

# Evaluation Report

Mid-term review

Enhanced Skills for Sustainable and Rewarding  
Employment (ENSSURE) project, phase II

19 April 2024





# Imprint

## **Evaluation Report**

Mid-term review - Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) project, phase II

## **Submitted to:**

Swiss Agency for Development and Cooperation

Pankaj Parajuli, [pankaj.parajuli@eda.admin.ch](mailto:pankaj.parajuli@eda.admin.ch)

## **Authors:**

Ha-My Nguyen, Michael Morlok

With contributions by Bikram Acharya, Prakash K. Paudel, and Valentina Gabella.

## **Contact us at:**

orange & teal

4054 Basel, Switzerland

[hello@orange-and-teal.com](mailto:hello@orange-and-teal.com)



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# Abbreviations

APT	Dual Apprenticeship
CTEVT	Council for Technical Education and Vocational Training
DP	Development Partners
EQ	Evaluation Question
ESG	Environment, Social, Governance
FNCCI	Federation of Nepalese Chamber of Commerce and Industries
GoN	Government of Nepal
MoEST	Ministry of Education, Science and Technology
MoSD	Ministry of Social Development
NVQS-P	Nepal Vocational Qualification System Project
OECD	Organisation for Economic Co-operation and Development
OJT	On-the-job training
PSU	Project Support Unit
QualiTY	Quality TVET for Youth
SDC	Swiss Agency for Development Cooperation
SUT	Skills Upgrading Training
ToC	Theory of Change
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
VET	Vocational Education and Training





# Executive Summary

The Swiss Agency for Development and Cooperation (SDC) commissioned a mid-term evaluation of the Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) project phase II. The evaluation was conducted between February and April 2024.

## Evaluation background and approach

The objectives of the evaluation are to review the project based on the DAC criteria; generate learning for future strategic and programming decisions; and provide recommendations for the steering and long-term planning of subsequent phases. These sources were used for the evaluation:

- **Document review:** analysis of project-related documents and deliverables, as well as research studies concerning the ENSSURE interventions.
- **Data review:** analysis of the ENSSURE M&E data and tracer studies on Dual Apprenticeship (APT), On-the-job training (OJT), and Skills Upgrading Training (SUT). An Economic and Financial Analysis (EFA) for the ENSSURE Phase II was also conducted.
- **Online survey:** a survey was distributed to 138 stakeholders, with 50 persons responding (36 %)
- **Interviews:** 81 institutional stakeholders, and 117 current and former APT, OJT, and SUT participants were interviewed individually, or took part in focus group discussions.

Milestones of the evaluation were the kick-off meeting (19 February 2024), the approval of the evaluation concept (8 March 2024), the recommendation co-creation workshop with SDC and the PSU (28 March 2024), the submission of the draft report (7 April 2024), and the submission of the final report (20 April 2024).

## Findings and conclusions

**Relevance:** The project effectively meets the priorities and needs of its institutional beneficiaries, demonstrating high relevance across its main components. Notably, CG is particularly valued by government respondents, while the private sector and training providers emphasize the importance of SUT. The alignment with national policy objectives indicates a strategic fit with the broader goals of enhancing TVET in Nepal. The project's strategic shift in the context of Nepal's federalization process received positive feedback, especially from provincial and local officials. However, the lack of a clear TVET Act and delineation of roles across federal tiers presents a significant challenge, affecting the project's governance structure and perceived relevance. Overall, more detailed analysis of specific learner and industry needs and a fully developed ToC could enhance the project's effectiveness and impact.

**Coherence:** There is strong internal coherence among three SDC-funded TVET projects, where effective collaboration has enhanced both the standards and permeability of TVET system in Nepal. External coherence with government initiatives and those of other development partners is also high, although fragmentation in



government initiatives and a lack of interministerial coordination for TVET programs pose challenges. SDC's role in leading informal collaboration among key donors further supports coherence, leading to a commendable level of coherence. The sector-wide approach (SWAp), in its nascent stage, is broadly supported. However, uncertainties related to the implementation of SWAp and the absence of a TVET Act raise concerns about achieving comprehensive integration and coordination among stakeholders, indicating a cautious approach towards joint financing and sector-wide planning by the development partners.

**Effectiveness:** The project is well on track in several areas but faces challenges with a few specific targets, particularly in OJT learner numbers and scholarships for women and discriminated groups. Stakeholders acknowledge the project's contributions towards enhancing employment opportunities, government responsiveness to labor market needs, and meeting skills requirements. However, satisfaction levels vary, with the private sector showing concerns about the project's contribution to meeting high labor market demands and addressing retention issues.

High dropout rates in APT and lower-than-expected enrollment in OJT highlight the need for ongoing adjustments to training content, structure, and delivery. Data from the first phase of the APT program, which shows low employment rates, and a majority of graduates earning less than the minimum wage, raise questions about the training's effectiveness. The outcomes of the second phase are not yet available, as the trainings are still ongoing. However, the private sector reports positive experiences with apprentices and OJT students, highlighting their practical skills and productivity. There's considerable appreciation from the private sector for SUT as a means to keep pace with technological and market advancements. Both government representatives and students view CG positively, noting its role in enhancing career planning and decision-making. The CG component has seen a significant level of institutionalization within schools, with career guidance being integrated into curriculums from grade 8 in many municipalities.

In regard to its transversal themes, it can first be noted that the project excels in inclusivity in the apprenticeship program, surpassing targets for female and socially discriminated group participation. However, it faces challenges in OJT and SUT with lower female enrollment, and lower employment rates for women (OJT). The project is actively supporting Nepal's federalisation process, aiming to institutionalize TVET services at provincial and local government levels. Yet, the absence of a comprehensive TVET act and political and administrative hurdles have complicated the transition. Additionally, the project is making strides in integrating green skills into TVET curricula and developing new green occupation programs. The project also successfully engages the private sector, but there's a call for improved collaboration mechanisms, including incentives for private sector participation and strategies for retaining skilled workers.

**Efficiency:** The project demonstrates good efficiency in delivering quality services and managing resources effectively. Difficulties include the timely disbursement of funds, the procurement process for OJT private training providers, and prioritization of funds by local governments, with provincial governments struggling due to understaffing and frequent personnel changes. Further areas for improvement include addressing the



private sector's expectations and enhancing the capacity of local and provincial governments. The EFA shows that the project is economically justified. It reveals a positive return on investment for the APT and OJT components, with a net gain of 4.9 million CHF and an ROI of 40%. Ongoing efforts to refine management practices, improve training quality, and enhance the M&E system are crucial for maximizing the project's impact and sustainability.

**Impact:** The project shows early promise in delivering social and economic benefits, particularly through its APT and OJT programs, indicating a positive impact trajectory. Despite challenges like high dropout rates and low initial wages, there's significant positive feedback, particularly from the private sector. This indicates that the project's APT and OJT programs offer tangible benefits to participants, potentially improving their social status and making TVET an attractive education choice in Nepal. Efforts to foster informed choices through CG and build public-private partnerships are laying groundwork for systemic improvements in Nepal's TVET sector. While it's too early to fully assess the project's transformative potential, initial feedback and progress toward systemic changes suggest a positive impact on beneficiaries' well-being and the broader TVET landscape.

**Sustainability:** The project's sustainability depends on overcoming financial, institutional, and capacity challenges. Stakeholders show optimism, especially for the CG component, but express significant concerns about financial sustainability post-project funding, particularly for the APT and OJT. The absence of a TVET act and gaps in institutional sustainability, alongside mixed success in building stakeholder capacity, highlight areas needing attention for lasting impacts. While there are positive indications of institutionalization and stakeholder commitment, achieving sustainable outcomes requires addressing these financial and institutional barriers and enhancing stakeholder capacities to ensure the project's long-term success.

**Conclusion:** The project aims to improve social and economic outcomes for Nepalese youths through a collaborative and federalized TVET system, focusing on strengthening public-private partnerships and improving training quality and scalability. While the project has achieved notable successes, further efforts are needed to fully realized its overarching goals. Key areas for enhancement include optimizing its core training components APT and OJT, and effectively navigating the complexities of Nepal's federalization process and private sector collaborations. The SUT, CG, and – if issues such as procurements, and low enrolment rates can be resolved effectively – OJT are ready to be replicated and scaled. The APT component, on the other hand, remains in the piloting phase, where the focus should lie on identifying the most effective modalities and producing evidence for both technical scaling and advocacy purposes.

## Recommendations

Based on the findings and conclusions, we formulate the following recommendations:

- **Recommendation 1:** Strengthen understanding what APT elements are effective, and then revise selected features of the piloted APT courses.



- **Recommendation 2:** Consider anchoring the OJT courses with the provincial level.
- **Recommendation 3:** Identify what APT / OJT elements can be mainstreamed through existing VET programs.
- **Recommendation 4:** Prepare and implement a plan to identify what data, analysis, and information products are needed for scaling.
- **Recommendation 5:** When expanding to new areas, focus on CG and private sector collaboration.



# 1. Introduction

The Swiss Agency for Development and Cooperation (SDC) commissioned our team to conduct a mid-term review of the second phase of the Enhanced Skills for Sustainable and Rewarding Employment (ENSSURE) project.<sup>1</sup> The evaluation was conducted between February and April 2024, in order to:

- **Review the project** according to all six OECD DAC evaluation criteria, emphasizing effectiveness, coherence, and sustainability.
- **Provide recommendations** for improving the current phase and planning of a potential next phase.

The intended audiences of the report are the SDC, the ENSSURE Project Support Unit (PSU), various project committees, government bodies and other key stakeholders.

The report contains the evaluation approach (chapter 2), findings (chapter 3), conclusions (chapter 4), as well as recommendations (chapter 5) of the review team.

We would like to thank all interviewees and survey participants for their valuable contributions to this evaluation. We also appreciate the efforts of everyone involved in the logistical preparations, from SDC and the ENSSURE PSU, for their essential support throughout the evaluation.

## 2. Evaluation approach

The approach was guided by the OECD DAC Standards (including the Quality Standards for Development Evaluation, “Applying Evaluation Criteria Thoughtfully”, and “Protection of people involved in evaluation” guidelines) as well as SDC guidelines for evaluations and Economic and Financial Analysis.

A mixed methods approach was applied, with the following key components:

- **Document review:** Design documents, progress reports, research reports as well as the internal evaluation report of September 2023, and the evaluation report from the first phase were reviewed to find answers to the evaluation questions and to contextualise the findings, conclusions, and recommendations.
- **Data review:** The M&E framework was an important source of information and was used to assess target achievement. Data on training participation and outcome (tracer study first phase) were used to discuss the performance of Dual Apprenticeship (APT), On-the-job training (OJT), and Skills Upgrading Training (SUT), and as inputs to the Economic and Financial Analysis (EFA) for the ENSSURE Phase II.
- **Online survey:** An online survey was distributed to 138 stakeholders, of which 50 persons responded (12 women and 38 men). The response rate is 36%, with

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<sup>1</sup> For a short overview of the ENSSURE project, please refer to Annex 1.



82% completing the survey<sup>2</sup>. The survey was open for two weeks and a reminder was sent to engage respondents and achieve a higher response rate. The contact list was provided by the PSU. Annex 4 contains additional results not included in the main body of the report.

- **Interviews:** We interacted with 81 institutional stakeholders (66 men and 15 women), almost exclusively face-to-face. In addition, focus group discussions covered 117 current and former APT, OJT, and SUT participants (est. 60% men and 40% women). The participants were suggested by SDC and the PSU. Annex 3 contains the list of the participants.
- **Validation:** A workshop with SDC and the PSU on 28 March 2024, interviews with SDC and the PSU team and backstopper, as well as the review of the draft evaluation report provided opportunities for participation and feedback.

The mid-term review was implemented in accordance with the inception report; all meetings took place as planned. Notwithstanding, some **challenges and limitations** need to be mentioned:

- The field visit focused on the locations where the project's activities are most mature, not capturing all experiences. *Mitigation:* We launched a survey for broader coverage.
- Nepal's meeting culture has a tendency towards a formal and hierarchical dialogue. *Mitigation:* We fostered open exchanges, held follow-up meetings, and launched a survey.<sup>3</sup>
- There is no tracer data yet for phase II APT learner cohorts as the training is still in progress, and little is known about the employment outcomes of relevant alternatives (benchmarking). *Mitigation:* We used insights from the previous phase and covered enrolment and dropout rates of the current cohort. For the EFA, we used estimates by the ENSSURE team.
- Most interviewed stakeholders are men, reflecting the sector's gender imbalance. *Mitigation:* We looked for obvious differences in the responses of interviewees and survey respondents, which we did not find.
- We observed significant variations in APT and OJT training outcomes across industries, and it's difficult to identify clear patterns with the small number of private sector interactions. *Mitigation:* We used the available data to illustrate this variance to the extent possible.

Despite these limitations, we believe that our data, gathered from diverse sources and perspectives, provides a solid foundation for this review. To better cover the variability in training outcomes, further investigation is recommended (see Recommendation 1).

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<sup>2</sup> Out of the 50 respondents to our survey, the composition was diverse: 30% were training providers, 24% represented the private sector, and 46% were from various government bodies. When analyzed by administrative levels, 16% of the participants work at the federal level, 34% at the provincial level, and 50% at the local level. See Annex 3.

<sup>3</sup> The survey significantly expanded our outreach and effectively incorporated feedback from these stakeholders in a structured and anonymous manner. This approach provided a platform for respondents to share their honest opinions without fear of direct confrontation or repercussions, which might be a concern in a hierarchical setting. Anonymity encourages more genuine feedback, as respondents can express their views freely without concern for hierarchy.



We adhered to **ethical guidelines** by implementing measures for informed consent, ensuring anonymity, and maintaining data security in the following ways:

- Interview, survey, and focus group participants received information on the purpose of the mid-term review, their involvement, and their rights.
- Participants received a generic link to the survey to prevent any possibility of identifying individual respondents; the survey included options to opt-out and delete responses.
- Recordings, transcripts, and other memos and contact information were deleted upon completion of the review.

## 3. Findings

This chapter presents the findings related to the evaluation questions (EQs), structured around the six DAC evaluation criteria relevance, coherence, effectiveness, efficiency, impact, and sustainability. The findings in each section are derived from the mix-method approach described in the section above.

### 3.1. Relevance

In terms of relevance, we assess the extent to which the project's goals are aligned with the needs and priorities of its beneficiaries and stakeholders (EQ 1), whether the project is valid and realistic (EQ 2), and whether it has adapted effectively over time (EQ 3). SDC expressed a particular interest in learning whether the project is still relevant in the absence of the TVET act.<sup>4</sup>

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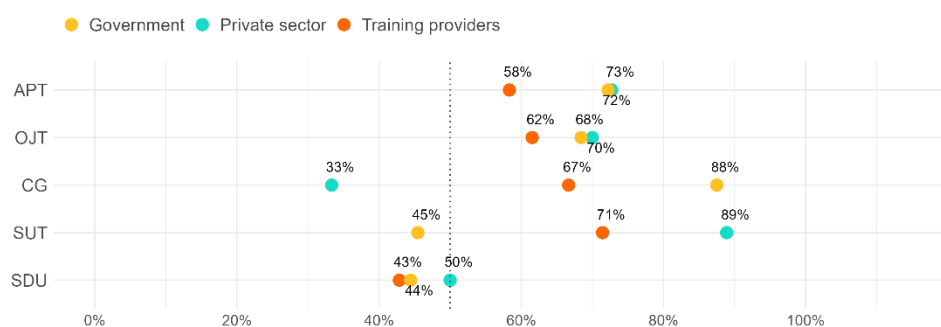
<sup>4</sup> SDC was further interested in the question whether the dual VET apprenticeship is a relevant alternative to secondary education. As we point out in the impact section, we believe there's not sufficient evidence at the point to respond to this question, and it's difficult to reconcile the existing data and feedback, and there's a lack of data on the training alternatives, including the 18-month pre-diploma courses, needed for comparison purposes.



## Alignment with priorities and needs

**The project meets the priorities of institutional beneficiaries.** This is underscored by the survey results presented below, which show that most project components have been well received: over two-thirds of government and private sector representatives consider APT and OJT to be highly relevant. Additionally, 88% of government respondents find CG to be very relevant, while the majority of private sector and training providers hold SUT in high regard. Some of the low values can be explained by the fact that these components did not (yet) include certain groups: the private sector (CG), government (SUT, SDU), and training providers (SDU). When analysing responses by federal tiers, it is noticeable that APT and OJT are well-regarded across all levels of government, with particularly high relevance at the provincial level for APT (75%), and local level for OJT (70%), where these specific components are anchored. CG is most valued at the federal and local level (both 75%), while the demand for SUT is emphasized at the provincial level (89%) (see graph in Annex 5).

**Figure 1: "How relevant are the project component to your organization?"**  
(share of participants indicating completely, or to a great extent)



Note: For Government, based on responses from 18, 19, 16, 11, and 9 participants, respectively. For Private sector, based on responses from 11, 10, 6, 9, and 8 participants, respectively. For Training providers, based on responses from 12, 13, 9, 7, and 7 participants, respectively.

Feedback gathered from interviews further validates the relevance of these components in addressing needs, as highlighted by the following quotes:

*"OJT and apprenticeship are some of the examples that have been very much instrumental to Nepal's TVET development supported by SDC." – Federal government representative*

*"There's much manpower working in our industry, but they are not skilled... The project supported us a lot. ... So ultimately the manpower will be sourced locally itself." - Industry association representative*

**All components of the project are aligned with the policy objectives.** The TVET Sector Strategic Plan (TSSP) for 2023-2032 outlines an ambition to explore and expand various TVET models during its second phase (2025-2029), with a focus on



workplace-based learning such as apprenticeships and on-the-job training.<sup>5</sup> The plan, whose development was supported by SDC, underscores the critical role of private sector collaboration. The government's "Fifteenth Plan" aims to significantly expand TVET programs and contains a specific goal to offer career counselling services at every local level. Apprenticeship programs are also mentioned in the federal TVET act as well as Bagmati and Gandaki provinces' TVET act.

**The project's overarching goals are well-suited to meet the needs of the primary beneficiaries. Yet, the operationalisation of these high-level goals into specific training programs raises some questions:** The project's aim to support employment and facilitate informed career choices through training and counselling is without a doubt highly relevant to the primary beneficiaries, *"Nepalese youths, women, and men (including returnee migrants) who are job seekers, existing workers for skill upgrading and school students for career orientation"*, as identified in the ProDoc. While the objectives of APT and OJT components are considered highly relevant and beneficial, the training formats and organisation has met challenges, a point that is discussed further in the effectiveness section of the report but also relates to design choices. Conversely, career guidance, as well as SUT, received much positive praise from all the interviewees.

## Design and Adaptation

**While the ProDoc presents a robust and comprehensive plan, it lacks (1) a comprehensive analysis of the profiles, needs, and priorities of potential learners and companies within the components, particularly APT; and (2) a fully developed Theory of Change.** Reviewing the current achievements, we believe that initial planning was indeed valid and realistic. However, a more detailed portrayal of the diverse profiles of potential learners e.g., academically- vs. competence-oriented) and the specific industries (e.g., manufacturing vs. service) would enhance understanding of the different needs within these groups, enabling the development of more tailored and targeted training programs. Such customization would significantly improve the APT's impact (see discussion in the effectiveness section). Furthermore, the existing ProDoc scarcely mentions the strengths and limitations of the existing training programs, such as the 18-month TSLC Level/Pre-Diploma<sup>6</sup>, nor does it distinctly articulate how the new training offerings like APT and OJT differentiate themselves and build upon the established trainings.

The Theory of Change, while following SDC's standards, is in our view overly concise and omits crucial discussions on key assumptions and the interconnectedness of various components with the overarching goals, although some aspects are touched upon in the risk analysis. We acknowledge that there was a more extended discussion in the Phase 1 ProDoc but believe that our arguments remain valid. A more

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<sup>5</sup> The TSSP highlights *"implementation of dual-VET apprenticeship in collaboration with BIAs [Business and Industry Associations] for workplace-based learning, apprenticeship, on-the-job training"* as a guiding principle. The result framework contains the objectives *"Increasing collaborative programs and activities with DPs and BIAs for internship, OJT, apprenticeship and Dual TVET system model bring into practice"* and *"Introducing and implementing a dual TVET system with the active, meaningful and collaborative actions of BIAS by the development of guidelines & policy provisions"*.

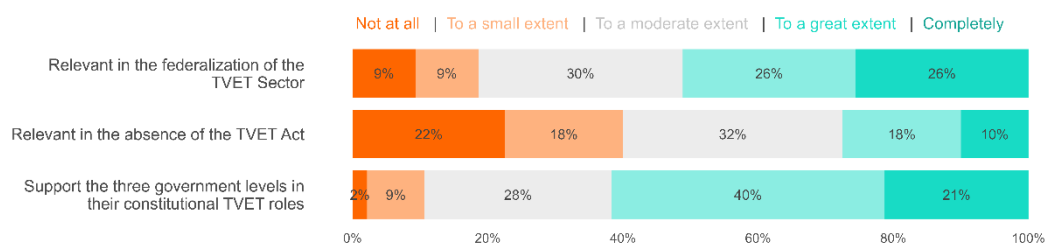
<sup>6</sup> MoEST's "Comprehensive TVET Annual Report 2075" (2018) explains that in 2018, CTEVT was running 23 TSCL courses, covered through 838 programs, with an enrolment capacity of 33,520 learners.



comprehensive discussion on the Theory of Change and stakeholder needs, enriched by insights from Phase 1, would have contributed to refining and enhancing the project's strategic framework and implementation approach.

**The project has adapted well to contextual changes but struggling with the lack of clarity and speed of the federalization process:** With Nepal moving towards a federal structure, the constitution redistributed TVET responsibilities across federal, provincial, and local levels, however, the transition has been challenging (see spotlight). The federalization process prompted the project to realign its engagement strategy in the second phase to adhere to the constitutional framework. Consequently, at the federal level, the project collaborates with CTEVT for developing policies, curriculums, examinations, and skill testing. Implementation, especially of APT and OJT, is carried out by provincial and local governments. This strategic shift has garnered positive feedback from provincial and local officials, recognizing the project's efforts in raising their TVET awareness and capacity. Similarly, survey responses show that over half of participants view the project as highly relevant in the context of federalization, and in their efforts to support federal state building process. However, there's a considerable concern with 40% of the respondents fearing that the absence of TVET Act undermines the project's relevance (see Figure 2). These apprehensions are underscored by insights from interviews, revealing a shared sentiment about the frustration of not having clear delineation of roles and responsibilities across different levels, leaving a significant gap in the governance structure.

*Figure 2: "In your view, does the ENSSURE project remain relevant?"*



Note: Based on responses from 43, 40, and 47 participants, respectively.



### **Spotlight 1: Current state of federalisation in TVET**

Nepal's constitution provides the right to education for all citizens, with Article 31 under Part 3, "Fundamental Rights and Duties," guaranteeing free education up to the secondary level. The constitution also includes a clear mandate for local governance of secondary education. However, the governance of TVET currently adheres to the Technical Education and Vocational Training Council (CTEVT) Act of 1988.

Since the enactment of Nepal's new constitution, the current CTEVT Act has not been updated to reflect the shift towards federal governance. Efforts to introduce a TVET bill that aligns with constitutional mandates have not led to any significant progress in almost a decade.

Progress towards federalization varies by province. The Bagmati and Gandaki provinces have enacted provincial TVET legislation, yet the practical implementation of these acts remains pending. Koshi province, while having not passed a specific TVET bill, has established a provincial technical university under the Manmohan Technical University Act.

The current TVET system struggles with various issues. A high level of miscoordination between the actors of TVET system can be observed as a result of unclear delineation of powers among the federal and provincial governments. This is problematic as TVET activities require significant collaboration and cooperation with provincial and local governments. In addition, fiscal federalization impacts budgetary flow to the TVET system, but the current CTEVT Act does not recognize the federal structure.<sup>7</sup>

## **3.2. Coherence**

This section covers internal coherence with other SDC funded projects (EQ 4), and external coherence, i.e. the complementarity and co-ordination with projects of other development partners' interventions (EQ 5). In addition, the evaluation aimed to explore how well the SDC works with other development partners and government levels to create a joint financing agreement for a joint sectoral program, and how feasible such an agreement is in absence of the TVET Act (EQ 6).

### **Internal Coherence**

**There are strong thematic linkages across the three SDC TVET projects:** The Nepal Vocational Qualification System Project (NVQS-P) and Quality TVET for Youth (QualiTY) projects aim to elevate the standards and appeal of TVET. The NVQS-P focuses on setting qualifications frameworks, while the QualiTY project aims at improving the quality of schools, both of which are critical for the ENSSURE project's success in addressing permeability, reducing dropout rates and enhancing the TVET image. For instance, ENSSURE and NVQS-P are working towards creating a modular apprenticeship course, beginning with a pilot diploma APT course in Hospitality Management which is planned for next year. This initiative aims to enhance flexibility in qualifications and transitions within the TVET system.

**The projects are seen as working effectively together:** Figure 3 shows that internal coherence among the SDC projects has been achieved, with 83% positive response at

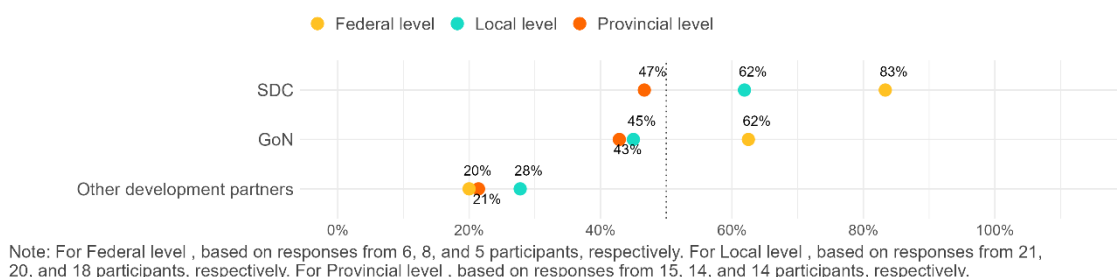
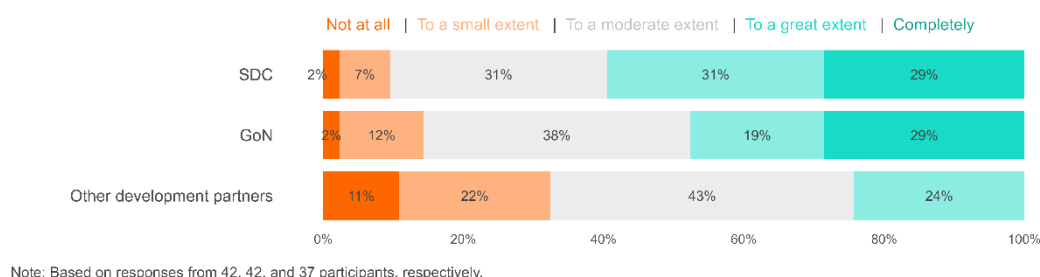
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<sup>7</sup> The legal texts are available here: <https://lawcommission.gov.np/en/wp-content/uploads/2021/01/Constitution-of-Nepal.pdf>, [www.lawcommission.gov.np/en/wp-content/uploads/2018/10/technical-education-and-vocational-training-council-act-2045-1989.pdf](https://www.lawcommission.gov.np/en/wp-content/uploads/2018/10/technical-education-and-vocational-training-council-act-2045-1989.pdf), <https://mosd.gandaki.gov.np/list/act>, <https://ocmcm.bagamati.gov.np/index.php/article/462>.



the federal level, and 62% at local level indicating substantial coordination among the three SDC projects. Many interviewees also point to a strong collaboration at both strategic and operational levels. This collaboration is characterized by frequent joint meetings and events, as well as shared leadership roles in different projects, facilitating a deepened mutual understanding and enhancing teamwork. Nevertheless, there is potential to streamline and reduce redundancy, especially regarding administrative efforts and costs borne by the government. For instance, one CTEVT representative emphasized *"Technical assistance for these projects and the staffs are designed at three separate entities, three PSUs, not only in the federal level, also in the seven provinces. This means the administrative cost and ...the capacity development part is quite overlapping [and leading to] duplication in measure"*. The involvement of two agencies (Helvetas, Swisscontact) offering technical assistance complicates the possibility of establishing a unified point of contact for these projects —a solution favoured by some government officials. Additionally, there is an argument for the continued collective organization of events and shared learning to foster mutual support and amplify each project's impact.

Figure 3: “Do you think that the ENSSURE project has done enough to coordinate with other TVET-related interventions?” (below: share of participants indicating completely, or to a great extent)



## External Coherence

**The collaboration with other TVET-related initiatives by GoN is perceived positively**, as discussed in the relevance section. The survey results mirror responses on internal coherence closely, with 62% of participants at the federal level acknowledging strong coordination with government-led initiatives, including through the national implementation modality which is applied with all three projects. Although there is no specific feedback regarding the collaboration between the project and other GoN's TVET-related initiatives, one stumbling block to coherence, discussed in some



of the interviews, is the fragmentation and lack of coordination among different government-led initiatives. This includes the problem of TVET training oversupply by not only MoEST and CTEVT, but also various other ministries. Most of the TVET schools under CTEVT are already operating at only half capacity. The lack of coordination adds to the over-saturation of the market, reducing program effectiveness and causing confusion among stakeholders.

**Good collaborative spirit among like-minded donors:** SDC is recognized for leading the informal collaboration among many donors in the TVET sector, including World Bank, Asian Development Bank, and the European Union. Currently, there is no partnership between ENSSURE and other development partners, since their projects have been concluded.<sup>8</sup> Some donor-funded projects, like EVENT II and Samriddhi, inspired by ENSSURE, have introduced industry-based trainings, indirectly contributing to closer industry-TVET system integration. For instance, EVENT II explored various apprenticeship models, including the APT and other workplace-based trainings with OJT modules, all aimed at enhancing the quality and accessibility of technical education in Nepal.

### Sector-wide approach (SWAp)

**There is broad endorsement for a sector-wide approach but also caution due to uncertainties surrounding its implementation.** The TVET Sector Strategic Plan (TSSP) foresees a sector-wide approach (SWAp) which is defined as all *"national public and international financial support are channeled through federal treasury"* while leaving some room for alternatives (*"... some of the international development partners are not able to contribute the financial resources to the government treasury, these agencies will align their programs/ actions with the TSSP objectives, strategies and interventions."*). The approach is also reflected in the National Framework of Action (NaFA) which is currently being developed but without any further detail in the draft currently available.

SWAp, as well as related terms such as "joint sectoral program" and "joint financing agreement" can be implemented in different forms, which has led to different understandings, not least in the context of the general uncertainty with the ongoing de-bundling of constitutional mandates and missing TVET act.

Interviews showed that there's general support by the federal government for the coordination of efforts, but little concrete feedback was obtained on the value of the SWAp instrument, and SDC's role in developing it. On the other hand, development partners have distinct strategies and timelines for their involvement in Nepal's TVET sector, reflecting diverse priorities and approaches to engagement and funding. Hence, they see SWAp as a challenging endeavour but one that is ultimately beneficial for long-term sector development, improving coordination and resource allocation. Currently, there is a cautious "wait-and-see" stance being adopted, amidst ongoing discussions. Again, concerns were expressed about how the plan can be executed in the absence of the TVET act, and whether the involvement of small number of donors

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<sup>8</sup> The EU's TVET PP, encompassing the Sakchyamta and Dakshyata projects, and IFAD's Samridhi project ended in 2021; the World Bank's EVENT-II and DFID/FCDO's program Skill for Employment in 2022, and ADB's IASPEP (Improved Access to Skills for Productive Employment Project) in June 2023. Source: ProDoc.



in supporting the government's formulation of the plan might result in a framework that does not fully consider or integrate the varied needs and perspectives of all the relevant national stakeholders. "Joint financing" where resources are collectively pooled as seen in the education sector, is perceived as an objective that remains distant.<sup>9</sup>

### 3.3. Effectiveness

Under effectiveness, we discuss the extent to which ENSSURE is on track to achieve its output and outcome targets, including its transversal objectives, and whether there were any unexpected effects. (EQ 7) SDC has a particular interest in whether the challenges identified in the internal review can be confirmed, as well as in the project's approach to mainstreaming climate change considerations. We begin by discussing the project's monitoring data, and then focus on the survey findings and insights from interviews, which we discuss component by component (APT, OJT, SUT, CG) and discussing cross-cutting topics (private sector collaboration) as well as the three transversal themes.

#### Project's Targets and Outcomes

The table below provides a summary of progress up to now, with phase targets adjusted to 65% to account for the elapsed time from the project's start in September 2021 to March 2023, the point of the evaluation, and the time left until the project's expected completion in July 2025.<sup>10</sup> The rating is reflecting the average status for the indicators for each outcome / output and notes any discrepancies in the comments section. The full table is shown in Annex 4.

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<sup>9</sup> "The Government of Nepal and eight development partners finalized the signing of a joint financing arrangement for the implementation of School Education Sector Plan (SESP) that seeks to support Nepal's long-term goal of ensuring inclusive access to quality education for all children." See UNICEF (2023): Government of Nepal and education development partners formalize cooperation for the School Education Sector Plan, [www.unicef.org/nepal/press-releases/government-nepal-and-education-development-partners-formalize-cooperation-school](http://www.unicef.org/nepal/press-releases/government-nepal-and-education-development-partners-formalize-cooperation-school).

<sup>10</sup> This adjustment assumes a consistent, linear progression throughout the four-year span, a premise that holds true for certain components while being less applicable to others. The latter category includes components that necessitate initial development before they can advance more rapidly toward their objectives. It's important to bear this non-linear trajectory in mind when analysing the outcomes.



**Table 1: Target achievement at the time of evaluation (March 2024)**

Output / outcome	Status	Comments
<b>Outcome 1 - Youth, women and men have gainful employment</b>	●	<i>No data available at this point</i>
Output 1.1 Youths attend TVET courses that meet their needs	●	<i>Learner number over target for APT (135%), under target for OJT (42%)</i>
Output 1.2 Current employees and returnee migrants attend TVET courses to upgrade their skills	●	<i>SUT target achieved but women sub-target under target; returnee migrants target underachieved (5%)</i>
Output 1.3 Youths have access to CG services.	●	<i>CG students target under target (85%), CG platform recently launched.</i>
<b>Outcome 2 - Federal provincial and local government institutions respond to the needs of the labour market</b>	●	<i>Target on track</i>
Output 2.1 PGs and LGs allocate financial and human resources to TVET and CG services	●	<i>Women and discriminated group offered scholarship target under target (16%)</i>
Output 2.2 FG agencies provide relevant TVET services	●	<i>Note: Targets lowered</i>
Output 2.3 PGs collaborate with PS associations to gather information on skill needs	●	<i>Provinces started orientation to create databases; SDUs are collecting data from members; TVET providers with companies roster behind target (75%)</i>
Output 2.4 PGs and LGs increase their capacity to support and implement TVET courses	●	<i>Target on track</i>
<b>Outcome 3 - Private companies meet their needs for skilled HR through active engagement in the TVET sector</b>	●	<i>Target on track</i>
Output 3.1 Industry association members adopt strategies within the TVET framework	●	<i>Industry associations with HR strategies for TVET below target (2 instead of 4); companies trained on OHS target below target (18%)</i>
Output 3.2 Business and industry association members actively contribute to the training cycle.	●	<i>Target on track</i>
Output 3.3 Business and industry association members increase capacity to participate actively in TVET courses	●	<i>In-company trainers target (82%) and personnel receiving orientation target (88%) below target</i>

*Note: The table is a simplified version of the project's M&E framework. The colour-coding indicates progress: on track (● green), partly on track (● yellow), not on track (● red); no data to assess (● grey).*

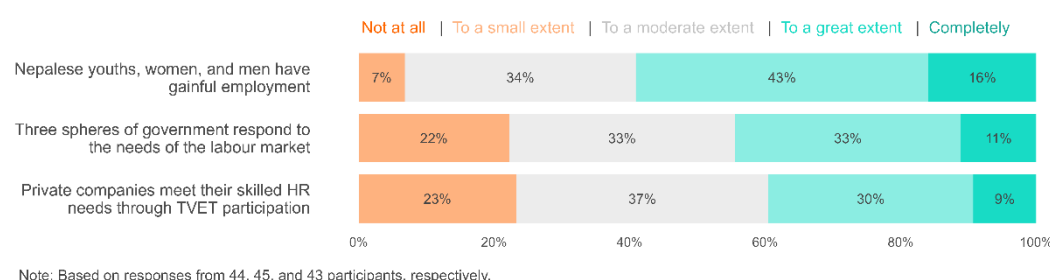
**Most of the targets seem well on track but there are some notable exceptions,** one being the learner targets for OJT (part of output 1.1) which is currently less than half (42%) what it should be, assuming a linear allocation over the 4-year project duration. The APT learner numbers on the other hand are well above target (135%). Other targets which are significantly off-track are the number of women and



discriminated group which are offered specific scholarship (16%, part of Output 2.1), and the number of partner companies trained in the Occupational Health and Safety (OHS) system (18%, part of Output 3.1), but they are not as close to the project's core mechanism.<sup>11</sup> It should be noted that for Outcome 1, which captures the APT and OJT training outcomes, no data is available at this point.

**Most stakeholders recognize the project's positive contribution to its three intended outcomes.** Considering the challenging nature of these objectives, it's noteworthy that 96% of survey respondents recognize the project's contribution to enhancing gainful employment (including “moderate extent” responses, which seems reasonable given the result level). Additionally, 79% agree that it has influenced the government's responsiveness to labour market demands, and 81% believe it has effectively addressed skills requirements. It should be noted that since the APT and OJT training outcomes cannot be observed yet, the response might also be based, at least for some of the stakeholders, on reflections on the first phase cohorts.

*Figure 3: “To what extent has the ENSSURE project contributed to these three project goals?”*



### *Survey responses vary notably among stakeholder groups (see*

Figure 4). While the government and training providers rate the project's contribution highly across all outcomes, the private sector participants are more reserved. Notably, only half of the private sector stakeholders show confidence in the project's contribution to government's response to labour market needs, and about 70% indicate satisfaction with how the project meets the demand for skilled labour. Interview insights highlight the concerns further, pointing to the small learner numbers at this point, coupled with challenges in retaining these workers.

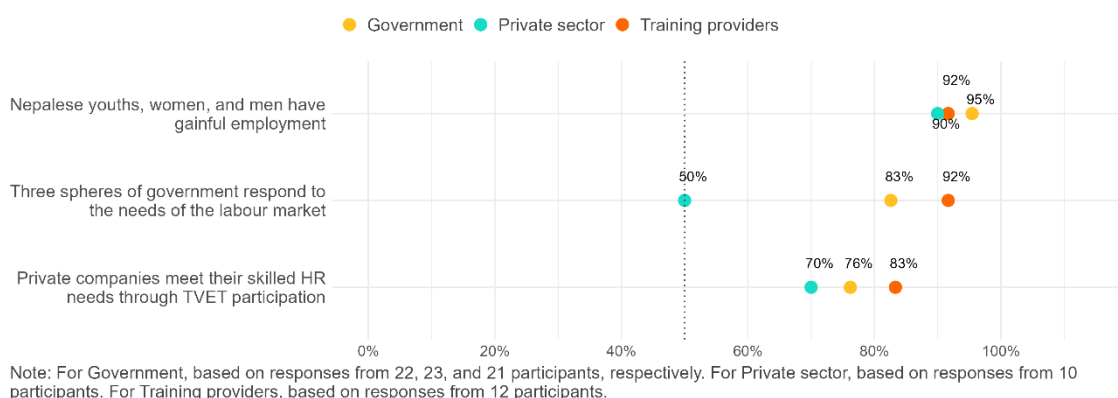
<sup>11</sup> The number of returning migrant workers (Output 1.2) is even more off track (5%). Discussions are ongoing how to align this component with SDC's ReMi (Reintegration of Returnee Migrant Workers) project.



*"The issue is how does the industry get the skilled workers they need...it's very small number compared with the demand." – Industry association representative*

*"If I train any of the technical manpower whom I'm paying Rs30,000 ... once he is trained either he's ready to ask 50,000 which is not suitable for me. Or he's ready to shift to other industries. There is no law in our government to how to retain them at our industry. Retention is the big problem." – Industry association representative*

**Figure 4: "To what extent has the ENSSURE project contributed to these three project goals?"**  
(share of survey participants indicating completely, to a great extent, to a moderate extent)



## Project's Key Components

### 3.3.1. Dual VET Apprenticeship (APT)

**As of now, the enrolment numbers for the apprenticeship programs stand at 2,646 learners** across eight distinct courses. This marks a substantial growth from the initial phase, which saw a total of 1,100 learners, in five different occupations. Notably, this expansion occurred despite the absence of any new cohorts in the 2021/22 academic year. As discussed above, the current enrolment figures are higher than the (adjusted) targets set out in the LogFrame. The current APT cohort's application numbers are nearly twice the quota, signalling strong interest in the programs among young men and women. However, this figure should be interpreted with caution, considering the programs' no-fee structure and the provision of student stipends, which may be more attractive compared to other fee-based alternatives, as well as the project team's effective outreach efforts.

**Dropout rates remain high in the second phase.** The first APT cohort in the second phase began its training in 2022, and therefore there is no data yet available on completion rates, certification achievements, and overall outcomes of the training. The training statistics show a 35% dropout rate on average at this point in the training cycle, leaving a 65% retention rate. Predicting the final completion rate for the entire duration



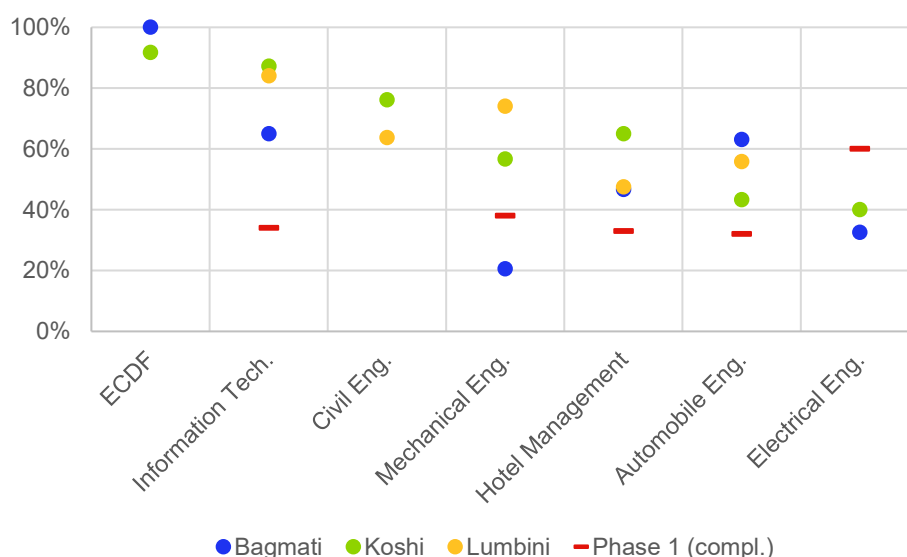
of the training is challenging, yet anecdotal evidence from TVET schools and companies suggests a higher dropout rate in the early stages, particularly during the transition to on-site company training. Data from the first phase showed an initial completion rate of about 75% in the initial two cohorts, and a 50% rate by the third cohort.

**An analysis of the dropout rates shows significant disparities across different occupations and regions.** When observed through the lens of retention rates (*Figure 5*), the ECDF (Early Childhood Development Foundation) course stands out as particularly successful, registering a high retention rate, or in other words minimal dropouts. In contrast, the Electrical Engineering course faces a challenging scenario with a retention rate of approximately 40%, meaning a dropout rate exceeding 60%, a figure that surpasses the overall dropout rate of 40% observed during the entire 24 months of the first phase. The variability in dropout rates among other courses across different provinces may be attributed to regional labour market conditions or program implementation, including the role of partnering schools and companies.

Dropout rates can stem from various factors, including learner frustration about remaining at the same education level (Grade 10) after the training, a mismatch between expected and actual work experiences, wages staying low despite the raising productivity levels, financial difficulties in covering living expenses during apprenticeships, or early recruitment by other employers, as various stakeholders mentioned. Nonetheless, a high dropout rate is generally indicative of underlying issues with the training's structure and/or its perceived benefits. A thorough examination of the primary reasons behind the high dropout rate—including the percentage of dropouts due to specific causes and the average duration before dropping out — is essential for identifying and addressing the root issues effectively. Ultimately, drop-outs diminish the training's effectiveness for both the participating companies and the learners themselves.



Figure 5: % of APT learners still in course, one year after start (2022 cohort)



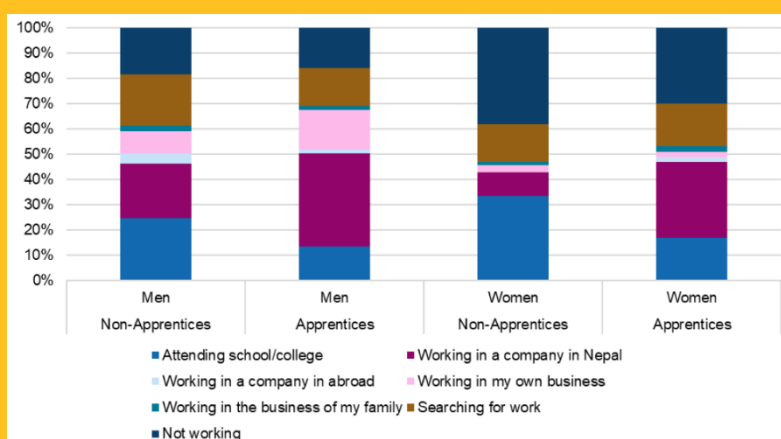
Source: Data provided by the PSU (Phase 2), and covered in the Internal Review (Phase 1)

**Data from the first phase highlights additional concerns, particularly with the low employment rates for apprentices.** Only 41% of apprentices managed to pass the national examinations, with the subjects of applied mathematics, and entrepreneurship development posing the greatest challenges, as detailed in the internal review. Even more concerning, however, is the low employment rate, which stands at 42%, including self-employment and employment abroad (see Figure 6). It should be noted that the PSU believes that the employment rate is underestimated, because it was difficult to cover graduates who have left for employment abroad<sup>12</sup>, and the tracer study could have been done later to give graduates more time to find suitable position.

### Spotlight 2: Comparing Apprentices and Non-Apprentices

The LELAM-TVET4Income research team presented a preliminary “Analysis of the Impact of the ENSSURE Dual Apprenticeship Program on Graduates and Companies” in September 2023 which showed that the employment rates of apprentices and “non-apprentices” (those who applied but were rejected) are quite different; apprentices were more likely to be employed than non-apprentices (approximately 45% and 23%, respectively), who in turn were more likely to attend school/college (30% and 17%, respectively). The unemployment rate was higher for both male and female non-apprentices than for apprentices.

<sup>12</sup> An attempt was made by the project to trace APT graduates who were unreachable through standard methods. Although the exact number is uncertain, out of more than 100 people, about 25 were successfully located, and all of them were employed abroad.



Source: LELAM-TVET4Income research team, "Analysis of the Impact of the ENSSURE Dual Apprenticeship Program on Graduates and Companies", presentation of preliminary results in September 2023

Further disaggregating the non-working segment, a diverse array of reasons emerges, including pursuits of further education (14%), migration preparations (10%), steps towards self-employment (7%), personal reasons (10%), and direct unemployment (17%). While it's conceivable that over time some individuals may re-enter the workforce, the current non-employment status of numerous trainees is particularly disconcerting given the acute skill shortages in the piloted fields. This situation raises concerns about the effectiveness of training programs in other occupational fields or industries where the demand for labour is even lower, potentially making it more challenging to achieve satisfactory training outcomes.

**Finally, tracer data shows a concerning trend where 60% of apprentices earn below the minimum wage post-graduation.** As highlighted in the internal review, this situation is troubling, considering the substantial two-year investment made by graduates in the apprenticeship program, naturally leading to expectations of a higher remuneration post-completion. However, it's challenging to determine how much learners would have earned in the absence of the training, given more than 70% of Nepal's active population is engaged in the informal economy.<sup>13</sup>

<sup>13</sup> <https://www.ilo.org/kathmandu/areasofwork/informal-economy/lang--en/index.htm>



**Figure 6: % of phase 1 APT graduates in employment**



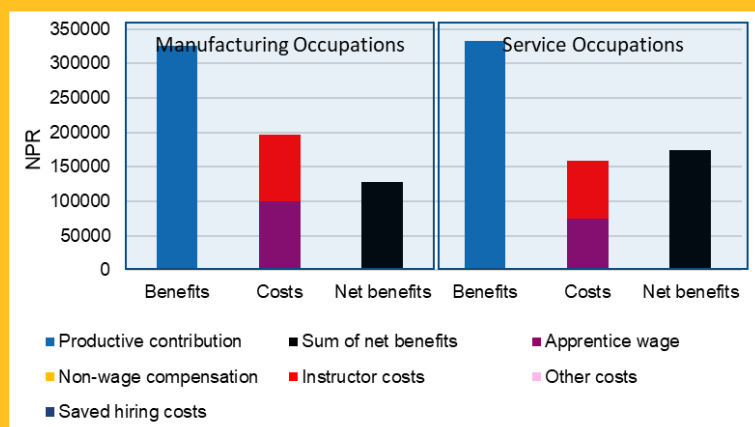
*Source: Data provided by the PSU, based on the tracer study implemented in August 2023*

**In contrast to the concerning data, interviewees were much more positive about the APT.** There is a general acknowledgement, however, that for the "win-win-win" scenario further changes are needed. Each stakeholder group focused on specific aspects that are either of significant interest to them or within their capacity to influence.



### Spotlight 3: Return on Training Investment

The LELAM-TVET4Income research team is conducting an estimation of the financial costs and gains for participating companies. This study is still in development and should become available in the next weeks. In September 2023, preliminary results were presented, which showed a large financial benefit for the companies. The Return on Training Investment – comparing net benefit to costs – is ranging between 60% and 110%, depending on the occupations / sector.



Source: LELAM-TVET4Income research team, "Analysis of the Impact of the ENSSURE Dual Apprenticeship Program on Graduates and Companies", presentation of preliminary results in September 2023

Companies' net benefits from the ENSSURE apprenticeships appear significantly higher than in other apprenticeship models / countries. Summarising a number of studies, the ILO reports that Swiss firms, on average, see net benefits around 5% of costs. German companies, as per one study, tend to incur net losses, with another study suggesting they break even during the training phase. Hence, the higher net benefits reported by companies participating in ENSSURE indicates that the training format is particularly interesting for companies. This could be due to lower costs, higher productivity from apprentices, or both. Given the positive feedback on apprentices' performance, it does beg the question of whether these large benefits are primarily a result of lower wages paid to apprentices.

Additionally, the ILO's overview highlighted the disparities in apprentice wages across countries, from 25% in Switzerland to up to 80% in Norway of a skilled worker's salary. In India, apprentice wages start at 70% of a semi-skilled worker's minimum wage in the first year, rising to 90% in the third year. Compared to these figures, the 25% wage rate maintained throughout the ENSSURE apprenticeship program appears low, especially towards the end of the apprenticeship.<sup>14</sup>

The project needs to balance cost-effectiveness for companies with fair compensation for apprentices. Ensuring fair wages is crucial for the long-term sustainability of the apprenticeship system, not least as a means to reduce the drop-out rates.

**Private sector interviewees** in particular have predominantly shared positive views and even enthusiasm, reporting

1. positive experiences with apprentices, appreciating their practical skills and noting that their productivity begins to show within six months of starting their training at the companies;

<sup>14</sup> ILO (undated): Cost-benefit structure of Quality Apprenticeships. Download: [www.ilo.org/global/topics/apprenticeships/publications/toolkit/system-and-policy-level/funding-arrangements/cost-benefit-structure/lang--en/index.htm](http://www.ilo.org/global/topics/apprenticeships/publications/toolkit/system-and-policy-level/funding-arrangements/cost-benefit-structure/lang--en/index.htm)



2. benefits from a trained workforce and contribution to the local economy by employing locals and reducing reliance on foreign workers;
3. advantages of a more structured collaboration with training institutes and potential to influence training curriculums; and

APT as cost-effective hiring approach as it offers opportunities to acquire skilled workers at a lower initial cost, reducing the need for informal recruitment methods (see spotlight on return on training investment). At the same time, there are concerns about the dropout and retention rates of trained apprentices, the alignment of curricula with industry demands, and the establishment of legal frameworks to secure mutual long-term benefits for both apprentices and industries. In particular, several companies express their readiness to offer remuneration exceeding the current rate of 25% of the minimum wage to apprentices, aiming to maintain their engagement throughout the apprenticeship period, and some increased the wages. One manager notably stated *"I think it should be a win-win situation... Instead of 25%. Okay, I'll pay him 75%. So that will be, I think much more agreeable."*

**Apprentices** appreciate the tuition-free and high-quality training provided, yet they share mixed experiences regarding the curriculum, quality of the learning at the TVET schools, examination process, and financial assistance. For instance, individuals relocating from other regions often struggle to manage living costs due to the relatively low remuneration provided. Additionally, some expressed concerns in advancing their education or finding satisfactory employment after training.

Key concerns regarding curriculum and examination highlighted by **government representatives** and training providers, underscore the urgent need for reforms. There's a consensus on shifting the focus towards practical skills rather than theoretical knowledge, and on exploring modular apprenticeship and credit transfer initiatives to address permeability (see spotlight on permeability). Implementing a continuous assessment system and enhancing industry involvement in evaluations are suggested strategies to more accurately gauge student capabilities and address the issue of low pass rates.

#### **Spotlight 4: Key suggestions on APT by stakeholders**

There diverse suggestions for reverting the approach to a more conventional model (e.g., 18 months pre-diploma). Suggestions made by stakeholders include:

- **Duration:** a shorter (APT) course duration, up to 12 months of in-company training
- **Curriculum:** adding more theory at the beginning and/or end of the program, or conversely making the curriculum more practical; when developing curricula, make sure experts with industry experience are given sufficient voice;
- **Teachers / trainers:** Hire teaching staff with industry experience rather than academic experience (this might need changes in (CTEVT) policies);
- **Modality:** dropping the 5+1 theory/practice structure
- **Wages:** increasing remuneration or providing financial support to learners in need
- **Examination:** providing better exam support (e.g. access to study materials and practice tests; peer tutoring and study groups; coaching), continuous assessment system
- **Increasing permeability:** Modular curriculum, credit transfer, pilot Dual VET diploma course



The "win-win-win" scenario in hospitality showcases the potential, yet **APT success varies across industries**. One issue seems that the program's current structure does serve neither learners with a preference for practical learning and/or short-term learning — who often find it difficult to deal with the exams, duration, and low pay — nor those with a school-based focus and long-term education ambition, who face issues with the lack of permeability. This highlights the need for tailored APT approaches in different sectors and different learner profiles, or alternatively, concentrating the APT's efforts on select industries and learner demographics that can most benefit from its offerings. For example, for industries like hospitality, where practical skills are paramount, the focus should be on maximizing hands-on training and minimizing classroom time which the current APT structure fits well. Conversely, in sectors such as engineering or healthcare, where a strong theoretical foundation is crucial, a balanced approach with a greater emphasis on academic learning might be more appropriate.

#### ***Spotlight 5: Permeability in Nepal's TVET system***

The existing CTEVT Act 1988 mandates CTEVT as an apex body to prepare basic and middle level human resources through training and technical education. Further, CTEVT also organizes skills tests (Level one to four) to recognize prior learning of the individuals. Nevertheless, TVET is fragmented in Nepal as over 12 other government agencies are also implementing trainings of their own.<sup>15</sup> This has created not only duplication in the programmes but also a lack of coherence in competencies, certification, and recognition of certificates. There is a lack of permeability among the offered programmes. For example, skill test graduates do not become eligible for formal academic TVET programmes. One of the entry criteria for the (APT) pre-diploma programme is grade 10 and after spending 24 months, a graduate receives a same grade 10 equivalent certificate.

The government of Nepal has initiated a National Vocational Qualifications System (NVQS) with National Qualifications Framework (NQF).<sup>16</sup> However, in the absence of a legal mandate, implementation is impeded. Neither the current Education Act 1971 nor the CTEVT Act 1988 supports its implementation, and the new Education Act has not come into execution as it is yet to be approved by parliament. CTEVT is preparing a strategy to mitigate the issue of permeability by piloting the 3-year modular competency-based curriculum in Hospitality Management that allows for credit transfer.

This initiative should benefit students with their earned credit accumulation and its recognition; however, will not address pertinent existing issues such as entry and exit criteria and execution of NVQF in the absence of an integrated TVET Act.

Moreover, the TVET Acts and other associated policies and frameworks developed and passed by the provincial and local governments should also incorporate the permeability issue across the governments to bring the NVQF into implementation.

### **3.3.2. On-the-Job Training (OJT)**

In phase 1, 5,753 trainees went through one of the eight courses under the 10 months OJT program. In phase 2, up to this point, 1,874 persons have enrolled in one of the 12 courses. This is considerable fewer than anticipated at this point of the implementation process (65% of the phase target is 4,433).

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<sup>15</sup> Ministry of Education, Science and Technology (2019): TVET Final Report 2076. Download: [www.undp.org/nepal/publications/tvet-final-report-2076](http://www.undp.org/nepal/publications/tvet-final-report-2076)

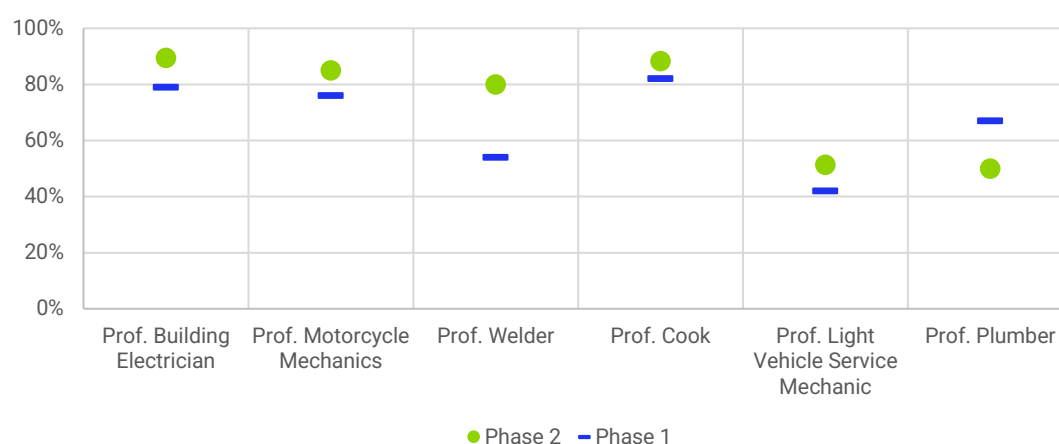
<sup>16</sup> [www.swisscontact.org/\\_Resources/Persistent/7/f/3/1/7f31d253240a5b8362be31982d9c11ae40297ef7/Nepal\\_National%20Qualifications%20Framework%20NQF.pdf](http://www.swisscontact.org/_Resources/Persistent/7/f/3/1/7f31d253240a5b8362be31982d9c11ae40297ef7/Nepal_National%20Qualifications%20Framework%20NQF.pdf)



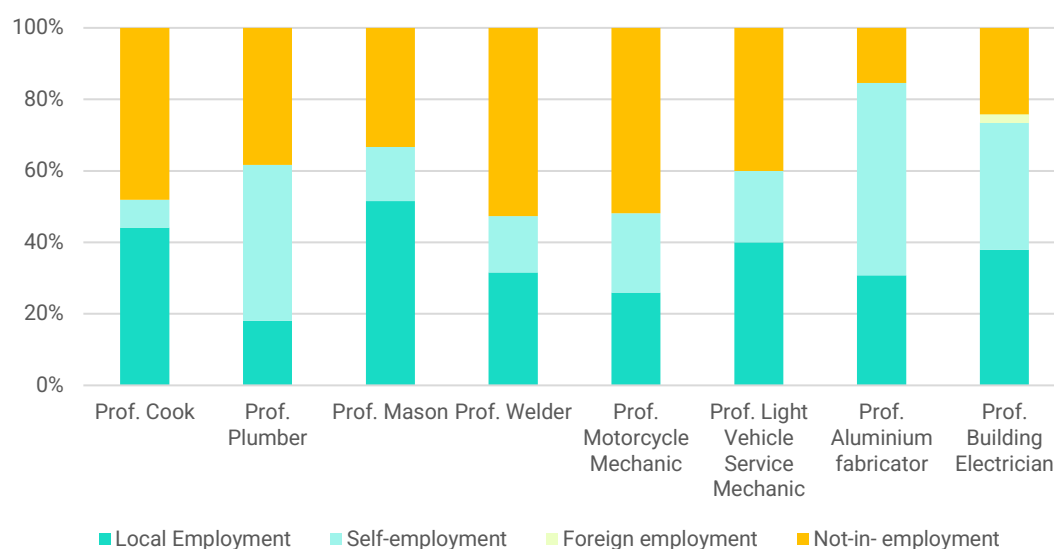
**Initial observations indicate that the OJT completion and employment rates are considerably better than those of APT (see Figure 7 and Figure 8 below).**

In the second phase, OJT achieved a robust 74% retention rate, nearly 10 percentage point higher than the OJT trainings in the first phase (66%), and the current APT cohort (65%). Especially the building electrician, motorcycle mechanics, welder, and cook training participants have shown significant increases in course completions, with welder jumping from 54% to 80%. Conversely, plumbing has seen a decline from 67% to 50%, and both plumbing and light vehicle service mechanics stay at or just above 50%, indicating potential challenges in these courses.

*Figure 7: % of OJT learners completing course (2022/23 cohort)*



*Figure 8: % of phase 1 OJT graduates in employment*



Source: Data provided by the PSU, based on the tracer study implemented in August 2023

Phase 1 tracer data indicates a 62% employment rate for OJT, which is a significant 50% increase over the employment rate of APT graduates (43%). This suggests that



OJT programs may be more effective in equipping participants with marketable skills that lead to employment. Looking more closely, some professions such as mason, cooks, and light vehicle service mechanics seem well integrated into local markets, with around half of the graduated employed. Others rely more heavily on self-employment, including aluminium fabricators (54%), plumbers (44%), and building electricians (36%). The high rates of non-employment in several professions like cooks, welders, and motorcycle mechanics call for an analysis of the job market and potentially for enhancements to training programs to better match the graduates' skills with employers' needs.

**While facing some specific challenges such as procurement issues with private training providers, and slow uptake of applications from youths, OJT received positive feedback from different stakeholders.**

Government stakeholders and training providers highlight the effectiveness of the 10-months courses in meeting immediate industry needs, offering rapid entry into the job market, despite the focus on a more limited range of skills compared to the more extensive 24-months APT. Additionally, local and provincial governments value the program's focus on economically and socially excluded individuals. An unexpected positive outcome is that the OJT training increased local government's awareness and ability to improve industry standards (see spotlight below). Learners express high satisfaction with the training and subsequent job placements. A prevalent sentiment among them is confidence in securing employment quickly post-training, thanks to the in-demand skills they've acquired. Furthermore, they anticipate earning wages that are at or modestly exceed the minimum wage threshold.

***Spotlight 6: Professionalization of the construction sector in Duhabi Municipality***

After implementing the Professional Mason course with the support of ENSSURE project, the local government realised the importance of mason certification and registration. Consequently, a significant policy was implemented requiring masons to be certified by the National Skill Testing Board (NSTB) before being registered by the municipality. This ensures that all construction work meets certain quality standards. Additionally, an agreement involving the house owner, municipality, and the certified mason must be in place before any building project can commence. To date, 132 masons have been certified and registered, highlighting the program's success in professionalizing the construction sector.

**Similar to APT, OJT success varies across municipalities and industries.**

Regarding implementation, some local governments encounter difficulties in securing services from private training providers, with regulatory and administrative barriers to fund release contributing to a slower rollout. Additionally, the level of engagement in OJT programs varies by municipality, reflecting the diverse local needs and strategic priorities.

In terms of employment outcomes, the hospitality sector stands out, with professional cookery course, aimed at a demographic of relatively educated and mature individuals intent on advancing their skills, has proved particularly effective. This focused approach results in lower dropout rates and successful placement of graduates in reputable hotel establishments. The multifaceted nature of stakeholder interests underscores the necessity for training programs to be aligned with market demands, reflecting real industry needs, municipal priorities, and local labor market conditions.



In response to the low enrolment rate observed in the second phase, SDC and the PSU consider the possibility of strategic adjustments, including the redirection of resources towards apprenticeship programs with higher demand. It's important to consider, however, that a low enrolment rate does not necessarily reflect a lack of interest among youth, but may instead stem from the mentioned implementation challenges such as difficulties in securing private training providers or local mismatches in labour demand and supply. The success of OJT in creating employment opportunities warrants recognition and should not be overshadowed by these temporary challenges.

### 3.3.3. Skills Upgrading (SUT)

Up to now, 1,395 workers have participated in skills-upgrading training. This is significantly above the duration-adjusted phase target of 975.

**There is a strong appreciation from the private sector for SUT**, as a tool to keep pace with technological advancements and market demands. This is evident in efforts to upskill existing workers within industries, especially those related to “green skills” and sustainable practices. The private sector plays a crucial role in this component, contributing financially and strategically to the development of training curriculums tailored to local industry needs. This strategic approach in curriculum development is well received by the companies. While some companies are fully engaged with the training for its practical benefits, others participate out of solidarity or for employee motivation, without a direct application in mind. Some are worried about retaining skilled workers post-upgrade.

**Industry associations are taking ownership of organizing and conducting SUT.** They recognize the value of an innovative approach that involves pooling resources to offer SUT, not only as a means of engaging their members but also as a strategy to cultivate a skilled talent pool for their respective sectors. Feedback gathered through interviews underscores the associations' commitment and ownership in this component:

*"Currently, we are conducting our training programs with support from the project. These include PLC training, injection moulding training, boiler training, energy efficiency training, and three-phase wiring training. We've identified a list of training programs that we'll be offering, with an overall target of engaging 300 participants. For each specific training program, we aim to include around 30 to 40 participants, although this number may vary depending on whether we're dealing with a large or small-scale industry. Our goal is to maximize the benefits for every participant involved in the training." Industry association representative*

*"As a learning from the last couple of years, we have planned to [improve] our human resource [with SUT] as the strategy to support our member industry." - Industry association representative*

**Trained workers** appreciate the practical skills and community support but suggest improvements such as more practical components and formal certification processes.



Associations also emphasized the benefits of accredited certifications to justify investments.

#### **Spotlight 7: Training experiences with Euro-6**

The Euro-6 (BSVI) Vehicle Technology Training by NADA's Skill Development Unit, in collaboration with ENSSURE II, was considered a great experience for a group of seven Kathmandu Volkswagen's automotive employees we interviewed. This month-long, 96-hour course was tailored to fit work schedules, running from 7-11 AM, and covered everything from basic systems to advanced diagnostic tools.

The training offered new diagnostic approaches and hands-on experience with tools not commonly found in service centres. This exposure broadened their technical perspective, making them more versatile and capable in their roles. One technician mentioned that the training on injector systems was immediately applicable to their work, allowing him to understand and troubleshoot injector issues more efficiently. For another, though the training did not immediately affect salaries, he viewed it as an investment in their career development, allowing him to move from a helper technician to a fully-fledged technician.

The employees also valued the diverse learning environment, gaining insights from participants across different companies and roles, which contrasted with company-specific training provided by Volkswagen.

**The financial sustainability of SUT beyond the project's conclusion remains uncertain.** Until now, funding was largely provided by the project. While industry associations have signalled member companies' willingness to share in the financing, the full extent of their commitment to cover costs is yet to be determined.

#### **3.3.4. Career Guidance (CG)**

Up to now, 26,000 students (54% girls) have been reached through CG. Though a large number, it's slightly below the target figure which at this point in the project is, linearly projected, 32,600. 286 community schools were reached, and 330 teachers were trained on Career Guidance (40% women).

**Government representatives see this component as a success.** In many municipalities, CG has become institutionalized, reaching a wide audience and being integrated into schools' curriculums from grade 8. There is tendency of provincial and local governments setting up career guidance centers and incorporating career guidance into policies, or running these programs independently, showing commitment and ownership which bodes well for the program's sustainability.

**Students express positive feedback and are benefiting from the program,** showing increased interest in career planning and reduced confusion about choosing career paths.

**Teachers and counsellors have identified several challenges with the current implementation,** including: (1) some of the content borrowed from foreign contexts that does not align with the Nepali environment; (2) language barriers that complicate students' understanding of the materials; (3) some career information is outdated, and the need for more diversified career options, (4) strategies to support young students pursuing their own interests; and finally (5) the need for increased parental involvement.



#### **Spotlight 8: Career Guidance experience at Naragram secondary school Budiganga**

Fifteen students grade 8-12 at Naragram secondary school were gathered to share their experience with CG. They participate in a week-long career guidance program each year, with sessions lasting 2 hours and 10 minutes per day. For Grade 10, the topics are general and not differentiated. By Grade 11, students have the option to select more focused topics. They shared that the program covers available job options and study paths, helping them gain confidence in their choices and secure parental support. The resources available to them, including teacher-led discussions, audio-visual (AV) classes exploring potential career options, and a book with detailed information on various career paths, are highly appreciated. Grade 11 students also attended expo-job fairs, which were organised by the municipality. No industry visits were organised so far.

One Grade 11 student expressed her desire to pursue Food Technology in Kathmandu or Dharan. Another young girl was interested in completing the MoEST technical education program from Grades 9-12, equivalent to a Diploma, with the aim of directly advancing to a Bachelor's degree in Agriculture.

Overall, they were satisfied with the career guidance program. The students also suggested introducing CGS in Grade 8 to help them decide between technical and general courses early on, having counselling for parents who may not be convinced about their children's subject choices, meeting with alumni who have pursued different paths, and organising field visits and career fairs for more inspirations.

### **3.3.5. Private Sector Collaboration**

Private sector collaboration is a red thread connecting many of the components – in fact all of them apart from the CG, where more collaboration is foreseen in the future as well. It's the project's ambition to *“assist private sector associations in assuming a more strategic role in TVET”*. This includes collaborating with the private sector at various levels, formalizing the private sector's involvement in the TVET process, from identifying key occupations and competencies to participating in curriculum development, selecting apprentices, and conducting assessments (Source: ProDoc).

**There's notable success in engaging the private sector**, with significant co-funding and contributions. ENSSURE Phase 2 has established productive partnerships with five key industry associations, leading to 386 companies offering apprenticeships. These companies have collectively contributed more than CHF 590,000 in stipends, reflecting a strong commitment to developing skilled professionals aligned with industry needs.

**Both the government and private sector acknowledge the need for stronger collaboration**, particularly in curriculum development, training delivery, and quality monitoring. There's also hope for private sector having legal mandate to formalize their roles and contribution, including through SSCs (as developed through NVQS-P). However, formalizing partnerships with the private sector at policy level in Nepal is challenging, due to the substantial presence of the informal sector which comprises 95% of enterprises in the country. Excluding these informal entities from the collaboration could lead to missed opportunities for comprehensive workforce development, as a significant portion of the labour market operates within this informal sector. On the other hand, including them presents logistical, legal, and political complexities, given the diverse nature of informal businesses and the lack of a formal structure or recognition by legal frameworks.



**Various private sector interviewees were calling for improvements in financial and quality aspects of TVET to better facilitate collaboration with the private sector.** The following improvements were repeatedly mentioned by interviewees:

- **Incentives for private sector collaboration:** Offering financial incentives such as tax reductions and government funding for student stipends to encourage private sector engagement in TVET. Setting up apprenticeship programs can be costly and risky, especially for SMEs. Government incentives or direct funding can help mitigate these initial risks, making it financially viable for more businesses to participate.
- **Retention strategies:** Implementing measures like more binding contracts, loyalty programs, or highlighting successful apprenticeship stories to improve retention rates.
- **Dynamic engagement models:** Exploring innovative models for collaboration, such as sharing costs among the government and private sector for APT, and, where possible, the apprentices themselves, to create a mutually beneficial arrangement.
- **Quality of in-company training:** Establishing uniform standards for the delivery of training, assessment methods, and ensuring the participation of qualified instructors to increase training quality.

#### ***Spotlight 9: Incentives for apprentices and private sector***

Countries use various incentives to encourage participation in apprenticeship programs for both apprentices and employers. Incentives for **apprentices** often include coverage for learning materials, stipends for food and transportation, and additional support for vulnerable groups. For instance, India's National Apprenticeship Promotion Scheme offers employers incentives to cover 25% of an apprentice's stipend up to Rs. 1500 per month and shares the cost of basic training with employers. On the other hand, **employer** incentives vary widely across countries, and can be categorized into tax reductions, subsidies, and levies. Canada, for example, offers tax reductions in the form of a tax credit to employers who hire apprentices as a job creation incentive. On the other hand, Australia and Austria have shifted from tax exemptions to providing subsidies. In terms of levies, Denmark employs a levy system without direct subsidies or tax benefits, and this method is also used by Brazil and Tanzania to fund skill development through levies on employer wage bills.

Source: [www.ilo.org/global/topics/apprenticeships/publications/toolkit/system-and-policy-level/funding-arrangements/incentives/lang--en/index.htm](http://www.ilo.org/global/topics/apprenticeships/publications/toolkit/system-and-policy-level/funding-arrangements/incentives/lang--en/index.htm)

### **3.3.6. Transversal themes 1: Gender Equality and Social Inclusion**

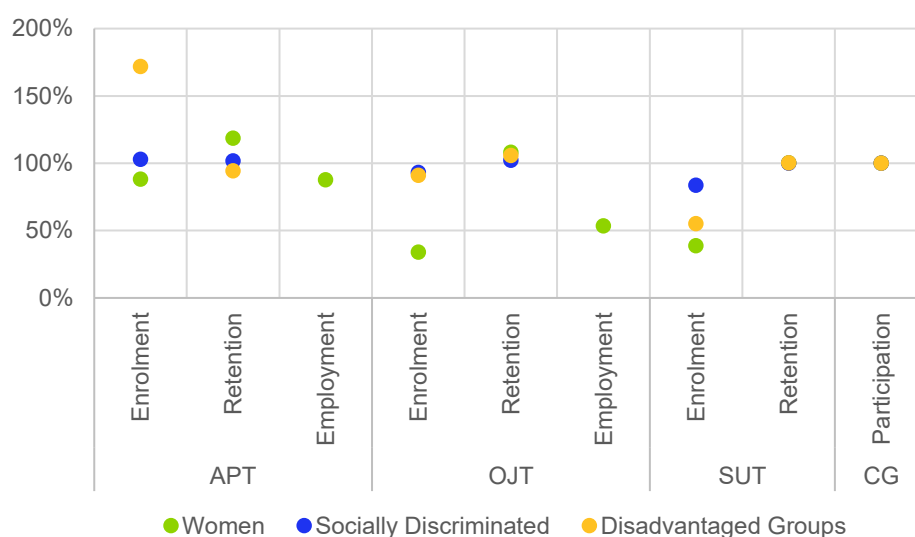
Because of an ongoing GESI (Gender Equality and Social Inclusion) assessment that SDC Nepal commissioned, we touch on this topic only briefly. We focus on examining the enrolment, retention, and employment rates. While this is far from an exhaustive analysis, we believe that these elements capture important dimensions, not least because they are good indicators how well the program aligns with the needs and priorities of these groups, and the level of support they receive.



**The project is partly on track to reach its inclusion targets.** The project aimed to include “60% from socially discriminated (SD) groups, out of which 55% are women”<sup>17</sup>. This equates to the target of 33% of women in all training programs. It surpassed these objectives in the apprenticeship program, achieving 42% female participation and 82% from SD groups. However, the enrolment figures show a deviation from the targeted gender balance, with only 16% female participation in OJT and 19% in SUT, alongside 75% and 67% from SD groups, respectively.

The figure presented below illustrates the enrolment and training results for these groups. The data shows that retention rates for these groups are on par with, if not better than, those of the average participant. Employment outcomes, as captured by the tracer study of phase 1 cohorts, are currently only disaggregated for female and male participants. Tracer data indicates that employment rates after APT are similar for both groups, yet there's a significant disparity in outcomes after OJT (Note: For SUT, employment rates are not applicable as the training currently employed workers).

**Figure 9: % Training participation and outcome for women, socially disadvantaged persons, and disadvantaged groups, compared to the overall result**



*Note: CG participation was used as base to determine the overall share of women, socially discriminated and disadvantaged groups. However, their shares might be slightly over-estimated due to the fact that the CG activities are implemented in public schools where these groups are over-represented.*

### 3.3.7. Transversal themes 2: Good Governance / Federalisation

The project aims to contribute to Nepal's federalisation process in the TVET sector, by supporting “Provincial and Local Governments in the implementation of [APT and OJT],

<sup>17</sup> ENSSURE ProDoc Phase II (24 August 2021)



to better respond to employers' requirements and workers' aspirations. This phase aims to institutionalise these TVET services, so that Provincial and Local Governments can deliver on their TVET responsibilities systematically and sustainably beyond the project's lifespan." (ProDoc)

The discussion in the relevance section, including Figure 2, shows that survey participants recognize the project's significant contributions to the federalization process. The revision of the project in its second phase, to include various levels of government, has played a significant role in the federal state-building process by increasing awareness and capacity in TVET among both provincial and local governments. These entities, which previously had limited engagement with their new constitutional responsibilities regarding TVET, are now becoming more involved and informed. However, the absence of a comprehensive TVET act and various underlying issues, such as conflicting interests and the political economy, have complicated this transition.

In the efficiency section, we further discuss the challenges of collaboration, particularly with the federal government, which has operated "on its own" prior to the new constitution operated independently (which, given the fragmentation of the TVET sector, still included various stakeholders). Furthermore, the capacity of provincial governments to adapt to their new responsibilities in the TVET framework remains insufficient. Additionally, both provincial and local governments face challenges related to the absence of dedicated TVET offices and staff, with existing human resources primarily specialized in education administration, thereby affecting their capacity to effectively manage TVET. Municipalities usually have more resources and staff for managing TVET programs than provinces do, including funds for skill development training. A significant volume of funds on TVET to provinces goes to province-level CTEVT. Provinces and local governments have little resources to strengthen their capacity and implement the programmes.

There is an acknowledgment from government representatives that the full development of TVET capacity is closely tied to the establishment of provincial TVET councils or academies. However, these initiatives are still in the early stages and face significant challenges and uncertainties. For instance, while Bagmati province has set a goal to establish a TVET council within the year, progress towards this objective is expected to be slow. Additionally, the effort to transfer TVET schools from the national CTEVT to provincial control has begun but encounters political reluctance and obstacles, making a smooth transition difficult.



### 3.3.8. Transversal themes 3: Climate Change

ENSSURE is integrating climate change considerations through the following initiatives:<sup>18</sup>

- **Incorporate green skills in existing curriculums:** The project completed a review in 2023 to identify green competencies within existing curricula. The next step is to integrate these competencies into six courses, initially as an add-on, with plans for full integration in the next curriculum revision.
- **Development of new curricula focused on green occupations:** The project aims to develop curricula for green jobs, such as renewable energy technicians and sustainable construction workers. While no steps have been taken yet, the project plans to have designed two new curricula by September 2024.
- **Enhanced access for vulnerable groups:** The project is focusing on providing TVET access to those most affected by climate change, such as individuals in flood-prone areas or dependent on subsistence farming. The goal is to have 40% of APT and OJT learners enrolled from these vulnerable groups by September 2024.
- **Upskilling on environmental good practices:** The project is offering training to existing workers on practices that reduce environmental impact, such as energy and water efficiency. By March 2024, 206 youths have been trained in green skills such as energy efficiency and Euro-6.

This list, supplemented by actions in the other two SDC TVET projects, showcases awareness and dedication. While the target of enrolling 40% of learners from households impacted by climate change appears challenging and may potentially impact the achievement of other objectives, it remains to be seen how this will play out in practice.

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<sup>18</sup> Source: Internal document "Climate Change Mainstreaming in TVET - Jan Update".



### Spotlight 9: What else could be done?

To respond to SDC's question about additional actions, we turn to the ILO's recent guideline for incorporating environmental sustainability in TVET, which outlines actions across five core pillars.<sup>19</sup> ENSSURE's planned actions align primarily with the second pillar, *Greening the Curriculum and Training*, and the fourth pillar *Greening the Community and Workplace*. If SDC wants to expand its efforts, there are two pathways to consider: First, the project could deepen its efforts within the existing pillars. This might include accelerating the drive to develop and implement new programs targeting green occupations. Data analysis, and discussion with industry stakeholders, could help pinpoint occupations or skill areas with a growing demand for green competencies. However, any expansion of these initiatives should be carefully evaluated to ensure that other critical goals are not compromised.

In addition, actions could be initiated in the other pillars:

- Pillar 1, *Greening the Campus*, is likely the focus by the QualiTY and NVQS projects. For example, QualiTY reports among its actions, coaching and mentoring for school principals and managers to develop guidelines aimed at reducing schools' carbon footprint and improve energy and water usage. ENSSURE could potentially leverage some of the work and share it with the schools / training providers it collaborates with.
- Pillar 3, *Greening Research* could involve collecting and disseminating data that informs how environmental considerations can be integrated into Nepalese TVET, assess market needs, and identify potential future developments.
- Finally, pillar 5, *Greening Institutional Culture*, could focus on embedding an environmental protection perspective throughout all project facets. This would entail setting and pursuing numerous incremental goals across different project areas, while also establishing systems to acknowledge and incentivize those achievements.

## 3.4. Efficiency

In this section we discuss to what extent the project delivers the results cost-effectively (EQ 8), and how effective the management arrangements, monitoring, and guiding mechanisms are (EQ 9). SDC was particularly interested in the low expenditure rate, and what can be done about it. In addition, SDC requested an Economic and Financial Analysis which we summarize below.

### Quality services, timeliness, and cost-effectiveness

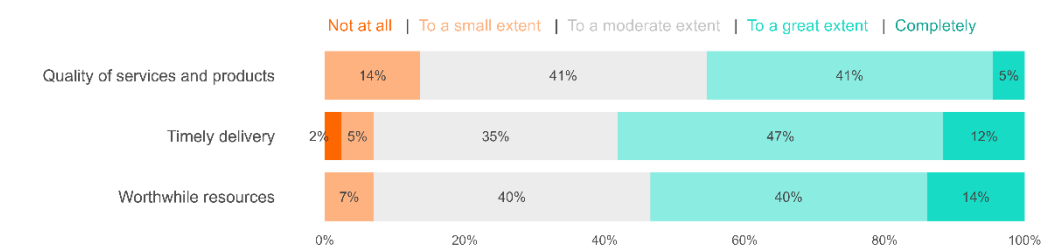
We begin this section with discussing the survey results on key efficiency factors: the quality and timeliness of product delivery, and the stakeholders' perception of the value derived from their time and financial investment (indicating cost-effectiveness). **The data shows close alignment across these three aspects, with approximately half of the respondents affirming that the project met their expectations to a significant or complete extent.**

*Figure 10: "Do you think that the project delivers high-quality services and products and delivers its services in a timely manner? Have the resources (time and/or funds) you invested*

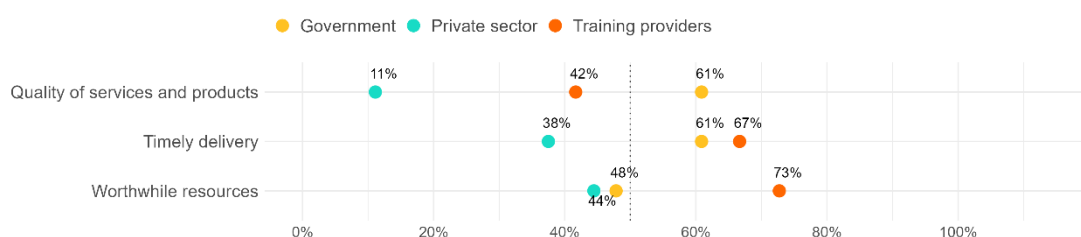
<sup>19</sup> ILO (2022): Greening TVET and skills development. A practical guidance tool. Download: [www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ifp\\_skills/documents/publication/wcms\\_847095.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_847095.pdf)



*while participating worthwhile?” (below: share of participants indicating completely, or to a great extent)*



Note: Based on responses from 44, 43, and 43 participants, respectively.



Note: For Government, based on responses from 23 participants. For Private sector, based on responses from 9, 8, and 9 participants, respectively. For Training providers, based on responses from 12, 12, and 11 participants, respectively.

A majority of the remaining stakeholders reported moderate satisfaction, while a minimal number expressed dissatisfaction. Government entities and training providers gave comparable feedback, with the former showing a notable appreciation for quality (61%) but a more critical stance on whether their own investment was worthwhile (48%). The private sector was more critical across all dimensions, but noticeably so when referring to quality of services and products (only 11%), suggesting more efforts needed in provide quality training to better align with their expectations. Companies highlight the importance of practical experience over theoretical knowledge, indicating more industry visits and exposure for learners to provide a practical viewpoint. Additionally, the inclusion of soft skills and foundational management training is deemed essential, enabling learners to navigate and engage effectively within the workplace.

When examining the ratings across different levels, the local and provincial levels reflect higher satisfaction rates across all dimensions compared to the federal level (see Annex 3), possibly due to the fact that they might observe the results more closely.

In the interviews, we learned:

- There has been a **notable improvement in the timeliness of fund disbursement**, moving from nearly a year's delay to a matter of months, facilitated by earlier budget releases, increased clarity and efficiency in the process, and improved capacities at provincial and municipal levels.
- Some local governments still experience **challenges in procurement and prioritization of funds** due to perceived immediate benefits or local needs. Some are said to be lacking the necessary administrative and technical



expertise to implement the project activities but also understanding regarding skills development.

- Provincial governments are identified as the **weakest link in federal state building**, due to understaffing, frequent changes in provincial government, vacancies in crucial positions, and lack of legal framework to fully execute their constitutional mandates. Frequent changes in higher-level provincial positions (ministers, secretaries) are somewhat mitigated by the continuity ensured by undersecretaries, whose institutional memory plays a key role in sustaining project operations.
- Hence, **strengthening the capacity of local and provincial governments** to manage and implement programs effectively is a recurring recommendation across different stakeholder groups.
- Delays still persist due to the need for multiple approvals across different levels of government, creating **coordination complexity**. There is a consensus on the need for streamlined procedures and enhanced coordination across different government levels even in the absence of the federal TVET Act.

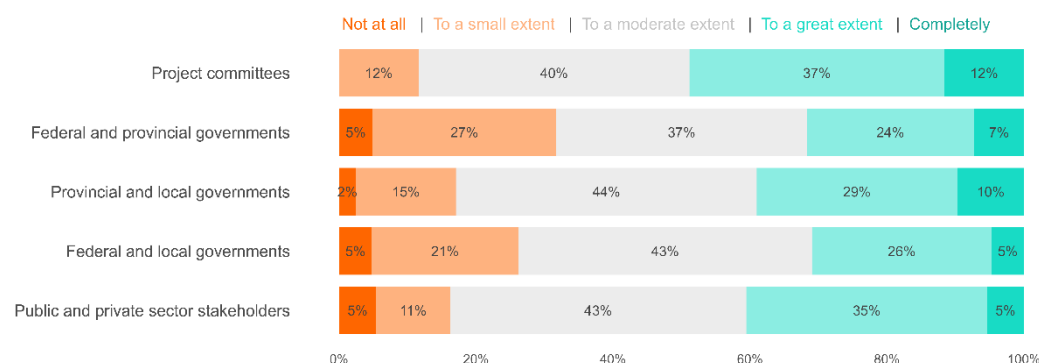
### Management arrangements and collaboration

In the survey, we explored **stakeholders' perceptions of the coordination** within project committees, which can serve as a proxy for the perceived efficiency of management structures. We also examined the nature of collaboration across the federal tiers, and between the public and private sectors. Figure 11 shows that, across all dimensions, respondents predominantly chose the “moderate extent” option. In terms of the project committees the positive answers (49%) are far more frequent than the critical ones (12%), with no-one selecting “not at all”. The provincial-local and public-private collaborations also received more favourable than unfavourable ratings (39% and 40%, respectively). This shifts to more critical views when asking about federal-provincial and federal-local interactions (only 31%).

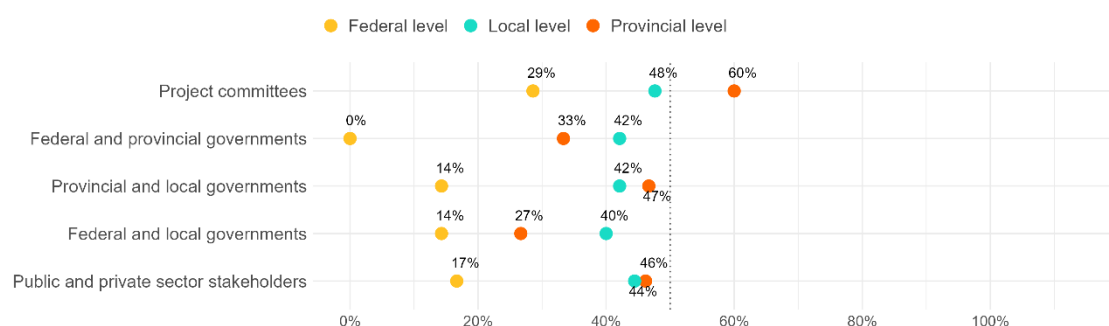
It's important to highlight that this considers all feedback, including that from respondents not directly engaged in the collaborations (for instance, federal stakeholders commenting on provincial-local cooperation). A further breakdown of the data shows that federal level is critical in regard to all collaborations, possibly indicating a particular difficulty for federal stakeholders to adjust to the devolvement and de-bundling of TVET functions (it should also be noted that the number of participants is quite low).



**Figure 11: “How effective is the level of coordination, communication, and support for the project between ...?” (below: share of participants indicating completely, or to a great extent)**



Note: Based on responses from 43, 41, 41, 42, and 37 participants, respectively.



Note: For Federal level, based on responses from 7, 7, 7, 7, and 6 participants, respectively. For Local level, based on responses from 21, 19, 19, 20, and 18 participants, respectively. For Provincial level, based on responses from 15, 15, 15, 15, and 13 participants, respectively.

In the interviews, we further learned:

- Government representatives (federal / provincial level) see the **advisory and steering committees as effective** for coordinating efforts, discussing procedures, and setting working guidelines. However, they also highlight a need for improvements, particularly in streamlining decision-making processes to make them more efficient. Specifically, the attempt to be inclusive and participatory across all levels has led to overly large, or "bulky" committees, making it difficult to convene meetings and make decisions efficiently.
- The project operates as a government initiative with technical assistance provided by a project support unit (PSU). The model of **embedding technical advisors** within CTEVT, and partly on provincial level, has been acknowledged as a successful approach to integrating and collaborating closely with the host institution, contrasting with other development projects. While PSU's support fills crucial capacity gaps, we observe the risk that it might crowd out provincial investments, reduce their direct involvement, potentially undermining the provincial government's ownership. This could lead to dependency, limit provincial's own capacity building, and threaten the long-term sustainability.



- There's been a **positive shift in how different government levels interact**, but the lack of formalized relationships and clear role definitions between different levels of government complicates the process of collaboration and coordination. While government agencies are generally willing to embrace the federalization process, many still default to previous, isolated ways of operating. Currently, the MoEST is in the process of creating a guideline to clarify intergovernmental roles, yet this initiative appears to be conducted independently, in a top-down fashion that doesn't fully involve all relevant parties.

### **Spotlight 10: Results of the Economic and Financial Analysis (EFA)**

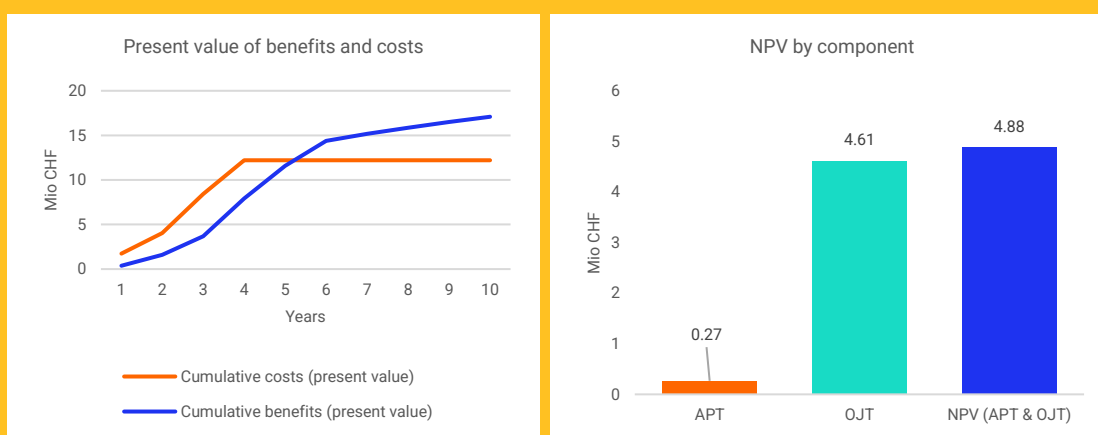
We conducted an EFA during this evaluation as per the ToR requirement. The EFA is guided by SDC's How-to Note (2021) and is informed by data from the previous phase, as well as the projection of target figures and other parameters for Phase II estimated by the ENSSURE team (see Annex 5 for more details).

We apply a Cost-Benefit Analysis (CBA), covering the benefits of better employment and income opportunities for Nepali youths resulting from the APT and OJT components. The benefits from these interventions can be measured and valued in monetary terms. The other components (i.e., CG, SUT, and SDU) are more challenging to monetize, and are therefore not included in our estimations. The estimates can be considered conservative as we do not cover all intended benefits, including enhanced public-private collaboration, federal state building, and improvements to the TVET system.

Based on the estimates and assumptions made, the total phase 2 investment in APT and OJT of 16.1 Mio CHF, including contributions by SDC, the government of Nepal, and companies, results in a return of 27.8 Mio CHF. Expressing these figures as present values (i.e., after adjusting future costs and benefits with a discount rate), the total costs and benefits are 12.2 and 17.1 Mio CHF, respectively, resulting in a net gain of 4.9 Mio CHF. The return on investment (ROI) is 40%, and break-even is achieved in year 6.

These values surpass SDC's minimum requirements, meaning that from an EFA perspective, the investment is worthwhile.

Disaggregating the components, we find that the APT component results in a net gain of 0.27 million CHF. We conducted a sensitivity analysis to examine how varying parameters affect the results, which showed that APT's net outcome is particularly sensitive to completion rates, post-training employment rates and post-graduation income. To enhance the benefits, the project should prioritize improving these factors. The OJT component shows substantial net gains of 4.61 million CHF, suggesting that this type of training is effectively translating into societal economic value, justifying its continuation and potential expansion.





## M&E system

In terms of the monitoring system, we recognize that there is a well-developed M&E system available. The project gathers information on both participant engagement in training and the results of such training, through tracer studies. In addition, studies on the APT programs are conducted by LELAM-TVET4Income research team.

One concern is the delayed availability of information, complicating the processes of learning and adjustment. Additionally, it is important to differentiate more between the contexts, and to understand the factors influencing outcomes. A more granular analysis could offer valuable insights for refining training programs, scaling strategies effectively, and preparing for long-term sustainability. Addressing the high dropout rates in APT also requires a more meticulous approach to tracking when and why participants leave the program.

## 3.5. Impact

This section covers the extent to which there is any visible progress towards impact at this stage of implementation (EQ 5.1).

We first want to recall that **the overall goal of the project**: *“Nepalese youths, women and men gain social and economic benefits from a federalised TVET systems”*. In the LogFrame, this is operationalized through two indicators measuring the *“wealth rankings of individuals that have participated”*, and the *“social status of those that have graduated from TVET courses”*. The ProDoc also expresses the ambition that *“In the long term, ENSSURE Phase II will contribute to a TVET system in which: All levels of government and the private sector work hand in hand to develop the quality and quantity of human capital to support economic development for the country and gainful employment for individuals.”*

When discussing “social and economic benefits,” it’s important to distinguish between the immediate impact on current pilot program participants, and the broader implications for the wider community that stands to benefit from a more effective TVET system in the long run.

To understand the immediate impact, we can refer to the tracer data and feedback highlighted in the effectiveness analysis. Despite challenges such as high dropout rates and low wages, there was significant positive feedback from the private sector as well as many other stakeholders. **This suggests that, at least for some of the participants, the work-based training programs will lead to tangible social and economic advantages**, possibly even enhancing their social status, although this aspect seems of secondary importance beyond its relevance to the TVET’s attractiveness as an education choice in Nepal.

In terms of system building, there are **many positive signs in terms of public-private partnership, and some positive signs in terms of federalisation**. It can be expected that this will eventually translate into social and economic benefits for a larger group of young people.



The benefits of APT and OJT – both for the current participants, and in terms of system building more broadly – are currently challenging to assess, particularly for the phase 2 cohorts, due to the early stage of their involvement. Additionally, for phase 1 participants, the absence of a benchmark or a "counterfactual" scenario — what their outcomes might have been without the training, or in other type of secondary education / trainings — complicates the evaluation of “social and economic benefits”. While the preliminary findings from the LELAM-TVET4Income research team hint at some benefits of APT, it's difficult to make firm conclusions.

The CG is far removed from labour market outcomes, so signs are difficult to pick up. There is no doubt, at least in principle, that if CG is implemented the right way, then it leads to better informed choices, better labour market outcomes, and empowerment through both. Meeting a group of APT students who believed that APT would allow them to do further studies, only to discover that their apprenticeship would not give them (quicker) access, highlighted the importance of informed choice.

### 3.6. Sustainability

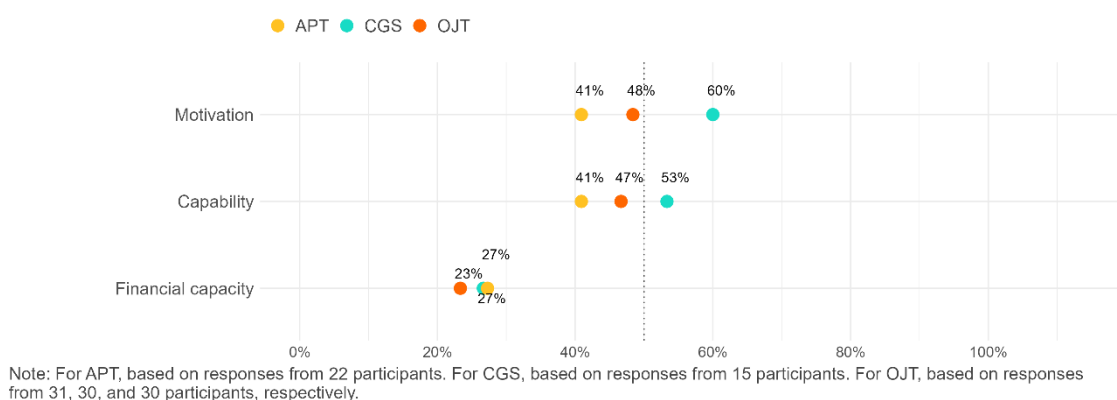
This chapter explores the extent to which ENSSURE's results are sustainable (EQ 11). SDC is particularly interested in what needs to be done to achieve scale in dual VET apprenticeship and career guidance services.

#### Sustaining results

In the survey, stakeholders were queried on their motivation, ability, and financial readiness to sustain the project's initiatives (Note: stakeholders were only asked about areas where they were personally involved). More than half of CG stakeholders expressed significant optimism regarding their collective drive and competence to carry forward the project's endeavours. Although the figures for APT and OJT were modestly lower (around 41% and 47%, respectively), the responses still reflected a positive outlook, especially when considering that the figure reflects "to a large extent" and "completely" responses. However, the aspect of financial viability was rated considerably lower across the board (around one fifth of participants). This apprehension was echoed during interviews, where stakeholders voiced concerns about the project's sustainability in the absence of external financial support. Surprisingly, even CG, which seemed more financially viable based on the information obtained in interviews, was rated low in financial capacity. It's unclear why, but one reason could be that the survey captured more voices, including from those institutions which were not as mature as those we have met.

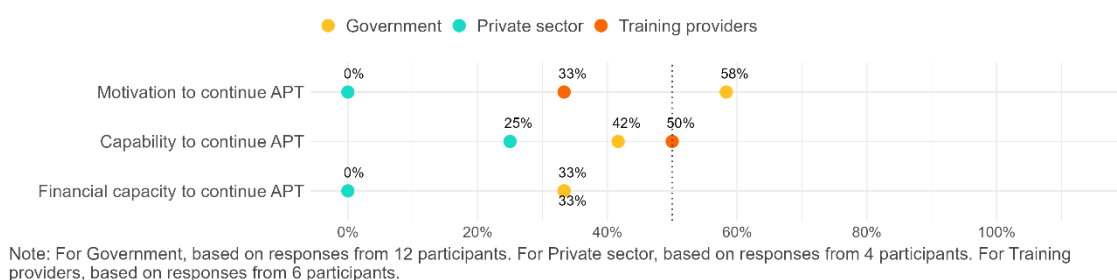


**Figure 12: Do you think that after the project's completion, stakeholders are motivated / capable / have the financial capacity to continue the project's activities? (share of participants indicating to a great extent, or completely)**



**Regarding APT**, the survey results below indicate that governments are highly motivated to continue APT initiatives, likely due to their involvement and stakes in the outcomes. Training providers are also, but somewhat less, motivated and are seen as the most capable (of carrying on APT activities). In contrast, the private sector shows less motivation and neither capability nor financial readiness. This does not necessarily contradict the positive feedback and reported net benefits from companies mentioned earlier. It may simply suggest that the private sector does not view itself as the primary financier of APT trainings. Government representatives and training providers express more optimism regarding the financial readiness to sustain the APT. These perspectives highlight a need for a well-structured funding model that involves shared responsibilities and costs among all stakeholders to ensure the sustainability and effectiveness of APT initiatives. We would like to point out that most results are based on a small number of respondents.

**Figure 13: Do you think that after the project's completion, stakeholders are motivated / capable / have the financial capacity to continue the project's activities? (share of participants indicating to a great extent, or completely)**

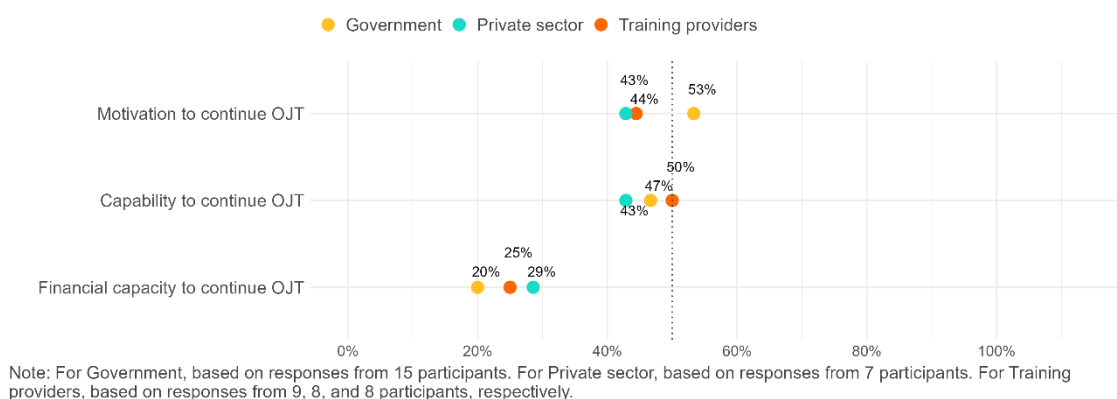


**Regarding OJT**, stakeholders across the board display a strong inclination and readiness to continue these activities, with higher motivation and capability than APT programs. Notably, the private sector, surprisingly, indicates some financial capacity to support OJT, which surpasses the financial readiness indicated for APT components.



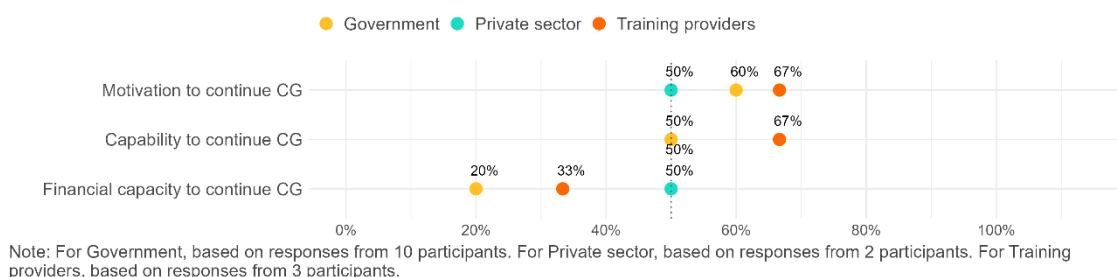
This suggests that the private sector may see more direct value or potential return on investment from OJT, making them more willing to allocate funds towards these programs.

*Figure 14: Do you think that after the project's completion, stakeholders are motivated / capable / have the financial capacity to continue the project's activities? (share of participants indicating to a great extent, or completely)*



When it comes to **CG activities**, all groups — government, private sector, and training providers — show a high degree of motivation and capability, suggesting a strong agreement on the importance and potential continuation of these activities. This sentiment exceeds the confidence levels expressed for APT and OJT initiatives. Financial capacity does remain a concern; however, the private sector leads with a relatively positive outlook, suggesting they may be more prepared or willing to invest in CG. The government's financial capacity to continue CG is perceived as notably lower, indicating potential challenges that might require addressing for sustained CG efforts. We want to point out again that the number of survey responses is very low, especially for the private sector (two respondents) and training providers (three respondents).

*Figure 15: Do you think that after the project's completion, stakeholders are motivated / capable / have the financial capacity to continue the project's activities? (share of participants indicating to a great extent, or completely)*



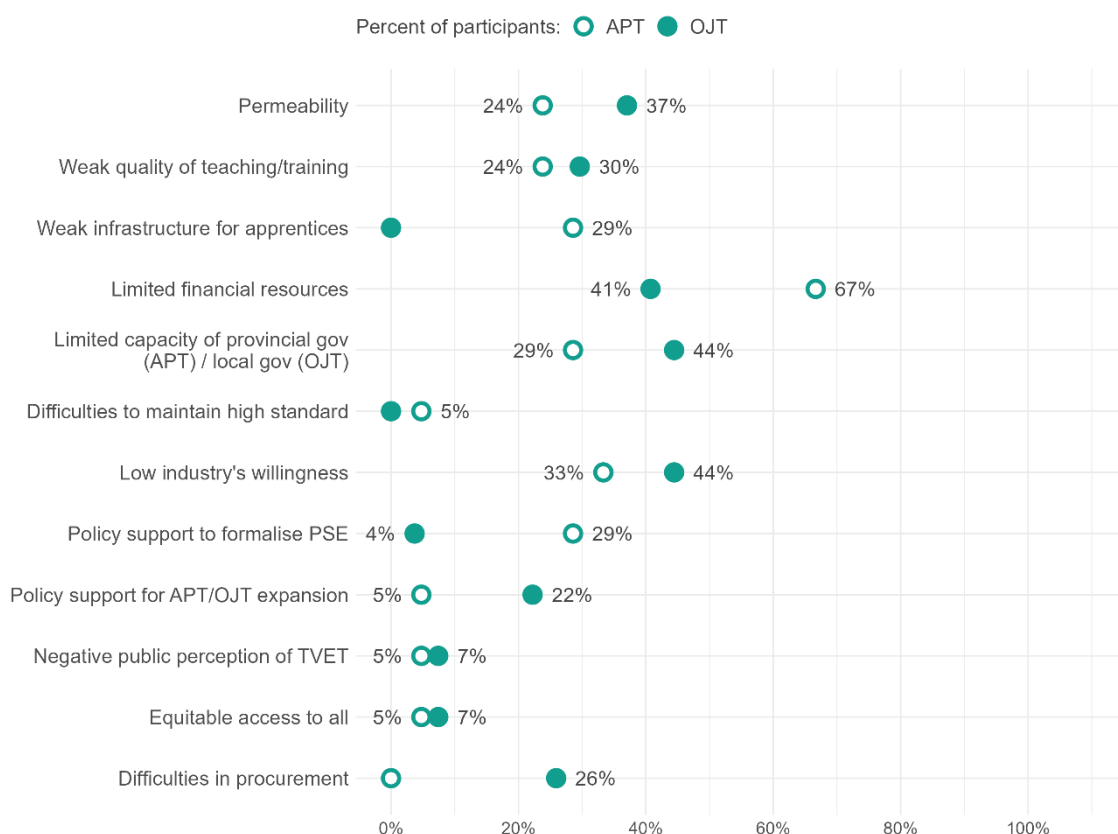
## Scaling results



The following figures show the responses involved in the APT, OJT, and GC components, asking what are the biggest barriers in sustaining and scaling up these components (asking to select up to three options). **Regarding APT, survey participants believe that limited financial resources is by far the most significant barrier (67%)** for sustainability and scaling up, followed by low industry's willingness (33%), permeability (24%), and weak training quality (24%).

The primary barrier to **sustaining and scaling up the OJT component** are **limited capacity of local government and low industry's willingness** (both 44%). Just as important is limited financial resources (41%), permeability (37%), and weak training quality (30%). Some local governments have shown interest in sustaining OJT even in the absence of project funding; but there are varying levels of ownership. This seems to hinge on the specific needs and awareness within local governments.

*Figure 16: "In your view, what are the biggest barriers in sustaining and scaling up APT / OJT?"*



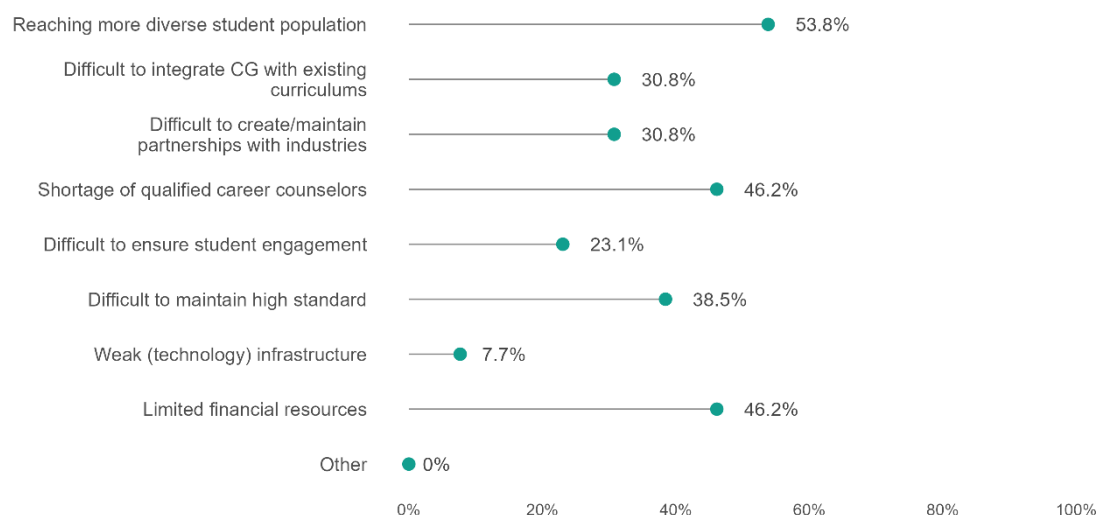
Note: For APT, based on responses from 21 participants. For OJT, based on responses from 27 participants.

To increase the likelihood of sustaining **CG**, **stakeholders have varied suggestions**. These include expanding reach to a diverse student population (54%), securing more funding (46%), recruiting qualified career counselors (46%), maintaining high service standards (39%), integrating CGS in curriculums (31%), establishing industry partnerships (31%), and increasing student engagement (23%). Latter could be



achieved, for instance, through initiatives such as mentorship programs, guest speakers, industry visits, and parent involvement. According to interviewees, local governments are moving towards running these programs independently, although there's still a need for quality assurance and technical assistance, especially in upgrading content.

*Figure 17: “In your view, what are the biggest barriers in sustaining and scaling up CG?”*



Note: Based on the responses of 13 participants.

The interview insights confirm the survey results. More broadly, interviewees emphasized that for TVET initiatives to be sustainable and scalable, they need to be **integrated into government programs and policies**. This includes aspects like career counselling, which should be part of the entire education system, and the involvement of business and industry in APT and OJT.

Government representatives indicate a strong emphasis on **political and economic stability as foundations for sustainability**. Training providers on the other hand showed concerns related to the **need for additional resources** to sustain and expand programs.

Many stakeholders raise **concerns about the available infrastructure and financial models**. Some schools and training providers express readiness to expand but face limitations due to resources and infrastructure.

**Private sector emerges as one of key players in sustaining and scaling these initiatives.** A recurring recommendation by different stakeholder groups was the pursuit of long-term mutual collaborations and co-funding models between the government, private sector, and development partners to ensure sustainability. Other suggestions include reallocating resources towards more effective trainings and considering fee-based models to maintain program operations in the absence of



external funding. Nonetheless, it remains to be seen whether the private sector is ready to shoulder the full financial responsibilities of such initiatives.

## 4. Conclusions

ENSSURE is a large and complex project, with ambitious goals. It's therefore not surprising that the evaluation shows an equally complex landscape of achievements, challenges, and opportunities. There's much positive feedback received from interviews and survey participants, which highlights the relevance of the objectives and project ideas as well as the effort and commitment, of the various project stakeholder and not least the Project Support Unit, with which these ideas were put to action.

**The project has transitioned to a federalized implementation mode and has adopted a more scalable, sustainable approach to private sector cooperation,** through the partnerships with industry associations. This has worked as intended in the case of private sector cooperation. In terms of the federalization process, there are several encouraging indicators of progress. However, the process faces many hurdles, including regulatory uncertainty and limited capacities, particularly at the provincial level.

**The project is largely on course to fulfil many of its targets.** While the project has encountered some setbacks, particularly in meeting the OJT learner target, it has overshot others, including the APT learner targets. However, based on the phase 1 tracer data, it seems very unlikely that the employment and wage targets set will be reached. How realistic these targets are is another question, which is difficult to answer without having a better understanding of what labour market outcomes the learners would attain in absence of these specific programs.<sup>20</sup>

**The positive feedback on the SUT/SDU and CG components is particularly encouraging, indicating readiness for scaling within and across the provinces.** Replication of these components and their modalities should be closely monitored to address existing hurdles - such as content localization, language barriers, the inclusion of parents and the private sector - while also mitigating new challenges introduced by scaling. Quality Assurance will be particularly important in this context.

We have also received considerable positive feedback for the APT and OJT components, but interviewees also shared concerns that we believe warrants further investigation.

**Regarding APT, the training data for the phase 2 cohorts, as well as the tracer data for phase 1 graduates show a combination of challenges** which have been already identified in the internal review conducted in 2023, related to high drop-out rates, low pass-rates, low employment, and low wages of the graduates. While we

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<sup>20</sup> The "TVET Baseline Report", conducted by the Centre for Public Policy Dialogue, shows that in 2023, 49% of TVET graduates found employment, with variations by program level: 66% of diploma graduates, 61% of pre-diploma graduates, and only 29% of technical stream graduates. These figures give a good benchmark, but it would have to be further explored how the learner profiles differ between these programs (incl. between pre-diploma and APT), to identify a valid "counterfactual" for the APT / OJT learners. Additionally, the report does not include information on wages.



found signs that the APT format can lead to "win-win-win" scenarios, i.e., addressing the needs and the priorities from the private sector, the learners, and the training providers, this is far from assured and might require adjustments.

**The project did a great job in attracting companies and apprentices, but in absence of the project's current support structure, it's unclear how demand would develop.** The support includes tangible financial benefits: Learners don't pay tuition, unlike for other VET programs. Companies benefit from the low apprenticeship wage. Both might have helped to attract learners and companies during the piloting phase but it raises the question how successful the new formats would be in the long run, for instance if tuition fees would be introduced. Considering that one stream of technical education and secondary general education are already free under the existing law, SDC anticipates that the APT will also be free in the long term, beyond the project's support, and is actively advocating for this. Additionally, in the short and medium terms, other financial arrangements such as the government offering tax breaks for the participating companies, apprenticeship contracts foreseeing higher wages, or companies covering the tuition fees could further support the program's sustainability.

**The root causes behind the suboptimal training outcomes of the APT courses are not fully clear at this stage.** Possible explanations include:

1. The APT program may be attempting to cater to a wide range of interests and priorities from both the companies and the learners, leading to a lack of customization to fully meet any specific group's needs.
2. The 24-month duration of the program might not fully align with and sit somewhat in between the needs of most companies in Nepal, which tend to favour shorter, practical training (e.g. OJT) for the majority of workers, and longer, theory-intensive training (e.g. diploma or bachelor) for select positions.
3. In an effort to appeal to participating companies, APT might have become less attractive to learners, for instance, in terms of duration and remuneration, deterring their participation and engagement.
4. The outcomes of APT may not be as disappointing as perceived; when compared to other trainings, or the hypothetical scenario without APT's intervention ("counterfactual"), the current situation might appear more favourable. These hypotheses may apply to varying extents to the different APT courses.

To progress, it's essential to engage in further discussions with all involved stakeholders to better understand their needs and expectations and to collaboratively determine the most effective structure and approach for the APT program. If differences in needs and priorities cannot be resolved, a mechanism needs to be found (for instance through the ENSURE's project committees, or through the Sector Skills Councils) to reassess priorities and determine the most effective format that fills a gap in the current training landscape and aligns with social and economic objectives.

**The training and tracer data looks considerably better for OJT**, with the participants of most courses completing the program (while plumbers and light vehicle service mechanics bucking that trend). The employment rate is considerably higher as well (64% OJT versus 43% APT), yet still below the 80% target set in the LogFrame.



71% of employed OJT participants earn more than the minimum wage, which is close to the target rate of 80%, while that proportion is only 41% for APT graduates. Whether these figures are good enough to sustain and scale are a question which needs to be answered based on an analysis of the “counter-factual” for this specific group of learners. Then the question is, how to best sustain and scale. It's worth noting that OJT is shorter in duration, and hence is conducted more frequently over the project period. This frequent offering might have enabled OJT to achieve a higher level of maturity and development compared to APT.

**Feedback and observations suggest significant uncertainty about whether municipalities would have the capacity and willingness to sustain funding** for these programs once external donor support ends. This concern stems partly from the possibility that municipalities may not be the most appropriate level of government for such initiatives: Labour markets often extend beyond municipal boundaries. There's no assurance that expenditures on training will directly benefit the local government or businesses, especially if learners relocate for employment opportunities. With lower local return on investment, interest is diminished too. Training markets are also larger than municipalities. Smaller municipalities may lack a sufficient base of learners or companies to justify the establishment of courses, making the initiative less viable or efficient. Training providers, especially private ones, have little interest in implementing small scale trainings especially if it's unclear whether the program can be repeated the next year (which was the case under the pilot program). Under these circumstances, providers would make little investments beyond the ad hoc provision with existing infrastructure and teachers.

However, **transitioning the responsibility for these training programs to provincial governments might present its own set of challenges.** A primary concern is the readiness of provincial governments in terms of skills, personnel, and financial capabilities to effectively assume the new responsibilities in the TVET sector. Re-anchoring OJT with the provincial authorities could add to the workload and capacity strain. Additionally, it's crucial to maintain a bigger perspective on the decentralization of TVET functions, support finding clarity around roles and responsibilities and enhance the collaboration between provincial and local governments. OJT should be reallocated to provinces only if it aligns with functions the provinces can and should take over, without creating additional capacity issues, conflict of interests, or jeopardizing collaborations.

In summary, we believe that the SUT, CG, and – if anchoring issues can be resolved effectively – OJT are ready to be replicated and scaled. The APT component, on the other hand, remains in the piloting phase, where the focus should lie on identifying the most effective modalities and producing evidence for both technical scaling and advocacy purposes. In light of this, we have developed a series of recommendations that we believe will facilitate the transition of the APT and OJT components from their piloting to scaling phases.



## 5. Recommendations

The recommendations presented in this chapter have been formulated based on the findings and the conclusions of this evaluation.

**Recommendation 1: Strengthen understanding what APT elements are effective, and then revise selected features of the piloted APT courses.**

*Justification:* The evaluation has confirmed known challenges with the APT courses. Training outcomes are far below the initial expectations. The issues seem to go beyond the “teething” problems of new training formats. While adjusting the current format seems necessary, it is not fully clear what adjustments would make the courses more effective, and these adjustments might have to vary depending on the course. At this point a number of hypotheses can be formulated to explain the insufficient outcomes (see conclusion). It is not possible to resolve this based on the current information basis, and further stakeholder deliberations need to take place to find the right course of action.

*Possible actions:* Actions to implement this recommendation could entail:

- **Analysis of training outcomes:** For each course, summarise the available evidence on training performance and outcomes. This includes training data, Phase 1 tracer data, internal reviews, this evaluation, and upcoming LELAM-TVET4Income research. Aim to segment the results based on different company profiles and learner demographics if feasible.
- **Analysis of fluctuations:** Outcomes vary significantly between courses (e.g. retention rates in Bagmati province fluctuates between 33% and 100%, and employment rates of the Phase 1 cohort ranging from 28% to 58%). Investigate the underlying factors contributing to these disparities to understand the root causes.
- **Identification of possible improvements:** Use the sources to compile a list of potential adjustments. Preliminary stakeholder ideas have been reported in this report, but they need validation through broader engagement with companies, learners, and providers.
- **Stakeholder feedback:** Engage a diverse group of stakeholders, to gather structured feedback, e.g., through a needs assessment. Foster discussions to not only collect insights but also to reinforce existing partnerships and collaborative platforms. This approach is valuable not only to improve the APT courses but also to showcase processes how VET programs should be updated.
- **Planning of implementation:** Determine which modifications can be applied in the short term with the current cohorts and which require incorporation into the next training cycle or beyond. This would primarily depend on the identified solutions.
- **Implementation and monitoring:** Implement the planned changes. Based on the analysis and identified solution, such adjustments might address all



courses, or a single course, or a single location. It will be crucial to closely monitor the effect of these changes on training performance and outcomes to inform future decisions and strategic directions.

### **Recommendation 2: Consider anchoring the OJT courses with the provincial level**

*Justification:* Anchoring OJT courses at the provincial level might offer a strategic solution to the challenges identified at the municipal level. The provincial level might align better with the nature of labour market as well as the training market, ensuring resources and training opportunities are effectively utilized and accessible beyond individual municipalities. It might enhance sustainability, and it circumvents the limitations faced by smaller municipalities. And finally, it might also provide a more stable and appealing environment for training providers, encouraging long-term investments in quality training infrastructure.

*Possible actions:* Actions to implement this recommendation could entail:

- **Initial scoping / planning:** Conduct a review to clarify the possibilities within the current legal framework, and what opportunities and risks this approach might entail, in light of the missing TVET Act. Determine the feasibility of reallocating earmarked resources from municipalities to provinces. Engage with key stakeholders such as provincial governments, training providers, and business associations to assess needs and align objectives.
- **Policy development:** Assist in developing strategies, policies, and frameworks that support the establishment, funding, and sustainability of OJT programs at the provincial level, considering existing instruments. This includes clarifying roles and responsibilities, developing funding models, quality standards, and guidelines for collaboration and transparency.
- **Capacity Building:** Support capacity building for officials and educators involved in managing and contributing to OJT programs. Foster partnerships between educational institutions, industry, and government to align OJT courses with labour market demands.
- **Monitoring, and Scaling:** Implement transparency and accountability mechanisms such as public reporting, audits, and feedback systems to monitor program integrity and effectiveness. Support the evaluation of OJT programs and use insights to refine and scale successful models across provinces.

### **Recommendation 3: Identify what APT / OJT elements can be mainstreamed through existing VET programs.**

*Justification:* Scaling the APT / OJT programs effectively can be achieved through two main strategies: 1. Expansion: Broaden the programs' reach by increasing the number of learners, adding more programs, involving additional providers, and extending to more provinces or municipalities. 2. Integration / mainstreaming: Enhance existing educational or training frameworks by incorporating proven elements of the program. This could involve embedding practical, hands-on learning experiences and strong



private sector collaboration into current courses or curricula, facilitating a quicker scale-up. A combined approach that merges expansion with integration could accelerate scaling and leverage the programs' strengths.

*Possible actions:* Actions to implement this recommendation, and specifically the mainstreaming component, could entail:

- **Developing a plan** for both scaling methods to maximize impact and ensure a broader, more effective reach, depending on the implementation of recommendations 1 and 2.
- **Identify the comparative advantages** of the APT / OJT programs, building up on existing analysis (see above). Assess which of these advantages could be integrated in other programs, and how. Evaluate whether the APT / OJT elements remain effective when separated (instead of being delivered together). Identify who needs to be included in the process (stakeholder mapping).
- **Stakeholder collaboration:** Work with TVET authorities, training providers and industry partners and other stakeholders (depending on the stakeholder mapping developed before) to integrate selected elements into one / several pilot programs.
- **Pilot programs:** Implement pilot projects to test the integration of program elements into existing training programs, assessing effectiveness and making adjustments as needed.
- **Feedback and iteration:** Gather feedback from participants, providers, and industry partners to refine the integration process and ensure the added elements enhance the overall learning experience.

#### **Recommendation 4: Prepare and implement a plan to identify what data, analysis, and information products are needed for scaling.**

*Justification:* The project collects data on the training participation as well as on the training outcome (annual tracer studies). In addition, there are studies which discuss the APT programs, with additional ones forthcoming. This close monitoring is very welcome. However, the delayed availability of such information hampers timely learning and adaptation. It also seems important to distinguish more between the contexts, and understanding the elements which lead to the observed outcomes (see Recommendation 1). To advocate for change, additional information will be needed. It seems particularly important to compare the training performance and outcomes with existing programs (e.g., the 18 months pre-diploma), describing - and if possible: taking into account when performing the analysis - the selection into the programs. This information will then also need to be captured and disseminated to key stakeholders — including government bodies, the private sector, and training providers — to foster informed discussions and decisions.

*Possible actions:* Actions to implement this recommendation could entail:

- **Data needs assessment:** Conduct a comprehensive assessment to identify the specific types of data, analytics, and information products that are crucial for



understanding the effectiveness and impact of the programs, and for informing scaling strategies.

- **Adapt data collection methods:** Develop and implement more timely and efficient data collection methodologies to reduce delays in data availability. This might involve adopting advanced data collection technologies or platforms.
- **Comparative studies:** Initiate comparative studies to benchmark the program's performance and outcomes against similar initiatives, such as the 18-month pre-diploma programs. This includes analysing the selection processes into these programs to understand their impact on outcomes.
- **Stakeholder-specific information products:** Develop and tailor information products to the needs and interests of different stakeholders, including government agencies, private sector partners, and training providers. Create and implement a plan for disseminating data and insights to stakeholders.

### **Recommendation 5: When expanding to new areas, focus on CG and private sector collaboration.**

*Justification:* While we believe that the APT pilot (and to a lesser degree OJT pilot) should continue to focus on finding the right format and evidence, there is clear and consistent feedback that the ways the private sector was engaged (incl. through SUT and SDU) and the way learners were made aware of their choices (through CG) worked very well. These two elements can be considered as building blocks or pre-conditions for the success of scaling / mainstreaming the APT / OJT elements. As the internal review pointed out, these two elements are also more independent from political and legal framework conditions. When scaling the CG and private sector collaboration, we suggest exploring how linkages can be forged between the two components (which we understand is already planned).

*Possible actions:* Actions to implement this recommendation could entail:

- **Revisit existing scaling plans:** No additional actions might be needed beyond those which are already implemented as part of the scaling strategy. We suggest a focus on CG and private sector collaboration. If open question around the delivery of OJT (anchoring with the provinces, otherwise resolving the existing issues on local level) can be resolved, then OJT could also be included in the initial scaling efforts. Including OJT in this first push could make it more attractive for stakeholders to engage.



# Annex 1: Project overview

Table 2: Project overview

ENSSURE Phase II	Details
<b>Budget</b>	CHF 21.2 million (SDC: CHF 19.165 million, Government of Nepal: CHF 0.34 million, Private Sector: CHF 1.7 million)
<b>Technical assistance</b>	Helvetas, on behalf of SDC.
<b>Goal</b>	To support Nepalese youths, women, and men in gaining social and economic benefits from a federalized TVET system.
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• <b>Outcome 1:</b> Nepalese youths, women, and men have gainful employment.</li> <li>• <b>Outcome 2:</b> Federal, provincial, and local government institutions respond to the needs of the labour market.</li> <li>• <b>Outcome 3:</b> Private companies meet their needs for skilled human resources through active engagement in the TVET sector.</li> </ul>
<b>Key stakeholders/partners</b>	<ul style="list-style-type: none"> <li>• <b>Federal:</b> Council for Technical Education and Vocational Training (CTEVT).</li> <li>• <b>Provincial:</b> Ministry of Social Development (MoSD) or Ministry responsible for Education.</li> <li>• <b>Local:</b> Municipalities.</li> <li>• <b>Private Sector:</b> Industries and their associations.</li> </ul>
<b>Project Activities</b>	<ul style="list-style-type: none"> <li>• <b>Federal Level:</b> Development/Update of curriculum, guidelines, and standards.</li> <li>• <b>Provincial Level:</b> Implementation of dual VET apprenticeship (24 months), Career Guidance Service Centre (CGSC) establishment.</li> <li>• <b>Local Level:</b> Delivering skills development training with On-the-Job Training (OJT) (10 months) and career guidance programs in schools.</li> <li>• <b>Private Sector:</b> Identifying in-demand occupations, coordinating apprenticeship placements, and providing feedback for occupation selection.</li> </ul>
<b>Target groups</b>	Nepali youth, women and men (including returnee migrants)
<b>Project timeline</b>	September 2021 - July 2025
<b>Location</b>	Nepal, with initial focus on Koshi, Bagmati, and Lumbini provinces, and expansion to all seven provinces.
<b>Significant Milestones across the two ENSSURE phases</b>	<ul style="list-style-type: none"> <li>• Endorsement of VET and skills development in the National Education Policy (NEP) in 2019.</li> <li>• Inclusion of work-based learning (dual VET apprenticeship, career guidance services and life-long learning) in the Fifteenth Periodic Plan of the National Planning Commission and TVET Sector Strategic Plan (TSSP) 2023-2032.</li> <li>• Governments of Nepal and Switzerland have recently concluded the bilateral project agreement for the expansion of the project to all seven provinces.</li> </ul>

Source: ToR



## Annex 2: Evaluation matrix

Table 3: Evaluation Matrix with evaluation questions and sources/methods

Evaluation questions	Docs	Data	CBA	Interviews
<b>Relevance</b>				
<b>EQ 1:</b> To what extent are the project's goals aligned with the needs and priorities of its beneficiaries and stakeholders?	●			●
<b>EQ 2:</b> Is the project design valid and realistic?	●			●
<b>EQ 3:</b> Has the project adapted effectively over time?	●			●
<b>Coherence</b>				
<b>EQ 4:</b> How well does the project align with the Swiss Development Cooperation's policy framework and coordinate with other related Swiss initiatives, particularly the NVQS?	●			●
<b>EQ 5:</b> How compatible is the project with the efforts of other actors, including GoN?	●			●
<b>EQ 6:</b> How well does the SDC work with other development partners and government levels to support the constitution and create a joint financing agreement for a joint sectoral program? How feasible will such a program be in the absence of the federal TVET Act?	●	●		●
<b>Effectiveness</b>				
<b>EQ 7:</b> To what extent is ENSSURE on track to achieve its output and outcome targets, including its transversal objectives? Were there any unexpected effects?	●	●		●
<b>Efficiency</b>				
<b>EQ 8:</b> To what extent does the project deliver the results cost-effectively (resources allocation, timeliness)?	●	●	●	●
<b>EQ 9:</b> How effective are the management arrangements, monitoring, and guiding mechanisms in facilitating the project execution?	●	●		●
<b>Impact</b>				
<b>EQ 10:</b> Is there any visible progress towards impact at this stage of implementation?	●	●	●	●
<b>Sustainability</b>				
<b>EQ 11:</b> To what extent are ENSSURE results likely to be sustainable?	●	●	●	●

Note: Points with lighter colour refers to an additional source in case more information is needed beyond the primary sources.



## Annex 3: Interviewees

All the meetings held in Nepal took place from the 12th to the 15th of March 2024. The following table is organized by the location and the date of each meeting. Besides the face-to-face meetings, there were also virtual sessions conducted with SDC (Pankaj Parajuli) and members of the Project Support Unit (Rabindra Bahadur Singh, Kanchan Tamang Lama, Pankaj Shah, Sanjib Rai), as well as the PSU backstopper (Sabrina Würmli).

Institution	Name	Position
Kathmandu		
MoEST	Siva Kumar Sapkota	Joint Secretary
	Durga Kandel	Under Secretary
CTEVT	Mahesh Bhattarai	Member Secretary
	Tek Bahadur Malla	Director NSTB
	Anoj Bhattarai	Director Curriculum
	Binod Badal	Director Quality project
	Pushpa Paudel	Deputy Director Exam
Confederation of Nepalese Industries	Birendra Pandey	Vice President
Hotel Association of Nepal	Binayak Shah	President
Agriculture Sector Skill Committee	Sunita Nehmaphuki	Member
Sipradi	Dipesh Paudel	Chief, Training Department
Construction Sector Skill Committee	Kishwor Shakya	Chairman
Nepal Singapore Chamber of Commerce & Industry	Binod Dhakal	Vice Chairman
Himalayan institute of technology	Dilchandra Pandey	Former Principal
	Bharat Neupane	Principal
	Roshan	Instructor
Puja International PVT	-	7 SUT graduates
Balaju School of Engineering and Technology	Kushiram Adhikari	Acting principal
	Bimal Devkota	Instructor
Budanilkantha Municipality	Lalit Bikram Sinha	Officer
Asian Development Bank	Smita Gyawali	Senior Education Officer
European Union	Bandana Thapa	Programme manager



World Bank	Maya Sherpa	Team leader in World Bank support to School Sector Development Program in Nepal
<b>Bagmati</b>		
MOSD	Bhisma Kumar Bhusal	Secretary
	Khubiram adhikari	Joint Secretary
CTEVT	Umesh Kumar Mishra	Director
	Swagat Pakurel	
Neek Transformers, Inc.	Ram Kumar Kadariya	Deputy General Maganer
	-	8 APT training participants
Confederation of Bagmati Province Industries	Lekhraj Pokhrel	President
	Swagatraj Pyakurel	Vice President
	Dhiraj Kumar Karki	Member
	Krishna Prasad Neupane	Member
	Jaganath Lamichhane	Office Head
CIA	Badrinath Sharma	President
Regional Hotel Association of Nepal (Sauraha Branch)	Madhav duwadi	Treasurer
	Ganga Giri	President
	Om Prakash Pandey	Vice President
	Gunaraj Thapaliya	General Secretary
	Mahesh Khanal	Secretary
	-	3 APT training participants
Bachhauli Secondary School	Shivaram Marahatta	Principal
	Rammani Khanal	President, SMC
Ratnanagar Municipality	Sukdev Lamsal	CAO
	Narayan Prasad Wagle	Under secretary, Education, Sports and Youth Division
	Kiran Mahato	Ward Chairperson- 06
Bharatpur Metropolitan City	Narendra Kumar Rana	CAO
	Arjun Madai	Education Officer
Narayani Polytechnic Institute	Sarita Regmi	Principal
	Suman Kattel	Vice Principal
	Puja Basel	Training Coordinator-ECDF
	Durga Nanda Sharam	Instructor-Automobile
	-	Est. 12 APT training participants
<b>Koshi</b>		
Duhabi Municipality	Himalay Baral	Officer
Jayan Technical Institute	Tranining coordinator	Tranining coordinator
	Instructor	Instructor



	-	12 OJT Training Participants
Om Grill Industry	Hari Bk	Instructor/employer
Manmohan Memorial Polytechnic	Sudip Adhikari	Principal
	-	60 APT Training Participants
Duhabi Municipality	Bed Narayan Gachhadar	Mayor
Noble Hospital	Amisha Chaudhary	Biratnagar
Photo studio	Nisha Chaudhary	Biratnagar
CTEVT	Dipika Sharma	Provincial director
Naragram secondary school	Kailash KC Paudel	Principal
	Achyut Acharya	Career Guidance counsellor
	Birendra Yadav	Career Guidance counsellor
	-	15 students from grade 9-11 receiving career guidance
Asian Battery PVT. Ltd	Sunil Sardar	Employee
	Manash	Branch manager
MOSD	Laxmi Prasad Bhattarai	Secretary
	Krishna Prasad Pokharel	Spokeperson
	Gopal Prasad Dahal	Officer
	Fanidra Khatri	Undersecretary
Chamber of Industry Morang	Rakesh Surana	President
	Nanda Kishwor Rathi	Member
	Pratibha Rijal Oli	Member
	Deepak Kumar Agrawal	Member
	Bipin Kabra	Member
	Sandeep Chaudhary	Coordinator SDU
	Chudamani Bhattarai	Director General



## Annex 3: Additional survey information

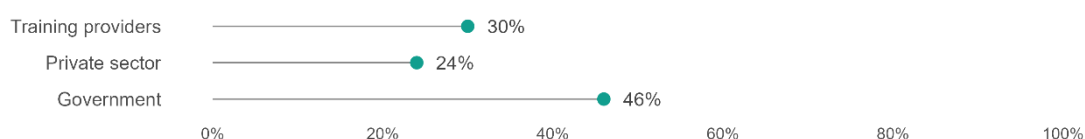
Figure 18: Background information of survey participants

### Gender



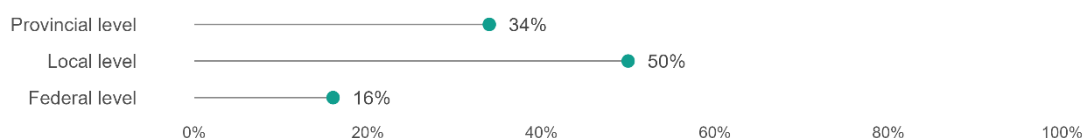
Note: Based on the responses of 50 participants.

### Organization



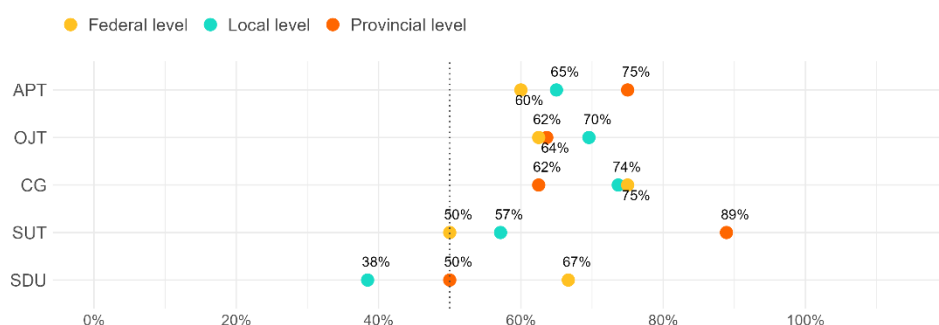
Note: Based on the responses of 50 participants.

### Level



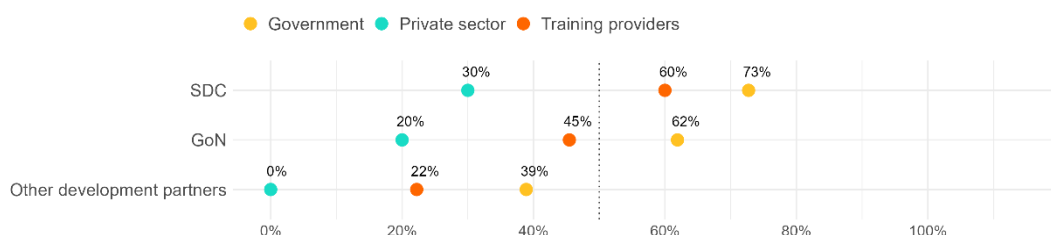
Note: Based on the responses of 50 participants.

Figure 19: "How relevant are the project component to your organization?" (share of participants indicating completely, or to a great extent)



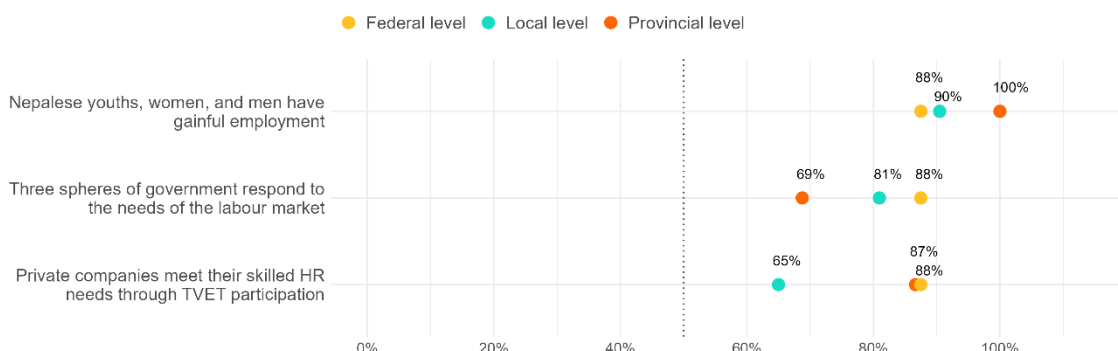
Note: For Federal level, based on responses from 5, 8, 4, and 3 participants, respectively. For Local level, based on responses from 20, 23, 19, 14, and 13 participants, respectively. For Provincial level, based on responses from 16, 11, 8, 9, and 8 participants, respectively.

Figure 20: "Do you think that the ENSSURE project has done enough to coordinate with other TVET-related interventions?" (share of participants indicating completely, or to a great extent)



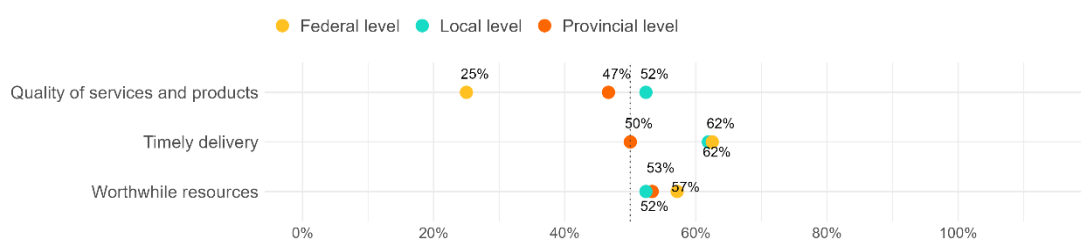
Note: For Government, based on responses from 22, 21, and 18 participants, respectively. For Private sector, based on responses from 10 participants. For Training providers, based on responses from 10, 11, and 9 participants, respectively.

**Figure 21: “To what extent has the ENSSURE project contributed to these three project goals?”**  
(share of survey participants indicating completely, to a great extent, to a moderate extent)



Note: For Federal level , based on responses from 8 participants. For Local level , based on responses from 21, 21, and 20 participants, respectively. For Provincial level , based on responses from 15, 16, and 15 participants, respectively.

**Figure 22: “Do you think that the project delivers high-quality services and products and delivers its services in a timely manner? Have the resources (time and/or funds) you invested while participating worthwhile?”** (below: share of participants indicating completely, or to a great extent)



Note: For Federal level , based on responses from 8, 8, and 7 participants, respectively. For Local level , based on responses from 21 participants. For Provincial level , based on responses from 15, 14, and 15 participants, respectively.



## Annex 4: Target achievement

The table expands on Table 1 in section 3.3 by detailing all indicators individually.

Table 4: Target achievement at time of evaluation (March 2024) – full list

Output / outcome	Indicator	Status	Comments
Outcome 1	% of graduates trained through the ENSSURE programme	●	No data available at this point
	% of graduates employed after the completion of training	●	No data available at this point
	% of employed training graduates receiving minimum wage	●	No data available at this point
Output 1.1	# Of youth enrolled in ENSSURE TVET courses	●	Learner number over target for APT (135%), under target for OJT (42%)
	# of TVET providers accredited (tailored to youths)	●	The indicator was discontinued
	# of TVET providers accredited (tailored to women)	●	Target achieved
	# of companies with women-friendly workplace for trainees	●	Target overachieved (178%)
Output 1.2	# of employees attended customised SUT	●	Women sub-target not achieved (19.3% vs 33%)
	# of business associations with information system	●	2 business associations have administered and planned skills need assessment, 1 is implementing the survey.
	# of returnee migrants attended training courses	●	Target underachieved (5%)
	% of the supported LGs with information system about the needs and demands of returnee migrants	●	Target overachieved (183%)
Output 1.3	# of Students attended a CG session	●	Target underachieved (85%)
	# of school teachers trained in CG	●	Target overachieved (189%)
	# of career/job fairs organised	●	Target overachieved (294%)
	# of career platforms established with LGs	●	Target achieved
	# of students used the digital platform of CG	●	Target underachieved (but platform recently launched)
Outcome 2	# of MOUs signed with industry association	●	Target overachieved (154%)
	# of learning support outputs	●	Trend is increasing



Output 2.1	# of PGs and LGs that allocate a budget for TVET and CG	●	Target overachieved
	# of PGs and LGs that allocate personnel for TVET and CG	●	Target overachieved
	# of women and discriminated people which are offered scholarships to support access to TVET courses from PGs and LGs	●	Target underachieved (16%)
Output 2.2	# of curricula and NOSS/NCS developed with inputs from the private sector	●	Target was lowered from 12 to 3
	# of curricula and NoSS/NCS developed in non-traditional women-friendly occupation	●	Target was lowered from 5 to 3
Output 2.3	# of DBs of skills demand, and employment opportunities developed by provinces in collaboration with industries	●	Provinces started orientation to create databases. SDUs are collecting data from members.
	# of TVET providers with a roster of companies providing work-based training	●	74% of target achieved
Output 2.4	# of personnel trained on service procurement and Dual-VET management	●	Target overachieved (954%)
Outcome 3	% of supervisors satisfied with the performance of SUT workers	●	Target overachieved (217%)
	# of companies satisfied with the performance of their apprentices.	●	Target overachieved (192%)
	# of companies offering apprenticeships positions	●	Target overachieved (168%)
Output 3.1	# of industry associations with HR strategies supporting the Dual-VET program	●	2 industry associations with HR strategies for TVET (adjusted targeted to March 2024 is 4)
	# of partner companies trained in the OHS system	●	Target underachieved (18%)
Output 3.2	# of industry associations with a TVET unit	●	Target overachieved (256%)
	# companies that commit to select amongst their apprentices at least 60% members of discriminated groups out of which 55% are women	●	Target overachieved (491%)
	# of companies that directly select their apprentices	●	Target overachieved (168%)
	# of companies involved in the training cycle	●	Target overachieved (196%)



	# of companies offering apprenticeship positions	●	Target overachieved (168%)
Output 3.3	# of In-company trainers	●	Target slightly behind schedule (82%)
	# of personnel of industry associations and their members' companies oriented on TVET- related programs	●	Target slightly behind schedule (88%)

Note: The table above is a simplified version of the project's M&E framework; the scale to indicate progress is achieved (● green), partly achieved (● yellow), not achieved (● red); no data to assess (● grey).

## Annex 5: Economic and Financial Analysis

During the evaluation, an Economic and Financial Analysis (EFA) was conducted. The EFA is guided primarily by SDC's How-to Note Economic and Financial Analysis (2021).

The method used is a Cost-Benefit Analysis (CBA), covering the benefits of better employment and income opportunities for Nepali youths resulting from their participation in APT and OJT courses as well as net training benefits for the private sector. The benefits from these interventions can be measured and valued in monetary terms. The other components (i.e., CG, SUT, and SDU) are harder to quantify due to their indirect benefits and longer maturation periods. Thus, they are not included in our estimations, neither on the benefit nor on the cost side. The estimates below can be considered conservative as we do not cover all intended benefits, including enhanced public-private collaboration, federal state building, and improvements to the TVET system.

In our estimation, we use a 10-year timeframe to capture not only the immediate benefits accrued during the four years of phase II but also the longer-term effects.

The analysis is based on the parameters summarised below. Most parameters reflect LogFrame targets, and expectations set by the PSU. The analysis is best characterised and understood as a projection since the parameter values are subject to future uncertainty.

Table 5: Parameters for CBA

Parameter	Value	Source / Comment
<b>APT</b>		
Target	4,000 learners	
Enrollment rate	98%	
Completion rate	60%	PSU estimate, based on data from phase I.



Employment rate before trainings (in %)	5%	<i>PSU estimate, given the target group of SE students.</i>
Employment rate after trainings (in %)	60%	<i>PSU estimate, based on phase I tracer data yet incorporating the assumption that employment continues to raise.</i>
Average income per women and men before trainings (CHF/year)	938	<i>PSU estimate for those few who worked</i>
Average income per women and men after trainings (CHF/year)	1,622	<i>PSU estimate, representing minimum wage level.</i>
Net benefit for participating companies, per APT student trained (CHF)	1,172	<i>150,000 NPR. Source: Analysis of the Impact of the ENSSURE Dual Apprenticeship Program on Graduates and Companies (LELAMTVET4Income), preliminary results.</i>
<b>OJT</b>		
Target	6,800 learners	
% target met	85%	<i>PSU estimate.</i>
Completion rate	90%	<i>PSU estimate, based on data from phase I.</i>
Employment rate before trainings (in %)	15%	<i>PSU estimate.</i>
Employment rate after trainings (in %)	81%	<i>PSU estimate, based on phase I data.</i>
Average income per women and men before trainings (CHF/year)	938	<i>PSU estimate. Many are already working, integrated in the labour market.</i>
Average income per women and men after trainings (CHF/year)	1,722	<i>PSU estimate, based on phase I data.</i>
<b>Budget</b>		
APT	34% of total budget	<i>PSU estimate.</i>
OJT	37% of total budget	<i>PSU estimate.</i>
<b>Companies</b>		
Minimum wage (CHF/month)	135	NPR17,300 per month
Remuneration during APT	25%	
Average stay in companies before drop-out (months)	4.5 months	<i>ENSSURE estimate. Drop-out after 7.5 months after starting the training.</i>
<b>Technical parameters</b>		
APT employment change which would have happened anyway ("counterfactual")	50%	<i>Bases on data from Analysis of the Impact of the ENSSURE Dual Apprenticeship Program on Graduates and Companies (LELAM).</i>
APT income change which would have happened anyway	10%	<i>Counterfactual, in % of estimated increase</i>
OJT employment change which would have happened anyway	30%	<i>Counterfactual, in % of estimated increase</i>
OJT income change which would have happened anyway	30%	<i>Counterfactual, in % of estimated increase</i>
Discount rate	10%	<i>As suggested in SDC's Working Aid on CBA in VSD projects.</i>
Attribution period for APT	10	<i>Based on the suggestion in SDC's Working Aid on CBA in VSD projects – namely "1 year for a very short training (duration of 1-4 weeks), around 3 years for</i>



Attribution period for OJT	3	a training of several months and up to a maximum of 10 years for a multi-year apprenticeship." APT lasts 24 months  Based on the suggestion in SDC's Working Aid on CBA in VSD projects – namely "1 year for a very short training (duration of 1-4 weeks), around 3 years for a training of several months and up to a maximum of 10 years for a multi-year apprenticeship." OJT lasts 10 months
Xrate (CHF to NPR)	128	X-rate used in ProDoc

The following table offers a forward-looking simulation of the benefits and costs for the ENSSURE Phase II.

*Table 6: Ex-ante simulation of project benefit and costs (all financial figures in Mio CHF)*

Year	1	2	3	4	5	6	7	8	9	10	Total
Number of APT students enrolled	0	1,152	1,490	1,260							3,902
Number of APT students finished				691	894	756					2,341
Number of OJT students enrolled	467	1,207	1,445	2,890							6,009
Number of OJT students finished	420	1,086	1,301	2,601							5,408
<b>Overall goal: Youth, women and men have gainful employment</b>											
<b>APT</b>											
Students assumed employed without APT (counter-factual)	0	0	0	225	515	761	761	761	761	761	4,545
Students employed with APT	0	0	0	415	951	1,405	1,405	1,405	1,405	1,405	8,390
<b>Benefits for unemployed youths (difference in total income)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>9.0</b>
-Total income of unemployed youths without APT	0.0	0.0	0.0	0.2	0.5	0.8	0.8	0.8	0.8	0.8	4.6
-Total income of unemployed youths with APT	0.0	0.0	0.0	0.7	1.5	2.3	2.3	2.3	2.3	2.3	13.6
<b>Benefits for companies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>1.0</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.7</b>
<b>OJT</b>											
Students assumed employed without OJT (counter-factual)	146	524	977	1,736	1,358	905	0	0	0	0	5,646



Students employed with OJT	340	1,220	2,274	4,040	3,160	2,107	0	0	0	0	13,142
<b>Benefits for unemployed youths (difference in total income)</b>	<b>0.4</b>	<b>1.5</b>	<b>2.8</b>	<b>4.9</b>	<b>3.8</b>	<b>2.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16.0</b>
-Total income of unemployed youths without OJT	0.2	0.6	1.1	2.0	1.6	1.1	0.0	0.0	0.0	0.0	6.6
-Total income of unemployed youths with OJT	0.6	2.1	3.9	7.0	5.4	3.6	0.0	0.0	0.0	0.0	22.6
<b>Total benefits</b>	<b>0.4</b>	<b>1.5</b>	<b>2.8</b>	<b>6.2</b>	<b>5.9</b>	<b>5.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>27.8</b>
<b>Total costs APT / OJT</b>	<b>1.9</b>	<b>2.8</b>	<b>5.8</b>	<b>5.5</b>							<b>16.1</b>
APT	0.9	1.3	2.8	2.6							7.6
OJT	1.0	1.4	3.0	2.8							8.2
Cost of APT students dropping out	0.0	0.1	0.1	0.1							0.2
<b>Net benefits</b>	<b>-1.5</b>	<b>-1.3</b>	<b>-3.1</b>	<b>0.7</b>	<b>5.9</b>	<b>5.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>11.7</b>
Present value (PV) of total benefits	0.4	1.2	2.1	4.2	3.7	2.8	0.8	0.7	0.6	0.6	17.1
PV of total cost	1.7	2.3	4.4	3.8	0.0	0.0	0.0	0.0	0.0	0.0	12.2
Net Present Value (NPV)	-1.4	-1.1	-2.3	0.5	3.7	2.8	0.8	0.7	0.6	0.6	4.9

With the estimates above, it is also possible to calculate several metrics which summarise the return on investment, namely the present value of net benefits (NPV) and the Benefit-Cost Ratio (BCR). These values surpass SDC's minimum requirements, meaning that from an EFA perspective, the investment is worthwhile.

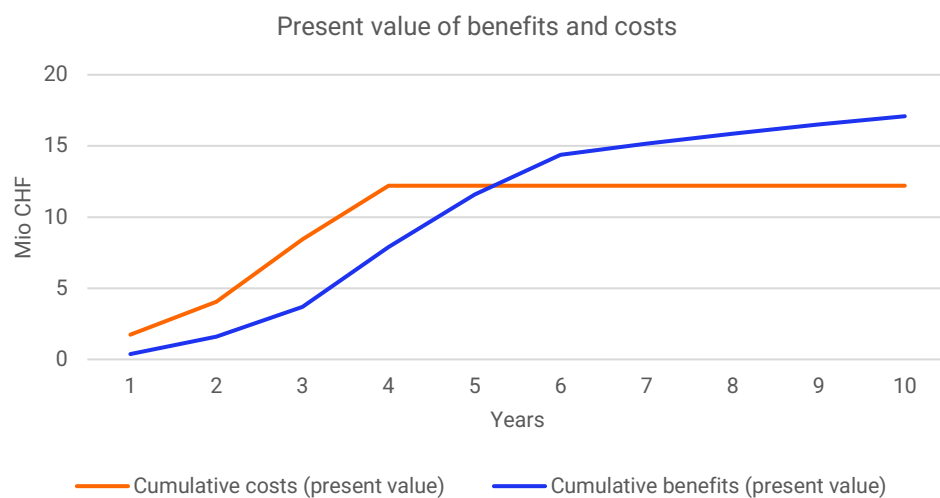


**Table 7: Net Present Value and Benefit-Cost Ratio**

	ENSSURE Phase II	SDC requirement	Fulfilled
Net Present Value (NPV)	4.9 Mio CHF	> 0	Yes
Benefit-Cost Ratio (BCR)	1.4	> 1	Yes

Accordingly, a break-even between cost (project disbursement cumulative, discounted) and benefits (cumulative difference, discounted) is reached in year 6.

**Figure 23: Break-even point**





## Annex 6: Assessment grid

DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p><b>1 <u>Relevance</u>: Is the intervention doing the right things?</b></p> <p>Summary: The extent to which the intervention's objectives <u>and</u> design (at the time of design and at time of evaluation) respond to beneficiaries' and involved stakeholders' needs and priorities, and continue to do so if circumstances change. <i>Note: Understanding gendered power dynamics and reflecting on the SDG commitment to "leave no one behind" are crucial in understanding relevance.</i></p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The project aligns well with beneficiary needs and policy priorities, underscored by positive stakeholder feedback. However, it lacks detailed analysis of specific learner and industry needs and a fully developed ToC. While it adapts to Nepal's federalization, concerns over the absence of TVET Act persist. Overall, the project is relevant in the context of Nepal's TVET reforms, but improvements in design specificity and strategic clarity could enhance its effectiveness.</p>
<p><b>1.1 <i>Responsiveness to needs, policies and priorities</i></b>: the extent to which the objectives (at output, outcome and impact levels) of the intervention respond to the needs and priorities of the beneficiaries (target group), involved stakeholders (involved in funding, implementing and/or overseeing the intervention) and, when relevant, to indirectly affected stakeholders (e.g. civil society, etc.). <i>Note: A particular emphasis should be placed on beneficiaries. If there are trade-offs, please describe them in the justification.</i></p>	<p>1 - highly satisfactory</p>	<p>The project aligns closely with institutional needs and policy priorities, as evidenced by the positive survey and interview feedback. Over two-thirds of respondents rated key components like APT and OJT as highly relevant, with significant backing for CG and SUT across government and private sectors. This relevance is further mirrored in strategic plans and policies advocating for workplace-based learning and career guidance, underscoring the project's pivotal role in advancing Nepal's TVET sector and meeting the needs of its primary beneficiaries, including</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		youths and workers seeking skill upgrades.
<p><b>1.2 Sensitiveness and responsiveness to the context and capacities of the beneficiaries and involved stakeholders:</b> the extent to which the context was considered in the design of the intervention (e.g. economic, environmental, equity, social, cultural, political economy and last but not least capacity considerations).</p> <p><i>Note: Evaluators are encouraged to describe which contextual factors are most pertinent to the intervention.</i></p>	2 - satisfactory	While the project demonstrates an understanding of the overarching context, including Nepal's shift towards federalization, it partially addresses the detailed profiles, needs, and priorities of its direct beneficiaries and industries. Acknowledging the project's adaptive strategy in aligning with the federalization process, there remains room for improvement in tailoring training programs to meet more specifically meet the varied needs of learners and sectors.
<p><b>1.3 Quality of design:</b> the extent to which core design elements of the intervention (such as objectives and their related indicators, logframe, theory of change including related assumptions, choice of services and intervention partners, exit strategy) reflect the needs and priorities of the target group, are appropriate, realistic, clearly defined, measurable and feasible (technical, organisational and financial feasibility).</p> <p><i>Note: the exit strategy should be planned from the outset of the intervention to ensure the continuation of positive effects as intended, whilst allowing for changes in contextual conditions.</i></p>	2 - satisfactory	The project's design aligns with SDC standards but lacks depth in its ToC and analysis of learner and industry needs. The ToC is missing crucial discussions on assumptions, stakeholder needs, and how different components interconnect with overarching goals. A more detailed discussion on the diverse needs of potential learners and specific industry demands, as well as a clearer differentiation from existing training programs, would have fortified the design's quality.
<p><b>1.4 Adaptation over time:</b> the extent to which the intervention has meaningfully adapted to changes</p>	2 - satisfactory	Adapting well to Nepal's federal structure and redistributing TVET



DAC criteria and SDC/SECO sub-criteria	Score	Justification
over the course of its lifespan (e.g. evolving policy and economic contexts, change of funding, new opportunities, outbreaks of conflict or pandemic, etc.).		responsibilities across government levels, the project realigned its strategy to support the federalization process. However, the adaptation has faced challenges due to unclear roles and responsibilities of the government counterparts, highlighted by 40% of respondents concerned about the absence of a TVET Act. Despite these hurdles, the project has shown flexibility and received positive feedback for its support in building TVET capacity at provincial and local levels.
<b>1.5 TVET Sector Reform and Federalization:</b> To what extent is the ENSSURE project relevant in the current context of federalisation and TVET sector reform? Does the project activities remain relevant in the absence of the TVET act? To what extent is dual VET apprenticeship a relevant alternative to secondary education (school based VET and general education)?	2 - satisfactory	See explanation on federalization above. The relevance of dual apprenticeship compared to alternatives could not be conclusively determined, given the lack of data.
<b>2 Coherence: How well does the intervention fit?</b> Summary: The compatibility of the evaluated intervention with other interventions in a country, sector or institution, i.e., the extent to which other interventions (in particular policies) support or undermine the intervention and vice versa.	<i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i>	The ENSSURE project exhibits strong coherence both internally among SDC projects and externally with government and donor initiatives, marked by effective collaboration and strategic alignment within the TVET sector. ENSSURE's role in leading informal collaboration among key donors demonstrates a commendable level of coherence.



DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p><b>2.1 Internal policy alignment:</b> the extent to which the intervention aligns with the wider policy frameworks of the Swiss Development Cooperation, including the most recent Swiss international cooperation strategy overall and at country level, as well as to relevant international norms and standards to which Switzerland adheres (international law, international agreements, etc.).</p>	0 - not determined	Not part of the evaluation questions
<p><b>2.2 Internal compatibility:</b> the extent to which the intervention is compatible with other interventions of Swiss development cooperation in the same country/region and thematic field (consistency, complementarity, synergies, avoiding duplication of efforts, subsidiarity).</p> <p><i>Note: if feasible, evaluators are encouraged to also take into account compatibility with the interventions of different levels / departments of the Swiss government in the same operating context (e.g.: development, diplomacy, trade, security, etc.)</i></p>	1 - highly satisfactory	Internal coherence among the NVQS-P, Quality, and ENSSURE projects is highlighted by strong thematic linkages and an 83% positive response at the federal level on coordination among these projects, indicating effective collaboration towards enhancing TVET standards. Some stakeholders shared concerns about administrative redundancy and a need for more streamlined operations, particularly in technical assistance, which suggests there is room to enhance efficiency and reduce duplication.
<p><b>2.3 External compatibility:</b> the extent to which the intervention is compatible with interventions of other actors in the country and thematic field (complementarity, synergies, overlaps and gaps, value-added, use of existing systems and structures for implementing activities, harmonization, coordination, etc.).</p>	1 - highly satisfactory	The ENSSURE project demonstrates strong external coherence through its collaboration with government and donor-led TVET initiatives. With 62% of federal-level participants recognizing robust coordination, the project aligns well with national implementation modalities and contributes to sector-



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		wide goals. Although faced with challenges such as fragmented government initiatives, SDC's leadership role in fostering donor collaboration—particularly with major actors like the World Bank, ADB, and the EU—has been important.
<b>3 <a href="#">Effectiveness</a>: Is the intervention achieving its objectives?</b> Summary: The extent to which the intervention achieved, or is expected to achieve, its objectives and its results, including any differential results across groups.	<i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i>	The ENSSURE project's overall effectiveness is satisfactory in our view, showing strong progress in achieving targets, especially in the apprenticeship component, and addressing unintended effects by developing solutions for challenges such as the high-dropout rate and lack of permeability. Overall, the project does well regarding inclusivity but faces challenges in female participation in OJT and SUT. Management and private sector collaboration are positive, with notable co-funding success.
<b>3.1 <i>Achievement of objectives</i>:</b> The extent to which the intervention achieved or is expected to achieve its intended objectives (outputs <u>and</u> <u>outcomes</u> ) as originally planned (or as modified to cater for changes in the environment), including its transversal objectives (e.g. gender, climate) <i>Note: If some – but not all – of the objectives were achieved the evaluators will need to examine their <b>relative importance</b> to draw conclusions on the effectiveness.</i>	2 - satisfactory	Most of the targets seem well on track but there are some notable exceptions, including the OJT target. It should further be noted that there is no data for the indicators for outcome 1 at this point, but it seems very unlikely that these targets will be fulfilled.
<b>3.2 <i>Unintended effects</i>:</b> The extent to which the intervention has responded	1 - highly satisfactory	The APT program has drawn significant interest



DAC criteria and SDC/SECO sub-criteria	Score	Justification
adequately to the potential benefits/risks of the positive/negative unintended results.		and exceeded enrollment targets through effective outreach. To address high dropout rates and low employment outcomes, the project is actively engaging with stakeholders to provide more scholarships, improve curriculums and introduce modular apprenticeships – however, retention, clearing the exam requirements, and employment remain challenging, and it remains to be seen whether modifications will be successful. The OJT component has faced issues like procurement delays and slow applications and is considering potential strategic adjustments in program focus and resource allocation.
3.3 <b>Differential results:</b> the extent to which the intervention results (outcomes) were inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation.	2 - satisfactory	The project excels in inclusivity in the apprenticeship program, surpassing targets for female and socially discriminated group participation. However, it faces challenges in OJT and SUT with lower female enrollment. Despite this, retention rates for these groups are strong across all programs. Employment outcomes show gender parity post-apprenticeship but reveal disparities following OJT, indicating the need for targeted improvements in inclusivity



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		and equitable opportunities in all training areas.
<p><b>3.4 Effectiveness of project implementation arrangement and private sector:</b> How effective have the various committees been in steering, advising, coordinating, and supporting the project implementation to reach the intended project outcomes? How effective has the project been in engaging the private sector? To what extent the fund flow and project implementation arrangement support (or hinder) delivery of the desired outcomes? To what extent does the private sector have ownership of the ENSSURE project, and how effective is its support in regards to the achievement of the project outcomes?</p>	2 - satisfactory	<p>The ENSSURE project's management has received positive feedback for coordination efforts, yet inefficiencies arise from the significant size of different project committees, complicating decision-making. Active private sector involvement, through significant co-funding and partnerships, marks a key success. However, challenges in formalizing these relationships and including the informal sector point to the need for innovative collaboration strategies. Stakeholders believe that financial incentives, improved retention, and quality training standards are crucial for enhancing private sector collaboration and the project's overall effectiveness.</p>
<p><b>4 Efficiency: How well are resources being used?</b> Summary: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.</p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated.</i></p>	<p>The project efficiently uses resources for APT and OJT with a 4.9 million CHF net gain and a 40% ROI, particularly through its successful OJT component. Despite improved delivery times, persistent insufficient staffing and procurement issues underscore the need for improved management and coordination. While stakeholder collaboration is largely positive, concerns around committee</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		effectiveness and advisor integration suggest opportunities for refining collaborative mechanisms and resource distribution to elevate project outcomes.
<p><b>4.1 <i>Economic efficiency</i>:</b> The extent to which the intervention delivered the results (inputs → outputs; inputs → outcomes) in the most cost-efficient way possible (including allocation of resources between target groups and time periods; available options for purchasing inputs according to market conditions, etc.).</p>	2 - satisfactory	<p>Survey feedback shows the project is economically efficient, meeting the expectations of about half the stakeholders. However, the private sector criticizes the quality of services, indicating a need for more practical training to align with industry needs. The EFA shows that investments in APT and OJT are economically sound, with a net gain of 4.9 million CHF and a 40% ROI, reaching break-even by year six. OJT's large ROI highlights its value and effectiveness. Improving APT's completion rate, employment rates, and income level of graduates is recommended to boost benefits further.</p>
<p><b>4.2 <i>Timeliness</i>:</b> The extent to which the intervention delivered the results (outputs, outcomes) in a timely manner (within the intended timeframe or reasonably adjusted timeframe) and the extent to which efforts were made to mitigate delays.</p> <p><i>Note: in case timeliness was unsatisfactory for reasons outside of the intervention's control, the rating should still be unsatisfactory and explanation provided in the justification field.</i></p>	2 - satisfactory	<p>The project's timeliness in delivering outputs is perceived as satisfactory by stakeholders, with around half of the respondents indicating that the project met their expectations significantly or completely. The project significantly improved fund disbursement timeliness, cutting delays from nearly a year to a few months due to earlier budget releases and</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		more efficient processes. Despite these improvements, challenges at the local government level and the requirement for multiple government approvals persist, potentially affecting timely delivery.
4.3 <b>Operational efficiency:</b> The extent to which management, monitoring and steering mechanisms supported efficient implementation (resource allocation, spending and redirection, risk management, logistics and procurement decisions, etc.)	2 - satisfactory	Operational efficiency is marked by significant strides in management, monitoring, and steering mechanisms, as evidenced by the streamlined fund disbursement process and improved capacities at provincial and municipal levels. Yet, local and provincial levels still face challenges like procurement issues, understaffing, and frequent administrative changes. These issues highlight the need for capacity building and more streamlined intergovernmental coordination to overcome barriers to efficiency.
4.4 <b>Efficiency of collaboration:</b> How efficient is the collaboration between the federal and provincial governments on the one hand and on another hand, between provincial and local governments? How efficient is the collaboration amongst the various private sector actors (eg. associations – member industries, federal level association vs provincial ones) as well as between private sector and the three spheres of government?	2 - satisfactory	Survey and interview feedback indicates general satisfaction with the collaborative efforts among different stakeholders; however, certain challenges have been mentioned in interviews. These challenges include delays in decision-making due to difficulties in adapting to the decentralization of responsibilities across government levels, and



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		potentially the size of committees which was mentioned by some stakeholders. Technical advisor integration shows promise, including for enhanced public-private collaboration, yet there is concern regarding its potential to detract from local initiatives / investment in the long term. Despite the active involvement of the private sector, there remains a disparity between their expectations and the perceived quality of services.
<p><b>5 <u>Impact</u>: What difference does the intervention make?</b></p> <p>Summary: The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic indirect, secondary and potential consequences of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment.</p> <p><i>Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual impacts (i.e. already evident) and foreseeable impacts.</i></p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The project shows early promise in delivering social and economic benefits, particularly through its APT and OJT programs, indicating a positive impact trajectory. Efforts to foster informed choices through CG and building public-private partnerships are laying groundwork for systemic improvements in Nepal's TVET sector. The project is actively working towards inclusivity. While it's too early to fully assess the project's transformative potential, initial feedback and progress toward systemic changes suggest a positive impact on beneficiaries' well-being and the broader TVET landscape.</p>
<p><b>5.1 <i>Intended impacts</i>:</b> The extent to which the intended (planned and,</p>	<p>2 - satisfactory</p>	<p>Immediate participant (training) results hint at</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p>where applicable, revised) 'higher-level effects' (i.e. lasting changes in the lives of beneficiaries) of the intervention were (or are expected to be) achieved.</p> <p><i>Note: also consider the extent to which the intervention contributed to "holistic and enduring changes in systems or norms" and transformational change (addressing root causes or systemic drivers of poverty, inequalities, exclusion and environmental damage).</i></p>		<p>potential social and economic benefits, yet evaluating broader, lasting changes is complicated by the lack of a counterfactual for comparison. Positive early feedback and progress towards effective public-private partnerships and federalization point towards achieving intended effects. However, the full impact, especially regarding enduring systemic changes, is still emerging, requiring a cautiously optimistic view on realizing transformative change.</p>
<p><b>5.2 Contribution to intended impacts:</b> The extent to which the intervention actually contributed (or is expected to contribute) to the intended higher-level effects.</p> <p><i>Note: results of contribution analysis, etc.</i></p>	2 - satisfactory	<p>The intervention has shown promise in contributing to intended impacts, including through the APT and OJT components, which, despite being in early stages for Phase II cohorts, have garnered positive stakeholder feedback. The CG component highlights the value of informed choice, suggesting paths to improved outcomes and empowerment. With the project building towards public-private partnerships and federalization, it's laying foundations for wider social and economic benefits, although fully realizing these impacts will take more time.</p>
<p><b>5.3 Unintended impacts:</b> Has the intervention brought about (or is it expected to bring about) any unintended (positive and/or negative)</p>	2 - satisfactory	<p>Given the project's midterm review stage, identifying and assessing unintended impacts is challenging.</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p>higher-level development results? If yes, to what extent have these higher-level effects been positive (or are likely to be positive)?</p> <p><i>Note: consider here any kind of unintended effects such as escalating or deescalating effect on a conflict or context of fragility, effect on the legitimacy of the state or non-state actors, effect on the inclusion or exclusion of vulnerable groups, unintended pollution, etc. If there wasn't any noteworthy unintended impact (higher-level effect), mark this question as non-applicable (n/a) and do not give a rating.</i></p>		<p>However, the feedback from APT students regarding the limitations of their apprenticeship in furthering education highlights potential areas of unintended negative impacts, such as disillusionment or misalignment of expectations. These aspects, while not directly linked to the project's core objectives, could influence the perception and attractiveness of TVET pathways, affecting broader systemic and normative changes.</p>
<p><b>5.4 Differential impact:</b> the extent to which the intervention's intended and unintended higher-level results (impacts) were (or are expected to be) inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation.</p> <p><i>Note: Keep in mind that positive impacts overall can hide significant negative distributional effects.</i></p>	2 - satisfactory	<p>While the project excels in inclusivity within the apprenticeship program, challenges in OJT and SUT participation rates for women highlight areas for improvement. Additionally, the employment rate for women participating in OJT is lower than that for men. Despite these challenges, positive feedback from interviews highlights the benefits that women have gained from the trainings. However, assessing whether the employment rate for women as a result of the project surpasses that of a counterfactual scenario remains difficult due to insufficient data.</p>
<p>If an additional sub-criteria is relevant please formulate it here</p>	select	<p>Click here to enter text.</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p><b>6 <a href="#">Sustainability</a>: Will the benefits last?</b></p> <p>Summary: The extent to which the net benefits of the intervention continue or are likely to continue. Includes an examination of the enabling environment for sustainable development, i.e. financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analysis of resilience, risks and potential trade-offs.</p> <p><i>Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual sustainability (i.e. the continuation of net benefits created by the intervention that are already evident) and prospective sustainability (i.e. the net benefits for key stakeholders that are likely to continue into the future)</i></p>	<p><i>Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.</i></p>	<p>The project's sustainability depends on overcoming financial, institutional, and capacity challenges. Stakeholders show optimism, especially for the CG component, but express significant concerns about financial sustainability post-project funding, particularly for the APT and OJT. The absence of a TVET act and gaps in institutional sustainability, alongside mixed success in building stakeholder capacity, highlight areas needing attention for lasting impacts. While there are positive indications of institutionalization and stakeholder commitment, achieving sustainable outcomes requires addressing these financial and institutional barriers and enhancing stakeholder capacities to ensure the project's long-term success.</p>
<p><b>6.1 <i>Capacity and resilience development</i></b>: The extent to which the beneficiaries and development partners have strengthened their capacities (at the individual, community, or institutional level), have the resilience to overcome future risks and external shocks that could jeopardise the intervention's results and have improved their ownership or political will.</p>	<p>2 - satisfactory</p>	<p>Survey responses and interviews highlight a mixed picture regarding the strengthening of capacities and resilience among beneficiaries and development partners. Stakeholders, particularly in the CG component, are optimistic about their ability and motivation to continue project initiatives. However, lower confidence levels in the APT and OJT components reflect</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
		concerns about sustaining these efforts. The mixed motivation and capability across government, private sector, and training providers suggest a need for further capacity and resilience development to ensure project results can withstand future challenges.
<b>6.2 Financial sustainability:</b> The extent to which development partners have the financial resources to maintain the intervention's net benefits over time (e.g. increased national, and where applicable subnational, financial or budgetary commitments).	2 - satisfactory	Financial sustainability emerges as a critical concern, with a significant number of stakeholders expressing apprehension about maintaining project benefits without external funding. This is especially evident in the financial readiness ratings, which were notably lower across all project components. The greatest barrier to sustaining and scaling initiatives like APT and OJT is identified as limited financial resources. This mirrors challenges in many other development projects and one could argue that the project set-up (including the national implementation modus) has led to above-average chances that the results are also financially sustainable.
<b>6.3 Contextual factors:</b> The extent to which the context is conducive to maintain the intervention's net benefits over time (e.g. policy or strategy change; legislative reform; institutional reforms; governance reforms; increased accountability for public expenditures; improved	0 - not determined	Issues have been identified related to the absence of the TVET Act and the permeability challenges posed by the current TVET system. However, it is important to emphasize that the TVET Sector Strategic



DAC criteria and SDC/SECO sub-criteria	Score	Justification
<p>processes for public consultation in development planning).</p> <p><i>Note: It includes assessing the trade-offs associated between instant outcomes and potential longer-term effects as well as the trade-offs between financial, economic, social and environmental aspects.</i></p>		<p>Plan (TSSP) and the anticipated sector-wide approach (SwAp) supported by the project are enhancing sustainability. Nonetheless, it remains too early to determine the effectiveness of the TSSP and SwAp due to the slow progress of the federalization process.</p>
<p><b>6.4 Institutional sustainability:</b> How well has the project been able to build the capacity and ownership of stakeholders to continue the project's activities after the completion of the project? To what extent have major interventions of the project been institutionalised through policies, procedures, processes, guidelines and other mechanisms? What policies, procedures, processes, guidelines and standards are the most essential and require further strengthening during the exit phase to ensure a sustainable institutionalisation?</p>	2 - satisfactory	<p>The project has made efforts to build stakeholder capacity and ownership for post-project continuity, with varying degrees of success across different components. The private sector's willingness to support OJT financially suggests some institutionalization of project interventions. However, concerns about the capacity of governments and the readiness of the private sector to fully assume financial responsibilities indicate gaps in institutional sustainability. Essential policies, procedures, and processes need further strengthening, particularly in areas like career counseling and industry involvement in training programs, to ensure sustainable institutionalization after the project ends.</p>
<p><b>7 General comments</b></p> <p>Summary: this section is only for free text (no score). The evaluator may provide an overall assessment of the evaluated intervention, explore and reflect on relationships and synergies between different criteria (this</p>		<p>Click here to enter text.</p>



DAC criteria and SDC/SECO sub-criteria	Score	Justification
includes considering if and how they are causally related).		