



Independent Mid Term Evaluation of “The UK Prosperity Fund Skills Programme for South East Asia”

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Countries: Indonesia, Malaysia, and the Philippines

Evaluation date: 4 November 2022

Evaluation type: Project

Evaluation timing: Mid-term

Administrative Office: ILO Regional Office for Asia and the Pacific (ROAP)

Technical Office: ROAP/DWT-Bangkok

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DC Symbol: RAS/20/52/GBR

Donor(s) & budget: United Kingdom Foreign, Commonwealth and Development Office (FCDO) up to USD 25 mln (for 3 countries), substantially reduced following UK Spending Review 2020.

Key Words: skills development, technical education, vocational training, skill certification, local economic development, poverty, gender, practice period, logistics, sea transport, sexual harassment, shipbuilding, tourism.

Background & Context

Background and project description

The present report presents the findings of the *Mid-term Independent Evaluation* of the project Skills for Prosperity South East Asia Programme of the United Kingdom (UK). It is the South East Asia strand of the Global Prosperity Fund Skills programme, covering three ODA-eligible middle-income countries (Indonesia, Malaysia, Philippines). UK expenditure under this program is meant to be fully ODA compliant, and in compliance with the UK International Development Act (including the Gender amendment), OECD DAC rules on ODA, and untied aid.

The interventions under this Fund are meant to primarily contribute to achieving the UN Sustainable Development Goals. As a secondary outcome, the interventions may also support delivery of policy objectives other UK departments. During the course of the implementation, however, these „secondary benefits“ as distractors have been given up in a bid to ensure that primary Sfp outcomes are reached,

particular in the wake of the UK's 2020 Spending Review which led to a reduced target for spending on overseas aid from 0.7% to 0.5% of UK GNI.

The Programme suffered major setbacks due to two external factors upon which it had no influence: the Covid-19 pandemic which reduced speed and intensity of implementation, and the effects of the budget cuts which drastically curtailed funding made available by 60% and therefore obliged ILO to renegotiate previously agreed activities with stakeholders in the three countries. The impact of the Covid-19 pandemic has somewhat reduced the visibility of the budget cut to partner organizations because activity levels around the world had to shift into online mode and travel restrictions reduced opportunities for direct face-to-face interaction of all parties.

Despite these odds, the Programme has managed to set on track diverse activities benefiting skills development and TVET systems in the three countries based on thorough preparation and drawing on the networks available to the ILO as a tripartite organization and the extensive experience of the ILO in skills development. Results achieved by the time of this mid-term evaluation significantly vary between the three countries, ranging from „effective“ (Philippines) to „no apparent effectiveness“ (Malaysia). There are many factors that come together to explain the current status.

Purpose, scope, and clients of the evaluation

The purpose of the evaluation was to propose recommendations to inform future course of the Programme in the remaining period based on, but not limited to, OECD/ DAC criteria. The scope covered all Programme components in all the partner countries and at the regional level, from start of inception to evaluation date. The main clients are ILO management at both the country, regional and headquarters level, the ILO's tripartite constituents, the partners, and the donor of the Programme.

Methodology of evaluation

Besides document review, due to the specific management structure, the evaluation used qualitative interviews with the widest possible range of relevant stakeholders from ILO headquarters down to supplier/ implementing partner and local recipient level, the overwhelming majority of them conducted using web-conference tools due to pandemic-based travel restrictions. In Indonesia some site visits were feasible. Because the country components were different from each other, their components were separately assessed. A total of 227 persons were interviewed. Only a few final beneficiaries could be interviewed at mid term because the program is working on structural change.

Main Findings & Conclusions

Relevance and Validity of Design

From the technical perspective, the Programme suffers from the absence of a fully valid program design which does not allow for any more precise measurement as to whether outcomes are being reached and how well the program is adjusting the intervention to maximize program effectiveness and impact. This is partially related to seeking full alignment with the higher level structure of the theory of change of the UK's Skills for Prosperity Fund and partially due to lack of attention at all levels and sides involved in establishing and approving country results frameworks that follow established best practice.

The level of relevance in the three countries varies between „high“ for Indonesia and the Philippines and „moderate“ for Malaysia where differences in relevance between national and local levels may have been underestimated.

Coherence

The Programme is coherent with all relevant policies, programs, and budgets at the ILO and at the donor side. It is generally coherent with relevant policies and programs in the three beneficiary countries. For Malaysia, coherence is confirmed at system level (skills and TVET reform). However, the program's approach to gender and social inclusion is incongruent with Malaysian reality and practice where gender is concerned and is reminiscent of the earlier women-in-development approaches.

Effectiveness

Performance on the criterion of effectiveness is different in the three countries, ranging from „effective“ in the Philippines and „effective in two pillars“ (relevance and quality) in Indonesia to „not apparent“ in Malaysia.

Implementation has been strongly affected by the management arrangements that have been implemented under the Skills for Prosperity Fund which include the absence of program steering committees which are essential in securing ownership and smooth cooperation in the countries of implementation -- due to reservations on the side of the donor, a top-heavy structure of monitoring and supervision with partially overlapping responsibilities, and tranche payment procedures which are not sufficiently compatible with the nature of the ILO as a public sector organization and the principles of the single audit that are fundamental for the operation of all larger organizations that receive funding from multiple sources.

Efficiency

With the exception of high overhead cost resulting from the SfP oversight structure (Hub and diplomatic missions), a monitoring, evaluation and „learning“ system based on monitoring of activities (i.e. not outcomes), and losses from time spent on repeated adaptation to budget reduction, use of resources is efficient. The application of the value-for-money (VfM) approach is not appropriate to programs of social change (such as in skills and TVET systems) and its implementation is therefore reducing program efficiency.

Impact

At mid term of a 3-4 year duration, it is too early to expect any impact in a program of social change. In Indonesia there appear to be a few early impacts, however, it is unclear whether the net impact is positive if cost are held against it. Impact is not visible in Malaysia, and too early to observe in the Philippines.

Sustainability

It is also early to expect sustainability, notably when speed of implementation has been reduced by the Covid-19 pandemic and budget cuts. Strong signs of ownership with the polytechnics are emerging in Indonesia and indicate good potential for sustainability. In Malaysia, sustainability is not visible at this stage. In the Philippines, strong engagement by stakeholders indicate good potential, but anchoring activities in regional budgets required to ensure the same.

Cross-cutting issues

Cross-cutting issues addressed by the Programme are gender and social inclusion (GESI). Environmental aspects and climate change are not being considered.

In Indonesia, more work is required. The GESI approach needs to be properly tuned in seafaring where the women-in-development approach may have blinded the Programme vis-à-vis the risks of females

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entering male-dominated environments they cannot escape from (at sea) and the do-no-harm principle needs to be considered in further work. International labour standards should be included in curricula. At the same time, social inclusion is addressed based on the plausible rationale that polytechnics are absorbing the drop-outs of general education.

In Malaysia, the current approach on gender equity does not resonate well with Malaysian realities and approaches. The additionalities from SfP SEA activities to women in construction are limited where they replicate practices already existing in Malaysia. Also, social inclusion activities overlooked subsidies required for disadvantaged groups (B40).

In the Philippines, GESI activities have been affected by reduced funding. However, there were strong efforts on social inclusion visible during interview sessions with beneficiaries.

In all three countries, engaging more with workers may benefit GESI activities. In the Philippines, workers representatives would automatically be included if cooperation is formalized at higher level (TESDA).

Covid-19 Impact

The impact of Covid-19 has been massive on the one hand, on the other the slowing down of activities during the pandemic has partially masked the effects of the strong budget cuts the Programme had to sustain because absorption capacities declined in the beneficiary countries. In Indonesia, the impact is seen as both negative, and positive as a result of the digitalization effect it has achieved. In Malaysia, the impact has been more negative than positive because of delays and reduced stakeholder engagement. In the Philippines, focusing on three of the four pillars contained negative impact.

Conclusions

Despite various setbacks as a result of the ODA spending cuts in the UK and the Covid-19 pandemic, the SfP SEA Programme is, on the whole, providing meaningful inputs for the development of skills and TVET in the three countries. Strongest results so far were achieved in the Philippines. Indonesia is displaying strong ownership and good potential for further results. In Malaysia, achievements can be made if stronger alignment with Malaysian approaches and expectations is pursued. In order to consolidate achievements and/ or finalize key activities, it is important that sufficient funding is provided for the second half of the Programme and that early closure be avoided. The program, already short by design for a program claiming to tackle skills and TVET systems, needs at least the total of the 42 months originally foreseen as net time to complete and consolidate achievements and should run until March 2024.

It is not reasonable to expect early impact in programs of organizational and societal change. Impact in TVET can only be meaningfully established starting 3-5 years after Programme closure. Baselines including estimated trends need to be established against which any post-project impact measurement will be held.

In both the Philippines and in Indonesia, the SfP SEA Programme has been very successful in mobilizing and engaging with stakeholders which is a prerequisite for reaching ownership and thereby sustainability. The SfP SEA Programme has been less successful in engaging with stakeholders in Malaysia and it is therefore not clear to which extent sustainability of results can be achieved by the end of the Programme duration.

Significant resources have been spent on management arrangements that did not enhance effectiveness, notably for collecting information that is essentially irrelevant for achieving the Programme outcomes,

and processing the same for the SfP. Any overhead cost created by unnecessary reporting burden is detrimental to efficiency of implementation.

In the context of insufficiencies in program planning, ILO's risk management practices also need to reflect the specifics of logframe based risk management and promote this essential procedure.

It is unclear why the ILO as a public sector entity (identified after an extensive scoping mission as the preferred delivery partner) is expected by the donor to operate like a private sector entity or an NGO (both of which may borrow funds) when it comes to the disbursement of payments. Moreover, unnecessary verifications and value-for-money reporting which by definition is of no purpose in programs addressing organizational or societal changes such as those required to adapt and change skills and TVET systems also have reduced the efficiency.

Major Recommendations

1. Extension is recommended until March 2024, based on initial plan of 42 months duration which is minimum net implementation time required for reaching meaningful outcome, in particular to recover time lost due to the Covid-19 pandemic and to consolidate achievements. With given amounts of funding and depending on existing commitments, based on the mid-term evaluation results, a trade-off could also be made between country components, prioritizing those country components that have highest potential impact and strongest potential for consolidation (Philippines and Indonesia). More specific recommendations for the country components are to be observed.
2. Establish trends for baselines against which impact measurement will be held (no before-and-after measurement, but measurement of additionality).
3. Pay particular attention and invest in relationship building with stakeholders at both national and state levels in the Malaysia component during the second half of the program.
4. Minimize reporting requirements for the SfP SEA Programme vis-à-vis the SfP Hub in order to set free resources unnecessarily tied up in reporting to contribute to work related to implementation proper. A maximum of personpower should be made available for a best-possible finalization.
5. Revisit the decision to retain a veto power at FCDO headquarters in the light of the many good experiences that exist with steering committees that include in-country representatives of the donor as direct members in order to enable a higher degree of ownership by recipient structures as a basis for achieving sustainability.
6. Ensure all program managers, CTAs and key NPO staff, as a general good practice and on a regular basis across the organization, undergo professional training in logframe analysis and planning and program management including risk management prior to deployment, including refresher training after several years of work away from program implementation, also in the interest of further deepening ILO program staff's resourcefulness in dealing with varying models and donor fashions of program design and management.
7. In implementing programs, focus on program risk management and not on corporate risk and introduce separate risk register based on program logframe.

8. Following due diligences, donors should accept ILO documentation and formats in order not to increase the overhead cost associated with implementing extra-budgetary programs and reserve value for money (VfM) approach for those programs where standardized goods or services are purchased on a long-term basis (original purpose of VfM).

9. Refresh or improve capabilities in the nuts and bolts of implementing and monitoring logical frameworks along the whole program chain in order to not forego the benefits of this time-tested procedure in checking feasibility of programs which cannot be substituted for by drawing up a less rigorous theory of change.

Lessons Learned and Emerging Good Practices

Lessons Learned

1. Skills and TVET development take time, and quick impact cannot reasonably be expected during, e.g. during 3-4 year periods. 2. Under pandemic conditions, do not expect even shorter implementation periods. 3. It is an error to abstain from program steering committees for programs of sizeable budget. If the donor insists, negotiate strongly to secure this fundamentally important mechanism for achieving alignment with and commitment by the recipient country institutions. Informal contacts will not be sufficient to properly bridge the resulting gaps. 4. A clear commitment from key recipient country partners needs to be checked not only during the preparation process of a country component but also should be regularly reconfirmed to enable swift response when variations or fluctuations in commitment are observed. 5. It is important to strike a reasonable balance between the wish for monitoring and its cost. Where information is monitored that is not directly relevant to program performance, this reduces efficiency. 6. Value-for-money measurements are not relevant to programs seeking institutional or societal changes. 7. It is important to understand that disparity for or against one gender does not automatically result in adverse impact on the other. 8. When supporting females to enter male-dominated occupations in work environments not easily controlled, keep the do-no-harm principle in mind. 9. Skills and TVET training needs to include labour regulations. 10. A sound theory-of-change cannot form the sole basis of implementing a program. The logical framework is an essential complement to ensure rigorous outcome-oriented program planning.

Good Practices

1. Despite identified challenges in integrating ILO and FCDO roles and contributions under the specific overarching structure of the global SfP Programme, specific Programme personnel sought to maintain good relationships and take advantage of opportunities to share information or support each other's work. 2. ILO was highly flexible in responding and adapting to changes originating at the donor end, thereby securing the survival of the program in adverse conditions of substantial unplanned budget reductions, and those imposed by the Covid-19 pandemic. ILO also went out of its way to adapt to different kinds of reporting formats and requests, thereby avoiding deadlocks over procedural issues. 3. In the Philippines, the ILO managed to secure high-level attention and interest in the Program being able to draw on well-established networks and by ways of informal communication as a second-best solution in the absence of steering committees. (This versatile practice is likely to remain an exception and should not be expected for any official program implementation.)