



Evaluation Summary



International
Labour
Office

Evaluation
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“Scaling-up STED: Skills for Trade and Economic Diversification” –Midterm Internal Evaluation

Quick Facts

Countries:	<i>Global, Cambodia, Malawi, Myanmar</i>
Mid-Term:	<i>April-June 2016</i>
Evaluation Mode:	<i>Internal</i>
Administrative Office:	<i>EMP/SKILLS</i>
Technical Office:	<i>EMP/SKILLS</i>
Evaluation Manager:	<i>Bolormaa Tumurchudur Klok</i>
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Project Code:	<i>GLO/14/63/SID</i>
Donor(s) & Budget:	<i>Sida (US\$ 1,406,898, global)</i>
Keywords:	<i>Skills Anticipation, Trade, Cambodia, Malawi, Myanmar</i>

Background & Context

Summary of the project purpose, logic and structure

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.

Present Situation of the Project

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

Purpose, scope and clients of the evaluation

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

Methodology of evaluation

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.

Main Findings & Conclusions

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. 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.

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.

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).

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?

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

Recommendations

Main recommendations and follow-up

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

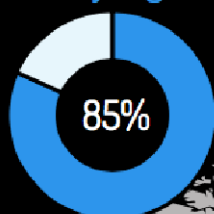
Sida:

- 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.

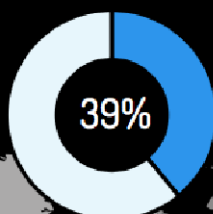
The main evaluation results are summarised in the figure below:

Mid-term internal evaluation results: Scaling up STED: Skills for Trade and Economic Diversification

Relevance: high - very high



Design validity: low



Efficiency: medium-high

