade TVET provision in at least one target sector
    - **Myanmar:** STED analysis in two selected sectors, Skills gaps analysis in those sectors, tripartite partner recommendations for TVET and development of implementation work plans
    - **Malawi:** STED analysis of skill needs in two sectors already identified in the National Export Strategy and capacity building to upgrade training in at least one sector

- Component 2: STED programme development

Main outputs:

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<sup>1</sup> The Russian-funded programme "Applying the G20 Training Strategy Project" includes STED activities in Vietnam (Tourism) and Jordan (Pharmaceuticals and Food processing); the Aid for Trade Initiative for the Arab States includes activities in Egypt (Food processing and Furniture) and Tunisia (Metallurgy and Food Processing sectors).

- Results-based Management (RBM) and Monitoring and Evaluation (M&E) frameworks
- Experts vetting workshop for the two frameworks (2014-15)
- Knowledge products from analytical research with WTO
- Comparative studies based on country background research
- Results from pilot testing M&E framework in the target countries
- Programme management

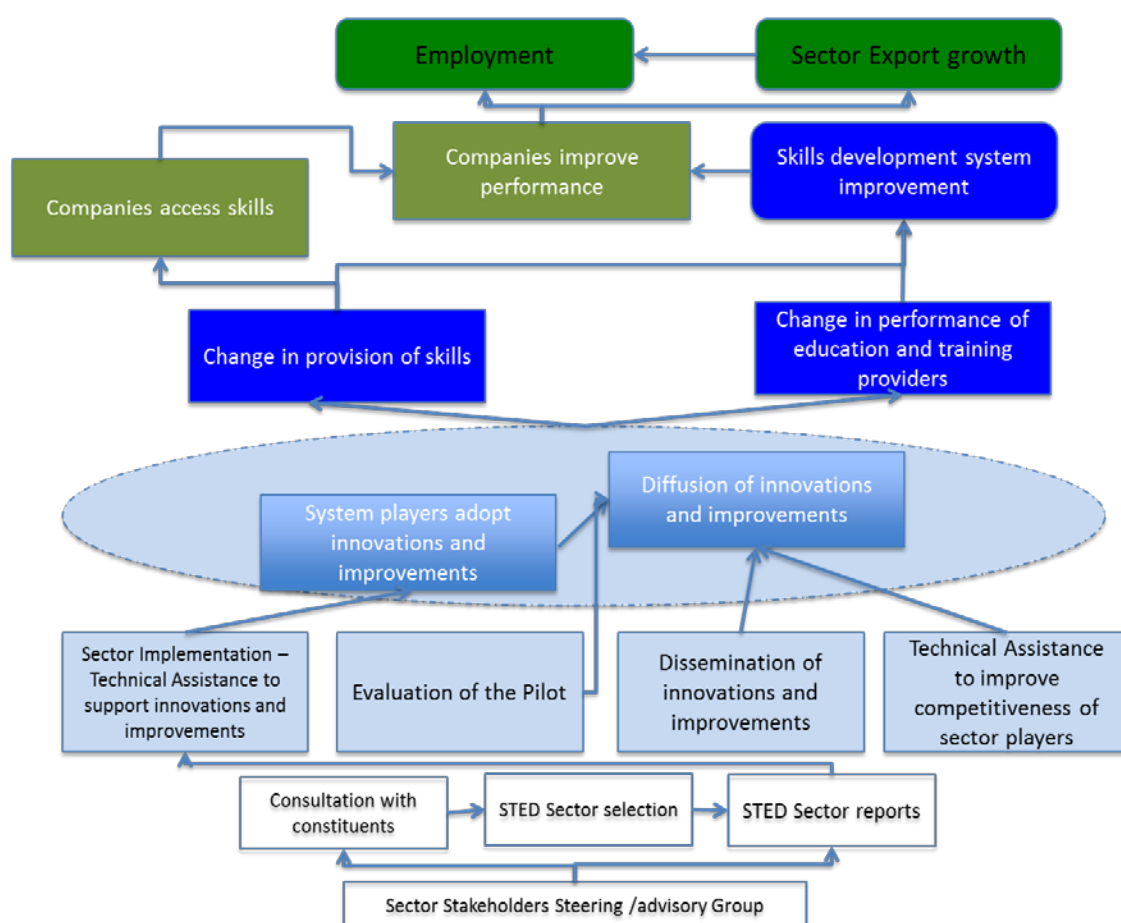
○ Component 3: Regional and global knowledge-sharing

Main outputs:

- Arab States Knowledge Sharing Workshop (linking this project to broader knowledge sharing with the Aid for Trade initiative)
- Expanding the Global Public-Private Knowledge Sharing Platform on Skills for Employment (Global KSP)
- Knowledge sharing workshop on STED (last semester of the project, 2017)

4. STED developed a Theory of Change as part of the work on RBM and M&E, as presented in the figure below:

**Figure 1: STED Theory of Change, 2016**



## 2 Purpose of the evaluation

5. This Mid-Term Evaluation was undertaken between April and June 2016 and comprised 14 consultancy days. The external evaluator selected was Dr. Achim Engelhardt, founder and director of the Lotus M&E Group with an office in the Geneva region, a monitoring and evaluation specialist with experience in supporting the ILO repeatedly since 2008.
6. The scope of the evaluation covers 20 months, from June 2014 till February 2016 including the inception period, and assessed the on-going implementation progress of the main outputs. The evaluation is summative and formative in nature: it looks back at implementation achievements and challenges over the last 20 months and it aims to inform on strategic choices for the remaining project period, till December 2017. The evaluation will be used both for project accountability and project learning.
7. All project sub-components implemented to date form part of the evaluation scope. This particular report was produced centrally in Geneva reaching out to ILO country staff remotely. In parallel, country level Mid-Term Evaluations took place in Cambodia, Malawi and Myanmar to assess country progress more deeply and to get views from a wide range of country stakeholders. Separate reports are available for those country Mid-Term Evaluations.
8. In line with the Terms of Reference (ToR), the Mid-Term Evaluation was based on OECD/DAC evaluation criteria. Specific criteria included: i) the relevance and strategic fit of the project; ii) Project progress and effectiveness; iii) The validity of project design; iv) Effectiveness of management arrangements and efficiency of resources use; v) Likelihood of project sustainability.<sup>2</sup>
9. Clients for the evaluation are the ILO's tripartite constituents, the Sida (donor), the partner agencies (World Trade Organization (WTO) and the International Trade Center (ITC)), the project manager and team, the ILO Employment Policy Department, and other relevant colleagues at the HQ and field. Those constitute the evaluation audience.

## 3 Evaluation methodology

10. The evaluator used a mixed-methods approach for this Mid-Term Evaluation. Qualitative approaches allow for the analysis of social interaction<sup>3</sup> such as results of social dialogue. Quantitative data in terms of economic results was not yet available at the mid-term of STED. Hence, the evaluator used ratings of qualitative aspects of STED as part of the questionnaire design. The quantification of qualitative data, to the extent possible aimed to complement qualitative data.

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<sup>2</sup> The ToR mention « project sustainability ». However, given the nature of the evaluation at mid-term, the evaluator suggested to reformulate the criterion into « Likelihood of project sustainability».

<sup>3</sup> See Bamberger et al, 2009: Using Mixed Methods in Monitoring and Evaluation: Experiences from International Development (<http://www.bwpi.manchester.ac.uk/resources/Working-Papers/bwpi-wp-10709.pdf>)

11. The main assessment tools and processes used for the Mid-Term Evaluation included: i) document review, ii) briefing meeting followed by an inception meeting with the project management in Geneva; iii) semi-structured questionnaire revised following ILO comments during the inception of this evaluation, and iv) project logframe to analyse performance to date. Given the time available for the Mid-Term Evaluation and the complementarity of the field level Mid-Term Evaluations in Cambodia, Malawi and Myanmar further evaluation tools such as a survey were not developed. Annex 5 contains the evaluation matrix.
12. The evaluator applied the semi-structured questionnaire through face-to-face interviews in the ILO headquarters in Geneva and through telephone interviews, adding up to a total of 28 interviews. In the 15 interviews with implementers outside the HQ Project Team where ratings were provided, those are used. The questionnaire is presented in Annex 6.
13. Stakeholders interviewed for this Mid-Term Evaluation can be grouped as follows:
  - ILO Project Team in Geneva, with Consultant and Manager
  - ILO Employment Policy Department, skills and employability branch
  - ILO skills experts in Pretoria and Bangkok
  - ILO chief technical advisor, programme officers, national project officers/coordinators in Sida funded and other STED countries
  - Donor Sweden
  - Implementation partner ITC

### 3.1 Limitations

14. This evaluation is an integral part of the Mid-Term Evaluations of STED at country level. To fulfil the quality criteria of sound triangulation, all evaluation components at central and national levels need to be taken into consideration. This is of importance, as the central element of the STED Mid-Term Evaluation presented in this report purposefully did not reach out to national STED stakeholders, as per Terms of Reference, to avoid duplications with the national level evaluations. With this important limitation in mind, findings, conclusions and recommendations of this report need to be complemented with those from the national reports.
15. The evaluation approach chosen for this Mid-Term Evaluation is built on the collection of qualitative and quantitative data. Given the large number of evaluation questions suggested by the ILO with different levels of relevance for the 19 stakeholders interviewed, quantitative data was aggregated for evaluation criteria only<sup>4</sup>. A disaggregation by key evaluation question seemed less feasible, given the limited number of responses.
16. Given the large number of evaluation questions and the broad focus set out in the Terms of Reference for this evaluation, the evaluation is rich in breadth but less so in depth.

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<sup>4</sup> The programme management teams' evaluation ratings given in interviews were not used for aggregation, to limit the bias in the assessment.

## 4 Overall review of implementation by outcome

*This section aims to evaluate the STED project implementation by outcome. The project document does not use the terminology “outcome” but refers to “overall objectives” and the latter are assessed in this section. While this section provides an overview of project implementation for overall objectives, a more detailed narrative assessment at the level of “specific objectives” is provided in Annex 4 and on outputs in section 7.3 Project progress and effectiveness. The evaluation used the results from stakeholder interviews and findings from the document review for this assessment.*

17. Figure 2 shows the progress of the STED project implementation based on its overall objectives.

**Figure 2: Assessment of STED implementation by overall objectives**

	Assessment
<b>Component 1: STED country programmes</b>  <b>Overall objective:</b> Increase the competitiveness and decent work creation in the selected export sectors of the target countries	Too early to assess
<b>Component 2: STED programme development</b>  <b>Overall objective:</b> Develop and mature the wider STED programme through resourcing a programme management capability, through developing frameworks for Results-based Management (RBM) of STED-based projects and for Monitoring and Evaluation (M&E) of STED implementations, and through undertaking a programme of research to better underpin the base of knowledge on which STED itself and these frameworks are based.	Good progress
<b>Component 3: Global and regional Knowledge Sharing</b>  <b>Overall objective:</b> Raise awareness among policy makers and stakeholders in the area of trade policy of the importance of a right-trained workforce to facilitate trade and ensure equitable participation in trade and of practical approaches to anticipate and meet skill needs in emerging export growth sectors.	Average progress

Key on progress:

Very good progress	Good progress	Average progress	Less progress	Very little progress	Too early to assess
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### Component 1: STED country programmes

18. It is too early to assess progress on the increase of the competitiveness and decent work creation in the selected export sectors of the target countries, as at Mid-Term the STED reports have not been implemented in any sector yet, as per schedule.

### Component 2: STED programme development

19. The frameworks for Results-based Management (RBM) of STED-based projects and for Monitoring and Evaluation (M&E) of STED implementations have been developed. This includes RBM and M&E tools, templates and manuals and guides to support the system implementation. A validation workshop was beneficial for achieving ownership from STED stakeholders. So far, the level of use of these frameworks is mainly focused on the input level, given that STED implementation is still outstanding. Common STED programme management is less advanced.

### Component 3: Global and regional Knowledge Sharing

20. The STED project run a knowledge sharing workshop on Trade and Skills for the Arab region that was held in 2014 in Cairo, jointly with the Aid for Trade Initiative for the Arab States

project. While this event seems somehow isolated regarding the STED country programme work, its objective of knowledge sharing was achieved, according to participants interviewed.

21. Work on expanding content available through the inter-agency Global Public-Private Knowledge Sharing Platform (KSP) is an on-going process as are efforts to raise awareness and visibility of the platform as a tool for accessing credible information on skills development. At the project country level, awareness and use of the platform is still low.
22. Section 7.3 titled “Project progress and effectiveness” analyses project results in detail.



## 5 Findings and conclusions by evaluation criteria

### 5.1 Relevance and strategic fit

*This section evaluates the relevance and strategic fit of the STED project. Sub-criteria for evaluating the relevance include the project's alignment with global strategies on skills development, the relevance for member states governments and social partners, relevance for the donor Sweden, ILO's internal coherence and complementarities and ILO's comparative advantage. A review of documentation and results of stakeholder interviews contributed to this assessment, complemented by the expert assessment of the evaluator.*

#### **Key finding 1:**

STED is relevant for the ILO under outcome 1 in the Programme and Budget 2016-17 and responds to the needs of member states. The project is aligned with global strategies on skills development, as shown through STED engagement in the G20 Development Working Group or the Aid for Trade Initiative for Arab States. Project implementers rate the relevance as “high to very high”, with a relevance rating of 85% (N=15).

#### **Key finding 2:**

The cooperation with sister international organizations like the ITC is highly relevant due to complementary agendas and a clear comparative advantage of the ILO in skills and standards. But this has not been translated into significant potential synergies to scale up STED due to changing prioritizations by ILO senior management.

#### **Key finding 3:**

Demand for STED in project and other countries is significant.

23. The STED project fits into ILO's Programme and Budget Outcome 1: More and better jobs for inclusive growth and improved youth employment prospects. The aim is to integrate skills development into sector or national development strategies.
24. At country level, the STED project is aligned with the Decent Work Country Programme (DWCP) in Cambodia (KHM 202) and Malawi (MWI 105). For Myanmar, where the ILO has not established a DWCP, the STED project fits with the relevant national strategies.
25. STED is also relevant for the 2030 agenda, more specifically to the Sustainable Development Goal 8, on the promotion of sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. STED contributes to SDG targets 8.2, 8.3 and 8.5<sup>5</sup>.

<sup>5</sup> Target # 8.2: Achieve higher levels of economic activity through diversification, technical upgrading and innovation, including through a focus on high value added and labour intensive sectors.

Target # 8.3: Promote development-oriented policies that support productive activities, decent job creation,

26. The 15 Project implementers outside the core management team in HQ interviewed rated the relevance of STED as “high to very high” with an 85% relevance rating.

### **5.1.1 Alignment with global strategies on skills development**

27. The G20 Development Working Group (DWG) asked the ILO, the UNESCO, the OECD and the World Bank to improve their team work in helping Least Developed Countries to devise and implement skills for employment strategies. Malawi is one of the pilot countries for this inter-agency support. One STED component is funded by Russia, from the time when the country hosted the G20 presidency. The ILO implements STED under this component in Jordan and Vietnam.
28. The ILO also implements the STED methodology in Egypt 2014-2016 and in Tunisia 2015-2016 as part of the Aid for Trade Initiative for Arab States (AfTIAS). The latter provides a platform for targeted trade reforms at regional and country levels. AfTIAS is a partnership of twenty-two Arab countries, members of the League of Arab States, and five UN agencies ILO, ITC, UNIDO, UNCTAD and UNDP.
29. This Mid-Term Evaluation found that the UN agencies implement AfTIAS in a segmented manner and the ILO and the ITC for example cooperated on administrative issues but not substantially on subject matters. The Arab States workshop co-funded by the Sida project seems an exception, very much appreciated by the ITC.
30. The ITC is a STED partner and one which is particularly relevant. With its focus on connecting developing country businesses to value chains, building sustainable market linkages and building institutional, managerial and entrepreneurial capacities makes the ITC invaluable for STED. However, at senior management (including DG level), a concrete cooperation to scale up STED, using for example ILO’s country office infrastructure is not on the agenda. The ITC sees this as a missed opportunity for a “win-win” situation.
31. The project document concisely describes the WTO’s role as a partner in STED: “WTO and the ILO share an interest in enabling countries to realise the potential of trade openness for employment: for providing more jobs - and more productive and decent jobs – to more people. Conceptual research by WTO on skills and competitiveness and on the implications for skills development in emerging trade theory will inform the development of STED’s Monitoring and Evaluation Framework, in particular helping to articulate appropriate feasible baseline indicators for national partners to use in tracking and evaluating eventual results. In turn, analysis of the data generated by the country level work implemented by the ILO through this project will provide empirical evidence to explore and further reform the conceptualization of the linkages from skills to trade and employment<sup>6</sup>”.

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entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services.

Target # 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

<sup>6</sup> Project document, page 6

32. Multiple other UN programmes dealing with the topic of skills development and trade (but not necessarily following a sectoral approach). Two examples are UNCTAD's Empretec programme in combination with its Business Linkages Programme and UNIDO's Subcontracting Partnership Exchange (SPX). STED is not related to those programmes of UN sister agencies but engaged for example with UNIDO's Learning and Knowledge Development Facility (also Sida funded).
33. UNCTAD's approach entails the support to Empretec Centres in building capacities of local Micro, Small and Medium enterprises (MSMEs) in order to link them to the supply chain of Transnational Corporations (TNCs) operating in those countries. UNCTAD's Business Linkages Programme (BLP) facilitates that process<sup>7</sup>. Skills development combined with a trade component shows similarities with the STED approach.
34. UNIDO's SPX supports local enterprises to meet the challenges of globalization and to take advantage of the emerging opportunities that evolve from industrial subcontracting, outsourcing and supply chain opportunities. SPX helps local firms to assess their own competitive position and understand their weaknesses and gaps with respect to buyer expectations. The skills element is less emphasized in SPX with a strong focus on supply chain engagement.

### **5.1.2 Relevance for situation facing Member States' governments and social partners**

35. STED seems relevant for Member States and this is shown by its contribution to National Employment Policies (Cambodia) or National Export Strategies (Malawi). Following the Arab Spring for example, the demand for STED was significant in the region to address the mismatch between skills and economic growth sectors.
36. Tunisia asked for ILO STED support following the STED Cairo workshop and recently Azerbaijan asked for STED support. Initial activities were implemented in Tunisia, and continue to January 2017.

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<sup>7</sup> See Engelhardt, A. (2012): External Evaluation of UNCTAD's Empretec and Business Linkages Programme

#### The STED Cairo Workshop 2015

Under the Aid for Trade Initiative for Arab States (AfTIAS), the ILO's STED workshop was the first opportunity for AfTIAS implementers to meet and share experiences. Over 10 countries participated, an exceptional response in this particular region. The good reach showed ILO's important convening power.

For other AfTIAS implementers, having social partners in the same room was an eye-opening novelty, resulting in good discussions about skills needs among stakeholders from reformist and traditional countries. Issues of the situation of the youth and unemployment were controversially discussed.

"ILO's successful organization of the workshop with this excellent participation from across the region was a merit in itself." (AfTIAS stakeholders)

37. At country level, a challenge arises as trade and employment tend to be under different line ministries and inter-ministerial coordination can be influenced by different agendas with different levels of relevance of the topic.

#### **5.1.2.1 Relevance for donor Sweden**

38. Sida's support to STED is part of the Sida-ILO Partnership Agreement 2014-17. STED falls within the Swedish aid priorities such as employment promotion, core labour rights, gender mainstreaming, working conditions, social partners, and international labour standards. Facilitating the ILO's outreach to trade agenda is part of the rationale for the STED support.
39. The 2015 review of Sida's global support to ILO's Decent Work Agenda found that "the relevance of the STED programme lies primarily in its concrete, country-level approach to creating employment, and its relation to a specific area of employment creation. (...) The support given to the ILO is clearly relevant and in line with Swedish aid priorities with a focus on rights-based issues, gender and outreach to vulnerable groups in terms of employment promotion<sup>8</sup>".
40. Based on the above, the review team recommended that Sida supports the future role of the ILO in employment creation.

### **5.1.3 Coherence and complementarities to ILO's strategy for skills development**

41. The ILO declaration on social justice and globalisation in 2008 stated the employment effects of trade and put trade on the agenda of the ILO. After 2012, work on trade and globalisation became increasingly scattered in across the ILO.
42. In 2014 the International Labour Conference served as the platform for an international dialogue on recurrent issues in the world of work. During the discussions of an employment framework, constituents expressed the need to work more on skills anticipation and recognition: STED was one of the elements to respond to this demand and an opportunity to

<sup>8</sup> Ostergaard, M. and Kokanova, N. 2015: Review of Sida's global support to ILO's decent work agenda (p. 17)

address trade issues more strategically. However, this Mid-Term Evaluation finds that coordination of trade related work in the ILO is still sub-optimal. The ILO's Bureau for Employers' Activities (ACT/EMP) and ACTRAV for example don't play a role as internal project stakeholders, despite their important roles in working with employers and workers representatives.

43. In addition, the oversight of STED at senior management level seems unsatisfactory and there is a feeling that STED does not get the attention it deserves.
44. The Sida-funded STED component made important provisions for an overall coherent approach to STED in the ILO, regardless of the source of funding. This included the development of common RBM and M&E frameworks, joint capacity building events in Geneva such as the 2015 STED workshop, the KSP website and more regular communication between National Project Coordinators in STED countries. The results are mixed. A notion of working in silos, depending on the source of STED funding persists even in neighbouring countries like Cambodia and Vietnam.

#### 5.1.4 Comparative advantage of the ILO

45. The ILO brings its core expertise in skills and standards to STED, combined with its tripartite approach. This comparative advantage is perceived in the ILO despite ILO's decreasing role in vocational training and a skills branch suffering cuts of about 90% of staff positions over the last 25 years. The ILO's mandate leaves freedom in focusing on the size of companies, an important complementing factor to the work of the STED partner ITC with its focus on small and medium-size enterprises.
46. From a country perspective, the ILO with its STED project responds to needs of employers and the labour market, compared to other skills related projects for example in Jordan. In southern Africa, facilitating the access of significant levels of production to the markets is of vital interest to the local economies. The STED approach underscores ILO's comparative advantage in this regard and the importance of ILO's engagement in the trade agenda, which is described as paramount.

"STED bridges gaps between skills gaps and skills demand. This is unique in my country."

Source: STED stakeholder in ILO country office

47. The ILO's convening power is another comparative advantage for STED. This allowed for example to bring the Ministry of Labour, Ministry of Trade, employers and TVET providers together in Malawi. The 2015 Cairo workshop for the Aid for Trade Initiative for Arab States being another example (see section 7.1.2).

**Conclusion 1:** Relevance of STED is clearly given but this is not translated into positioning STED for significant up-scaling due to a lack of clear directions within the ILO senior management.

## 5.2 Validity of design

*This section evaluates the validity of project design and uses a number of sub-criteria for this purpose: The adequacy of project design to meet objectives and for partner capacities, the quality of project design, targeting capacity strengthening and project design gaps. The evaluation used the results from project implementers' interviews, findings from the documents review and the expert assessment of the evaluator.*

### **Key finding 3: Overall validity of project design is mixed**

The project document lacks performance measures and a clear Theory of Change. Those shortcomings are among others reflected in low ratings for the validity of project design given by project implementers (rating of 39%).

### **Key finding 4: The validity of project design for component 1 (STED country programmes) is medium**

- The project design enables the ILO to reach out beyond their traditional counterparts, the Ministries of Labour, to more central ministries such as the Ministries of Trade, Industry and Commerce. "Reaching new frontiers for dialogue" is very much appreciated at the operational level in the three project countries while , at the level of the ILO senior management in Geneva, this is less clear;
- Direct targeting at capacity strengthening is strong for the analytical phase but suboptimal for the implementation phase, as the project document foresees implementation only in one out of the six sectors benefitting from Sida-funded STED in the three project countries;
- The STED project design seems heavy on the analytical phase. For one out of the six sectors where STED recommendations are supposed to be implemented, time and budget constraints emerge, aggravated by budget cuts due to exchange-rate fluctuations;
- STED implementers experience that partner capacities were stretched due to the complex STED methodology being applied in three LDCs;
- Overall, the coherence of project design is good with the strongest links between the RBM and M&E frameworks (component 2) and the country projects (component 1). The Global Public-Private Knowledge Sharing Platform seems not fully integrated yet, given the low level of awareness and use in the project countries;
- Gaps in the project design emerge for: the timing of the STED M&E and RBM work; high expectations raised for STED implementation, even if it is only foreseen in one selected sector; unclear uptake of research results where STED implementation is not planned and particularly informal knowledge sharing between countries.
- Alternative forms of project design were identified and could be applied for a second phase of Sida funding or other donor funding for STED.

### **Key finding 5: The validity of project design for components 2 and 3 is mainly appropriate**

Component 2 (STED programme development) and component 3 (regional and global knowledge sharing) seem mainly appropriately designed to meet the sub-criteria for project design quality.

### 5.2.1 Adequacy of project design to meet objectives

48. The STED methodology puts emphasis on a thorough analytical phase. In this respect the project design is adequate to meet project objectives under component 1 in Myanmar and Malawi, as in those cases only an analytical phase was foreseen in the project document.
49. However, for one sector in Cambodia where the implementation of recommendations from the analytical phase is envisaged, an imbalance of time (and budget) available for analysis and implementation emerges. This imbalance is further increased by delays in recruiting project staff which decreased the time available for implementation while the time available for the analytical phase remained unchanged. This challenge has already been identified in Vietnam, a non-Sida funded STED country and is now also experienced in the Sida-funded STED country Cambodia. Budget cuts following exchange rate fluctuations (clearly beyond the control of the project design) further aggravate this situation.
50. Component 2 (STED programme development) and component 3 (regional and global knowledge sharing) seem appropriately designed to meet project objectives.
51. Overall, the assessment of the project document shows that performance indicators are absent from the document, as well as explicit assumptions about the project, as part of a Theory of Change. The rationale for working on the analytical phase of STED in six sectors and aiming for implementation in only one sector is not provided. It remains unclear from the project document whether this is a design flaw or a calculated “high risk-high return” strategy to force the project to reach out to new potential donors for immediate STED implementation once the STED report is published.

### 5.2.2 Quality of project design: methods, timing, staffing

52. ILO stakeholders at country level repeatedly commented on the delays in recruiting project staff, a recurrent challenge in ILO projects as reported from the STED countries. Those delays of up to 6 months impact negatively on the timeframe for STED. Other reasons for delays were inclusive stakeholder engagement processes that are time intensive. Engaging the private sector in Malawi for example took much longer than expected.
53. ILO stakeholders at the operational level appreciate the STED methodology. The concept of reaching out also to more central ministries such as the Ministries of Trade, Commerce or Industry with a stronger position in governments than the Ministries of Labour is considered as relevant.
54. STED seems particularly well timed in Cambodia where the Asian Development Bank (ADB) runs a USD 32.6m programme to raise the quality of technical and vocational education and training from 2014 to 2019<sup>9</sup>.

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<sup>9</sup> See <http://www.adb.org/news/cambodia-gets-adb-loan-boost-quality-access-technical-training>

### **5.2.3 Project design targeted at capacity strengthening**

55. To date, capacity building is significant during the analytical phase of STED on issues such as skills anticipation. In fact, the project success could be measured by the level of capacities built during that phase but this is left open in the project document.
56. Out of the six sectors benefitting from STED in the three project countries, capacity strengthening by implementing STED recommendations developed in the analytical phase is envisaged in one sector only, with two additional sectors benefitting through other funding streams. To this extent, the direct targeting at capacity strengthening for STED implementation is less strong.

### **5.2.4 Project design adequate for partner capacities**

57. The Sida-funded STED project is run in three Least Developed Countries and partner capacities were expected to be rather limited, compared for example to STED in Vietnam. In Cambodia, national stakeholders required more time than envisaged to be familiar with the STED concept while now the capacities seem to be at an encouraging level. For the implementation of STED recommendations in Malawi, close support to the national counterparts would still be required.

### **5.2.5 Coherence of project design**

58. The Sida-funded STED project consists of the three components listed in section 1 (Background and project description): 1) STED country projects; 2) STED programme development and 3) Regional and global knowledge sharing. The strongest links in terms of project coherence seem between the RBM and M&E frameworks (component 2) and the country projects, given the important STED workshop held in Geneva in 2015 resulting in awareness raising and validation of the frameworks.
59. The Global Public-Private Knowledge Sharing Platform (Global KSP) under component 3 logically fits in the project design but awareness and particularly use of the platform by STED project countries is still under developed.
60. The Arab States Knowledge Sharing Workshop, also part of component 3, seems somehow disconnected from component 1, the workshop having a global knowledge sharing objective.

### **5.2.6 Gaps in project design**

61. At mid-term, a number of gaps in the project design emerge. ILO implementers raised those during the evaluation interviews, as summarized below:
- M&E and RBM work developed in parallel with country components, requiring retro-fitting
  - High level of inclusiveness of analytical phase raises expectations for STED implementation up to the level of the Minister of Labour (Malawi), even if it is only foreseen in one out of the



six selected sectors: this constitutes a reputational risk for the ILO and motivational challenges among stakeholders where action is more important than research

- The project assumption that STED funded research in the project countries might be used for substantial implementation by national governments or other donors' initiatives seems questionable for LDCs. National governments are confronted with capacity issues or funding gaps in respective national strategies. At the same time donors tend to undertake their own research before any project implementation, using existing bodies of knowledge for supplementing their own research at best
- STED reports for Sida-funded countries lack an in-depth stakeholder analysis to facilitate the implementation of recommendations and the cyclical repetition of research
- Formal and particularly informal knowledge sharing between countries is insufficient

### 5.2.7 Alternative forms of project design

62. While STED seems relevant for Member States, a format to appropriately respond to that demand is still to be found. As STED is funded through Technical Cooperation projects, funds to respond to needs of new countries are only available for scoping missions. Project implementers suggested creating a facility for seed funding provided by the Employment Policy Department to allow for proposal writing.
63. A second phase of Sida-funded STED support or other donors' support for STED could use this "proposal based approach", rather than preselecting countries to ensure a higher level of ownership. Countries with own resources for implementing STED recommendations could be mixed with LDCs to ensure a higher likelihood of implementation and less dependence on donor funding. The latter could be prioritised for LDCs.
64. As STED recommendations cannot be predicted, the same applies to the costing of the implementation of those recommendations. Hence a phased project approach seems valid. In phase 1, the analytical work is accomplished, and for phase 2, funding earmarked for implementation. Both could be undertaken in 3.5 years but with less sectors/countries to be covered to avoid spreading resources too thinly.

#### Conclusion 2:

- Project coherence is given for components 1 and 2, to date less so for component 3
- Diversification of ILO's counterparts in government is enriching rather than a step towards proliferation
- Gaps in projects design, including a suboptimal project document, impact on STED roll out and cause difficulties in managing stakeholder expectations, including what STED success constitutes
- From an implementers' perspective, partner capacities might appear limited in LDCs and not yet sufficiently strengthened for the application of complex STED methodology

## 5.3 Project progress and effectiveness

*This section evaluates the project progress and effectiveness by the outputs per project component. Data sources used are interviews and the document review, combined with the expert assessment of the evaluator.*

### Key finding 5:

- Project implementers (excluding the Management Team) rate effectiveness of STED as “high to very high” (rating of 82%, n=15, 13 from ILO)
- The evaluation also shows a positive assessment, but more nuanced, while the donor is preoccupied by progress of implementing STED recommendations
  - For component 1, country programmes, Malawi shows good progress, followed by average progress in Cambodia and less than expected progress in Myanmar
  - Under component 2, progress is good for RBM and M&E and potentially knowledge products research with WTO. Comparative studies and programme management show average progress, with questions about the use of comparative studies and challenges in formal and informal communication and learning across STED
  - Component 3 shows good progress with regards to the knowledge sharing workshops (Arab States workshop), while the Global Public-Private Knowledge Sharing Platform on Skills for Employment was expanded but remains under-used due to low visibility

### 5.3.1 Results by project component

65. Following on section 6, the overall review of implementation by outcome, this section evaluates the *main outputs*, as specified in the evaluation’s Terms of Reference.

#### Component 1

Cambodia	Results
Full STED programme in two selected sectors: Analysis of export growth potential sectors, analysis of skill needs to realise that growth, strengthened capacity of industry skills councils, implementation of recommendations to upgrade TVET provision <b>in at least one target sector.</b>	Average progress

66. After the project start in December 2014, the launch of STED in Cambodia experienced delays and project staff joined in mid-2015 due to a lengthy recruitment process. The project suffered further delays in getting some of the social partners involved in the STED process. More specifically, a delay was caused in getting the Prakas (Ministerial Ordinance) on setting up the Project Advisory Committee signed. The ILO presented the initial results of the surveys of more than 200 establishments each for light manufacturing and food processing sectors, as well as the survey of skills training providers for both sectors to sector representatives. This was accomplished in separate consultation workshops for both sectors. The light manufacturing and food processing sectors are both priority sectors for economic diversification in Cambodia. Social partners validated the findings and solicited recommendations to address identified issues, including skills gaps.

67. The STED reports for both the light manufacturing and food processing sectors are still to be issued, with a deadline set for May 2016. The project team developed a Regular Budget Supplementary Account (RBSA) proposal to complement the STED implementation. Budget cuts affected the available funds, adding up to USD 240,000<sup>10</sup> due to exchange rate fluctuations between the Swedish Krona and the US Dollar.

### Component 1

Myanmar	Results
STED analysis in two selected sectors, skills gaps analysis in those sectors, tripartite partner recommendations for TVET, and development of implementation work plans	Average progress

68. As in Cambodia, the STED project in Myanmar experienced delays due the recruitment process of the Project Technical Officer. The draft STED report in tourism sector (with a primary focus on tourist guides) has been prepared. The sector needs survey in vegetable and fruits sector is ongoing. Reasons for better progress made in the tourism sector are the strong support by social partners. The Minister of Hotels and Tourism in person and his team showed strong support, including the provision of valuable data for the STED research. Development partners made data available on value chains in the sector.
69. For the vegetable and fruits sector data is less readily available due to the involvement of different government authorities. The sector is rather large and less well organised.
70. The final STED report for the tourism sector in Myanmar was to be completed in April 2016. The sector needs survey in vegetable and fruits sector was scheduled for May 2016, with the STED report to be issued later in 2016.
71. Although not planned, at least some STED recommendations for tourists' guides could be implemented. For 2016 the ILO Yangon offices secured funding under the social safety nets projects of the ILO-Japan cooperation. After 2016, a RBSA proposal is being prepared to complement the STED implementation.

### Component 1

Malawi	Results
STED analysis of skill needs in two sectors already identified in the National Export Strategy (NES) and capacity building to upgrade training in at least one sector	Good progress

72. The final draft STED report for the oilseeds and horticulture sectors was presented and validated by a stakeholder validation workshop in February 2016. Both sectors are priorities in the National Export Strategy (NEP). The project was also hit by budget cuts amounting to over USD 100, 000 due to the exchange rate fluctuations but the project roll out in Malawi shows good progress.
73. Stakeholders, together with the Ministry of Labour and the Ministry of Industry and Trade

<sup>10</sup> For Cambodia and Myanmar together, given the single budget for both countries.

agreed that the report recommendations on proposed responses for the oilseeds and horticulture sectors should be implemented.

74. Though not foreseen in the project document, demand from social partners is leading to piloting STED implementation. Funded by the MasterCard Foundation's Work4Youth project together with the ILO, USD 150, 000 have been made available to focus on implementing STED recommendations on skills upgrading in the high value horticulture sector comprising vegetables such as peppers, broccoli and lettuce. Those vegetables are destined for the high end market: hotels and foreign residents. Currently 80% of those vegetables are imported from South Africa. Engaging in high-end domestic trade as a stepping stone for international trade has been observed as a successful model in donor interventions in the region, as shown in the box below.

**The importance of domestic markets for trade – lessons from UNCTAD's skills development support in Zambia and Tanzania**

In 2012, UNCTAD evaluated the EMPRETEC and Business Linkages Programme, a venture implemented in Zambia in the context of the ILO's Broad Based Wealth and Job Creation Programme. The evaluation found that "linkages of micro, small and medium enterprises to the supply chain of larger local or national companies emerged as complementary and at times alternative to linkages to Transnational Corporations. The particular value of those "unintended" linkages, which developed through market dynamics in both countries (*Zambia and Tanzania*), is contained in a more gradual increase of the standards (*for example for packaging or labelling*), quality and volumes to be complied with by the suppliers. In addition, those linkages often entail the advantage of cash business, which is very important for entrepreneurs with very limited access to finance".

Source: A. Engelhardt, 2012: External Evaluation of UNCTAD's EMPRETEC and Business Linkages Programme (p. vi)

**Component 2**

	Results
Results-based Management (RBM) and Monitoring and Evaluation (M&E) frameworks and experts vetting workshop for the two frameworks (2014-15)	Good progress

75. Both the Results-based Management (RBM) framework and the Monitoring and Evaluation (M&E) framework were developed, vetted and expected to be published later in 2016.
76. Awareness of the frameworks is high, given the ILO STED stakeholder involvement in the development process through the vetting workshop held in Geneva in 2015. The frameworks are used in the three Sida-funded STED countries by project staff while government counterparts lack relevant knowledge of the frameworks, for example in Malawi or Cambodia. Here ILO stakeholders identified an important training need<sup>11</sup>.
77. Non-Sida funded STED countries like Vietnam or Jordan are not applying the RBM and M&E frameworks, as the STED coordinator in Geneva deemed that those countries are too close

<sup>11</sup> The team of the global project component commented that the extent to which the partners are exposed to the frameworks has been a decision for project staff at country level.

to the finalization of the project implementation, with little value for retro-fitting at such a late stage in the intervention cycle.

### Component 2

	Results
Knowledge products from analytical research with WTO (2014-15)	Good progress

78. The ILO and the WTO produced a 13-page paper titled “Investing in skills for trade and inclusive growth” for the G20 trade ministers’ meeting in Istanbul in October 2015. The research work is currently continuing with the aim both to finalize a joint publication and to organize its launch towards the end of 2016.

### Component 2

	Results
Comparative studies based on country background research	Average progress

79. The ILO STED project has produced eight country studies on skills and trade (Cambodia, Myanmar, Malawi, Vietnam, Ghana, Morocco, Tunisia and Philippines). However, those were not referred to during the evaluation interviews and their direct added value for the overall programme development remained unclear.

### Component 2

	Results
Programme management	Average progress

80. The STED programme management in the ILO HQ in Geneva is currently backstopping STED projects in 7 countries in 13 sectors.
81. The programme management successfully further developed the STED methodology by developing and piloting RBM and M&E frameworks for STED-based projects. Research on trade and skills was integrated into STED but as stated above, awareness or use of that research in other components is unclear.
82. Collaboration and synergies between different STED projects are actively nurtured. However, knowledge exchange for example between Russian-funded STED projects and Sida-funded projects seems sub-optimal, as reported for example for the neighbouring countries Vietnam and Cambodia.
83. The evaluation was unable to fully assess the level of ownership and high level support for the STED programme management structure in the Employment Policy Department, which emerges as a concern.

**Component 3**

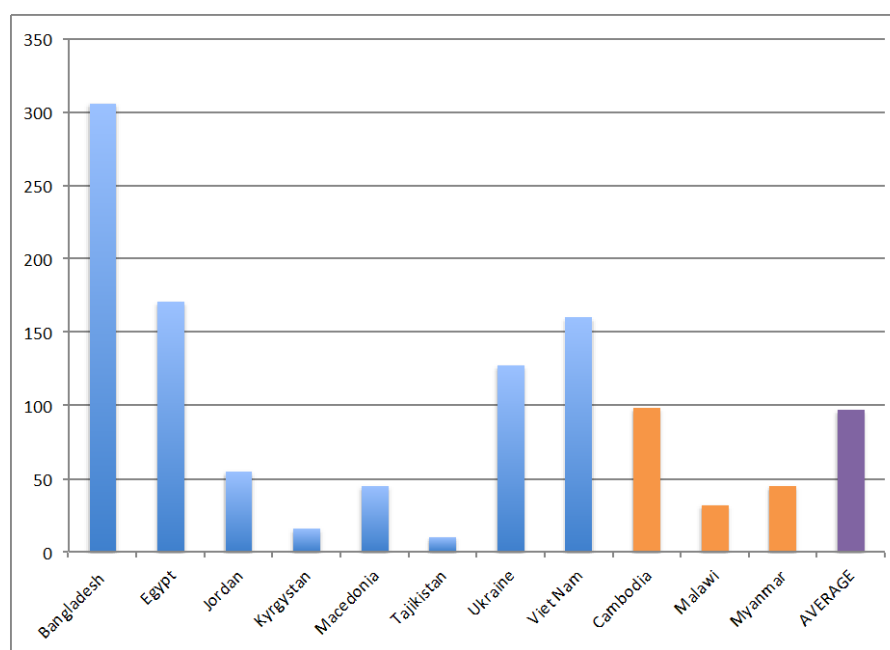
	Results
Knowledge sharing workshops	Good progress

84. In the framework of the Aid for Trade Initiative for Arab States, STED contributed to the Arab States Knowledge Sharing Workshop on skills needs and challenges in the region. The workshop took place in October 2014. Feedback on the workshop seemed positive, given the evaluation interviews. Partners like the ITC appreciated the ILO's convening power and its tripartite approach. STED examples from countries like Jordan or Egypt were disseminated and discussed. As one important spin off of the workshop, Tunisia started in 2015 in two sectors, and is moving towards publishing reports and implementation of a number of recommendations.
85. A second STED knowledge sharing workshop is planned to be held in Cambodia in 2017.

**Component 3**

	Results
Expanding the Global Public-Private Knowledge Sharing Platform on Skills for Employment	Less progress

86. The Sida-funded STED component contributes to the Global Public-Private Knowledge Sharing Platform on Skills for Employment. Expansion of information and knowledge products has progressed over the evaluation period under review. In addition, the platform created a "mini portal" for STED, accessible via the Global KSP's homepage. The "mini portal" contains information from the research and STED country implementation. The use of the platform by STED countries is shown in Figure .
87. Short videos are of particular interest on the platform for easy communication of issues around skills for employment.
88. However, the effectiveness of the platform is limited to date due to low visibility and under-use, including in the HQ STED programme management team but particularly in country offices. Scope for enhancing the use of the platform emerge for sharing of experiences, lessons learned, success stories, photo slideshows, and testimonials of beneficiaries via the STED dedicated portal on the site. The potential for creating communities of practice (CoPs), accessible via the portal, is also untapped for project management and staff to interact regularly and learn from each other's experiences.
89. In the Asia-Pacific region a regional platform is available, from which selected knowledge products are sourced and uploaded onto the Global KSP. Getting a global perspective is appreciated in the region, as stated by a key stakeholder.
90. Figure 3 below shows the origin of users of the platform, with Malawi and Myanmar below the average of all STED countries, and Cambodia reaching the average.

**Figure 3: Use of Global Public-Private Knowledge Sharing Platform by STED countries**

Number of hits: 5 June 2014 to 27 April 2016

**Conclusion 3:** Level of STED results achieved at mid-term is good but varies among components and outputs

The likelihood for STED in Malawi and to some extent in Cambodia to advance with the implementation of STED report recommendations seems the highest among the project countries. For the remaining project period, an acceleration of results in one country seems desirable. Due to the decentralised budget structure of the project, shifting funds between budgets seems problematic. However, some action for results acceleration is expected by the donor. Shifting some funds from the Sida global component's budget to STED implementation in one country seem necessary to fulfil donor expectations, leading to deprioritising other project deliverables.

## 5.4 Efficiency: resource use and management arrangements

*This section evaluates the efficiency of STED project implementation. Sub-criteria used for the assessment are management arrangements, effectiveness of HQ backstopping, timeliness of delivery, appropriateness of M&E and RBM frameworks and resource use. The last sub-criterion refers to factors affecting project performance and is complemented by a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. Project implementer interviews, the STED budget and a document review formed the basis for evaluating the project's efficiency, complemented with the expert assessment of the evaluator.*

### Key finding 6:

- Project benefits from well-functioning management arrangements with adequate HQ backstopping and appropriate M&E and RBM frameworks
- Timeliness of delivery in two countries affected by recruitment delays of up to six months
- 61% of global component's budget used after about 64% project implementation time
- Efficiency of resource use for M&E and RBM frameworks suboptimal, as at least 30% of the expenditure for fees could have been saved, given the customary fee rates for the industry (though this view is not shared by the project team, following private sector-equivalent fee rates)
- Budget cuts resulting from exchange rate fluctuations is the main factor affecting the project performance
- Project implementers rate the efficiency of STED as "medium to high" (64% efficiency rating)

### 5.4.1 Management arrangements and effectiveness of HQ backstopping support

91. ILO stakeholders in all three STED countries appreciated the well-functioning management arrangements, with National Technical Officers and Chief Technical Advisors in country and support from regional skills advisors in Bangkok and Pretoria, respectively, or the project team in Geneva.
92. Having Chief Technical Advisors located in project countries made a difference. Chief Technical Advisors worked independently from the start of their engagement and the evaluator was impressed by quality of engagement of the advisors during evaluation interviews. Their role in engaging stakeholders is significant and the convening power positively commented referred to. The downside of engaging Chief Technical Advisors are the significant costs incurred. The Chief Technical Advisors role of getting National Project Officers introduced to and confident with the project, before retreating, as practiced in Malawi and most likely to happen in Cambodia appears as a cost-effective compromise once the analytical STED phase is finalised.
93. Backstopping provided by the Skills Department seemed overall adequate. Countries made uneven experiences in terms of the timeliness and speed of replies from HQ and feedback on data delivered to Geneva, with some stakeholders being enthusiastic about the level of support provided and others more critical.



### 5.4.2 Timeliness of delivery

94. In Cambodia and Myanmar, the project suffered delays through a lengthy recruitment process, for example 2 months in Myanmar and 6 months in Cambodia. This is not unique to the Sida-funded STED component but also reported in the final evaluation of the Russian funded STED component and in other ILO technical cooperation projects. One question raised from ILO stakeholders was to what extent the results of the analytical phase will be timely for implementation by other funding sources. By the time follow-up funding could be assured, research results might be outdated.

### 5.4.3 Appropriateness of RBM and M&E frameworks

95. ILO stakeholders at country level reacted positively to the RBM and M&E frameworks. The validation workshop held in Geneva in 2015 contributed significantly to awareness raising, ownership and ultimately use of the frameworks, at least in the Sida-funded STED countries.
96. This Mid-Term Evaluation assessed the quality and appropriateness of both frameworks and results were positive, given the evaluator's experience in designing and reviewing such frameworks for bilateral and multilateral donors, including the ILO.
97. The Theory of Change provides a good graphical overview of the intervention logic. A small caveat might be related to the strong focus on the upper level of the results, once STED recommendations have been implemented. Most of STED's results even at the end of project funding might still be at the stage before STED implementation and expectations would have to be managed accordingly. The country results chains address this issue but those are less prominent than the overall Theory of Change for STED.

### 5.4.4 Resource use

98. The STED project was launched on 1 June 2014, with an implementation rate of 61% in May 2016. USD 856, 312.47 out of the total project budget of USD 1, 406, 898.33 were spent 23 months into the 36-months' project for the global component.
99. However, the question of efficient resource use for the RBM and M&E frameworks emerge. USD 69, 606 were spent on the development of both frameworks, according to the STED budget. The project paid a daily consultancy fee rate of USD 800 and this seems at least 30% above the fee rates customary in the market for such services. This view is not shared by the project team, being guided by consultants rates applied for similar DCED-related consultancy in ILO ENTERPRISE. Those fee rates are significantly higher than the customary fee rates in the industry and closer to the practices in the private sector.

### 5.4.5 Factors affecting project performance

100. The main factor affecting project performance is the budget cut of about 14% of the HQ component, given the exchange rate fluctuations between the Swedish Krona and the United States Dollar.

101. As a result, country budgets were also reduced. Following the finalization of the analytical phases in most sectors, the sectors with an implementation phase ahead are hardest hit. This is likely to affect the attainment of results, which are eagerly awaited by the donor Sweden and ILO HQ stakeholders alike.
102. To counterbalance the delays in project staff recruitment, the ILO fast-tracked the interview processes and selected candidates with previous ILO projects experience, as reported by the Regional Office in Bangkok.
103. The Mid-Term Evaluation identified the main strengths and weaknesses of the Sida-funded STED project. Those are complemented by opportunities and threats in the SWOT analysis in 4 below.

**Figure 4 SWOT analysis of STED**

<b>Strengths</b> <ul style="list-style-type: none"> <li>• STED concept is well designed and perceived, particularly the skills anticipation at sector level</li> <li>• Valuable investment in programme building, including staff capacity building beyond a single donor-funded project</li> <li>• Well developed M&amp;E and RBM component, through an inclusive process serving as “good practice” example</li> <li>• Successes for example in Vietnam show that STED recommendations can be funded and implemented by national partners</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>• Efficiency in implementation jeopardised by lengthy recruitment processes in partner countries: in the reduced timeframe full analytical part leaves little time for implementation</li> <li>• Strong analytical element of STED raises high expectations in partner countries which need careful management where full implementation is not foreseen</li> <li>• Implicit project assumption that STED research results would be readily picked up by other donors for implementation funding is questionable</li> <li>• ILO Senior Management buy-in for STED uncertain, lacking clear signals to partners in Geneva</li> <li>• Trade in ILO treated in a scattered way with no overarching framework, which is now in the process of being partly addressed through a taskforce on trade, investment and employment</li> <li>• Low participation/engagement by project countries to share for example lessons learned, success stories or testimonials via available resources such as the Global KSP and/or development of Communities of Practice</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>• STED buy in high at country level: adding value due to fit with DWCPs and serious need for economic diversification and trade</li> <li>• Strong private sector buy in</li> <li>• STED moves the ILO to work with its traditional partner (Ministries of Labour) and Ministries of Trade and Commerce; the latter are closer to central government and often with better access to funds ; coordination opportunities</li> <li>• A strong M&amp;E and RBM component provides opportunities to be applied for all STED countries, beyond the ones supported by Sweden</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• STED Management in Skills Branch handed down from Director level to temporary arrangements</li> <li>• STED in process of losing technical partner on the trade side for STED (ITC) due to perception of decreasing prioritisation of trade in ILO</li> <li>• Sustainability of STED in Least Developed Countries (Cambodia, Malawi and Myanmar) likely to be dependent on National Strategies for example for trade or export to be donor funded</li> </ul>

**Conclusion 4:**

Acceptable performance in terms of efficiency due to robust management arrangements, affected only by slow project start at country level and overspending on RBM/M&E.

**Conclusion 5:**

Withdrawing Chief Technical Advisors from the project once National Project Officers are sufficiently acquainted with the project and after the end of the analytical STED phase seems a cost-effective alternative to engaging Chief Technical Officers over the whole project period. For CTA's to work 50% on STED could be another cost saving measure

## 5.5 Likelihood of sustainability for STED

*Rather than assessing sustainability of the STED project, this section evaluates the likelihood of sustainability, given that this is a Mid-Term Evaluation. Sub-criteria stipulated in the Terms of Reference include: i) the project strategy and how sustainability is build in; ii) changes in awareness, knowledge, attitudes and abilities in skills development in sectoral policies; iii) changes in the enabling environment; and iv) the issue of exit strategies followed by the likelihood of replication of tools and procedures.*

*For this purpose results of stakeholder interviews are used, combined with the expert assessment of the evaluator.*

### Key finding 7:

- The STED approach to also include ministries responsible for trade, industry or commerce with more leverage in governments enhances the chances of project sustainability
- Awareness about how to analyse skills development in sectoral policies seemed to have been raised in all 3 project countries; it is too early to assess changes in knowledge, attitudes, skills or the extent the STED approach might be replicated in the project countries
- Exit strategies were developed only during the project implementation in the three countries. The evaluation finds that this was rather late to clearly manage stakeholder expectations
- Project implementers judge the project sustainability as “medium” (54% sustainability rating)

### 5.5.1 Project strategy and management

104. The investment in Least Developed Countries is often “high risk” (UNCTAD, 2011<sup>12</sup>). In this regard, the sustainability of donor-funded projects is also very challenging. This is particularly relevant for the ILO, as its traditional counterpart in governments is the Ministry of Labour. The latter mostly plays a less central role in governments with less access to resources, as acknowledged by many country staff during the evaluation interviews.
105. The STED project addresses this structural challenge by including ministries responsible for trade, industry or commerce in its approach, with a more central role and leverage in governments. This project strategy enhances the likelihood of project sustainability. Reaching out to the governments’ Planning Commissions would further move STED to available government resources but this might be difficult given STED’s sectoral approach.
106. The project strategy to select only one out of six supported sectors for STED implementation was controversially discussed by ILO stakeholders. The sustainability of producing research results in three sectors without a clear strategy how to act upon those research findings seems rather limited. To date, the respective ILO country offices try to find bridge funding with some results. However, this falls short of a full implementation of STED

<sup>12</sup> UNCTAD, 2011: From Brussels to Istanbul: Key development challenges facing Least Developed Countries ([http://unctad.org/en/Docs/aldc2011d1\\_en.pdf](http://unctad.org/en/Docs/aldc2011d1_en.pdf))

implementation.

### **5.5.2 Changes in knowledge about skills development in sectoral policies**

107. Overall, it seems too early to tell to what degree knowledge about skills development in sectoral policies has changed thanks to the project. However, some interesting examples emerge at mid-term. A higher degree of knowledge seems to be shown in Malawi, as explained in the section below. Awareness was certainly raised in all three countries through the involvement of social partners in the analytical phase of STED, resulting in the STED report.

### **5.5.3 Changes in attitudes and skills**

108. Good proxy indicators to assess increased knowledge are changes in discourse. ILO stakeholders in Malawi reported a change of language in the Department of Labour. This has not been fully translated into increased skills yet and as a result the ILO is now reaching out to local universities. Changes in attitudes show in the Ministry of Industry and Trade with plans to include social dialogue elements in its work.
109. In Myanmar, capacities seem still low but ILO stakeholders acknowledge a positive attitude towards skills development in sectoral policies. In Cambodia, skills anticipation of tripartite partners has increased.
110. Changes in terms of a trained workforce can only be expected once the STED implementation phase is finalised in at least one sector.

### **5.5.4 Enabling environment**

111. The enabling environment in the three project countries determines the level of sustainability of the STED project. In Cambodia, the legislative framework for skills and employment seems well entrenched and the STED project contributes to existing trade strategies – the “Cambodia Trade Integration Strategy (2014-2018) and Trade SWAp (2014-2018), and is aligned to the recently adopted National Employment Policy (2015-2025) and Industry Development Policy (2015-2025). Sector skills councils are planned as part of the ADB project and this enhances the likelihood of sustainability of STED’s results in the country.
112. In Malawi, the National Employment Policy was in place before the project started. The STED project raised the need for policy review through the STED research. The National Export Strategy functions as a kind of national development strategy and STED’s integration into the National Export Strategy ensures a high level of national ownership.
113. In Myanmar, the policy environment has changed following the recent elections and the project is finding its way in those new circumstances.

### **5.5.5 Exit strategy**

- 114. To plan for project sustainability, exit strategies are of importance. This Mid-Term Evaluation considers that ILO stakeholders diverge about the extent to which those strategies are in place for Cambodia and Myanmar from the outset of the intervention. In Malawi, the STED report addresses this issue by recommending universities to undertake a second round of research, rather than the ILO<sup>13</sup>.
- 115. In Jordan, as for the other Russian funded STED countries, the establishment of National Skills Councils for the sectors is planned<sup>14</sup> as an exit strategy and to hand over the STED methodology to social partners. A similar approach seems envisaged for Cambodia.
- 116. For the Russian-funded STED countries, the ILO is aware that National Skills Councils lack the engagement of the resource richer Planning Commissions or Ministries of Finance. This is likely to impact on the available budgets for the National Skills Councils in all STED countries.

### 5.5.6 Replication of tools and procedures

- 117. At mid-term it seems early to assess to what extent the STED approach might be replicated in the project countries. ILO stakeholders were cautious to express their views.
- 118. In Myanmar, a STED proposal was prepared for other donors but the time gap on a possible follow-up funding is likely to be impacting on stakeholders' expectations and trust. Challenges were also identified in Malawi. STED faced difficulties to convince partners to participate in and replicate a project with a strong research focus on uncertainties about the implementation of STED recommendations.
- 119. In Cambodia, the government is showing some interest in replicating the STED approach in other sectors but again, funding would need to be provided by donors. In this respect it is interesting to compare Sida's focus on LDCs for STED with the one of the Russian-funded STED component on Middle income countries like Vietnam. Through synergies with other ILO projects at provincial level local partners, costs and results targets are shared, with a higher likelihood of replicating the STED approach.
- 120. In Malawi, ILO's MasterCard-funded Work4Youth project secured a funding of USD 154,805 for piloting of Work Based Learning (WBL) activity in the Horticulture Sector. This is a means for implementing at least a small part of the STED report recommendations. The WBL pilot project started its activities in June 2015 and included stakeholder consultations, WBL curriculum development, course design and training material development, training of trainers and mentors, and piloting of WBL interventions with 40 graduates benefitting.

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<sup>13</sup> The global project team commented that the planned workshop in June in Malawi includes a half day discussion among the stakeholders on the issue of institutionalizing STED in Malawi with a view to produce recommendations for the government.

<sup>14</sup> Due to a lack of funding, no National Skills Council was established in Jordan but a stakeholder mapping was undertaken.

**Conclusion 6:**

STED opens new opportunities for the ILO to increase chances of project sustainability by complementing its reach to MOL with engaging also with more central and well resourced ministries responsible for trade, commerce or industry. STED moves the ILO to “new frontiers for dialogue”.

**Conclusion 7:**

STED’s significant investments in including social partners in the analysis of skills development in sectoral policies seem to be reflected in increased awareness with likelihood also in increased knowledge, attitudes and skills. However, this might not be the case for STED implementation.

**Conclusion 8:**

Given the high expectations raised by STED up to the ministerial level for implementation recommendations, clear exit strategies were missing from the outset of country engagement to manage expectations which could cause reputational risks for the ILO.

## 5.6 Cross cutting ILO objectives

### Key findings:

- The concept of social dialogue is central for STED, as expressed in the project document and shown in the interviews with most ILO implementers.
- Women's economic empowerment objectives are referred to in the project document but not reported on specifically in the technical annual progress reports.
- Labour standards, inherently focused on in the STED approach, are neither prominently considered in the project documents nor in annual technical progress reporting.

### 5.6.1 Women's economic empowerment objectives

121. The project document addresses gender equality. However, gender is less prominent in the three STED project countries, with no references in the annual progress reports.
122. In the project document reference is made to experiences in STED pilot countries. A high concentration of female workers influenced the sector selection in pilot countries in some cases. In other cases STED searched for "ways to overcome barriers to women attaining the appropriate skills to be able to participate in non-traditional occupations and sectors"<sup>15</sup>. The STED implementation shows less prominent emphasis on equity including gender equality. In Myanmar, the selected sectors show potential relevance for women (agriculture) and given relevance in the tourism sector (tour guides with about 50% women participation). In Malawi, sector selection criteria include gender as part of disadvantaged groups. Overall, equal opportunities depend on the sector, which is higher for food processing than in light manufacturing, as found in Cambodia.

### 5.6.2 Labour standards

123. The Labour standards, inherently focused on in the STED approach are not prominently considered in the project document, with only one reference to competency standards in Cambodia and Malawi. Interviews also revealed a lower level of importance given to labour standards in the three project countries.
124. The first annual technical progress report mentions the possible development of skills standards. In the second annual technical progress report, work on skills standards is reported on for Cambodia for at least one occupation in one sector and in Myanmar. In Malawi, labour standards would be considered for the implementation of the STED, however not funded by Sida. STED builds on Malawi's National Employment and Labour Policy (NELP, 2014-2019), including compliance with labour standards by employers, investors and workers.

<sup>15</sup> Project document, page 18.

### 5.6.3 Social dialogue

125. The concept of social dialogue is central for STED, as expressed in the project document and shown in the interviews with ILO implementers. The technical progress reports are less insightful on the topic of including social dialogue in the STED countries.
126. The project document highlights that “constituents in the three target countries, Cambodia, Myanmar and Malawi, will gain practical experience in integrating skills anticipation and development in sector growth strategies, building up and using labour market information and strengthening national and sector institutions for social dialogue to link trade, employment and skills policies.”<sup>16</sup>
127. In Malawi, the project established strategic partnerships and opportunities for social dialogue for aligning skills development for trade promotion and economic development. In Cambodia, Malawi and Myanmar, the tripartite constituents form the Project Steering Committee. In both Myanmar and Cambodia tripartite constituents were reported to be present in national workshops.
128. For implementers outside the ILO, the tripartite approach is unusual but highly appreciated to facilitate dialogue which often never has taken place. This was also reported for Ministries of Trade and Commerce, where the social dialogue is less well developed.

#### **Conclusion 9:**

Social dialogue is central to the STED approach and the tripartite approach seems appreciated beyond the ILO project implementers.

#### **Conclusion 10:**

The STED project is mainly gender-blind and the inclusion and reporting on labour standards is less prominent.

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<sup>16</sup> Ibid, page 2



## 6 Lessons learned

129. This section summarises the main lessons learned of the STED project's global component, followed by the identification of an emerging good practice. More information is provided in Annex 7 and 8.

### **How to adapt the level of detail for the STED analytical phase to country context:**

- In countries with clear sectoral skills development plans, STED's analytical phase can be shortened by building on the existing body of knowledge. This is the case for the Philippines and Guatemala in the EU-funded ILO project titled "Assessing and Addressing the Effects of Trade on Employment".

### **How to kick-start STED implementation:**

- Once STED's analytical work is available, the Jordan experience tells us that there is no need to wait for government stakeholders to take action but engage directly with industry to implement those recommendations that can be implemented with industry. While keeping the government informed, the industry will drive the process.

### **How to design STED in larger countries:**

- Depending on the size of the partner country, STED might be implemented in a sector but at provincial rather than national level as done for the tourism sector in Vietnam, despite less leverage in terms of systemic impact at national level.

### **How to support STED implementation**

- STED Jordan: Ring-fencing funds for STED implementation serves as a clear incentive for stakeholder engagement and at the same time to ensure that project staff is still in place after the analytical STED phase.

### **Clarity of process**

- Having a clear Theory of Change and a process model benefitted for a better understanding of STED among implementers but also for national stakeholders.

## 6.1 Emerging good practices

### **Importance of sharing experiences for enhanced awareness and ownership:**

- The STED validation workshop in Geneva serves as a good practical example on how to get project implementers working in a decentralised manner together for creating a common understanding about the project; it helps to better understand and appreciate approaches like RBM and M&E if project implementers get a chance to validate those tools in person. Awareness and ultimately ownership for use is created.

## 7 Conclusions

130. This section summarises the main conclusions drawn at the end of each section of this report.
131. **Relevance and strategic fit.** Conclusion 1: Relevance of STED is clearly given but this is not translated into positioning STED for significant up-scaling due to a lack of clear directions within the ILO senior management.
132. **Validity of project design.** Conclusion 2:
- Project coherence is given for components 1 and 2 but to date less so for component 3
  - Diversification of ILO's counterparts in government is enriching rather than a step towards proliferation
  - Gaps in projects design, including a suboptimal project document, impact on STED roll out and cause difficulties in managing stakeholder expectations, including what STED success constitutes
  - From an implementers' perspective, partner capacities might appear limited in LDCs and not yet sufficiently strengthened for the application of complex STED methodology
133. **Effectiveness.** Conclusion 3: Level of STED results achieved at mid-term is good but varies among components and outputs. The likelihood for STED in Malawi and to some extent in Cambodia to advance with the implementation of STED report recommendations seems the highest among the project countries. For the remaining project period, an acceleration of results in one country seems desirable, at the expense of deprioritising other project deliverables.
134. Due to the decentralised budget structure of the project, shifting funds between budgets seems problematic. However, some action for results acceleration is expected by the donor. Shifting some funds from the Sida global component's budget to STED implementation in one country seem necessary to fulfil donor expectations. The analysis of the STED budget leads to the conclusion that up to USD 101,161 could be transferred for that purpose (USD 50,102 from budget line for final knowledge sharing workshop, USD 24,856 from budget line for cost increase, USD 26,203 from budget line for publication and dissemination)
135. **Efficiency.** Conclusion 4: STED shows an acceptable performance in terms of efficiency due to robust management arrangements, affected only by slow project start at country level and overspending on RBM/M&E.
136. Conclusion 5: Withdrawing Chief Technical Advisors from the project once National Project Officers are sufficiently acquainted with the project seems a cost-effective alternative to engaging Chief Technical Advisors over the whole project period.
137. **Likelihood of sustainability.** Conclusion 6: STED opens new opportunities for the ILO to increase the opportunities for project sustainability by complementing its reach to MOL with engaging also with more central and well resourced ministries responsible for trade, commerce or industry. STED moves the ILO to "new frontiers for dialogue".

138. Conclusion 7: STED's significant investments in including social partners in the analysis of skills development in sectoral policies seem to be reflected in increased awareness with likelihood also in increased knowledge, attitudes and skills. However, this might not be the case for STED implementation.
139. Conclusion 8: Given the high expectations raised by STED up to the ministerial level for implementation recommendations, clear exit strategies were missing from the outset of country engagement to manage expectations which could cause reputational risks for the ILO.
140. **Cross-cutting issues.** Conclusion 9: Social dialogue is central to the STED approach and the tripartite approach seems appreciated beyond the ILO project implementers.
141. Conclusion 10: The STED project is mainly gender-blind and the inclusion and reporting on labour standards is less prominent.

## 8 Recommendations

142. Based on the key findings and the conclusions presented above, the following recommendations emerge.

### Relevance

**R1 - Sida:** Engage ILO senior management on a dialogue about the future of STED, including the preparedness to include at least some components into the budget of the Employment Policy Department for the next Programme and Budget.

**Priority: high. Action suggested within next 3 months**

**R2 Senior management of Employment Policy Department:** Given the recognition of STED, senior management should develop a clear view how to link positive results on the ground with ILO's priorities on trade and employment.

**Priority: high. Action suggested within next 3 months**

### Validity of project design

**R3: ILO Employment Policy Department:** Ensure systematically that performance measures and a theory of change are developed for any project document.

**Longer-term priority. Action suggested within next 12 months**

**R4 - STED project management:** STED capacity strengthening support of national counterparts is still required.

**Priority: high. Action suggested within next 3 months**

**R5 - STED project management:** Future STED country selection in LDCs should carefully consider national capacities.

**Longer-term priority. Action suggested within next 12 months**

### Effectiveness

**R6 - Senior management of Employment Policy Department:** Lead discussion with STED project team to what extent budget from the global component can be shifted to the STED implementation in one country.

**Priority: high. Action suggested within next 3 months**

### Efficiency

**R7: Employment Policy Department:** Be more cost-sensitive when choosing consultancy services to ensure value for money by not using private sector-equivalent fee rates.

**Longer-term priority. Action suggested within next 12 months**

**R8: STED project management:** Consider analytical phase of STED projects with Chief Technical Officers but then withdrawing CTAs from the project once National Project Officers are sufficiently acquainted to ensure cost-effectiveness. CTA's working 50% on STED are an alternative to be considered for cost reduction.

**Longer-term priority. Action suggested within next 12 months**

#### **Sustainability**

**R9 - Employment Policy Department:** Diversification of ILO's counterparts in government, particularly more central and well resourced ministries should be actively promoted as a means to enhance the likelihood of sustainability.

**Longer-term priority. Action suggested within next 12 months**

**R10 - See R1 - Sida:** The results of engaging ILO senior management should inform the consideration of future funding for STED after 2017.

**Longer-term priority. Action suggested within next 12 months**

**R11 - Employment Policy Department:** Systematically ensure that exit strategies are included in any project document.

**Longer-term priority. Action suggested within next 12 months**

#### **Cross-cutting issues**

**R12 - Employment Policy Department:** Ensure that TC projects systematically report on the cross cutting issues of gender and labour standards.

**Longer-term priority. Action suggested within next 12 months**

**Figure 8: Logical flow from key findings to conclusions and recommendations**

The following table lists main findings, conclusions and recommendations. The purpose is to show the flow from key findings to conclusions and recommendations. At the same time this table aims to underpin the robustness of this logic.

	Main findings	Conclusions	Recommendations
Relevance: Is STED doing the right thing?	<p>STED is relevant for the ILO (P&amp;B Outcome 1) and responds to the needs of Member States.</p> <p>Cooperation with sister international organizations like the ITC is highly relevant due to complementary agendas but hampered due to different prioritizations by ILO senior management.</p> <p>Significant demand for STED in project countries and beyond.</p> <p>ILO's comparative advantage for STED is its convening power and its core expertise in skills and standards.</p>	Relevance of STED is clearly given but this is not translated into positioning STED for significant up-scaling due to a lack of clear directions within the ILO senior management.	<p><b>R1 - Sida:</b> Engage ILO senior management on a dialogue about the future of STED, including the preparedness to include at least some components into the budget of the Employment Policy Department for the next Programme and Budget.</p> <p><b>Priority: high. Action suggested within next 3 months</b></p> <p>R2 Senior management of Employment Policy Department: Given the recognition of STED, senior management should develop a clear view how to link positive results on the ground with ILO's priorities on trade and employment.</p> <p><b>Priority: high. Action suggested within next 3 months</b></p>
Validity of project: Is STED well designed?	<p>Project document lacks performance measures and a clear Theory of Change, important project design gaps.</p> <p>STED project design seems heavy on the analytical phase, with lower priority on implementation.</p> <p>Project design enables the ILO to reach out beyond their traditional counterparts, the Ministries of Labour, to more central ministries such as the Ministries of Trade, Industry and Commerce.</p> <p>Direct targeting at capacity strengthening is strongest for the analytical phase.</p> <p>STED implementers experience that partner capacities were stretched due to the complex STED methodology.</p>	<p>Gaps in projects design, including a suboptimal project document, impact on STED roll out and cause difficulties in managing stakeholder expectations, including what STED success constitutes. Alternative forms of project design were identified.</p> <p>Diversification of ILO's counterparts in government is enriching rather than a step towards proliferation .</p> <p>From an implementers' perspective, partner capacities might appear partner capacities are limited in LDCs and not yet sufficiently strengthened for the application of complex STED methodology.</p>	<p><b>R3 – Employment Policy Department:</b> Systematically ensure that performance measures and a Theory of Change are developed for any project document.</p> <p><b>Longer-term priority. Action suggested within next 12 months</b></p> <p>No recommendation</p> <p><b>R4 - STED project management:</b> STED capacity strengthening support of national counterparts is still required.</p> <p><b>Priority: high. Action suggested within next 3 months</b></p> <p><b>R5 - STED project management:</b> Future STED country</p>

			selection in LDCs should carefully consider national capacities.  <b>Longer-term priority. Action suggested within next 12 months</b>
	Overall the coherence of project design is good with the strongest links between the RBM and M&E frameworks (component 2) and the country projects (component 1).	Project coherence is given for components 1 and 2, to date less so for component 3.	No recommendation
<b>Effectiveness: were STED results achieved?</b>	Project implementers (excluding management team) rate effectiveness of STED as “high to very high”. The evaluation also shows a positive assessment but more nuanced, while the donor is preoccupied by progress of implementing STED recommendations.	Level of STED results achieved at mid-term is good but varies among components and outputs.	<b>R6 - Senior management of Employment Policy Department:</b> Lead discussion with STED project team to what extent budget from the global component can be shifted to the STED implementation in one country.  <b>Priority: high. Action suggested within next 3 months</b>
	For component 1, country programmes, Malawi shows good progress, followed by average progress in Cambodia and less than expected progress in Myanmar.	The likelihood for STED in Malawi and to some extent in Cambodia to advance with the implementation of the STED report recommendations seems the highest among the project countries. For the remaining project period, an acceleration of results in one country seems desirable.	
	Under component 2, progress is good for RBM and M&E and potentially knowledge products research with the WTO. Comparative studies and programme management show average progress, with questions about the use of comparative studies and challenges in formal and informal communication and learning across STED.	Due to the decentralised budget structure of the project, shifting funds between budgets seems problematic. However, some action for results acceleration is expected by the donor.	
	Component 3 shows good progress with regards to the knowledge sharing workshops (Arab States workshop), while the Global Public-Private Knowledge Sharing Platform on Skills for Employment was expanded but remains under-used, in part due to low awareness and use. A solution to remedy the situation involves capturing and uploading lessons learned, stories of change, testimonials submitted by project beneficiaries, etc.. on the STED portal of the Global KSP.	Shifting some funds from the Sida global component's budget to STED implementation in one country seems necessary to fulfil donor expectations. Up to USD 101.161 could be transferred for that purpose, leading to deprioritising other project deliverables.	
<b>Efficiency: Were resources used</b>	Project stakeholders rate the efficiency of STED as “medium to high” (64% efficiency rating). Project benefits from well-functioning management arrangements with adequate HQ backstopping and appropriate M&E and RBM frameworks.	Acceptable performance in terms of efficiency due to robust management arrangements, affected only by slow project start at country level and overspending on RBM/M&E (the latter conclusion is not shared by the project team).	<b>R7 - Employment Policy Department:</b> Be more cost-sensitive when choosing consultancy services to ensure value for money by not using private sector-equivalent fee rates  <b>Longer-term priority. Action suggested within next 12 months</b>
	Timeliness of delivery affected by recruitment delays of up to six months in two countries; having Chief Technical Advisors in all three countries was expensive but made a difference; slightly different		

	models emerge in project countries.	Withdrawing Chief Technical Advisors from the project once National Project Officers are sufficiently acquainted with the project seems a cost-effective alternative to engaging Chief Technical Advisors over the whole project period, as experienced in Malawi. For CTA's to work 50% on STED could be another cost saving measure	<b>R8 - STED project management:</b> Consider analytical phase of projects with Chief Technical Advisors but then withdrawing CTAs from the project once National Project Officers are sufficiently acquainted to ensure cost-effectiveness. CTA's working 50% on STED are an alternative to be considered for cost reduction.  <b>Longer-term priority. Action suggested within next 12 months</b>
	61% of budget used after about 64% of project implementation time.		
	Efficiency of resource use for M&E and RBM frameworks suboptimal, as at least 30% of the expenditure for fees could have been saved, given the customary fee rates (though this view is not shared by the project team, following private sector-equivalent fee rates applied in other ILO DCED-based work).		
	Budget cuts resulting from exchange rate fluctuations are the main factors affecting the project performance.		
Sustainability	STED approach to also include ministries responsible for trade, industry and commerce with more leverage in governments enhances the opportunities for project sustainability.	STED opens new opportunities for the ILO to increase chances of project sustainability by complementing its reach to MOL by engaging also with more central and well resourced ministries responsible for trade, industry and commerce. STED moves the ILO to "new frontiers for dialogue".	<b>R9 - Employment Policy Department:</b> Diversification of ILO's counterparts in government, particularly more central and well resourced ministries should be actively promoted as a means to enhance the likelihood of sustainability.  <b>Longer-term priority. Action suggested within next 12 months</b>
	Awareness about how to analyse skills development in sectoral policies seemed to have been raised in all 3 project countries; it is too early to assess changes in knowledge, attitudes, skills or the extent to which the STED approach might be replicated in the project countries.	STED's significant investments in including social partners in the analysis of skills development in sectoral policies seem to be reflected in increased awareness with likelihood also in increased knowledge, attitudes and skills. However, this might not be the case for STED implementation.	No recommendation



	<p>Exit strategies were developed only during the project implementation in the three countries.</p> <p>Project implementers judge the project sustainability as “medium” (54% sustainability rating).</p>	<p>Given the high expectations raised by STED up to the ministerial level for implementation recommendations, clear exit strategies were missing from the outset of country engagement which could cause reputational risks for the ILO.</p>	<p><b>R10 - See R1.</b></p> <p><b>Sida:</b> The results of engaging ILO senior management should inform the consideration of future funding for STED after 2017.</p> <p><b>Longer-term priority. Action suggested within next 12 months</b></p> <p><b>R11 - Employment Policy Department:</b> Systematically ensure that exit strategies are included in any project document.</p> <p><b>Longer-term priority. Action suggested within next 12 months</b></p>
Cross cutting objectives	<p><b>Women’s economic empowerment</b> objectives are referred to in the project document but not reported on specifically in the technical annual progress reports.</p> <p>Labour standards, inherently focused on in the STED approach are neither prominently considered in the project documents nor in annual technical progress reporting.</p> <p>The concept of <b>social dialogue</b> is central for STED, as expressed in the project document and shown in the interviews with most ILO implementers.</p>	<p>Social dialogue is central to the STED approach and the tripartite approach seems appreciated beyond the ILO project implementers.</p> <p>The STED project is mainly gender-blind and the inclusion and reporting on labour standards is less prominent.</p>	<p><b>R12 - Employment Policy Department:</b> Ensure that TC projects systematically report on the cross cutting issues of gender and labour standards.</p> <p><b>Longer-term priority. Action suggested within next 12 months</b></p>

## Annex 1: Terms of Reference

### Terms of Reference For Mid-term Internal Evaluation **Scaling-up STED: Skills for Trade and Economic Diversification** **Global Component GLO/14/63/SID**

#### Project background and Introduction

##### STED Programme

The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.

The immediate outcomes of the STED process are concrete recommendations at the policy, institutional and enterprise levels for each sector targeted. The process involved in designing these recommendations itself contributes to improvements on the ground by raising awareness and stimulating dialogue on skills development among key stakeholders within a sector. As such, the STED programme provides a framework for partnerships among labour ministries, trade ministries, TVET institutions, employers' organizations and trade unions and sector bodies to bring their individual perspectives and information together. STED helps to integrate skills development in the trade policy, to anticipate and prepare for emerging skill needs, and to increase competitiveness of business and productivity of workers in the selected sectors.

After its launch in 2010, STED was piloted in four countries: Ukraine (Metal and Tourism sectors), FYR Macedonia (Tourism and Food processing), Kyrgyzstan (Garments) and Bangladesh (Agro-processing and Pharmaceuticals). Currently STED is being implemented in a number of countries within the framework of the following projects financed by different donors:

#### **1. SIDA-funded "Scaling up STED: Skills for Trade and Economic Diversification"**

Countries and sectors covered:

- Malawi (Horticulture and Oil seeds sectors),
- Cambodia (Light manufacturing and Food processing sectors) and
- Myanmar (Tourism and Vegetable& fruits sectors)

#### **2. Russian-funded "Applying the G20 Training Strategy Project"**

STED activities in:

- Viet Nam (Tourism) and
- Jordan (Pharmaceuticals and Food processing)

#### **3. Aid for Trade Initiative for the Arab States**

Countries and sectors covered:

- Egypt (Food processing and Furniture)
- Tunisia (Metallurgy and Food Processing sectors)

## SIDA-funded “Scaling up STED: Skills for Trade and Economic Diversification”

The project is intended not just as a stand-alone implementation of STED in the three targeted countries, but also as a major contribution to maturing STED into a coherent programme “STED programme”. It is planned to this by developing and piloting Results-based Management and Monitoring and Evaluation frameworks for STED-based projects, by building in collaboration and synergies with other STED projects, and by providing programme management resources required for STED to operate as a programme. Hence the project has three main components and their main outputs are:

### ➤ Component 1: STED country projects

Main outputs:

- **Cambodia:** full STED programme in two selected sectors: Analysis of export growth potential sectors, analysis of skill needs to realise that growth, strengthened capacity of industry skills councils, implementation of recommendations to upgrade TVET provision in at least one target sector
- **Myanmar:** STED analysis in two selected sectors, Skills gaps analysis in those sectors, tripartite partner recommendations for TVET, and development of implementation work plans
- **Malawi:** STED analysis of skill needs in two sectors already identified in the National Export Strategy and capacity building to upgrade training in at least one sector

### ➤ Component 2: STED programme development

Main outputs:

- Results-based Management (RBM) and Monitoring and Evaluation (M&E) frameworks
- Experts vetting workshop for the two frameworks (2014-15)
- Knowledge products from analytical research with WTO
- Comparative studies based on country background research
- Results from pilot testing M&E framework in the target countries
- Programme management

### ➤ Component 3: Regional and global knowledge-sharing

Main outputs:

- Arab States Knowledge Sharing Workshop (linking this project to broader knowledge sharing with the Aid for Trade initiative)
- Expanding the Global Public-Private Knowledge Sharing Platform on skills for employment (Global KSP)
- Knowledge sharing workshop on STED (last semester of the project, 2017)

As the country implementation parts are decentralised, the Global Component (GLO/14/63/SID) of the project is responsible for the project inception period as well as for the outputs under Components 2 and 3.

## Purpose, objective and scope of the evaluation

The evaluation will be used both for project accountability and project learning.

The scope of the evaluation covers 20 months from June 2014 till February 2016 including the inception period and will assess and review the on-going implementation progress of the main outputs for the following components of the project:

- **Project Inception**

Main output:

- STED Staff training, Knowledge Sharing and Project Coordination Workshop (March 2015)

- **Component 2:** STED programme development

Main outputs:

- Development of Result-Based Management (RBM and Monitoring and Evaluation (M&E) frameworks (manual and tools)
- Expert Validation Workshop for the STED RBM and M&E frameworks (October 2015)
- Knowledge products from analytical research with WTO (on-going)
- Comparative studies based on country background research (on-going)
- Programme Management

- **Component 3:** Regional and global knowledge-sharing

Main outputs:

- Arab States Knowledge Sharing Workshop on Trade and Skills (October 2014)
- Expanding the Global Public-Private Knowledge Sharing Platform on skills for employment (Global KSP)

Clients for the evaluation are the ILO's tripartite constituents, the SIDA (donor), the partner agencies (the WTO), the project manager and team, the ILO Employment Policy Department, and other relevant colleagues at the HQ and field.

Given the structure of the STED programme, it is important that the midterm evaluation process generates key lessons which can feed into the fine tuning of the STED methodology and tools which are being developed at HQ level and applied at country level. As much as possible, a common approach in the evaluations will be applied, which will be consistent with the global programme approach and learning objectives mentioned above. This should allow a closer integration of the evaluation process and comparability of findings.

#### **Evaluation Criteria**

The internal mid-term evaluation will enable project staff, constituents and other relevant stakeholders to assess the progress of the project to date and collectively determine how to improve strategy and implementation arrangements in the remaining implementation period.

The evaluation will be based on the OECD DAC evaluation criteria which are the five criteria listed below:

- The relevance and strategic fit of the project; the extent to which the objectives are in keeping with sub-regional, national and local priorities and needs, the constituents' priorities and needs, and the donor's priorities for the project countries;
- Project progress and effectiveness: - the extent to which the project can be said to have contributed to the development objectives and the immediate objectives and more concretely whether the stated outputs have been produced satisfactorily; in addition to building synergies with national initiatives and with other donor-supported projects and project visibility;

- The validity of project design: the extent to which the project design, logic, strategy and elements are/ remain valid vis-à-vis problems and needs;
- Effectiveness of management arrangements and efficiency of resource use: the productivity of the project implementation process taken as a measure of the extent to which the outputs achieved are derived from an efficient use of financial, material and human resources;
- Project sustainability: the extent to which adequate capacity building of social partners has taken place to ensure mechanisms are in place to sustain activities and whether the existing results are likely to be maintained beyond project completion.

Relevant data should be sex-disaggregated and different needs of women and men should be considered through-out the evaluation process. The suggested analytical framework for the internal mid-term evaluation of the Project is set out below.

For each set of criteria, the following evaluation questions will be addressed:

Relevance and Strategic fit	<ul style="list-style-type: none"> <li>• Has the project supported global strategies on skills development and does it address the situation facing member States' governments and social partners?</li> <li>• To what extent has the project been coherent and complementary to ILO's strategy with regards to skills development?</li> <li>• To what extent has the project approach included the comparative advantage of ILO?</li> </ul>
Project progress and effectiveness	<ul style="list-style-type: none"> <li>• Has the Project made sufficient progress towards its planned objectives? To what extent management capacities and arrangements supported the achievements of results?</li> <li>• What were the arrangements made by ILO that most supported the realization of the programme's goals and were there any constraining factors?</li> </ul>
Validity of project design	<ul style="list-style-type: none"> <li>• Was the project design adequate to meet project objectives?</li> <li>• Was the project design chosen in terms of methods, timing, and staffing conducive to achieving quality products and results?</li> <li>• To what extent was the project design adequate and effective for strengthening capacities in identifying and addressing skills gaps in sectors exposed to international trade?</li> <li>• Do outputs causally link to the intended outcomes/objectives?</li> <li>• Was the capacity of various project's partners taken into account in the project's strategy and means of action?</li> <li>• Do what extent the project design adequate and effective in the coherence and complementarity between the different components of the project?</li> </ul>

Effectiveness of management arrangements	<ul style="list-style-type: none"> <li>• In what ways has the Project used the ILO managed programme resources efficiently (funds, human resources, etc.)? Could things have been done differently or more efficiently?</li> <li>• Have Project funds and activities been delivered by ILO in a timely manner? What are the factors that have hindered timely delivery of project funds and the counter-measures that were put in place?</li> <li>• Are the available technical and financial resources allocated and used strategically to provide the necessary support and to achieve broader project objectives?</li> <li>• How effectively did the Project management and ILO monitor project performance and results? <ul style="list-style-type: none"> <li>○ How appropriate and useful were the project's RBM and M&amp;E frameworks, if any, including targets and indicators, in assessing Project's progress?</li> <li>○ Have appropriate means and achievement of indicator values been defined?</li> </ul> </li> <li>• How effective were the backstopping support provided so far by the ILO to the project?</li> </ul>
Project sustainability	<ul style="list-style-type: none"> <li>• What are the possible impacts of the Project? Is the project strategy and management steering towards impact and sustainability?</li> <li>• Is there an effective and realistic exit strategy for the Project?</li> <li>• Is the Project contributing to the strengthening of the enabling environment at country level (laws, policies, technical capacities, local knowledge, people's attitudes, etc.)?</li> <li>• How likely is it that the procedures and tools developed by the project will be replicated in future?</li> </ul>

The Evaluator is also asked

- To produce specific recommendations to enhance the use of project findings by the ILO and the SIDA and their constituents,
- To produce recommendation for the improvement of the project management with respect to their implementation.

The Evaluator is asked to analyse the project's performance related to ILO's cross-cutting issues on gender, labour standards, and tripartism/social dialogue.

### Methodology and framework

The methodology for all project components will be common in order to facilitate the consolidation of a global report and generate sufficient information to feed into the final independent evaluation of the project.

Several evaluation methods will be used to collect information including:

- Review of documents related to the project, including the initial project document, technical progress reports, training and workshop reports and other documents developed by the project.
- Review of the STED RBM and M&E Frameworks (manual and tools) developed by the project
- Meetings and interviews with the project team in HQ, as well as with the project staff and relevant Skills Specialists in the field (by Skype).

- Interviews with relevant experts of the key collaborating partners of the project

Relevant data should be sex-disaggregated and different needs of women and men should be considered through-out the evaluation process. The suggested structure for the internal mid-term evaluation report is set out in the annex.

## Deliverables

An evaluation report of no longer than 20 pages, excluding annexes. A final mid-term evaluation report will integrate comments from ILO.

- Submission of draft report to the Evaluation Manager by 15 May 2016
- Submission of final report to the Evaluation Manager by 31 May 2016

The quality of the report will be determined by conformance with Checklist 4 Formatting Requirements for Evaluation Reports, and Checklist 5 Rating for Quality of Evaluation Reports. The Evaluation Manager will give the clearance for the deliverables of the evaluator.

The evaluation report should be submitted to the evaluation manager in the format prescribed by the ILO :

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_mas/---eval/documents/publication/wcms\\_165967.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165967.pdf)

1. Title page (standard ILO template)
2. Table of contents
3. Executive summary (standard ILO template)
4. Acronyms
5. Background and project description
6. Purpose of evaluation
7. Evaluation methodology
8. Overall review of implementation by outcome
9. Findings by evaluation criteria:
  - Relevance and strategic fit
  - Validity of design
  - Progress and effectiveness
  - Efficiency of resource use
  - Effectiveness of management arrangements
  - Sustainability
10. Conclusions and recommendations
11. Lessons learnt and potential good practices (please provide also template annex as per ILO guidelines on Evaluation lessons learnt and good practices) and models of intervention
12. Annexes (list of interviews, overview of meetings, proceedings stakeholder meetings, other relevant information)

## Management, time frame and remuneration

The evaluation will be funded from the Project budget. The STED team will be in charge of the selection of the evaluator in consultation with the Evaluation Manager. The evaluation manager for this evaluation is Jean-François Klein.

The STED team in Geneva will provide logistic support to the evaluator and will assist in organizing a detailed evaluation programme for the meeting & interviews. The STED team will ensure that all relevant documentation is up to date and easily accessible by the evaluator. The team will also handle all contractual arrangements with the evaluator and provide any other assistance as may be required.

The STED HQ team includes Olga Strietska-Illina (Manager), Con Gregg (Global CTA of the project), Bolormaa Tumurchudur Klok (Technical officer, STED).

The evaluation process is expected to be undertaken over a period of two months and should be concluded by 31<sup>st</sup> May 2016. The total Level of Effort (LOE) for this assignment is **14 working days**. A consulting fee of USD XX per day shall be paid to the consultant. The total amount of **USD XX** shall be paid upon submission of agreed outputs as follows:

- **The first instalment of 50% amounting to US\$ XX** upon submission of draft evaluation Report
- **The second instalment of 50% amounting to US\$ XX**, upon submission of the final Evaluation report prepared to the satisfaction of the ILO.

The planned activities of the evaluation exercise and the corresponding timelines are indicated below:

Phase	Tasks	Level of Effort (in days)	Deadline (2016)
1.	Contract Signing		15 <sup>th</sup> April
2.	Inception and briefing meeting with Evaluation Manager	½	20 <sup>th</sup> April
3.	Desk review of project related documentation	2	30 <sup>th</sup> April
4.	Design of evaluation instrument based on desk review	1	30 <sup>th</sup> April
5.	Interviews and Consultations with:- <ul style="list-style-type: none"> <li>• Project management/staff</li> <li>• Staff from Skills and Employability Branch</li> <li>• Project Partners (WTO)</li> </ul>	2	5 <sup>th</sup> May
6.	Consultations by Skype with: <ul style="list-style-type: none"> <li>• STED Field Projects – (Malawi, Cambodia and Myanmar)</li> <li>• Skills Specialist – DWT Pretoria, DWT Bangkok</li> <li>• STED staff from Aid for Trade Initiative for Arab States project – Egypt and Tunisia</li> <li>• Stakeholders in Egypt</li> <li>• Skills specialist in DWT Cairo</li> </ul>	2½	10 <sup>th</sup> May
7.	Draft Evaluation Report	4	15 May
8.	Feedback from ILO		20 <sup>th</sup> May
9.	Evaluation Report finalization	2	25 <sup>th</sup> May
10.	Submission of final Report		31 <sup>th</sup> May
11.	<b>Total Level of Effort</b>		
12.		<b>14 days</b>	



## Annex 2: Bibliography

Bamberger et al, 2009: Using Mixed Methods in Monitoring and Evaluation: Experiences from International Development

Engelhardt, A., 2012: External Evaluation of UNCTAD's Empretec and Business Linkages Programme

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Ostergaard, M. and Kokanova, N. 2015: Review of Sida's global support to ILO's decent work agenda

Sida-ILO Partnership Programme, 2015: STED, First Technical Progress Report.

Sida-ILO Partnership Programme, 2016: STED, Second Technical Progress Report.

WTO and ILO, 2015: Investing in skills for trade and inclusive growth

## Annex 3: People interviewed

Name	Department/Country	Email
<b>ILO Geneva</b>		
Cornelius Gregg	SKILLS	<a href="mailto:gregg@ilo.org">gregg@ilo.org</a>
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Jeannette Sanchez	SKILLS	<a href="mailto:sanchez@ilo.org">sanchez@ilo.org</a>
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Jim Windell	SKILLS	<a href="mailto:windell@ilo.org">windell@ilo.org</a>
Jean Duronsoy	SKILLS	<a href="mailto:duronsoy@ilo.org">duronsoy@ilo.org</a>
Peter Rademaker	PARDEV	<a href="mailto:rademaker@ilo.org">rademaker@ilo.org</a>
Andrea Marinucci	PARDEV	<a href="mailto:marinucci@ilo.org">marinucci@ilo.org</a>
Jean Francois Klein	EMPLOYMENT	<a href="mailto:klein@ilo.org">klein@ilo.org</a>
David Cheong	EMPLOYMENT	<a href="mailto:cheong@ilo.org">cheong@ilo.org</a>
Roy Chacko	ACTEMP	<a href="mailto:chacko@ilo.org">chacko@ilo.org</a>
<b>Donor</b>		
Hanna Marsk	SIDA	through PARDEV
<b>STED National Officers</b>		
Ma. Concepcion Sardaña	Cambodia	<a href="mailto:sardana@ilo.org">sardana@ilo.org</a>
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Sandar Win	Myanmar	<a href="mailto:wins@ilo.org">wins@ilo.org</a>
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Vihn Ngo Quang	Vietnam	<a href="mailto:quangvinh@ilo.org">quangvinh@ilo.org</a>
Ali Abdullah	Egypt	<a href="mailto:ali_statistics@yahoo.com">ali_statistics@yahoo.com</a>
<b>Country Directors</b>		
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<b>Skills specialists in the field</b>		
Ashwani Aggarwal	ILO Pretoria	<a href="mailto:aggarwal@ilo.org">aggarwal@ilo.org</a>
Carmela Torres	ILO Bangkok	<a href="mailto:torresc@ilo.org">torresc@ilo.org</a>
<b>Others</b>		
Mehdi Chaker	ITC, Trade Promotion Advisor	<a href="mailto:Chaker@intracen.org">Chaker@intracen.org</a>
Marion Jansen	ITC, Chief Economist	<a href="mailto:Jansen@intracen.org">Jansen@intracen.org</a>
Mihaela Bilan	Consultant	

## Annex 4: Implementation progress by specific objectives

Component 1 STED country programmes	Evaluation results
<b>Overall objective:</b> Increase the competitiveness and decent work creation in the selected export sectors of the target countries	It is too early to assess progress, as at mid-term the STED reports have not been implemented in any sector yet, as per schedule
<b>Specific Objective 1.1</b> Through STED analysis, develop effective skills strategies in the selected export sectors in the target countries	<p><b>Cambodia:</b> Presented the initial results of the surveys to sector representatives in separate consultation workshops for the light manufacturing and food processing sectors.</p> <p>Validated the findings and solicited recommendations to address identified issues, including skills gaps.</p> <p><b>Myanmar:</b> Draft STED report in tourism sector (with a primary focus on tourist guides) has been prepared; Validated findings and solicited recommendations during a national consultation workshop Sector needs survey in vegetable and fruits sector is ongoing.</p> <p><b>Malawi:</b> The final draft STED report for the oilseeds and horticulture sectors was presented and validated by a stakeholder validation workshop in February 2016.</p>

1. In Cambodia, the STED reports for both the light manufacturing and food processing sectors are still to be issued, with a deadline set for May 2016. Draft reports were made available in June 2016.
2. The final STED report for the tourism sector in Myanmar was to be completed in April 2016. The sector needs survey in vegetable and fruits sector was scheduled for May 2016, with the STED report later in 2016.
3. In Malawi, stakeholders, together with the Ministry of Labour, and Ministry of Industry and Trade agreed that the report recommendations on proposed responses for the oilseeds and horticulture sectors should be implemented.

<b>Specific objective 1.2</b> Strengthen the capacities of governments, social partners and other stakeholders to assess skill gaps and to design and implement strategies to overcome those gaps	<p><b>Cambodia:</b> Government institutions were directly involved in the conduct of the STED surveys thereby directly learning and implementing the STED methodology on skills anticipation/gaps analysis.</p> <p>National Institute of Statistics actively participated as a member of the research team that deliberated on the design of the STED surveys and the interpretation of results of the surveys</p> <p><b>Myanmar:</b> Engagement process started with key stakeholders led by the</p>
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	<p>National Skills Standards Authority</p> <p><b>Malawi:</b> The final draft STED report for the oilseeds and horticulture sectors was presented and validated by a stakeholder validation workshop in February 2016.</p>
<p><b>Specific Objective 1.3</b></p> <p>Promote the implementation of skills strategies to overcome identified skill gaps in Cambodia and Malawi</p>	<p><b>Cambodia:</b> Ongoing discussion with DGT VET for the development of skills standards for at least one occupation in one sector</p> <p><b>Myanmar:</b> The ILO Liaison Office Yangon has successfully secured additional funding for complementary activities in 2016. Funds come from the ILO/Japan Fund for Building Social Safety Nets in Asia and the Pacific.</p> <p><b>Malawi:</b> For the STED implementation in horticulture sector, the project has successfully collaborated with ILO's MasterCard-funded Work4Youth project. The project managed to secure a funding of USD 154,805 USD for piloting of Work Based Learning activity in Horticulture Sector. However, this is insufficient for a full implementation of STED recommendations.</p>

- The successful fundraising in Myanmar and Malawi shows progress in the promoting the implementation of skills strategies, while this is less advanced in Cambodia. However, fundraising successes in Myanmar and Malawi are insufficient for a full implementation of STED recommendations.

<b>Component 2: STED programme development</b>	Evaluation results
<p><b>Overall objective:</b> Develop and mature the wider STED programme through resourcing a programme management capability, through developing frameworks for results-based management (RBM) of STED-based projects and for Monitoring and Evaluation (M&amp;E) of STED implementations, and through undertaking a programme of research to better underpin the base of knowledge on which STED itself, and these frameworks are based.</p>	<p>The frameworks for results-based management (RBM) of STED-based projects and for Monitoring and Evaluation (M&amp;E) of STED implementations have been developed. A validation workshop was beneficial for getting ownership from STED stakeholders.</p> <p>So far, the level of reporting is mainly focused on the input level, given that STED implementation is still outstanding.</p>
<p><b>Specific objective 2.1</b></p> <p>Develop a Monitoring and Evaluation (M&amp;E) Framework for STED</p>	STED has developed RBM and M&E tools, templates and manual & guides to support the system implementation

implementations	
<b>Specific objective 2.2</b> Develop framework for Results-based management of STED projects	
<b>Specific objective 2.3</b> To undertake a programme of research to underpin the knowledge base on which STED and its monitoring and evaluation framework are based	Short paper “Investing in skills for trade and inclusive growth” was produced along with its briefing note for the G-20 Trade Ministers’ meeting in Istanbul, Turkey in October 2015. The research work is currently continuing with the aim both to finalize a joint publication and organize its launch toward the end of 2016. STED programme is carrying out country level research <b>on the Impact of Trade on Employment and its Skills Implications</b> . Draft country reports are available for Cambodia, Myanmar, Malawi, Vietnam, Ghana, Morocco, Tunisia and Philippines

### Expected results

Research that tests, validates and improves upon the knowledge on which STED is based, to be undertaken through a joint research programme with WTO on Skills and Trade. It is anticipated that this will contribute to the available base of knowledge on the links between skills, competitiveness and trade through publications, that it will improve the application of the STED framework and provide knowledge to underpin future revisions to and adaptations of the STED framework, and that it will contribute to the strength of the STED M&E framework.

<b>Component 3: Global and regional Knowledge Sharing</b>	Evaluation results
<b>Overall objective:</b> Raise awareness on the part of policy makers and stakeholders in the area of trade policy of the importance of a right-trained workplace to facilitate trade and ensure equitable participation in trade and of practical approaches to anticipate and meet skill needs in emerging export growth sectors.	Awareness raising on-going,
<b>Specific Objective 3.1</b> Share information about STED programme, country implementation and effects, including data analysis tools and approaches to sustain social dialogue	In 2014, a knowledge sharing workshop on Trade and Skills for the Arab region was held in Cairo, jointly with the Aid for Trade Initiative for the Arab States project.
<b>Specific objective 3.2</b> Strengthen the capability of the inter-agency Global KSP to expand knowledge-sharing on skills for trade and employment through economic diversification.	Inter-agency Global Public-Private Knowledge Sharing Platform (KSP) is being expended as part of the awareness-raising campaign on the skills development;  Expansion of information and knowledge products available;  Creation of a “mini portal”, accessible via the Global KSP’s homepage, for obtaining information stemming from the research and STED country implementation

## Annex 5: Evaluation matrix

ILO STED mid-term evaluation matrix		Questionnaire ILO Geneva	Questionnaire ILO field staff	Document review
Relevance and Strategic fit	- Has the project supported global strategies on skills development and does it address the situation facing member States' governments and social partners?	X	X	X
	- To what extent has the project been coherent and complementary to ILO's strategy with regards to skills development?	X	X	X
	- To what extent has the project approach included the comparative advantage of ILO?	X	X	X
Project progress and effectiveness	- Has the Project made sufficient progress towards its planned objectives? To what extent management capacities and arrangements supported the achievements of results?	X	X (for relevant country objectives only)	X
	- What were the arrangements made by ILO that most supported the realization of the programme's goals and were there any constraining factors?	X		
Validity of project design	- Was the project design adequate to meet project objectives?	X	X	X
	- Was the project design chosen in terms of methods, timing, and staffing conducive to achieving quality products and results?	X	X	X
	- To what extent was the project design adequate and effective for strengthening capacities in identifying and addressing skills gaps in sectors exposed to international trade?	X	X	X
	- Do outputs causally link to the intended outcomes/objectives?			X
	- Was the capacity of various project's partners taken into account in the project's strategy and means of action?	X	X	X
	- Do what extent the project design adequate and effective in the coherence and complementarity between the different components of the project?	X	X	X
Effectiveness of management arrangements	- In what ways has the Project used the ILO managed programme resources efficiently (funds, human resources, etc.)? Could things have been done differently or more efficiently?	X	X	X
	- Have Project funds and activities been delivered by ILO in a timely manner? What are the factors that have hindered timely delivery of project funds and the counter-measures that were put in place?	X	X	X
	- Are the available technical and financial resources allocated and used strategically to provide the necessary support and to achieve broader project objectives?	X	X	X
	- How effectively did the Project management and ILO monitor project performance and results?	X	X	X
	- How appropriate and useful were the project's RBM and M&E frameworks, if any, including targets and indicators, in assessing Project's progress?	X	X	X
	- Have appropriate means and achievement of indicator values been defined?			X
Likelihood of project sustainability	- How effective were the backstopping support provided so far by the ILO to the project?	X	X	X
	- What are the possible impacts of the Project? Is the project strategy and management steering towards impact and sustainability?	X	X	X
	- Is there an effective and realistic exit strategy for the Project?	X	X	X
	- Is the Project contributing to the strengthening of the enabling environment at country level (laws, policies, technical capacities, local knowledge, people's attitudes, etc.)?	X	X	X
Cross cutting objectives	- How likely is it that the procedures and tools developed by the project will be replicated in future?	X	X	X
	- To what extent has the project incorporated women's economic empowerment objectives in its design, its implementation or otherwise?	X	X	X
	- To what extent have the project incorporated objectives around labor standards in its design, its implementation or otherwise?	X	X	X
	- To what extent have the project incorporated objectives around social dialogue between government, employers and workers in its design, its implementation or otherwise?	X	X	X

## Annex 6: Evaluation questionnaire

### Questionnaire for ILO STED project

<b>Name:</b>
<b>Organisation/Position :</b> -----
<b>Date of interview/Interviewer:</b> -----

<b>1. Relevance and strategic fit</b>	Very high	High	Medium	Low	Very low	No answer/ Not applicable
1.1 To what extent has the project supported global strategies on skills development						
<i>Please explain:</i> <i>If not, in a few words explain how this could be improved?</i>						
1.2 To what extent does the project address the situation facing member States' governments and social partners?						
<i>Please explain:</i> <i>If not, in a few words explain how this could be improved?</i>						
1.3 To what extent has the project been coherent and complementary to ILO's strategy with regards to skills development?						
<i>Please explain:</i> <i>If not, in a few words explain how this could be improved?</i>						
1.4 To what extent has the project approach included the comparative advantage of ILO?						
<i>Please explain:</i> <i>If not, in a few words explain how this could be improved?</i>						

<b>2. Project progress and effectiveness</b>	Very high	High	Medium	Low	Very low	No answer Not applicable
<i>For project staff; Staff in field location to respond only to country specific objectives</i>						
2.1 To what extent has the Project made sufficient progress towards its planned objectives?						
<b>Component 1</b>						
C.1.1 Cambodia: full STED programme in two selected sectors						
C.1.2 Myanmar: STED analysis in two selected sectors						
C.1.3 Malawi: STED analysis of skills needs in two sectors						
<i>If not, please explain in a few words</i>						
<b>Component 2</b>						
C.2.1 Results-based Management (RBM) framework						
C.2.2 Monitoring and Evaluation (M&E) framework						
C.2.3 Experts vetting workshop for the two frameworks (2014-15)						

C.2.4 Knowledge products from analytical research with WTO (2014-15)							
C.2.5 Results from pilot testing M&E framework in the target countries							
<i>If not, please explain in a few words</i>							
<b>Component 3</b>							
C.3.1 Arab States Knowledge Sharing Workshop							
C.3.2 Expanding the Global Public-Private Knowledge Sharing Platform on skills for employment							
<i>If not, please explain in a few words</i>							
2.2 To what extent supported management capacities and arrangements the achievements of results?							
2.3 What were the arrangements made by ILO that most supported the realization of the programme's goals and were there any constraining factors?							

<b>3. Validity of project design</b>	Very high	High	Medium	Low	Very low	No answer Not applicable	
3.1 To what extent was the project design adequate to meet project objectives?							
<i>If needed, please explain your assessment with one or two short examples</i>							
3.2 To what extent was the project design chosen in terms of methods, timing, and staffing conducive to achieving quality products and results?							
<i>If needed, please explain your assessment with one or two short examples</i>							
3.3 To what extent was the project design adequate and effective for strengthening capacities in identifying and addressing skills gaps in sectors exposed to international trade?							
<i>If needed, please explain your assessment with one or two short examples</i>							
3.4. To what extent was the capacity of various project's partners taken into account in the project's strategy and means of action?							
<i>If needed, please explain your assessment with one or two short examples</i>							
3.5 To what extent is the project design adequate and effective in the coherence and complementarity between the different components of the project?							
<i>Please explain in a few words if needed</i>							
3.6 If needed, how can the project design be enhanced?							



<b>4. Efficiency</b> (Effectiveness of management arrangements)							
	Very high	High	Medium	Low	Very low	No answer Not applicable	
4.1 To what extent has the Project used the ILO managed programme resources efficiently (funds, human resources, etc.)?							
4.2 Could things have been done differently or more efficiently?  Please explain:							
4.3 To what extent have project funds and activities been delivered by ILO in a timely manner?							
4.4 What are the factors that have hindered timely delivery of project funds and the counter-measures that were put in place?							
4.5 To what extent are the available technical and financial resources allocated and used strategically to provide the necessary support and to achieve broader project objectives?							
Please explain:							
4.6 To what extent did the Project management and ILO monitor project performance and results in an effective manner in terms of:							
• Timely monitoring reports to donor/ constituents							
• Feedback to field locations on data reported							
• Decision-making supported by evidence on results							
Please explain your assessments with one or two short examples							
4.6.1 How appropriate and useful were the project's RBM and M&E frameworks, including targets and indicators, in assessing Project's progress?							
Please explain in a few words if needed							
4.7 How effective were the backstopping support provided so far by the ILO to the project?							
Please explain with one or two short examples							

<b>5. Likelihood of project sustainability</b>							
	Very high	High	Medium	Low	Very low	No answer Not applicable	
5.1 To what extent is the project strategy and management steering towards impact and sustainability?							
Please give examples:							
5.2 To what extent is the project leading to a change in the							

knowledge about skills development in sectoral policies?							
5.3 To what extent is the project leading to a change in the attitudes among country key stakeholders to act on the following:							
<ul style="list-style-type: none"> <li>Effective skills strategies to be developed for selected export sectors</li> </ul>							
<ul style="list-style-type: none"> <li>Stakeholder capacities to be developed for implementation of strategies</li> </ul>							
5.4 To what extent is the project contributing to the strengthening of the enabling environment at country level in terms of							
<ul style="list-style-type: none"> <li>Legislative framework</li> </ul>							
<ul style="list-style-type: none"> <li>Skills/employment policies</li> </ul>							
<ul style="list-style-type: none"> <li>a right-trained workforce (technical capacities)</li> </ul>							
5.5 Is there an effective and realistic exit strategy for the Project?							
<i>Please explain if needed in a few words</i>							
5.6 How likely is it that the procedures and tools developed by the project will be replicated in future?							
<i>Please explain if needed in a few words</i>							

<b>6. Contribution to Cross-Cutting Objectives:</b>	Very high	High	Medium	Low	Very low	No answer Not applicable	
6.1 To what extent has the project incorporated women's economic empowerment objectives in its design, its implementation or otherwise?							
<i>If yes, can you explain how in a few words?</i>							
6.2 To what extent have the project incorporated objectives around labor standards in its design, its implementation or otherwise?							
<i>If yes, can you explain how in a few words?</i>							
6.3 To what extent have the project incorporated objectives around social dialogue between government, employers and workers in its design, its implementation or otherwise?							
<i>If yes, can you describe how in a few words?</i>							

## Annex 7: Lesons learned templates

ILO Lesson Learned Template	
<p>• Project Title: Scaling-up STED: Skills for Trade and Economic diversification.</p> <p>Global Component. Project TC/SYMBOL: GLO/14/63/SID</p>	
<p><b>Name of Evaluator:</b> Dr Achim Engelhardt</p> <p><b>Date:</b> 21 June 2016</p> <p>The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.</p>	
LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<ul style="list-style-type: none"> <li>STED Jordan: Ring-fencing funds for STED implementation serves as a clear incentive for stakeholder engagement and at the same time to ensure that project staff is still in place after the analytical STED phase.</li> </ul>
<b>Context and any related preconditions</b>	<ul style="list-style-type: none"> <li>The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.</li> <li>STED build on a robust analytical phase which is time and resource intense. In the evaluated project, the implementation of STED recommendations following the analytical phase was only foreseen in one out of six sectors, according to the project document. This created initial challenges in engaging stakeholders who were more interested in action than research.</li> </ul>
<b>Targeted users / Beneficiaries</b>	<ul style="list-style-type: none"> <li>Tripartite constituents. In addition to the Ministries of Labour, STED moves the ILO to work also with Ministries of Trade and Commerce; the latter are closer to central government and often with better access to funds.</li> </ul>

<b>Challenges /negative lessons - Causal factors</b>	<ul style="list-style-type: none"> <li>• STED implementation is difficult to budget for before recommendations on future skills shortages and skill gaps are available. Hence to ring-fence a appropriate budget for implementation faces challenges.</li> </ul>
<b>Success / Positive Issues - Causal factors</b>	<ul style="list-style-type: none"> <li>• Despite the challenges to estimate the required budget for STED implementation at the project design stage, stakeholders appreciate an action-focused project approach. Engagement and ownership is easier to achieve for the research phase if the implementation of research recommendations is foreseen.</li> </ul>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<ul style="list-style-type: none"> <li>• The strong analytical element of STED raises high expectations in partner countries which need careful management by the ILO project team where full implementation is not foreseen.</li> <li>• The project assumption that STED funded research in the project countries might be used for substantial implementation by national governments or other donors' initiatives seems questionable for Least Developed Countries. National governments are confronted with capacity issues or funding gaps in respective national strategies. At the same time donors tend to undertake their own research before any project implementation, using existing bodies of knowledge for supplementing their own research at best.</li> </ul>

## ILO Lesson Learned Template

- **Project Title: Scaling-up STED: Skills for Trade and Economic diversification.**

**Global Component. Project TC/SYMBOL: GLO/14/63/SID**

**Name of Evaluator: Dr Achim Engelhardt**

**Date: 23 June 2016**

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

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<p><b>How to adapt the level of detail for the STED analytical phase to country context:</b></p> <ul style="list-style-type: none"> <li>• In countries with clear sectoral skills development plans, STED's analytical phase can be shorted by building on the existing body of knowledge. This is the case for the Philippines and Guatemala in the EU-funded ILO project titled "Assessing and Addressing the Effects of Trade on Employment".</li> </ul>
<b>Context and any related preconditions</b>	<ul style="list-style-type: none"> <li>• The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.</li> <li>• STED build on a robust analytical phase which is time and resource intense. In the evaluated project, the implementation of STED recommendations following the analytical phase was only foreseen in one out of six sectors, according to the project document. This created initial challenges in engaging stakeholders who were more interested in action than research.</li> </ul>
<b>Targeted users / Beneficiaries</b>	<ul style="list-style-type: none"> <li>• Tripartite constituents. In addition to the Ministries of Labour, STED moves the ILO to work also with Ministries of Trade and Commerce; the latter are closer to central government and often with better access to funds.</li> </ul>

<b>Challenges /negative lessons - Causal factors</b>	<ul style="list-style-type: none"> <li>• The robustness of the analytical phase of STED is paramount for the credibility of STED research results: a) on anticipating a sector's development and growth opportunities based on its global competitive position and market development; and b) analysis of current skills supply and demand. Accelerating the analytical phase is a risk in this context unless a rich body of related data is available, including clear sectoral skills development plans. The latter is less likely in Least Developed Countries (LDCs).</li> </ul>
<b>Success / Positive Issues - Causal factors</b>	<ul style="list-style-type: none"> <li>• In Middle Income Countries, the analytical phase of STED can be shortened but only if sufficient relevant data is available for the anticipation of a sector's development and growth opportunities and skills supply and demand analysis.</li> </ul>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<ul style="list-style-type: none"> <li>• A thorough situation analysis is necessary to assess whether a "full" analytical STED phase is required in a project country. This needs to be included in the project planning and the timeline of the project roll out adapted accordingly.</li> </ul>

## ILO Lesson Learned Template

- **Project Title: Scaling-up STED: Skills for Trade and Economic diversification.**

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**Name of Evaluator: Dr Achim Engelhardt**

**Date: 23 June 2016**

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

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<p><b>How to kick-start STED implementation:</b></p> <ul style="list-style-type: none"> <li>• Once STED's analytical work available, the Jordan experience tells us that there is no need to wait for government stakeholders to take action but engage directly with industry to implement those recommendations that can be implemented with industry. While keeping the government informed, the industry will drive the process.</li> </ul>
<b>Context and any related preconditions</b>	<ul style="list-style-type: none"> <li>• The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.</li> <li>• STED build on a robust analytical phase which is time and resource intense. In the evaluated project, the implementation of STED recommendations following the analytical phase was only foreseen in one out of six sectors, according to the project document. This created initial challenges in engaging stakeholders who were more interested in action than research.</li> </ul>
<b>Targeted users / Beneficiaries</b>	<ul style="list-style-type: none"> <li>• Tripartite constituents, particularly the private sector. In addition to the Ministries of Labour, STED moves the ILO to work also with Ministries of Trade and Commerce; the latter are closer to central government and often with better access to funds.</li> </ul>

<b>Challenges /negative lessons - Causal factors</b>	<ul style="list-style-type: none"> <li>Depending on the country context, STED implementation is often dependent on government involvement. While the private sector can “push” implementation of STED recommendations, a thorough situation analysis is required for the implementation process in order to judge the required level of active government involvement.</li> </ul>
<b>Success / Positive Issues - Causal factors</b>	<ul style="list-style-type: none"> <li>The entrepreneurial energy of the private sector is a lever for STED implementation due to the incentives of sector development and growth opportunities.</li> </ul>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<ul style="list-style-type: none"> <li>The project team needs to plan for a thorough situation analysis to judge the required level of active government involvement in the process of STED implementation: in addressing existing and future skills shortages and skill gaps.</li> </ul>



## ILO Lesson Learned Template

- **Project Title: Scaling-up STED: Skills for Trade and Economic diversification.**

**Global Component. Project TC/SYMBOL: GLO/14/63/SID**

**Name of Evaluator: Dr Achim Engelhardt**

**Date: 23 June 2016**

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

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<p><b>How to design STED in larger countries:</b></p> <ul style="list-style-type: none"> <li>• Depending on the size of the partner country, STED might be implemented in a sector but at provincial rather than national level as done for the tourism sector in Vietnam.</li> </ul>
<b>Context and any related preconditions</b>	<ul style="list-style-type: none"> <li>• The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.</li> <li>• STED build on a robust analytical phase which is time and resource intense. In the evaluated project, the implementation of STED recommendations following the analytical phase was only foreseen in one out of six sectors, according to the project document. This created initial challenges in engaging stakeholders who were more interested in action than research.</li> </ul>
<b>Targeted users / Beneficiaries</b>	<ul style="list-style-type: none"> <li>• Tripartite constituents. In addition to the Ministries of Labour, STED moves the ILO to work also with Ministries of Trade and Commerce; the latter are closer to central government and often with better access to funds.</li> </ul>

<b>Challenges /negative lessons - Causal factors</b>	<ul style="list-style-type: none"> <li>• Good project results at provincial level in Viet Nam constitute success for STED . However, a stronger focus at national level on systemic issues for the target sector, combined with practical implementation at provincial level could be even more effective at creating a systemic impact.</li> </ul>
<b>Success / Positive Issues - Causal factors</b>	<ul style="list-style-type: none"> <li>• The assumption that positive project results at provincial level can lead to improved livelihoods and well being can be correct. However, to achieve systemic change, national level engagement seems essential particularly in countries with centralized governance structures.</li> </ul>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<ul style="list-style-type: none"> <li>• Project documents need to be ambitious yet realistic to avoid setting up any technical cooperation project for failure. Depending on the size of a partner country and the available project budget, the STED approach might not be applicable to a sector in the entire country but rather at the provincial level. At the beginning of project implementation, the project team needs to undertake a thorough situation analysis to assess whether a national or provincial level roll out of STED is feasible.</li> </ul>

## ILO Lesson Learned Template

- **Project Title: Scaling-up STED: Skills for Trade and Economic diversification.**

**Global Component. Project TC/SYMBOL: GLO/14/63/SID**

**Name of Evaluator: Dr Achim Engelhardt**

**Date: 23 June 2016**

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

LL Element	Text
<b>Brief description of lesson learned (link to specific action or task)</b>	<ul style="list-style-type: none"> <li>• Having a clear Theory of Change and a process model benefitted for a better understanding of STED among implementers but also for national stakeholders.</li> </ul>
<b>Context and any related preconditions</b>	<ul style="list-style-type: none"> <li>• The Skills for Trade and Economic Diversification (STED) programme provides guidance for the integration of skills development in sectoral policies. STED is a sector level methodology and is designed to support growth and decent employment creation in sectors that have the potential to increase exports and contribute to economic diversification. STED takes a forward-looking perspective, anticipating a sector's development and growth opportunities based on its global competitive position and market development. Together with an analysis of current skills supply and demand, this provides an outlook of existing and future skills shortages and skill gaps. Thus, STED supports the formation of skills for which there is demand in the labour market and helps to avoid skills mismatches.</li> </ul>
<b>Targeted users / Beneficiaries</b>	<ul style="list-style-type: none"> <li>• Tripartite constituents. In addition to the Ministries of Labour, STED moves the ILO to work also with Ministries of Trade and Commerce; the latter are closer to central government and often with better access to funds.</li> </ul>
<b>Challenges /negative lessons - Causal factors</b>	<ul style="list-style-type: none"> <li>• While the process of developing a theory of change is paramount for its use, the complete absence of any basic theory of change with the main assumptions from the project document seems a design gap.</li> </ul>

<b>Success / Positive Issues - Causal factors</b>	<ul style="list-style-type: none"> <li>• The inclusive process of developing and validating the project's full theory of change enhances the likelihood of better appreciating the project concept. Buy in tends to be higher among project implementers. The visual presentation of the project theory of change can easily be communicated to partners in country.</li> </ul>
<b>ILO Administrative Issues (staff, resources, design, implementation)</b>	<ul style="list-style-type: none"> <li>• Any project documents for technical cooperation projects in the ILO should contain a basic theory of change, including the intervention's key assumptions.</li> <li>• As a second step, an inclusive process of further developing and validating the projects full theory of change should be planned for at the beginning of the project implementation.</li> </ul>

## Annex 8: Emerging good practices template

ILO Emerging Good Practice Template	
<b>Project Title:</b> Scaling-up STED: Skills for Trade and Economic diversification. <b>Global Component Project TC/SYMBOL:</b> GLO/14/63/SID	
<b>Name of Evaluator:</b> Dr Achim Engelhardt <b>Date:</b> 21 June 2016 The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.	
GP Element	Text
<b>Brief summary of the good practice (link to project goal or specific deliverable, background, purpose, etc.)</b>	<ul style="list-style-type: none"> <li>The STED validation workshop in Geneva serves as a good practical example on how to get project implementers working in a decentralised manner together for creating a common understanding about the technical cooperation project; it helps to better understand and appreciate approaches like RBM and M&amp;E if project implementers get a chance to validate those tools in person. Awareness and ultimately ownership for use is created.</li> </ul>
<b>Relevant conditions and Context: limitations or advice in terms of applicability and replicability</b>	<ul style="list-style-type: none"> <li>For all decentralised ILO technical cooperation projects with a global component, a validation workshop in the first months of the project implementation seems feasible. The results in terms of increased understanding of the project concept and ownership over project tools like M&amp;E or RBM seem to off-set the considerable costs of bringing decentralised project staff together.</li> </ul>
<b>Establish a clear cause-effect relationship</b>	<ul style="list-style-type: none"> <li>National Project Officers and Chief Technical Advisers working on a specific technical cooperation project and being based in country offices benefit from an introduction into any new intervention approach. The earlier the introduction takes place, the higher is the likelihood of a strong understanding and ownership of the intervention approach.</li> <li>Giving National Project Officers and Chief Technical Advisers a voice in the final design of project tools such as a M&amp;E or RBM framework further enhances their buy-in into the intervention approach. The likelihood of using validated tools increased as a result.</li> </ul>
<b>Indicate measurable impact and targeted beneficiaries</b>	<ul style="list-style-type: none"> <li>Measurable impact: While it might not be appropriate to make any claims on impact, the efficiency and effectiveness of project operations clearly benefit from investing in a validation workshop</li> <li>Targeted beneficiaries: National Project Officers and Chief Technical Advisers working on a specific technical cooperation project and being based in country offices</li> </ul>

<b>Potential for replication and by whom</b>	<ul style="list-style-type: none"> <li>The practice of organising a validation workshop seems feasible in any technical cooperation project, if budgets for from the outset. The project management of technical cooperation projects can replicate this good practice</li> </ul>
<b>Upward links to higher ILO Goals (DWCPs, Country Programme Outcomes or ILO's Strategic Programme Framework)</b>	Not applicable
<b>Other documents or relevant comments</b>	Not applicable