

# **Review of Employment Fund Project**

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## Executive Summary

The Employment Fund started in 2008 and was expanded greatly by DfID financing in 2009. SDC/DfID entered into a longer term financing agreement in 2010, documented in a Phase I agreement covering 2011-2013. The Phase I Project is scheduled to conclude by end 2013. Both parties are interested in considering an extension of Phase I to June 2015, and SDC is open to considering a second phase project from 2015-2018.

The purpose of the review was to provide evidence for the extension of Phase I and suggestions for a possible Phase II. The review centered on three questions: (1) what has been the performance of the EF against the targets established in the Project Document; (2) how effective and efficient is EF organization and management; and (3) how could the EF feed into a next generation of skill development projects?

### ***I. EF Performance***

EF is on course to achieve almost all the targets established for it in the Project Document. Among others, it has exceeded the enrollment targets as well as the proportion of disadvantaged groups participating. It greatly exceeded the targets for life skills training and development of new training curricula. It effectively and quickly reversed a temporary dip in the proportion of females enrolled. It developed and piloted innovative programs in job creation and enrolling the poorest disadvantaged groups. It succeeded in establishing credit linkages for graduates through an agreement with a key bank.

EF performance differs with the original plan in a few areas. (1) Compared with a target of 80% the gainful employment, the rate fell to 73% in 2011 and 68% in 2012. Factors responsible include raising the minimum monthly income standard in 2012 to NRP 4,600. The monitoring system is better established now and probably more accurate. The review team considers the 68% rate to be satisfactory, given that the EF has a stringent income requirement for gainful employment, and it targets 50% female participants. Females are harder to place in employment compared to males owing to limited mobility and cultural attitudes. (2) The EF also fell short of the target on number of participants receiving entrepreneurship training. Rather than blanket one-day training, the EF is focusing on more intensive entrepreneurship training for those wishing to enter self-employment. In addition, the EF developed and piloted a more thorough entrepreneurship program designed to create employment. (3) The EF concluded it had no comparative advantage in training for the overseas market owing to lack of participant interest, logistical problems and issues in income verification. (4) The intended options paper on institutionalizing the EF was replaced by the joint monitoring of a large government program, EVENT.

Outcome 1 of the Project (“young women and men, especially those belonging to disadvantaged groups are gainfully employed”) is being achieved. The gainful employment rate, while declining, remains substantial. The EF has exceeded its targets of reaching disadvantaged groups.

Outcome 2. The second intended outcome of the project is: “The Employment Fund Secretariat and its partners (T&Es) are successful institutions in the TVET sector.” The Project Document defines ‘Success’ at three levels: (1) achievement of expected results; (2) contribution to TVET policy implementation; and 3) sustainability of the Fund and its operations.” The EF largely meets all three criteria. The EF is in process of achieving a strong majority of expected results. It also contributes to policy implementation in providing opportunity for skills development, inclusiveness in enrolling DAGs and linking training supply with employment. The verdict is not in yet, but the joint monitoring program with the EVENT project provides a vehicle for the EF approach, systems and criteria to be used in a major government project.

## ***II. Effectiveness and efficiency of EF organization and management***

The EFS has earned a wide reputation as a highly efficient project implementation organization, achieving strong outputs with a limited number of staff. Its procedures are strict, but transparent and fair. Its web-based data and monitoring systems are major achievements. More than half the staff work on field monitoring, showing a commitment to delivery. EFS under-spending on training and employment reflects the under-performance of T&Es in reaching targets on gainful employment rather than inefficiency in EFS management. EFS is diligent in controlling unit training costs. What sets the EFS apart, besides these characteristics and achievements, is the ability to identify problems and address them. In short, it has become an effective learning organization. The EF has also become well-known for its core competency in producing innovations, including payment for performance, incentives for enrolling disadvantaged groups, its RMA methodology, and -- more recently, experimenting with new approaches to reach the poorest, and generate gainful employment. Capacities of T&Es have been upgraded through substantial training of trainers and training of managers/administrators.

In contrast to the achievements, the Steering Committee has structural weaknesses. It excludes private sector representatives and representation from other key government ministries, both at the center and lower levels. The level of interest shown by MoE participants is variable. Other issues are the frequent turnover of staff in T&Es; the T&Es themselves remain financially vulnerable and dependent on donor financing.

## ***III. Possibilities for a Phase II project***

Fundamental options for a future Phase II project and beyond are to keep the EF as it is, close it when the planned national TVET Fund is operating, or modify the EF. The review mission recommends that Phase II contributes to the development of the Training Fund while (a) providing training and employment services to beneficiaries, and (b) further developing EF's core competency as an innovator. Continuation and expansion of training services is justified, despite two other large donor projects, in view of the limited projected coverage of labor market entrants. The EF should continue to provide training to large numbers of beneficiaries until the national TVET fund is operating effectively. Then funding should shift from the EF to the Training Fund. The long term role for the EF would be research, experimentation and innovation. Table 2.2 (p.34) summarizes the specific suggested priorities for assistance.

***Chapter IV summarizes the main recommendations.***

## Acronyms

ADB	Asian Development Bank
AGEI	Adolescent Girls Employment Initiative
BDS	Business development service
CTEVT	Council for Technical Education and Vocational Training
DAG	Disadvantaged group
DDC	District development committee
DEEP	Association of training and employment service providers (Far West)
DfID	Department for International Development (UK AID)
EF	Employment Fund
EFS	Employment Fund Secretariat
EVENT	Enhanced Vocational Education and Training (World Bank-financed)
GoN	Government of Nepal
IEDI	Industrial Enterprise Development Institute
IT	Information technology
LOI	Letter of invitation
M&E	Monitoring and evaluation
MNB	Bank
MoE	Ministry of Education
NPR	Nepalese Rupee
Nr.	Number
NSTB	National Skills Testing Board
OP	Occupational profile
PPP	Public-private partnership
MoU	Memorandum of Understanding
PIU	Project Implementation Unit
RMA	Rapid market appraisal
SAMI	Safe Migration Project (SDC)
SC	Steering Committee (of EF)
SDC	Swiss Agency for Development and Cooperation
SDP	Skills Development Project (funded by ADB- about to start)
SEIS	Skills and Enterprise for Informal Sector (EU-funded Helvetas project)
SEP	Skills for Employment Project (completed)
SWOT	Strengths, weaknesses, opportunities and threats
T&E	Training and employment service provider
TITI	Training Institute for Technical Instruction
TTP	Technical training provider
TVET	Technical-vocational education and development
YSEF	Youth Self-Employment Fund
WB	World Bank

## Introduction

The Employment Fund (EF) started in 2007 under a framework agreements between the Government of Switzerland and Government of Nepal (GoN). It is governed by a Steering Committee chaired by the Joint Secretary of the Ministry of Education (MoE), and is managed by the Employment Fund Secretariat/Helvetas Swiss Intercooperation. The Fund has been operational since 2008 and aims to raise the incomes and living standards of economically poor and socially disadvantaged youth by providing them training and gainful employment. In 2009 the Department for International Development (DfID) joined in financing the EF, and the World Bank (WB) has implemented its Adolescent Girls Employment Initiative (AGEI) through the EF. In 2010 DfID extended its additional assistance over three years. A Project Document<sup>1</sup> was signed covering 2011-2013. The operations of the EF were reviewed in 2010<sup>2</sup>, focusing on management procedures, in particular M&E.

Phase I is scheduled to close at the end of 2013, but SDC and DfID have both expressed willingness to consider extending the EF until June and March, respectively, 2015. The Swiss Government is also interested in considering continued support for gainful employment of disadvantaged youth through vocational skills training in a Phase II project beyond June 2015. Therefore, the time is opportune to take stock of EF performance, distill lessons and good practices and identify possible priorities for future assistance.

Three main questions are to be addressed. (1) What were the outputs and outcomes in relation to original expectations? (2) How effective and efficient has project management been? (3) How can the Employment Fund project feed into a next generation of skill development projects in Nepal. The terms of reference of the review appear in Annex 1.

Scope. The Project Document formed the basis for the review. The review covers 2011-2013, in effect two years and five months. The Project Document did not include financing by WB/AGEI. However, it proved impractical to separate out the data. So most of the data refer, unless otherwise noted, to EF activities as a whole. However, the logical framework was reviewed against only the Project Document.

Methodology. The review took place in Nepal in a compact period from 1 to 24 May, 2013. It was based on a review of the literature, interviews with key stakeholders and visits to training and employment sites. To facilitate an uninhibited airing of views, EF staff did not participate in the interviews (except team interviews with EF staff themselves). Annex 2 lists the persons met and places visited.

Limitations of the review. It was not possible to cover all subjects, or in any depth given the limited time of the review. The review team members may have misunderstood or misinterpreted the views expressed by respondents. Because of time limitations, Dr. Nakul

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<sup>1</sup> Government of Nepa, Ministry of Education; Embassy of Switzerland in Nepal; Helvetas Nepal, "Project Document: Employment Fund- Phase 1 January 2011-end December 2013," December 2010

<sup>2</sup> Marianne Roth and Lokendra Prasad Ooudyai, "Report on the consultancy to assessing the incentive and results measurement and reporting systems of the Employment Fund and its partners," 24 September 2010.

Baniya could only participate for a short time in the review. However, he helped draft the report and reviewed its findings and conclusions. The findings and conclusions are those of the review team. They do not necessarily express those of SDC, DfID or the EF. Any omissions or errors are solely the responsibility of the review team.

Several important changes have taken place since the Project Document was approved. Since Phase I was approved. The World Bank approved a credit for the EVENT project that includes short term training for 47,500 youth patterned after the EF model. The Asian Development Bank is about to approve a successor to its SEP in the form of a Skills Development Project (SDP) that also includes short-term training for about 45,000 people. The Cabinet approved a TVET Policy in December 2012 that, among other things, calls for the establishment of a national TVET Fund and a Nepal Qualifications Authority.

The review team wishes to thank the EFS for arranging a thorough coverage of stakeholders, changing things flexibly to meet team requirements, and to the many stakeholders who gave freely of their time and views.

The outline of the review report follows the three main questions, i.e. EF performance (Chapter I); effectiveness and efficiency of EFS (Chapter II), and possibilities for the next generation of skills development projects (Chapter III), followed by a summary of main recommendations (Chapter IV).

## I. ACHIEVEMENT OF OUTCOMES AND OUTPUTS WITH MAIN LESSONS LEARNED AND BEST PRACTICES<sup>3</sup>

### Overview of achievements and shortfalls

#### *Achievements in Phase I*

1. Communications strategy, and establishment of the complaint monitoring system
2. Steadily increased training delivery, from 10,600 participants in 2010 to 15,060 in 2013 (SDC/DfID).
3. Exceeded target for DAG participation (average of 83% compared with an 80% target)
4. Exceeded the target for completion rate of training (95% and 94% in 2011 and 2012 vs. target of 90%.)
5. Exceeded the target of % of graduates passing the skill tests (91% and 86% for 2011 and 2012, compared with target of 80%)
6. Collaboration with new T&E service providers (increase from 21 to 36)
7. Greatly exceeded target for life skills training (15,670 vs target of 3,000)
8. Establishment of credit linkages for graduates through MoU with MNB (and YSEF)
9. Tracer study completed on 2008/09 graduates
10. Greatly exceeded targets in development of new occupational profiles, curricula, manuals, translations
11. Piloted training in at least 12 new trades
12. Introduction of “Annex” training – multiskilling
13. Creation & piloting of innovative program, “Micro Enterprise Development for Job Creation”
14. Creation & piloting of innovative program, “Path to Prosperity”
15. EFS capacity development
  - Operational guidelines developed and implemented
  - Monitoring guidelines developed and implemented
  - Creation of web-based data system
  - Additional field staff hired and trained
16. T&E capacity development
  - Substantial training of trainers provided to T&Es in pedagogy, life skills, business skills, etc.
  - Training of T&E managers and administrators on RMA, institution management and accounting
17. Steps towards institutionalization- MoU signed and being implemented with EVENT to transfer EF approach, methods and experience to MoE
18. EFS managed to reverse quickly a major shortfall in female participation – the proportion dropped to 41% in 2011 but sprang back to 51% in 2012 and an estimated 53% in 2013 (see Box 1).

#### *Main Shortfalls*

1. The employment rate fell below target in 2011 (73%) and 2012 (68%)
2. Consequently, budgeted funds were under-spent for short term training in 2012

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<sup>3</sup> See Annex 3, Statistics and monitoring indicators for details.

3. Under target for number of participants provided entrepreneurship training (5,700 vs target of 12,000)
4. Under target for pre-departure orientation training (675 vs target of 1700) (EFS more or less concluded that it had no comparative advantage here in view of limited and widely dispersed demand for such training among its clients).
5. Options paper for institutionalization not done (replaced by MoU for joint monitoring of EVENT)

## EF Performance by Program Component

### Component 1: Skills Training & Employment

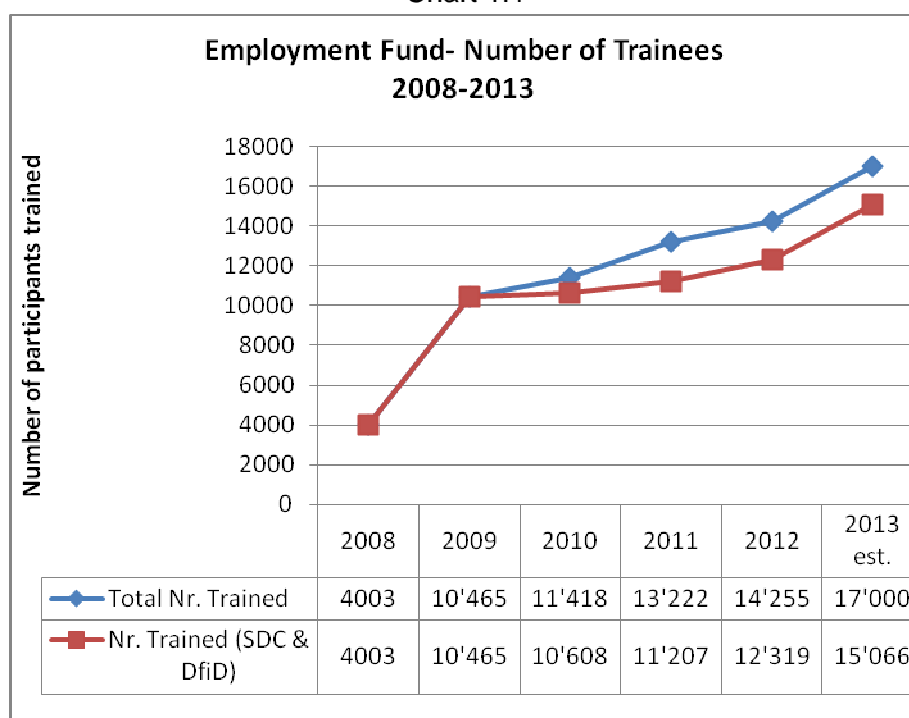
#### ***Sub-component 1.1 -- Development of a Communication and Outreach Strategy***

The Project document states that the EF will develop a communications strategy combining low cost mass media interventions and interpersonal relationships to encourage applications of the various target groups (p.22). This was done. In 2011 the EFS published its communications strategy anchored in two pillars: greater use of radio and use of outreach partners. The EF signed MoUs with various outreach partners, such as the single women's organization and Dalit women's organization. The number of female applicants almost doubled. Since 2012 with the introduction of the data base system the EFS has been able to collect information on the ratio between number of applicants to those selected.

#### ***Sub-component 1.2- Skills training and Skills Testing***

The Phase I program is on schedule to meet its quantitative targets on numbers of trainees. In 2011-2013 the EF will have trained an estimated total of 38,600 persons (excluding World Bank AGEI), or 1,600 more than the target of 37,000, as shown in the chart below.

Chart 1.1



Source: Based on EFS data

The number of participants increased by 2.6 times between 2008 and 2009 with the injection of funds from DfID. Since then the number has climbed steadily, both with and without funding from the World Bank's AGEI. Between 2012 and 2013, the number of participants financed by DfID and SDC increased by 22.2%.

The proportion of participation by disadvantaged groups DAG was 81% and 86% for 2011 and 2012, with 84% estimated for 2013, exceeding the target of 80% in each year.

The only shortfall is likely to be a slight reduction in the overall proportion of females trained. It is likely to come in at 48.9 % of the total for Phase I, compared with a target of 50%. This points to the continuing challenge of employment of females in Nepal. In 2011 the % females dropped to 41% from 51% in the previous year, but bounced back to 51% again in 2012. Reportedly sufficient applications were received from females in traditional female occupations, e.g. beautician, but insufficient in occupations with reasonable employment prospects (e.g. plumbing and electronics). Box 1 indicates how the EFS managed this turnaround.

#### Box 1

##### **Using a stick and carrots to raise female participation**

In mid-2011 the EFS realized it faced a major issue: the proportion of female participants had dropped dramatically from 51% in 2010 to 41% compared with a target of 50%. First, it appealed to the T&Es to do more, but this did not have much impact. Then it adopted a combination of conditions and stimulus. It placed a condition in contracts the following year that T&Es would not be paid for any additional males trained above the assigned quota. For stimulus, the project (1) allowed T&Es to raise the number of females trained by 10% above the assigned quota; (2) revised the categories for incentive payments so that T&Es could be paid more for female graduates; (3) raised the eligible age for females from 35 to 40 (in view of findings that many women begin other occupations in this age group after having completed their child-rearing); and (4) raised the education bar from below SLC to SLC +2 only for females and only for selected non-traditional occupations (e.g. waiter, which requires English). In addition the EFS established outreach to women's groups, e.g. the single women's organization, Dalit and muslim women's organization, to stimulate interest in the training. The cumulative effect of these measures was immediate and dramatic: the proportion of female participants increased by 24% from 41% to 51% in the next year, and an estimated 53% in 2013.

Among other things, the Project Document states the EF will extend its collaboration to new T&E service providers from a base of 17 in 2008/09 (p.22). This was fully accomplished. The EF operated through 21 T&Es in 2010, and increased the collaboration to 32 T&Es in 2011, 35 in 2012 and 36 in 2013.

The Project Document also states that the EF will "explore opportunities of introducing a more competitive and transparent bidding systems to reduce selections costs and increase

transparency and competition.” (p.22) Accounts from the T&Es consulted during the review confirm that the bidding process is fair and transparent. The LOI makes the criteria for selection known in advance. The results of the bidding process are uploaded to the website. Anyone can see the winning bidders, contract amounts, total trainees and per capita budgets.

Another specific target mentioned in the Project Document is to increase participation in the skills tests from 50% in 2008/09, with a pass rate of 80% (p.22). This has been accomplished. Participation in the skills tests was 94% in 2011 and 2012, with pass rates of 91% and 87%, respectively. (Data not yet available for 2013)

### ***Sub-component 1.3- Skills Plus Support Package***

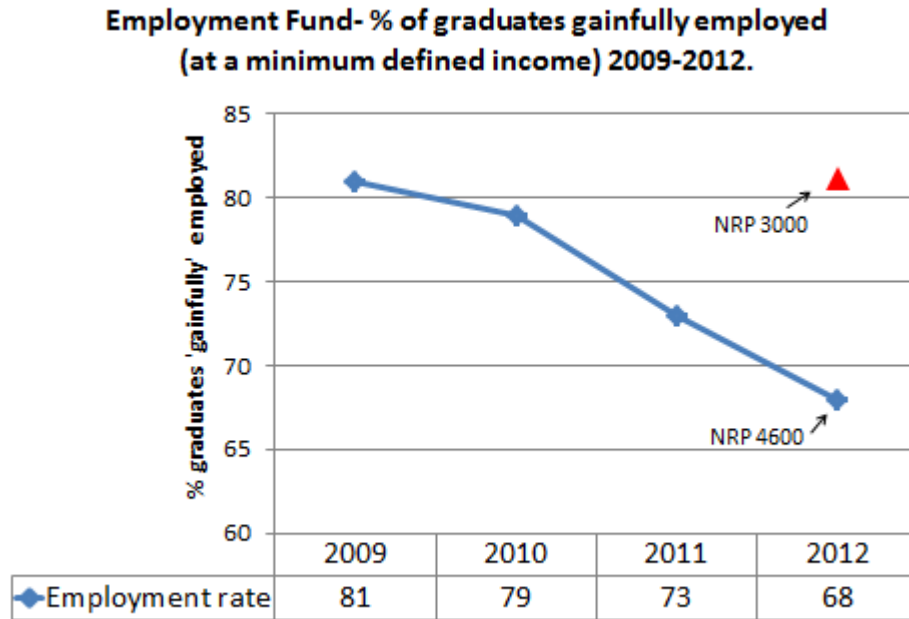
The Skills Plus Support Package includes the following elements:

1. Life skills, including reproductive health and HIV/AIDS. In 2010 a resource organization, ANTARANG, developed and piloted a training manual. It conducted training in 2011 of 260 life trainers among the T&Es. With this foundation in capacity building, out of 8190 trained graduates in 2012, 7150 (87%) of the women trainees received life skills training. The total number of participants receiving life skills in Phase I has already exceeded the target by five times, 15,674 trainees compared with a target of 3,000. In 2011-12 life skills training was given only to women, but is being delivered to males also from 2013 onwards. Moreover, the satisfaction rate of participants with these programs is exceptionally high – 98%-100% in samples from 2011 and 2012. In addition, a separate **[1 day?]** program on reproductive health, HIV/AIDS and labor laws was designed with the help of a resource partner and delivered to 4,692 participants (both sexes) in 2012.
2. Entrepreneurship training- All participants will eventually receive a one day exposure to entrepreneurship training. In addition, those wishing to enter into self-employment receive five days of training on entrepreneurship. According to the Annual report 2012, 1,665 graduates who were interested to start their own micro-enterprise graduates (12% of the total) received five days of business training. In total, about Some 2,740 received the five-day training in 2011 and 2012. (A separate innovative program has been designed and piloted to create employment through entrepreneurship. See section below under Product Development)
3. Pre-departure orientation training- This program has been effectively discontinued. A resource organization (“Paurakhi”) was contracted to prepare and deliver pre-departure training for migrants. However, not many trainees wished to take this training, a few from each group. This presented a logistical problem as the few were widely spread. Only about 175 trainees were given pre-departure training in 2011 and 2012 against an original target of 1000 for those two years. EF decided with SC concurrence that it did not have a comparative advantage in delivering this training. Many other organizations do so. The SDC started its own program on “safer migration”, SAMI. The government conducts its own compulsory orientation program for emigrants.
4. Mainstreaming the concepts and approaches of psycho-social support- The EFS conducted a round of training their own staff in gender and ethnic sensitivity. The staff then trained EF partners’ monitoring teams in T&Es. According to the Annual Report in 2011 38 staff were trained in 2011.

**Sub-component 1.4- Job Placement**

As stated in the Project Document, “job placement is perhaps the most crucial component of the EF.” The standards for “gainful employment” continued at Rp3,000 for 2011, but was increased to Rp4,600 in 2012. The EF has not been able to maintain the employment rate at 80% during Phase I. The following chart shows the steadily declining trend, from a high of 81% in 2009 to 73% in 2011 and 68% in 2012.

Chart 1.2



Source: Based on EFS data

Several factors account for the decline. First, raising the minimum income threshold in 2012 disqualified many graduates who were nonetheless working. Maintaining the threshold at Rp3,000 would have meant an employment rate of 81% (the red triangle in the graph above). Second, lower gainful employment rates may simply be a reflection of better monitoring systems within the EF. Third, the lower rates may reflect the inexperience of working with new T&E providers, several of whom have been dropped for poor performance. In addition, the declining employment rates may also indicate problems in the proper functioning of the RMA process, or market saturation.

**Recommendation:** The EFS should undertake annual reviews to pinpoint the causes of low employment with T&Es, including sample surveys of unemployed graduates<sup>4</sup>. It should examine the employment rates by occupation, gender, DAG category and region to adjust quotas in the following year. For example, if the gainful employment rate for females in tailoring was low in certain districts in the Far West one year, this should be taken into account in quotas the following year. The EFS database should enable and facilitate such analysis. The RMA process or practice

<sup>4</sup> EFS conducts half-annual reviews with the T&Es during which low employment rates are a key point on the agenda. However, EFS lacks the suggested structured feedback mechanisms to make sure that the findings from the review are fed back into the procurement.

may need to be refined and strengthened. Separate measures may be required to place hard-to-employ groups in different regions.

It is important also to keep the employment rate in perspective. From a cross national perspective a 68% employment rate is good and better than most training programs in developing countries. It is even stellar when considering two conditions that the EF applies to its program that are missing in other skill development programs: (1) a strict standard for minimum income to be considered “employed;” and (2) the EF targets 50% women participants. Employment rates tend to be much lower for females than males, in part because females are more limited mobility to take up jobs. Traditional female occupations often do not generate the minimum level of income. It is difficult to employ females in non-traditional occupations because of cultural and other factors<sup>5</sup>.

To avoid saturation, the Project Document also called for additional efforts to identify new markets for the same or new trades. The EFS piloted seven new trades in 2011 and four in 2012. (See section 2.3, below, for details.)

The Project Document anticipated that a greater proportion of graduates would move into self-employment compared with 30% in 2010. It called for a support package for those moving into self-employment, including business skills and follow up support. According to EFS data, the proportion of graduates entering self-employment was 17% in 2011 and 30% in 2012. The EFS has developed three programs of support for entrepreneurship:

- A one-day training exposure for all participants. However, this has been rolled out only in part, with some T&Es delivering it and others not. Only about 5,000 of the targeted 17,000 will receive this exposure in 2013.
- A five day entrepreneurship program has been developed with expert assistance from IEDI and is being provided to all graduates who want to enter self-employment. About 1075 graduates received the five-day entrepreneurship program in 2011, 1665 graduates in 2012 and an estimated 3,000 graduates are receiving it in 2013. In addition, T&E service providers are supposed to provide follow-up support for those entering self-employment. Such support includes job placement, helping to find suppliers, helping with credit terms, helping graduates to expand the client base and market their produce etc. The EFS routinely asks self-employed graduates about support received from T&Es. In 2012 about 2000 graduates indicated they had received business start-up support from T&Es, and a target of 3,000 has been established for 2013. This is well below the target established in the Project Document of 12,000 cumulatively. Clearly, more work needs to be done in the area of follow-up support.
- The EF has developed and piloted with assistance from IEDI an innovative program entitled, “Micro Enterprise Development for Job Creation”. Program development was started November/December 2012 and completed early in 2013. First round of implementation was recently completed. A total of 700 youths was trained by mid-May 2013. A second round of training has been planned for 800 youths commencing in early June. [This is described elsewhere in the report under Innovations.]

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<sup>5</sup> The review mission heard many instances of barriers to employment of women, e.g. in Muslim areas in the Far West even all the tailors are men; it is difficult for women to succeed in occupations that require mobility in Muslim areas; employers will not hire women in occupations that require strength. Some exceptions: women were preferred by men and women to work household electricity in Muslim houses while the men were away working.

**Recommendation:** The EFS should explore the feasibility of low-cost means to provide continuing support in counseling, coaching for those entering self-employment beyond the 6 month period.

Access to credit for graduates. The Project Document indicated that EF will make efforts to link graduates with sources of credit. This was successful. The EFS signed a MoU with NMB that permits graduates to access credit at 15% annual interest based on the recommendation of the T&E<sup>6</sup>. The loans are extended without collateral to groups of three to five graduates. In 2011 286 graduates received loans, and the number has increased to about 800 with a total target of 1,000 in 2013. NMB<sup>7</sup> indicated that its medium-term target is 10,000 micro-enterprise loans. NMB stated that it faces several challenges in administering the micro-credit for EF graduates. Default rates are low, at about 1-2% for the currently outstanding loans, but a high proportion of the loans is in arrears. That is because it is difficult for loan recipients in rural areas to make payments. The transportation costs to bring the payments to the nearest NMB branch can exceed the loan payment. A solution is being sought by the Bank via use of agents who will travel to rural areas to make the collections. In addition to the agreement with NMB, EFS signed a MoU with the Youth Self-Employment Program in 2013 that could extend low-interest loans to its graduates. Details are being worked out.

## Component 2: Market Research and Product Development

### **Sub component 2.1- Labour Market Research and Studies. (Envelope B)**

The Project Document states that “the EFS will undertake efforts to develop and maintain a good understanding of skill demands in labor markets” and share the knowledge with T&Es. The EFS was expected to a macro-level study of labor markets in Nepal, conduct sector and sub-sector studies and district market assessments, and assess the potential of foreign labor markets. (p.23)

The EFS undertook the following labor market studies in Phase I:

Table 1.1- EFS Labor Market Research

<i>Market Research Activities</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	
			<i>Accomplished</i>	<i>Planned</i>
District/ regional level market study	3 studies		1 study	1 study
Market research on labour migration	1 study	2 studies		
Tracer Study		1 study	1- On going	
Value chain study on training and employment		1 study		

Source: EFS

<sup>6</sup> One focus group meeting of T&Es complained that MNB was slow to approve loans and only in urban areas.

<sup>7</sup> Interviews with NMB in headquarters and Far West indicated that the Bank is required to allocate 4% of its total loans for micro-enterprises. The Bank faces difficulties in collection owing to dispersed customers; Loans in arrears were relatively high owing to difficulties of those in rural areas to make payments (an agent may be hired as intermediary to do so); but default rates were low at about 3%.

The 2011 studies included research in Qatar among Nepalese migrant workers by “Paurakhi”, and two training needs assessments (TNA) in Ramechhap and Dailekh. In addition, a report assessed the employment potential of the agro-forestry sub-sector. In 2012 two studies were undertaken on labor migration, a general study on T&E services available for migrating youth, and one on available services for migration to India.

A value chain study was completed aimed at how the EF could encourage private sector training providers to become more sustainable through expansion of fee based courses. The report had limitations. It suggested that (a) continued capacity building of private training providers would help strengthen the value chain, as would (b) development of market oriented programs in strong demand both from prospective trainees and employers, and (c) linkages with financial service providers both for development of training infrastructure as well as credit to trainees for skills development.

The principal activity in 2012 was a tracer study of graduates from 2008/09. The main findings are summarized in Box 2.

#### **Box 2- Main Findings from Tracer Study**

The survey covered a sample of 670 graduates (59% male, 41% female) from among the 11,625 EF training graduates from 2009/09, an average of 32 months after completion of the training.

##### **Findings related to training and employment**

- 68% of the graduates were still in employment (i.e. 85% of the 80.5% of graduates found to be gainfully employed after six months)
- 91% were in full time employment, 87% in regular employment with 13% seasonal employment.
- Average monthly income increased from below NPR 2,500 to nearly NPR 9,000. The increases by gender were as follows: NPR 2573 → 9730 for males; NPR 2143 → 7568 for females.
- The income gap between men & women increased from initially NPR 400 to over NPR 2,000;
- 91% cited an increase in their overall living condition.
- 90% reported successful application of the knowledge and skills acquired; 80% found the training relevant to their current work; 84% considered the acquired skills as important for their current work; 9% as moderately important
- 91% were highly or very highly satisfied with their employment
- Importance of multi-skilling: only 46% worked in jobs related to the training, 44% in another job in the same sector;
- Major challenges were low wages, no opportunities for skills upgrading trainings and - at a lower frequency - age, caste and gender discrimination
- 81% ranked placement & counseling service as good/ very good, 19% as just okay;
- Self-employment rate increased from 35% to 49% while 91% of the graduates wished to work in self-employment
- Multiplier effect: 81% of the respondents reported having shared their skills with others.

Source: May 2012, Tracer Study of Technical Skills Development Training Graduates, 2008/2009. Development Vision - Nepal (P.) Ltd..

EFS commissioned another tracer study in 2013 – on self-employed graduates from 2010 having received business skills training (on-going). A study was completed in 2013 on the

identification and promotion of the skills of indigenous peoples. The study identified indigenous groups that could be targeted for EF training, several traditional skills (such as aloe processing, herbal medicines and bamboo products) that could be promoted. It identified seven organizations with which EF can collaborate for promoting indigenous skills (Folk Nepal, Nepal Knotcraft, Association for Craft Producers, etc.)

The results of these studies were shared in pre-bidding forums with T&Es and factored into bidding documents.

The EFS was expected to “explore other appropriate tools and methods for ... providing relevant and up to date information on skills demands.” (p.24) In addition, EFS would engage in “regular interactions with district and national-based business associations ... to get direct feedback on skills...; and a network of informants will be developed to obtain reliable information on labor markets...” (p.24) In this context, the EFS gathered information about skills in demands through contacts with business associations, including the hotels, floriculture and leather goods.

**Recommendation:** The EFS should undertake a review of the RMA methodology in practice, comparing predicted employment with actual employment by occupation, gender and district, and, on a sample basis, the extent to which T&Es may be cutting corners. In some cases, the RMA practice may have become routine without much effort to identify new skills in demand. If so, the study should identify ways to re-invigorate and refine the process.

“The EF, in close partnership with its T&E service providers, will encourage employers to provide feedback ... on their perception of the quality of skills training.” (p.24) EFS explained it has no means, other than consulting employer associations, to tap employer views about the value of their training – as they are so widely scattered.

**Recommendation:** EFS should examine the feasibility of adding when verifying income of wage-employed graduates a simple survey of employer views about level of satisfaction and specific improvements needed in the regular EF training.

The EFS collects in its data base a wealth of labor market information on employment by occupation and income. This could be aggregated and used for two purposes: (1) as stated, to adjust training quotas in the following year, and (2) to disseminate information about employment opportunities before training, and thereby to help channel participants into areas with greater job prospects, and (3) disseminating information to the public more generally.

**Recommendations:** (a) Prepare annually and disseminate data base on employment rate and income by occupation. (Note: This was done in the 2009 Annual Report) (b) Endeavor to convince EVENT and SDP to do the same, so as to widen the database.

Labor market studies are notoriously difficult to do well. Since all three projects (EF, EVENT and SDP) have funds for this purpose with relatively common goals, It may be advisable for the three projects to jointly finance such studies and thereby help to ensure that sufficient research capacity is devoted to the studies. In any event, EFS should concentrate on mining

its own data on employment and incomes by occupations, and on linkages with employer groups, including at district levels<sup>8</sup>.

### **Sub component 2.2- Product Development**

"New trades with potentials for employment of skill-trained young women and men will be identified and EFs will provide support to develop occupational skills standards for these new trades along with curricula". In addition EFS is expected "to support translation of these materials in local languages as required". (Project Document, p. 24)

*Occupational profiles, curricula and manuals.* The following table shows the accomplishments under product development during Phase I.

Table 1.2- Curricula, Manuals and Occupational Profile Development  
Phase I target= 15 new curricula and manuals

Major Activities	2011	2012	2013		Phase I total
			Done	Plan	
Development of New Curricula	7	11	8	12 in process	26 + 12
Updating and translation of curricula in Nepali language	14	13		5 in process	27 + 5
Development of Training Manuals	3	14		16	17 + 16
Development of occupational profiles (OP)	10	8	4	16	22 + 16
Quality Indicators for occupations (annexed to curricula)		10			10

Source: EFS.

The actual output exceeds substantially the original target of 15 new curricula and manuals. Twenty-six new curricula have been developed with an additional 12 in process, and 27 manuals completed with five more under preparation. In addition 22 new occupational profiles have been completed with 16 being prepared, and quality indicators annexed to ten curricula<sup>9</sup>. T&E service providers indicated that the new products were useful and relevant to their work and that more needs to be done. Many curricula were out of date<sup>10</sup>, particularly in rapidly developing fields such as mobile phone technology. In many cases, where curricula have not been updated, the providers add their own subjects to the curriculum based on local practices in the job market. T&E respondents also pointed to the issue of lack of coordination between occupational profiles (used to prepare the NSTB tests) and the Curriculum Division within CTEVT.

<sup>8</sup> For example, the review team learned that a cottage and small industries employers' association exists in the Far West. In addition, the DEEP has carried out labor market studies (e.g. one in India) to identify requirements for skilled labor that could be met by its members. [Elaborate.]

<sup>9</sup> As agreed with CTEVT as of 2013 the quality indicators will be integrated into any curricula developed by CTEVT. Hence, for instance the 8+12 Curricula sponsored by EF will include these indicators (and supposedly curricula developed with the support by other agencies would also.)

<sup>10</sup> For example, reportedly the NSTB L1 examination in plumbing focuses on iron pipe and neglects plastic pipes, even though (at least in the Far West) plastic pipes are used exclusively and iron pipes are no longer used in plumbing.

*Innovations.* The following new products were developed during Phase I:

Micro Enterprise Development for Job Creation. The program seeks to create employment for people in the EF's target groups. Eligible to participate are people (age 18-40) who are not currently self-employed or going to school, preferably with access to capital, but lacking technical skills. They are trained under the program to start their own enterprises and create jobs for disadvantaged groups. The educational bar is lifted for the participants, but applied to filling the new jobs created. Target groups are the same four categories A through D as the regular program. Trainees undergo career counseling (2 days) and business motivation (5 days). A selection is then made of potential entrepreneurs to undergo 390 hours of technical training. The technical training includes financial literacy training, exposure visits and on-the-job training. The technical training concludes with a NSTB trade test at which time the T&E can request the first installment of 40%. Trainees then undergo five days of training in business plan preparation. T&Es submit the second claim for 35% based on summaries of the business plans and copy of enterprise registration of graduates. The T&Es provide support for basic tools in business startup (average maximum NPR 8,000) and link the graduates to financial services. Business guidance is provided through monthly "business clinics" for six months. The purpose is problem solving, establishing networks, and updating on new technology. The aim of the program is job creation. The T&E is paid the final installment of 25% when the entrepreneur creates a new paid job for at least three months within a one year contract period between EFS and the T&E. Incentives are paid per category of graduate/entrepreneur, and a bonus is paid for creation of more than one new job (no incentive is paid if there is no new job created. The first round of 700 trainees has taken place and a second round of 800 training is about to commence. (See EFS, Implementation Guideline for Micro Enterprise Development for Job Creation, April 2013.)

**Recommendation:** The EFS should undertake an early evaluation of the job creation program by an expert with extensive experience in South Asia. The evaluation should consider (a) whether sufficient attention is given upstream to feasibility of business creation before training, (b) whether better results could come from providing the business plan training first, then selecting the best proposals before training, (c) ways to maximize job creation and reduce the costs per job created; (d) whether the level of installments at each stage, particularly the last stage of job creation, provides sufficient incentive.

Path to Prosperity. Very poor youth and those with special needs are often excluded from regular training because the opportunity costs of attendance are too high, i.e. they need to make a living on a daily basis and cannot afford not to work during training. Moreover, T&Es typically have found it difficult to identify and enroll the poorest youth. In the first round of implementation, therefore, the program used grass-roots resource organizations to identify participants. To focus and streamline selection, the EF is targeting districts in the Poverty Alleviation Fund of the government for the second round of training. At least half the people trained must be women. In view of their poverty, participants receive hostel facilities and food three times per day, plus actual transport costs. Single parents are provided child care. Functional literacy has been added as part of the training program. On conclusion of the training, participants receive a set of tools or equipment to facilitate employment, averaging NPR 8000. Payments are made to T&Es on the same basis as regular training, with

incentives according to category of graduate. (See “Implementation Guideline for “Path to Prosperity”, EFS, April 2013.)

**Sub component 2.3: Piloting of New Trades and New Employment Modalities**

The following table shows the number and title of 11 new trades developed by year during 2011 and 2012. In addition one-two new trades will be developed in the second half of 2013.

Table 1.3- New trades piloted in Phase I

2011	2012	2013
1. <i>Stainless Steel</i> Railing Making	1. Receptionist cum cashier	1-2 in 2 <sup>nd</sup> half of 2013
2. Aluminium Composite Panel Fitter	2. Wooden mask maker, 3. Felt fabric and 4. Glass work	
3. Gardener training	In addition, piloting of annex trades.	
4. Mechanical Fitter		
5. Car panel beating & Painting		
6. Tractor Driving cum Mechanic		
7. Jeans Bag Making		

Source: Based on EFS data

The above table suggests a reduced effort in identifying and piloting new trades. This was intention in view of the imminent closing date for the project at the end of 2013. In addition, EFS has attempted to identify new markets for existing trades as follows: through marketing organizations (in the case of handicraft and agriculture produce such as honey, mushroom, herbal), interaction with employers and employers’ associations (leather goods associations, contractor associations, bee keeping associations); decent work workshop together with employers and T&Es; and the various labor market studies explained above.

**Component 3: Capacity Building**

The Project Document states that the second overall outcome sought by Phase I is “The Employment Fund Secretariat and its T&E partners are successful institutions in the TVET sector.” “Indicators for achievement of expected results are percentage of selected participants completing training, percentage of trained graduates passing the skill test and percentage of graduates gainfully employed six months after training. Indicators for TVET policy implementation were common understanding with GoN on monitoring standards and mechanisms, and on quality standards. An indicator for sustainability of the Fund was number of additional donors contributing to the EF. (Project Document, Annex 1, p.2)

Although not stated as a separate sub-component under capacity building, the logical framework of the Project Document stated the following output for EFS under the “successful

institutions” outcome: “EFS strengthened and capitated to ensure consistent quality of the operations.” (Project Document, Annex 1, p.4) Indicators were quality of EF procedures and standards, and quality of its monitoring systems. Important achievements were made during Phase I in developing the capacity of EFS itself. First, the EFS developed and adopted a comprehensive set of Operational Guidelines. These Guidelines clearly spell out the norms and practices of the organization, including purpose, target groups, selection criteria for T&Es, procurement, payments, standard contracts, levels of monitoring and evaluation. Second, the EFS developed, adopted and disseminated an extensive monitoring guide. The guide includes four checklists on pre-training processes such as trainee selection, five checklists on the quality of training delivery, three checklists on post-training such as arrangements for trainee placement and four checklists on T&E management and administration. EFS staff and T&Es were trained in the use of both these guidelines. Third, EFS increased its field staff, in part to carry out the additional workload in joint monitoring of the EVENT program. (See Chapter II for elaboration.)

**Sub component 3.1- Capacity Building of Training and Employment Service Providers (Envelope C)**

What changes have been brought about by EFS in the T&Es and to what extent are these products and services likely to be sustained?

The following table shows the extent of EF capacity building for the T&E service providers.

Table 1.4- T&E Capacity Building, Phase I

Major Activities	2011	2012	2013		Phase I Total
			Done	Plan	
Number of Trainers Trained on training methodology (ToT)	445	556		360	1001 + 360
Number of Trainers Trained on Skills Plus (Life skills and business skills)	127	60		85	187 + 85
Number of managers trained on Rapid Market Appraisal	-	58	14	20	72 + 20
Number of managers trained on institute management, accounting, taxation	43	20	50		113
Number of orientation events on Decent Work Standards		4		4	4 + 4
Number of trainers trained on Business Skills	81	35		40*	116 + 40
TOT on Life Skill	46	25	85	80*	156 + 80
Number of trainers certified-skills level 2	67	294		160	361 + 160
Number of trainers trained on Career Counselling		36		20	36 + 20

\*= refresher

Source: EFS

The high number of T&E trainers trained, expected to exceed 1,350 by the end of 2013, reflects the constant need for ToT owing to a high turnover of staff among the T&Es. T&E

trainers typically are only part-time and seasonal, hired for the three month training. Thus, there is a continuing need to provide training of trainers. The EFS developed three levels of training – initial training, upgrading to L2 and refresher training..

About 520 trainers will have been upgraded to L2. In addition, about 240 trainers will have been training on life skills and 270 trainers on “Skills Plus”, and over 150 trainers on business skills. Substantial training of managers of T&Es also took place, including 113 on institute management and accounting and an expected 92 on RMA. Training in career counseling has had a modest beginning, the about 55 to have been trained by the end of Phase I.

The EF has, thus, strengthened both the technical capabilities and management skills of the T&Es. Whether this can be sustained is another matter. The T&Es paid for the travel and subsistence of their staff during training; EF paid the training costs. Many T&Es stated in focus group discussions that they would be willing to pay for the capacity building. However, EF staff observed that in practice T&Es were reluctant to pay even for the transport and subsistence costs of staff training, and sometimes asked the individuals to pay it themselves.

### ***Sub component 3.2- Institutionalization of EF.***

The Project Document stated that “the systems procedures and modules developed through the learning and best practices of the EF should be transferred to a sustainable organization so that decentralized training and employment related opportunities will be available to the poor and disadvantaged communities of Nepal over many years to come. However, the EF needs to complete at least 2 to 3 annual cycles of its training and employment activities to test and be confirmed on the effectiveness of its system, procedures and modules. ... The project will help develop a strategic option paper for the sustainable institutionalization of the EF. This will include clarifying roles and responsibilities of the different actors in the TVET sector including GoN institutions within a sustainable set up.” (p.25)

A strategic options paper was drafted, but was overtaken by the MoU signed between the EF and the EVENT project. The MoU provided a tangible means for EF to transfer its knowledge and expertise to a government/MoE institution, the EVENT PIU. The EVENT PIU is not a permanent structure, as its life is only assured until project completion in 2016. However, its placement within the MoE has the strong potential for transfer later into the permanent secretariat for the TVET Fund features in the Government’s 2012 TVET Policy.

One of the two intended outcomes of the project is: “The Employment Fund Secretariat and its partners (T&Es) are successful institutions in the TVET sector.” (p.18). The Project Document further states that “‘Success’ is to be measured at three levels: (1) achievement of expected results; (2) contribution to TVET policy implementation; and 3) sustainability of the Fund and its operations.” (Annex 1, p.2)

The evidence and findings from Phase I implementation largely meet the three criteria for success, as shown in the following table.

Table 1.5- Measures of 'successful' institutionalization

Criterion	Evidence/Findings
Achievement of expected results	The EFS clearly has been able to achieve a strong majority of the intended outputs – as presented earlier in this chapter.
Contribution to TVET policy implementation <sup>11</sup>	EF contributes substantially to policy implementation in the following ways: (1) expansion of opportunities for access; (2) inclusion of disadvantaged groups; (3) linking training supply to demand and employment. In addition, it promotes strengthening of private training providers and a training market.
Sustainability of the Fund and its operations	The verdict has not been delivered on this criterion yet. However, the EVENT joint monitoring assures that EF approach, systems and procedures are integrated in MoE project implementation. SDP also will follow the EF approach. Still, these are projects only exist for a limited time. It is not clear yet how the EF will contribute to the design of the central TVET Fund highlighted in the 2012 TVET Policy.

Source: Review Team

Challenges to further institutionalization: (1) As yet the EF has no formal relationship with the SDP, to be financed by ADB through a PIU in CTEVT, for transferring its experiences. (2) It is not clear how the EF will be able to contribute to the formulation of the concept and modalities of the TVET Fund.

## Conclusion

The goal of the Project (the living condition of economically and socially disadvantaged youth are improved) and its purpose (Nepali youths are gainfully employed) are being achieved. The gainful employment rate, while declining, has been substantial. The EF has largely reached important target groups of females, low income and disadvantaged groups. The capacity of the EFS and its partner T&Es has been raised, and a means has been found to transfer the EF's concepts, modalities and experience into a key GoN project.

<sup>11</sup> At the time of Project approval a TVET Policy 2007 was in effect as approved by MoE; in December 2012 a new TVET Policy was adopted by Cabinet that differed somewhat from the 2007 policy. The 2007 Policy had five pillars: (1) Expansion of training services and opportunities; (2) Inclusion of disadvantaged groups and individuals; (3) Integration of various training modes and providers into one system; (4) Relevance to link training content and outcome with economic demand; and (5) Sustained funding to ensure that the TVET market can take off.

## II. EFFICIENCY AND EFFECTIVENESS OF THE EF PROJECT SET-UP AND MANAGEMENT<sup>12</sup>

### Overview

- The Steering Committee of the EF has a majority government representation (5 of 8 members), but lacks representation by (a) employers, and (b) other relevant government institutions such as small and cottage industries, labor and agriculture. Government participants are frequently too busy to devote much priority or time to the Committee's work.
- The structure and staffing of the EFS has been strengthened with the addition of field monitors such that more than half the full time staff work on field monitoring.
- EFS has been effective in achieving the vast majority of outputs specified in the Project Document.
- EFS is widely recognized as highly efficient in project implementation. It has been able to achieve strong outputs with a limited number of staff.
- EFS has demonstrated flexibility and responsiveness of a learning organization.
- The capacities of T&Es have been developed through various EF-sponsored training programs. However, weaknesses exist, particularly in T&E staff turnover. This indicates the need for continuing capacity development

The EF is structured on three levels: Steering Committee (SC), Secretariat (EFS) and Training and Employment service providers (T&Es.) Each is addressed in sequence below.

### **Level 1- Governance: EF Steering Committee (SC).**

The SC is comprised of eight members: five government representatives (chaired by a Joint Secretary in the MoE, along with one representative from National Planning Commission, one from Ministry of Finance, the Foreign Aid Coordination representative from MoE, and one from CTEVT), two donor representatives and the Team Leader of EFS. The SC is the only location where the EF links officially with government. No representatives are included from other ministries and agencies relevant to the work of the EF, including Labor, Cottage Industries and Agriculture. It also seems odd that a steering committee for an employment fund has no representative from employers. The functions of the SC center on approval of yearly plans of operation (YPOs), guidelines and progress reports. The SC also is responsible for project policies, advising on operational issues and providing general guidance and support for smooth project implementation. (Project Document, p.26)

According to feedback received from relevant respondents, the SC has met regularly (at least twice a year), and has provided useful discussion and direction on key issues. However, government participants are frequently too busy to devote much priority or time to the Committee's work. Contributions depend on the interest taken by the individual member.

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<sup>12</sup> See also Annex 4 for review team's analysis of strengths, weaknesses, opportunities and threats (SWOT); and Annex 5 for candid SWOT analysis of EFS staff.

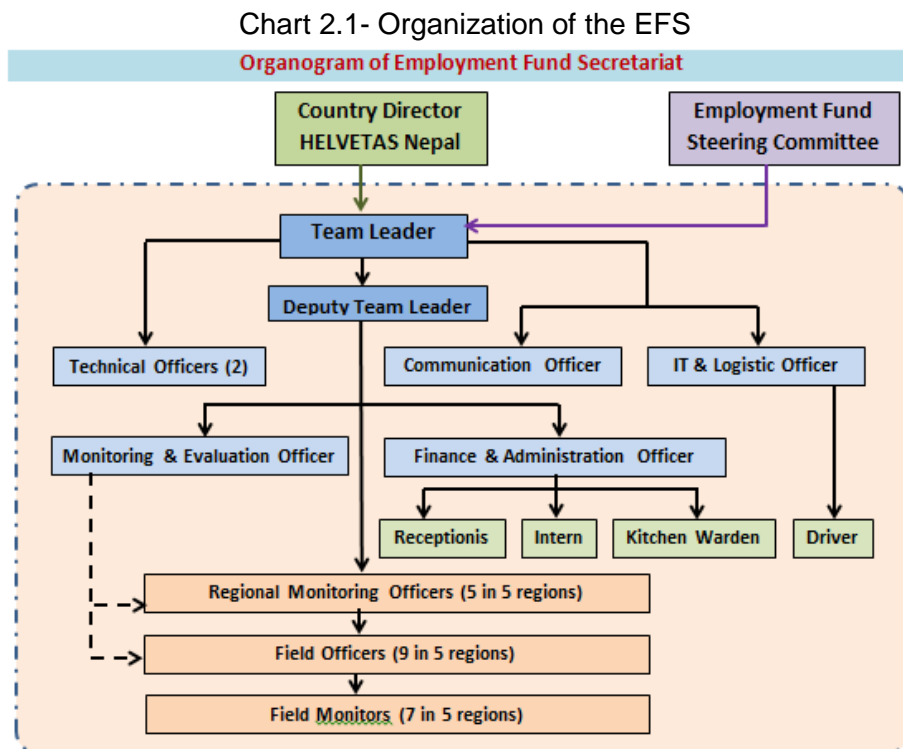
**Recommendations:**

- (1) If a second phase is approved, and also for extension of Phase I, the governance structure should include representatives of employers’ organizations – especially employers themselves rather than association functionaries. This should include small and medium employer organizations. It may also be useful to have less formal advisory groups at regional level.
- (2) It would be helpful if government representatives could be more active in the Steering Committee in future. A wider representation would also be useful, including Agriculture, Small and Cottage Industries, and Labor.
- (3) There is no reason why government automatically should chair the SC, although it should be an active participant. Consideration could be given to chairmanship by the private sector.

**Level 2- Management: The EF Secretariat (EFS)**

Helvetas Swiss Intercooperation Nepal manages the EFS. Under the direction of the SC, the role of the EFS is to manage implementation of the three main project components (Envelopes A, B and C), monitor performance of contracted T&Es and resource organizations, prepare periodic progress report, prepare YPOs, arrange for audits of the funds and service the SC meetings. (Project Document p.27)

The organizational chart of EFS is as follows:



Source: EFS

The two ‘technical officers’ deal with market research and capacity building, respectively. The hiring of additional field monitors greatly strengthened the field support provided by EFS. This was prompted mainly by the extra work involved in joint monitoring of the EVENT project. Based on staff interviews it appears that the IT specialist has a particularly heavy

workload, given that he also provides occasional services outside the EF to Helvetas and even SDC.

**Recommendation:** Given the importance of the data base and management information and the current workload of the IT officer, a second IT position should be considered.

In total, the EFS now has 25 full time staff. EFS headquarters has 13 full-time staff (including on regional monitor) plus two interns. The regional offices have 12 full time regional monitoring and field officers, plus six part time field monitors. This means that field staff slightly exceeds headquarters staff in number and demonstrates the new strength of EFS in monitoring field implementation. T&Es stated that the regional offices facilitate access to EF staff to answer questions and consult on issues.

The following table sets out some of the main management initiatives of the EFS during Phase I

Table 2.1- Management development activities by EFS- Monitoring and Learning

Major Activities	2011	2012	2013	
			Done	Planned
Training on Monitoring Guidelines	130	55		42
Training on Training monitoring and evaluation, reporting	77	12		20
Operators & managers trained on Database System	71	14	14	14
Database Clinic (Nr. operators re-oriented on database)	--	40	13	20
Training on Psychosocial Approach	38	-		
Training on Communication and Outreach	-	57		42
Public Service Announcement developing and broadcasting	20	38	22	
Nr. success stories of graduates documented	18	19		40
Nr. of news/print published	70	75	200	*
Nr. of electronic media programs (TV, FM)	100	137		
Toll-free call established and nr. of calls handled	369	809	300	*

= on going. Source: EFS

Most of the training provided by EFS centered on the monitoring system (guidelines, checklists and data base management.)

### EF budgets and spending

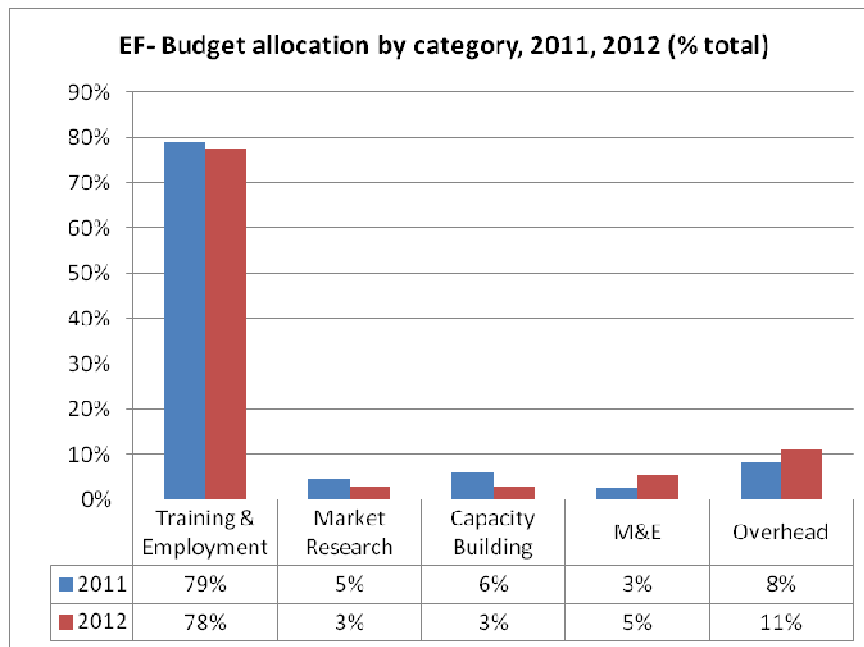
Two of the three financial years have been completed during Phase I. The main points on EFS financial management are as follows:

- About 80% of the budget is allocated to training and employment, with relatively small amounts (2-5%) for research/product development and capacity building.
- Management overhead takes only about 8-10 % of the total, a reasonable proportion.

- These proportions are in line with norms established in the Operational Manual.<sup>13</sup>
- Significant under-spending occurred in the budget for training delivery in both 2011 and 2012.

The following tables show the budget allocations by category for both years:

Chart 2.2



Source: Graphed based on EFS data

A strong majority of funds, about 80%, was allocated to short term training and employment (Envelope A). Market research (Envelope B) was budgeted to receive 2-5%, capacity building (Envelope C) 2-6%, monitoring and evaluation 3-4% and relatively low administrative overheads 8-9%. The allocations for market research and capacity building seem particularly low for 2012; however, actual expenditures were 3% and 5% of the total in 2011 and 2012, respectively. The budget for research and product development increased substantially in 2013 to almost 15% of the total to finance the two new program innovations.

The following table shows the amount of surplus or deficit based on actual spending versus budget by category.

Table 2.2- Under and over-spending by category

Year	Budget balance by category and year (NPR millions)					Total
	Training & Employment	Market Research	Capacity Building	M&E	Overhead	
2011	64.1	10.2	8.9	-10.0	-16.8	56.4
2012	99.5	2.6	-2.8	3.4	9.6	112.4

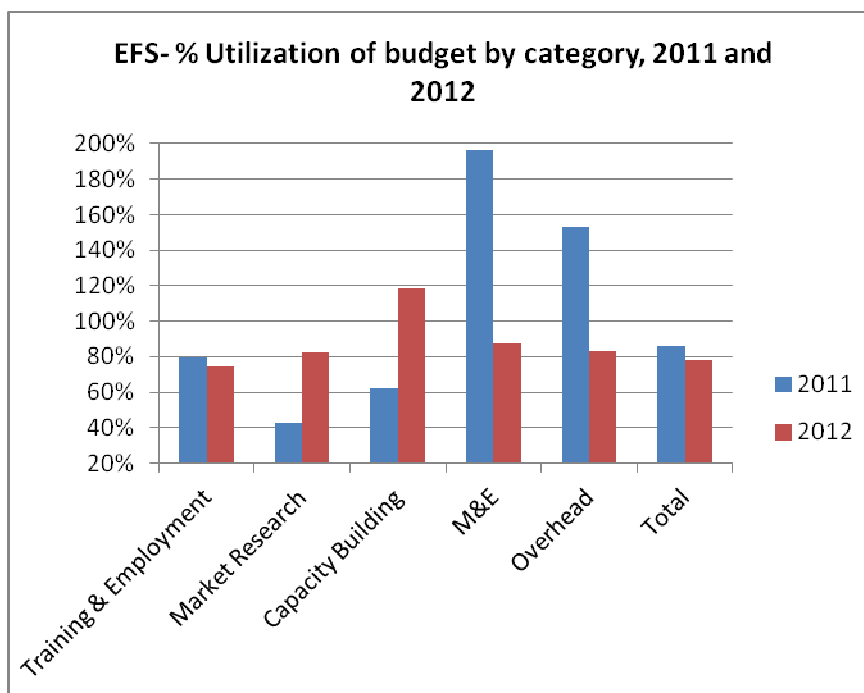
Note: negative numbers indicate deficit (overspending) in the category. Positive numbers indicate surplus (under-spending).

Source: EFS data

<sup>13</sup> The Operational Guidelines specify that 85% of EF program funds (after deducting operating expenses) will be allocated to training and employment (Envelope A), not more than 10% to research and product development (Envelope B), and not more than 5% to capacity building (Envelope C.) (Section 7.2, Table 2).

The most important points from the table are substantial under-spending on training and employment (Envelope A). The level of payments is strongly correlated with employment rates: the lower the employment rates, the lower the payments for performance-based results. In 2011 79% of the category was used, mainly because of lower performance payments than expected and more elementary training was provided at lower cost per trainee. In 2012 75% of the training and employment budget was spent, largely because of lower gainful employment rates and lower performance payments. The following chart shows the over- and under-spending in relative terms by category.

Chart 2.3



Note: 100% means the budget provision for the category was fully spent. Less than 100% indicates under-spending.

Source: Graphed based on EFS data

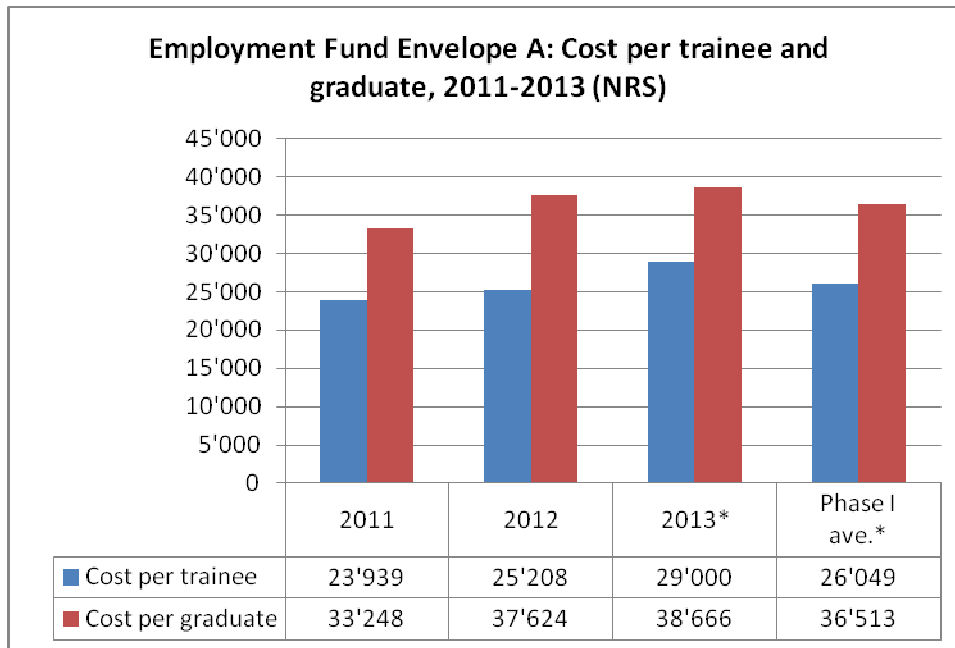
The category monitoring and evaluation was overspent by 96% because of the inclusion of the tracer study and the impact study commissioned by the World Bank. Overhead was overspent by 53% in 2011 owing to carryovers from 2010 and unbudgeted staff costs. In total, the EF spent 86% of its budget in 2011 and 78% in 2012 owing mainly to under-spending on training and employment.

The review mission concludes that under-spending of its budget by EFS does not indicate poor planning or inefficiency in its management. In effect, the budget for training and employment is a contingency budget: it is contingent on T&Es achieving targeted rates of gainful employment. If the targets are not met, which cannot easily be predicted in budget preparation, then the outlays decrease. In one sense, under-spending in a context of strong achievements can be considered an efficiency, i.e. achieving the objectives at less cost.

Expenditures per graduate and employed graduate.

The following chart gives the average expenditure per graduate and per gainfully employed graduate by year and total for Phase I.

Chart 2.4



Note: Includes total expenditure on training and employment (Envelope A), linked expenditures on monitoring and evaluation, and a pro-rata share of overhead expenditures. \*Data are estimated for 2013 based on actual enrollments. A gainful employment rate of 75% is assumed for 2013. Source: Graphed on the basis of EFS data

There were increases between 2011 and 2012 in the unit costs per graduate (+5.3%) because of inclusion of life skills training for all females. The increase between 2011 and 2012 in per gainfully employed graduate (+13.2%) is attributable to three factors: lower employment rate<sup>14</sup>, increased unit price allowances and increased incentive for category B females.

The review mission concludes that EFS is taking reasonable and effective steps to control costs. It sets norms for direct training costs, and negotiates regularly with T&Es about unit cost proposals that are in excess of its norms or those applied by other providers. It tracks costs per graduate and costs per trainee.

### **Assessment of EFS performance.**

#### **Strengths.**

##### **Effectiveness-**

- The EFS has been effective in ensuring that the vast majority of project outputs has been achieved (as explained in the previous chapter.)
- The EFS has a reputation for being strict, but fair. The EFS has developed effective communications strategy, operational and monitoring systems, as indicated by the manuals produced, disseminated and used during Phase I.

<sup>14</sup> Even though the EF does not pay installments two and three for graduates below the income threshold, the EF formula pays the first 40% installment upon completion of training before the employment status is known.

- The guidelines, according to T&Es, have helped achieve a common understanding on project requirements. T&E respondents felt that the monitoring systems were thorough.
- The EFS has established productive network<sup>15</sup>s and working relationships with media, resource organizations, some sectoral employer organizations, organizations representing target groups and units within CTEVT
- EFS exposure has been strengthened through the communications strategy. The EF is now visible and known to the media.
- EFS has developed effective supervision processes through the monitoring manual and addition of field staff.
- EF has engendered a spirit of cooperation and collaboration with its T&E partners. The review team received extensive positive feedback from T&Es that the EFS is highly supportive in helping to solve problems. The resource organizations (e.g. TITI and Antarang) also indicated productive cooperation with the EFS. The EF and T&Es work collaboratively. EFS helps to tackle problems – the EF staff are easy to work with in the field. EF staff reportedly make constructive suggestions for improvements immediately during monitoring sessions.
- The EFS network of regional offices is now well staffed. Just over half of the EFS's full time staff are located in the regions they serve.
- The LOI and bidding process is widely regarded as fair and transparent.<sup>16</sup>
- The EF has financial integrity. No criticisms were heard about misspent funds.
- T&Es state that the contracts are clear, spelling out plainly the respective responsibilities and conditions.

Responsiveness- EFS has been able to respond to various changes in its operating environment. It has:

- introduced new programs, e.g. “skills plus” (life skills) and annex (multi-skilling)
- developed and piloted new programs (Path to Prosperity, Enterprising for employment creation)
- systematically learned from experience, as indicated by consistent presentation of “lessons learned” in its reporting<sup>17</sup>.
- addressed the need for start-up credit by establishing a MoU with MNB, and YSEF.
- Shown flexibility in adjusting to labor market changes, e.g. now placing more emphasis on self-employment, job generation in view of the tight limits on wage employment (and graduate preferences)

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<sup>15</sup> Including the include the round table among project implementing organizations which was initiated in 2010 by EF (jointly with UNDP and Winrock/ EIG) and is currently been facilitated and driven by EFS. This network has been instrumental to bring like-minded organizations around one table and stimulate sharing of lessons learnt and development of common positions to other stakeholders (such as NSTB).

<sup>16</sup> Two exceptions were statements that the EFS selects training providers that are not technically competent, and one firm that has lost ground felt there was bias in the allocation of training quotas among winning bidders.

<sup>17</sup> See Annex 6 for replication of the “lessons learned” sections of various project documents.

### ***Efficiency<sup>18</sup>***

- The EFS has accomplished a great deal in relation to its level of staffing, i.e. an indication of efficiency.
- According to virtually all respondents, the EFS is seen as highly efficient as a project implementation organization.
- The use of unit costs for direct training by occupation and location has helped to contain the costs of training.
- T&Es universally appreciate the speed with which the EFS makes its payments. They report no delays.

### ***Criticisms of EFS<sup>19</sup> and areas for improvement.***

Some critics stated that, of course project implementation is effective. After all, the EF project is implemented by a highly experienced international NGO outside the constraints of normal government procedures. The real test of effectiveness would come when the same programs would be implemented under government. This is beginning to happen under the joint monitoring program for the EVENT project.

The criticism that the EF has made no impact on TVET policy or system deserves closer examination. The aim of the project as stated in the Project Document was not to influence TVET policy or the system. However, the EF does appear to be having an impact on the system. The EF approach has been adopted under both the EVENT and SDP, government implemented projects. EF success has helped change the mindset in government towards private training providers. Now government is open to partnering with private providers. As one observer stated, “the argument has flipped. Instead of asking, ‘can private providers be included in the project?’, the question is now ‘can the public providers be included?’. In these respects, EF can be regarded as making an impact on the TVET system.

The criticism that the EF is being implemented in isolation of government<sup>20</sup> is partly correct. The government is strongly represented in the EF SC, with five of eight members. The EVENT MoU on joint monitoring assures that the approach and methods are integrated in a large government project. The EFS has also repeatedly used and finances the services of three key units under the CTEVT, NSTB, Curriculum Division and TITI. This exemplifies good practice in private/public partnership. However, the project excludes (a) government agencies involved in training other than MoE (e.g. small and cottage industries, agriculture), (b) local governments, e.g. district development committees, and (c) public training providers (with one exception).

**Recommendation:** Explore pilot co-financing with interested districts (discussed in Part III, below)

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<sup>18</sup> The criticism of duplication of monitoring by two intermediary organizations was rejected by EFS which asserted that intermediary monitoring did not show up in better performance of franchisees compared with direct training providers, and EFS monitoring was essential to ensure intended outputs.

<sup>19</sup> The most strident criticisms of EFS came from a single source, CTEVT top management, perhaps out of frustration that original promises of integration of the EF into government processes has been consistently deferred.

<sup>20</sup> CTEVT management in particular, expressed considerable frustration on the delay in transferring the EF’s financing and staff to government.

A few criticisms were heard that EFS is staffed entirely by generalists, does not have technical specialists, and does not use adequately the technical expertise of mandated organizations such as CTEVT. In the view of the review team, the observation does not carry much weight. EFS can contract the technical expertise it needs. Moreover, it has relied on and worked closely and repeatedly with several technical units in CTEVT, including TITI, NSTB and the Curriculum Division.

One area in which improvements could be made was heard from several sources, i.e. communications, both within the EFS and with outside partners. Some of the statements were: “the funneling down of information from EFS to partners leaves something to be desired.” “Program information may not be communicated adequately to all EF staff. “Field staff may not be fully familiar with EF policies and practices.” “Local partners are not fully aware of programs.” Some managers in specialized units in CTEVT felt EFS was communicating with their staff without informing them adequately. Many of the criticisms of the EF came from outdated information on the part of respondents, e.g. lack of field presence. The frequency of these statements underscores the importance of repeated dissemination of policies and practices, especially to field staff, even at the risk of repetition. At the same time EFS staff express frustration that its communications often do not reach franchisees through the two major intermediaries through which it works, i.e. the intermediary does not adequately pass the information on to the franchisee training providers.

**Recommendation.** EFS should increase its efforts in communicating its policies and practices, both within the organization especially to field staff, and to its partner institutions.

EFS apparently makes insufficient efforts at collecting employer feedback about the quality of its training.

**Recommendation.** EF staff should take the opportunity of income verification to ask employers about their evaluation and satisfaction with the quality of training their employees have received.

### **Level 3 Delivery- Training and Employment Service Providers (T&Es)**

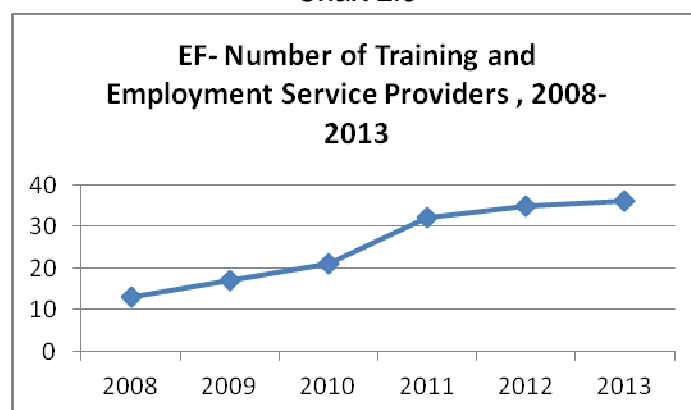
The delivery of training and employment services is accomplished mainly through two types of service providers: intermediary organizations that have operating agreements with “franchisees”<sup>21</sup>, and directly with technical training providers (TTPs).<sup>22</sup> As stated, the EFS has been successful in raising from 21 in 2010 to 36 in 2013 the number of T&Es through which it works, by definition meeting its minimum quality and management standards.

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<sup>21</sup> EFS works with two organizations that deliver services through franchisees: *F-Skill* and *Alliance*.

<sup>22</sup> One organization does not fit into the above two categories: *Skill Nepal* is a central organization that directly delivers mobile courses throughout the country.

Chart 2.5



Source: EFS

**Comments on T&E performance<sup>23</sup>:**

The capacities of T&Es has been strengthened greatly through EFS support for training of trainers and managers (See Chapter 1). Still, weaknesses exist. T&Es reportedly suffer from high turnover among trainers. The trainers are hired only for the duration of the training. Many who received upgrading training to L2 left the T&Es for other work. This phenomenon indicates a continuing need to upgrade staff. Conflicting reports were received on willingness of T&Es to support upgrading of their staff. T&Es are expected by EFS to pay for the transportation and subsistence costs of staff trainees; EFS pays the training costs. Some T&Es apparently ask the staff even to pay the transportation and subsistence costs. However, several T&Es stated their willingness to assume a greater share of the costs of capacity building.

Recommendation: EFS should increase the cost-sharing component of its capacity building efforts for T&Es, i.e. T&Es as profit-making institutions should be required to pay a larger share of the costs of training their staff and managers.

Suggestions by T&Es to improve the program (mostly related to training criteria and processes.)

1. Instead of annual bidding, award contracts for 2-3 years. Retain clause that allows cancellation for non-performance.
2. Introduce minimum payment at the start of training (e.g. 10%, as in EVENT).
3. Raise the educational bar to include those more educated, but who are also unemployed.
4. Update regularly the unit direct costs for training – they are out of date for many occupations.
5. Relax the requirement for 50% of trainees to be female.
6. EF should help with the hardware development of T&Es.
7. Given the slowness of MNB to make micro-credit loans, and the tendency to focus on urban areas, the EF should establish its own revolving credit fund for graduates in self-employment.

Except for the last, these suggestions can be characterized as intended to maximize profits for private sector providers. On the last suggestion, the EF is not set up to manage loan

<sup>23</sup> See section in SWOT analysis.

funds and repayments. It should rely on properly established financial institutions for graduate credit.

## **Conclusion**

The EFS has earned a wide reputation as a highly efficient project implementation organization. Its procedures are strict, but transparent and fair. Its data base and monitoring system are major achievements. Its under-spending on training and employment reflects the performance of T&Es, not inefficiency in its management. EFS is diligent in controlling unit training costs. What sets the EFS apart, besides these characteristics and achievements, is the ability to identify problems and address them. In short, it has become an effective learning organization. The EF has become well-known for its core competency in producing innovations, including payment for performance, incentives for enrolling disadvantaged groups, its RMA methodology, and -- more recently, experimenting with new approaches to reach the poorest, and generate gainful employment.

### III. THE NEXT GENERATION OF SKILL DEVELOPMENT PROJECTS IN NEPAL<sup>24</sup>

The TORs call for an examination of how the relevance of the EF in the current context and what/how can the EF project feed into the next generation of skill development projects in Nepal? More specifically,

- How sustainable are EF outputs and outcomes in the medium to long term?
- What elements (objectives, approaches and modalities) of the EF should be retained? What elements need to be adjusted or cut in the design of a future initiative? (TORs, p.3)

#### Options

There are three fundamental options for the future of the EF as an organization.

1. *Maintain the EF as it is.* In this scenario, the EF would continue to operate as it does now, an organization independent of government delivering large-scale training to disadvantaged groups. The justification is that the EF clearly does good work, is a productive organization, and the outstanding benefits justify its continuation.
2. *Phase the EF out.* According to the 2012 TVET policy endorsed by Cabinet the MoE will establish a new national TVET Fund as a “single door” for financing skills development. To the extent that such a Fund can be established and operate effectively, the justification would evaporate for a parallel fund outside government. Donor support would shift from financing the EF to channeling funds through the national TVET Fund.
3. *Modify the role of the EF.* Under this alternative the EF would phase out of large scale training when the national TVET Fund becomes effective and concentrate instead on other things that cannot be done, or cannot be done well, by government.

The Review Team suggests the third option be explored. Under this scenario the EF would maintain and even increase its delivery of skills and employment for DAG until the national TVET Fund is established and operating effectively according to criteria and procedures acceptable to the donors. That is likely to take some time, at least until 2017 according to current projections. The review team found a consensus that the EF is serving a unique function, one that cannot easily be done by government, in innovation. Such innovation is a continuing requirement to identify new markets and pilot new ways to meet market requirements. The proposal is to capitalize on this core competency and make it the focus of the organization in the future. Its core residual function would be experimentation and innovation in skills development and employment.

#### Phase II Goal, Outcomes and Outputs

The goal, outcomes and outputs for any Phase II intervention would essentially be the same as Phase I. The goal states that the living conditions of economically and socially disadvantaged youth are improved. The main outcome to achieve the goal is that young women and men, especially the disadvantaged, are gainfully employed. The principal means to achieve the outcome would remain training and testing of graduates and

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<sup>24</sup> See also Annex 7 for a comparative summary of donor investments in skills development by topic.

satisfactory placement in wage or self-employment. A second outcome would be the further development of successful institutions in TVET, including the transfer of EF's approach, system, practices and experiences to a national TVET Fund operated by the government, re-tooling of EF to focus on innovation, and continued capacity building of training and employment service providers. Specific recommendations follow by category.

## Training and Employment

One question needs to be answered: Should the EF phase itself out of large-scale short term training in view of the imminent massive assistance to be provided under EVENT and SDP? The review team thinks not. The total numbers trained each year, even with EVENT and SDP, would reach only a small percentage of the youth who enter the labor market each year, the vast majority without marketable skills. The EF needs to continue large scale regular training until the national TVET Fund is established and operating, currently planned for 2017 but it may be later.

Table 3.1- Indicative short term training in relation to labor market entrants\*  
(rough approximation of number of trainees)

Project	2013	2014	2015	2016	2017	Total
EF	17,000	17,000				34,000
EVENT	15,000	17,500	15,000			47,500
SDP		10,000	12,000	12,000	11,000	45,000
Total	32,000	44,500	27,000	12,000	11,000	126,500
% LME *	8%	11%	7%	3%	3%	Ave. 6%

\* LME = labor market entrants. Assumed to be 400,000 annually.

### ***In Phase I extension (to June 2015):***

- Continue large scale training at or above the level of 2013, taking care not to duplicate offerings by EVENT and SDP. Shift emphasis increasingly to areas not covered intensively by EVENT/SDP, particularly self-employment in rural areas. However, expect that costs per gainfully employed graduate will increase because:
  - Employment rates are likely to decline in view of limits on self-employment opportunities
  - Graduates will need longer, more extensive follow-up business development assistance (which costs more than present assistance).

### ***In Phase II: (2015-2018)***

- Finance large scale training through the new national TVET Fund once it is operating effectively with acceptable systems, criteria and procedures.
- Go to scale in expanding the two innovation programs based on the evaluation results.
- Expand collaboration and coordination between district councils and private sector associations (see below) if the results of the pilots are positive.
- Offer upgrading or L2 training to graduates on partial or full cost-sharing

## Research and Product Development

### ***In phase I extension:***

- Continue to document experience and lessons learned
- Research and evaluate means of market identification; specifically evaluate, refine and improve the RMA methodology.

- Evaluate rigorously the two innovations now underway (Paths and Enterprising), and make appropriate revisions.
- Design and pilot an “Innovation Window” – by tender finance seed money and pilots for the best new proposals from T&Es, public training providers, private companies and federations of contractors. The challenge will be in how to make such an innovation window operational. Among other things, a strong stimulus would be needed to prompt new thinking and ideas.
- DDC-Private sector Pilot- Start a pilot project on co-financing of training and employment with district development councils and private sector organizations, making use of the experiences and lessons from the EU-financed SEIS project, and other projects involved at the district level. The project would stress public-private partnership, particularly between district chambers of commerce and district councils. The objectives of the co-financing, beyond the direct employment and income benefits to training graduates, would be: (1) coordinate public services with private sector interests; (2) transfer the EF’s system and procedures for financing training and employment to the local government; (3) move towards a sustainable training and employment program based on local resources.

***In Phase II:***

- Implement the Innovation Window
- Evaluate the district co-financing pilot, and scale up if the results are positive.
- Research other potential areas for skills development, such as upgrading the capacity of master crafts persons engaged in traditional apprenticeship.

**Capacity building:**

Private training and employment service providers are a key resource for skills development in Nepal. Their capacities still need to be developed further, and the scope of their work widened to encompass “business development” services for self-employed graduates. T&Es are also financially vulnerable, depending almost entirely on donor financing. Steps should also be taken to help ensure their financial sustainability by (a) fostering continuing and L2 training on a fee-paying basis, and (b) arranging for loans for such training. The newly created association of private training & employment providers in the Far West (DEEP) provides a further opportunity to strengthen capacity of the private training/employment sector.

***In Phase I extension:***

- Build capacity for entrepreneurship support to trainees, one area only partly accomplished so far in the first phase.
- Develop capacities for career and occupational guidance, also only started in Phase I
- Undertake pilot collaboration to strengthen DEEP

***In Phase II:***

- T&E sustainability: Work through banks and financial institutions to establish loan funds for L2 training & employment
- Increase cost sharing with T&Es for routine capacity development
- Create “business development service” capacity among T&Es
- Help clone DEEP in other districts

## **Institutional development**

As stated, the proposal is to capitalize on EF's core competency in innovation and make it the focus of the organization in the future.

### ***Phase I extension:***

- Technical assistance to prepare for the national TVET Fund and ensure that EF's approach, methods and experiences are integrated into it. Prepare for transfer of EF systems, procedures and practices to new TVET Fund.
- Reformulate the role of the EF as a research and innovation organization in skills and employment.

### ***Phase 2:***

- Aim at transferring funding to the national TVET Fund,
- Build EF's new core function as a research and innovation organization. It would cease to be a "Fund." Consider endowing the new organization<sup>25</sup> for this purpose.
- As a separate but related effort at institutional development, provide technical assistance to help design and launch the Nepal Qualifications Authority based on NSTB.

The table below summarizes the possible priorities by category and phase.

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<sup>25</sup> Provision of permanent capital for the organization, the interest generated by which would finance its program and operating expenses. In effect this would create a "foundation" to do benevolent work whose operations could continue for years on the basis of earnings from the endowment capital. EFS explored the idea several years ago, but found that there was no concept or legal basis for such a foundation in Nepal. This could be revisited as some donors may find the idea attractive as a way to institutionalize the work of the EF.

Table 2.2- Summary of possible priorities for future assistance by category and phase

Topic	Phase I Extension (to June 2015)	Phase II (2015-2018)
Research & Product Development	Document experiences & lessons	Continue
	Research market identification methods – refine RMA	Labor market analysis- for new occupations and shortages
		Continue occupational profile & curricula development
Training delivery	Continue large scale regular training	Shift funding of mass training to new integrated national TVET Fund when fully operational
		Scale up 2 innovations using EF model
		Evaluate pilots, and if positive, expand PPP programs at the district level
		Provide selective upgrading (L2) training to graduates
Innovations	Evaluate and revise 2 current innovations, Pathways, Enterprising.	Continue “Innovation Window”
	Establish PPP pilots with district councils and private sector associations	Research traditional apprenticeship with a view to upgrading master craftspeople.
	Design way to provide upgrading training to graduates	
	Start “Innovation Window” to stimulate new ideas for piloting	
Capacity development	Build entrepreneurship training & follow up	T&E sustainability: Work through banks to establish loan fund for L2 training & employment
	Build up career and occupational counseling	Create “business development service” capacity among T&Es
	Continue to train T&E instructors and managers	Increase cost sharing with T&Es for routine capacity development
	Establish collaboration with DEEP in Far Western Region	Clone DEEP in other regions
Institutional development	Assist preparation of TVET Fund – ensure transfer of EF experiences, methods	Assist initial operation of TVET Fund
	Prepare for establishment of Nepal Qualifications Authority	Assist NQA establishment and initial operation
		Endow the EF successor organization to continue its research & innovation functions beyond life of Phase II

Source: Review Team

## Relation to Swiss Country Program

The proposed assistance is fully consistent with the *Swiss Cooperation Strategy for Nepal 2013 – 2017* (Draft 20 December 2012). The programme is linked to Nepal's fourth pillar of development "...aims at achieving ... higher employment rates, especially for youths, and enhanced access to socio-economic services..." (p.6) The current Swiss assistance program (2013-2016) seeks to achieve its poverty reduction goals in part through "...fostering economic growth and employment through vocational training". (p.6) The New Programme (2013-2017) will "...reach beyond a traditional agricultural production-oriented development approach towards a post-harvest, transformation and market approach to provide increased income, and offer an alternative to those considering migrating for economic reasons. Investment in ... the provision of skills training and support to entrepreneurship skills ... are also needed. This aims at enhancing people's access to gainful employment opportunities in Nepal and abroad." (p.8)

*"Domain of Intervention 2: Contribution to improved livelihood and increased resilience of people especially the Disadvantaged Groups (DAGs) living in rural and small urban centres."* "Within the second domain of intervention Switzerland will mainly focus on improving livelihood and increasing food security through better access to business services (training, advice)..." (p.10) ... "Switzerland will also foster access to skills development for sustainable gainful employment in Nepal and overseas, and increase entrepreneurship skills and market development as strategic orientations."

*Outcome Statement 2.1 - Disadvantaged Groups improve their livelihood and resilience*

2.1.4 25,000 youths are gainfully employed for at least six months after completion of skill training.

Line of intervention - - Improve access to skill development and gainful employment. (Annex A- Results Framework) Also –the Programme seeks to strengthen public capacities, especially at the local level, such as proposed for co-financing with districts. (p.8)

## Challenges and risks

The risks presented in the Project Document in 2010 remain valid, including constraints on economic growth and employment opportunities, and the risk of market saturation in particular fields or locations, duplication with other donors, and T&Es remain fully dependent on donor funding. (p.29-31)

1. How to incorporate the best procedures and practices into the new TVET Fund. The two main government programs for short term training, EVENT and the forthcoming SDP, are being implemented under separate, temporary units in different organizations. This has implications for the eventual institutionalization of the EF processes under the proposed TVET Fund. [SDC could help ensure better collaboration between SDP and EF by providing financial support for monitoring and evaluation under SDP, and for design of the TVET Fund.] No formal link exists or means of transferring experience from EF to SDP – a major gap. SDP can benefit substantially from the approach pioneered by the EF but it is not clear how it will do so.
2. Avoiding duplication by the three large donor projects in short-term skills, i.e. EF, EVENT and SDP. Overall the three projects would not appear to be oversupplying the market, but duplications could occur in specific occupations or locations. Means should be found

to coordinate the delivery of training programs at the micro level. Coordination is the responsibility of government, but SDC could play a useful role in lobbying government to take action.

3. Diversifying the revenue of the T&Es. The review team found some indications of fee paying by trainees. Private training providers are a unique strength of TVET in Nepal. If this capacity is to survive and thrive beyond the life of donor projects, they must rely on fee income. In the medium term efforts should be made to find loan funds for trainees.
4. Maintaining the momentum for innovation.

#### IV. SUMMARY OF RECOMMENDATIONS

- Approach and methods
  - Move increasingly to self-employment and rural areas
- EF Organization
  - Put employers on the SC, possibly to chair it. Expand government representation to other ministries/agencies.
  - Establish linkages with private sector associations and government at the district level.
  - Strengthen internal communications and communications with T&Es and resource organizations
- Core competencies
  - Maintain and strengthen the focus on innovations – EF has a niche
  - Establish an “Innovation Window” to finance the best new ideas from the grass roots.
- Research
  - Study reasons graduates are unemployed<sup>26</sup>, and adapt programs as necessary
  - Evaluate the effectiveness of RMAs in practice – variance between estimates and actual employment, explain reasons and refine the methodology.
  - Develop direct unit training costs by occupation across projects as a step towards establishing national norms
- Labor market information
  - Explore joint labor market studies with other projects
  - Use employment rates by occupation, gender and region in the allocation of training places the following year.
  - Establish a LMI system-- disseminate LMI about employment rates and average income by occupation, gender and region through media as guidance to training providers and youth on occupational choices.
  - Do more canvassing of employers about the quality of EF training, e.g. during income verification.
- Capacity development
  - Explore the feasibility of low-cost means to provide continuing support in counseling and coaching for those in self-employment beyond the six month limit.
  - Allocate some funds for resource organizations to follow up and evaluate the effectiveness of their training (TITI, IEDI)
  - Create “business development service” capacities in T&Es
  - For sustainability – make T&Es share more of the costs of capacity development, starting with refresher training
- Institutional development
  - Provide assistance to transfer the EF’s approach, methods, practice and experience to the national TVET Fund.

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<sup>26</sup> EFS is currently sponsoring a tracer study among those trainees of 2011 who chose the business skills package (and presumably were interested in starting an enterprise). One of the key objectives of this tracer study is to find out why some fail to establish or retain their business.

- Transfer funding of regular training to the national TVET Fund as its capacity and effectiveness grows.
- New initiatives
  - Conduct an external review of the “Enterprising for Job Creation” innovation
  - Explore the possibilities of co-financing training and employment at district level with DDCs
  - Design and launch an “Innovation Fund”
  - Arrange for upgrading or L2 training of graduates on a cost-sharing basis
  - Arrange for loan funds for individuals to finance their training at L2.
  - Work collaboratively with private associations, starting with DEEP
  - Research the possibilities of raising the quality of ‘traditional apprenticeship’ by training master craftspeople through trade associations.

## Annex 1- Terms of Reference

### Terms of references

Contract no. 81017369 (Mandate type B)

Review of Employment Fund Project

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#### 1. Background

The Employment Fund (EF) was initiated in 2007 under the Framework Agreement between the Government of Switzerland and the Government of Nepal (GoN), governed by a Steering Committee chaired by the Joint Secretary of the Ministry of Education and is managed by the Employment Fund Secretariat/Helvetas Swiss Intercooperation. The Employment Fund is operational since 2008 with an aim to support economically poor and socially disadvantaged youth to enter the national and international labor market by providing them quality training and employment facilitating services. The overall **Purpose** of the EF is that *'Nepali youths are gainfully employed'*. The related two **Outcomes** are: 1) *Young women and men, especially those belonging to disadvantaged groups are gainfully employed and 2) The Employment Fund Secretariat and its partners are successful institutions in the TEVT Sector*. The target groups of EF are young people between 16-35 years for men and 16-40 years for women. All trainees are economically poor, and the majority is from socially disadvantaged & discriminated backgrounds.

At present EF has national coverage with trainings having been conducted in over 60 districts by more than 35 Training and Employment providers (T&Es) in about 80 different occupations. EF has trained more than 60,000 youth till date, out of which approximately 50,000 are in gainful employment by 2012. This means they found job with the earning of minimum NRs. 4600 per month over a period of 6 months.

The EF is funded by SDC, UKAid from the Department for International Development (DFID) and the World Bank (WB). Since its inception EF has gradually built up strong institutional collaborations with the major TVET sub-sector organisations for the development of occupational profiles (NSTB), curricula (CTEVT), training quality standards (CTEVT), training of trainers (TITI) as well as skills testing and certification (NSTB). Apart from strengthening and building the capacity of GoN TVET sub-sector organisations, EF built up better linkages of the graduates to financial services of cooperatives and banks.

In 2011/12, EF initiated pilot activities in "Enterprising for job creation" (including career counselling) and "T&E services for the very poor and youth with special needs". Also, through a Memorandum of Understanding with the Enhanced Vocational Education and Training (EVENT) project of the Ministry of Education (MoE) and funded by the WB, the EF project is mainstreaming its learning and experiences into the national TVET systems.

With the existing learning experiences and the changed context, there is a plan to extend EF until March 2015. With the **overall goal** of *'Nepali youth are gainfully employed'*, in the extension phase, the EF project plans to work for the young women and men especially those belonging to disadvantaged groups; assist those from very marginalized backgrounds for their gainful wage-employment, and help trainees with entrepreneur spirit create new jobs through enterprising. The EF also plans to work more closely with the private sector such as industries, companies, enterprises of all sizes (which either generate wage employment or self employment) and the private and public T&Es at the local level. The EF will focus on youth access to information on occupational careers and access to a range of opportunities for skills and enterprising training. Finally, the EF project plans help GoN (MoE) to have an effective system in place with the capacitated human resources for procuring and monitoring skills training and employment services.

There is a strong interest of Switzerland to continue supporting gainful employment of disadvantaged youth through vocational skills training beyond March 2015. The interest is to build upon the learning and piloting work of EF to develop an innovative future intervention. Such a future intervention should be adjusted to the context and allow Switzerland to contribute to poverty reduction as well as to strengthen the TVET System in Nepal.

## **2. The purpose of the external review and related questions:**

The purpose of the external review is twofold: On the one hand, the review shall assess the results during the first phase of the project with a special focus on its processes, outputs and outcomes. This includes the overall performance of EF and in particular the review of:

1. The achievement of the outcomes and outputs as specified in the ProDoc including the main lesson learnt and best practices.
2. The efficiency and effectiveness of the EF project set-up and management

On the other hand, the review's findings and recommendations shall provide an input for the design of a next future, innovative intervention in the sector (beyond March 2015). Related to this more forward looking purpose of the review, the following question should be looked into:

3. How relevant is the EF in the current context and what focus could the innovative future intervention have (i.e. what elements should be retained, and which ones should be adapted so as to adjust to the context and allow stronger system-building in the future?)
4. The review is expected to provide information on the following key questions:

### **1 The achievement of the outcomes and outputs as specified in the ProDoc including the main lesson learnt and best practices.**

- Were the outcomes as specified in the ProDoc achieved?
- Has EF been able to achieve the set outputs?
- What have been additional results, which were not accounted for in the ProDoc, such as EF's influence on other major TVET initiatives (EVENT and SEP/SDP)?
- How relevant and effective are the services under Envelope A for the primary stakeholders?
- How relevant and effective are the "non-core" services of the project; in particular Envelope B and C (e.g. development of occupational profiles, curricula and manuals, labour market studies, piloting of new occupations, decent work interactions, etc.) as well as communication & outreach for the achievement of the outputs and outcome?
- What changes has Employment Fund Secretariat brought about in the T&Es and how likely are the related products and services to be sustained?
- To what extent does each of these services (outreach & communication, counselling, technical skills training, skills plus packages, job placement support, monitoring of graduates, etc.) contribute to the outputs and outcome of the project?
- To what extent EFS applies the approaches and crosscutting themes of SDC such as inclusion, gender equity and targeting disadvantaged groups? What are the shortcomings, the opportunities and required future improvements?
- What are the lessons learnt and the best practices?
- What are the main recommendations?

### **2 Efficiency and effectiveness of the EF project set-up and management**

- How efficient and effective is the project implementation and management set-up of EFS (e.g. systems, processes, human resources, etc.)?

- How efficient and effective is the project implementation and management set-up of the T&Es (e.g. systems, processes, human resources, etc.)?
  - How effective and reliable are the procurement and disbursement mechanisms of EFS?
  - How effective and reliable the monitoring mechanism of EFS?
  - How effective and relevant has the Employment Fund Steering Committee (EFSC) been in steering the project implementation?
  - How effective and efficient is the project coordination set-up between EFS and the Programme Office of HELVETAS Swiss Intercooperation Nepal?
  - How effective and relevant (in particular for the primary stakeholders) are the collaboration arrangements with key partner institutions and the related products and services (such as curricula development by CTEVT; skill testing & certification by NSTB, training of trainers by TITI, financial services by NMB Bank and MFIs, business skills trainings by IEDI, soft skills trainings by Antarang, etc.)?
  - What changes has EFS brought about in the partner organisations and how likely are the related products and services to be sustained (e.g. development of labour market relevant curricula, financial services, etc.)?
  - What are the main recommendations?
- 3** How relevant is the EF in the current context, what how can the EF project feed into a next generation of skill development projects in Nepal?
- How sustainable are the outcomes and outputs in the medium/longer term (5-10 years) and what needs to be adjusted in terms of project focus and working modalities in any next generation of skill development projects?
  - Looking at the present context and the TVET system in Nepal, what are elements (project objectives, approaches, and modalities) of the Employment Fund project, which should be retained while designing the innovative future initiative and why?
  - Looking at the present context and TVET system in Nepal, what are elements (project focus, approaches and modalities) of the Employment Fund project, which need to be adjusted or cut out when designing the future initiative and why?

### **3. Methodology and scope of work**

The team is expected to define the methodology and discuss with SDC Nepal, Helvetas Swiss Intercooperation and Ministry of Education. The external review mission is expected to conduct individual interviews, focused group discussions and workshops with the major stakeholders (see the list of stakeholders below). The initial findings shall be presented towards the end of the mission in a workshop of stakeholders comprising members of the Helvetas, EF, Ministry of Education, CTEVT, SDC and other important stakeholders. The debriefing will be done at SDC Office Kathmandu.

#### ***Specific tasks and methods:***

- Review the reference documents to be familiar with the nature of the EF project and its' contribution in the sector (see list of reference documents overleaf)
- Consult, discuss and verify with stakeholders of EF in Kathmandu valley and at least from the three districts outside the valley ((Consultant may choose to have focus group discussions or individual interview as per need). Potential stakeholders to be consulted are:
  - Currently contracted Training & Employment Service Providers (T&Es)
  - T&Es which were discontinued by EF as well as those which did no re-apply to the programme

- CTEVT (in particular curriculum division), NSTB & TITI
- MOE- Foreign Aid Coordination division
- NMB Bank and other collaborating MFIs
- Donors (SDC, DFID, WB)
- Employment Fund Secretariat (EFS)/ HELVETAS Swiss Intercooperation Nepal
- Trainees & graduates (at least 50 graduates from minimum three districts plus Kathmandu)
- Resource organisations: Antarang and IEDI.
- Few potential employers (industries, companies, enterprises of all natures – in discussion with SDC/EFS)
- Conduct consultation workshop with EF professional staff to consolidate the findings.
- Sharing of preliminary findings with the Senior Program Officer (TVET), SDC.
- Sharing of findings to the steering committee members and key stakeholders
- Debriefing at SDC Office in Kathmandu

#### **4. The Review Team**

The review will be conducted by an international consultant acting as the team leader and one Nepali consultant acting as member of the external review team. SDC is in discussion with Ministry of Education (MoE) for one representative from MOE to contribute and participate in the review as a team member.

##### *Expected competencies for the team leader*

- Sound experience and strong analytical skills and understanding of the TVET system as well as poverty issues in Nepal and elsewhere.
- Sound experience in evaluation of development projects and skill development and labour market realities in Nepal.
- Strong experiences and knowledge about institutional development in a changing and fragile context such as Nepal.
- A strong sensitivity and responsiveness to bring forward and deal with gender and social inclusion issues.
- Excellent analytical and report writing skills in English.

##### *Expected competencies for the team member:*

- Sound experience and strong analytical skills and understanding of the TVET system as well as poverty issues in Nepal.
- Local experience preferably working with Government of Nepal and a good understanding of the TVET/Employment sector in Nepal
- Sound experience in evaluation of development projects and skill development and labour market realities in Nepal.
- Strong experiences and knowledge about institutional development in a changing and fragile context such as Nepal.
- A strong sensitivity and responsiveness to bring forward and deal with gender and social inclusion issues.
- Excellent analytical and report writing skills in English.

#### **5. Time Frame**

The review will take place from 1st May – 25 May. The number of days for completing assignment is estimated at 25 days including travel, preparation, finalizing the report and debriefing.

<b>Activities</b>	<b>No. of days</b>
Preparation for the review/ Literature review	1.5 days
Briefing to the consultant	0.5 day
Field visit in three districts outside Kathmandu (Will be decided later)	8 days
Meetings, Interviews and Focus Group Discussions in Kathmandu	4 days
Analysis and writing of draft report	3 days
Presentation of the draft report/debriefing	1 day
Preparation and finalizing the report	2 days
Consolidation workshop	1 day
Sharing of findings to the Steering committee and the key stakeholders	0.5 day
Debriefing with SDC	0.5 day
Travel (for international consultant only)	3 days
<b>Total</b>	<b>25 days</b>

## 6. Reporting and deliverables

The consultant shall submit a final report of **maximum 35 pages including an executive summary (4-5 pages) to SDC**. The team leader shall submit soft copy of the report within two weeks after the end of mission.

## 7. Roles and Responsibilities:

- SDC has the lead for the external review of EF, therefore takes the overall responsibility for the study process. The consultant/s work closely with Senior Program Officer (responsible for TVET) of SDC.
- The EF will arrange for logistics and prepare field itinerary for the consultants.
- Consultant/s is/are responsible for the assignment as per the finalized TOR and meets the expected objectives of the assignment.

## 8. Reference documents to be consulted:

- Project Document and Agreement
- All YPOs and annual reports
- Tracer study reports
- Previous evaluation reports
- Report of assessment of incentive, results measurement and reporting systems of the Employment Fund and its partners
- EF operating guidelines

- EF monitoring guidelines
- Swiss Country Strategy (2009-2012 & 2013-2017)
- SDC Workforce Diversity Policy (WFD) policy
- TEVT Policy 2012

Date: .....  
.....

Signature:

## Annex 2: List of Persons Met and Places Visited

S.N.	Name	Organization
1.	Corinne Demenge	Swiss Agency for Development and Cooperation
2.	Dr. Usha Bhandari	Swiss Agency for Development and Cooperation
3.	Navin Dahal	Private Sector Development Advisor, UKaid (DFID)
4.	Dr. Saurav Dev Bhatta	Senior Education Specialist, The World Bank
5.	Jasmine Rajbhandari	Social Protection Specialist, The World Bank
6.	Smita Gyawali	Associate Project Officer (Education), Asian Development Bank
7.	Shiva Prasad Aryal	Country Director, HELVETAS
8.	Juerg Marz	International Program Advisor, HELVETAS
9.	Siroco Messerli	Team Leader, Employment Fund/HELVETAS
10.	Balaram Paudel	Deputy Team Leader, Employment Fund/HELVETAS
11.	Shikha Sunuwar	Technical Office, Market research, Employment Fund
12.	Bal Mukunda Neupane	Technical Officer, Capacity Building, Employment Fund
13.	Bhanu Pandit	M & E Officer, Employment Fund
14.	Komal Bhatta	Communication Officer, Employment Fund
15.	Biki Koirala	Finance & Admin Officer, Employment Fund
16.	Gopal Krishna Dangol	IT & Logistic Officer, Employment Fund
17.	Sangita Pudasaini	Regional Monitoring Officer, Employment Fund
18.	Sonja Hofstetter	Project Assistant, Employment Fund
19.	Dilli Raj Bhatt	Regional Monitoring Officer , Employment Fund
20.	Shiva Charan Prasad Rauniyar	Regional Monitoring Officer, Employment Fund
21.	Laxmi Ram Paudel	Enhanced Vocational Education and Training (EVENT) Project
22.	Dr. Ram Hari Lamichhane	Member Secretary, CTEVT
23.	Dr. Kul Bahadur Basnet	Member-Secretary, National Skill Testing Board, Council for Technical Education & Vocational Training (CTEVT)
24.	Chandra Bhakta Nakarmi	Director, Curriculum Division, CTEVT
25.	Bishnu Koirala	Director, Polytechnic Division, CTEVT
26.	Rajendra Karki	Director, Research & Information Division, CTEVT
27.	Akim Shrestha	Director, Training and Education, Training Institute for Technical Instruction (TITI)
28.	Basanti Pradhan	Program Director - Training , Training Institute for Technical Instruction (TITI)
29.	Ramesh Shakya	Marketing Chief, Training Institute for Technical Instruction (TITI)
30.	Pramod Acharya	Senior Account Officer, Training Institute for Technical Instruction (TITI)
31.	Dev Bir Basnyet	Director: Management, Alliance Nepal
32.	Tara Prasad Bakhariya	Program Coordinator -TEVT, Alliance Nepal
33.	Sunita Baniya	F- SKILL
34.	Suresh Bhandari	F- SKILL
35.	Sabin Singh	F-SKILL
36.	Mahesh Hada	Executive Director, Skill Nepal
37.	Ashik KC	Program Officer, Skill Nepal
38.	Dinesh Chand	Head, Transaction Banking, NMB Bank
39.	Laxmi Sharma	Peace Technical School

40.	Thama Singh Adhikari	Peace Technical School
41.	Prakash Jung Thapa	Peace Technical School
42.	Darba Ratna Maharjan	Dibya Metal Engineering
43.	Rabindra Nath	Kathmandu Institute of Hospitality Management
44.	Nirmala Kakshapati	Global Institute of Hotel Management & Tourism
45.	Saraswati Limbu	Global Institute of Hotel Management & Tourism
46.	Khem Raj Lakai	Global Academy of Tourism and Hospitality Education
47.	Dinesh Raj Bhandari	B Polytechnic Institute
48.	Sunita Shrestha	Antaranga Psychosocial Research and Training Institution
49.	Sushma Regmi	Antaranga Psychosocial Research and Training Institution
50.	Deepak Prasad Poudel	National Skill Testing Board
51.	Khem Raj Lakai	Global Academy of Tourism & Hospitality Education
52.	Sanjay	Franchise of F-Skill. Dhangadi
53.	Khadga Bahadur	T &Es, Dhangadi
54.	Kumar Bohora	T &Es, Dhangadi
55.	Chhatra Bahadur Pun	T &Es, Dhangadi
56.	Krishna Kandel	T &Es, Dhangadi
57.	Pradeep Thakuri	Franchise of F-Skill. Dhangadi
58.	Mukesh Chaudhary	Partner of Alliance Nepal, Dhangadi
59.	Chetman Khadga	Franchise of F-Skill. Dhangadi
60.	Damber Bahadur Bista	T &Es, Dhangadi
61.	Ratna Chaudhari	Field Officer, F-Skill, Dhangadi
62.	Tanka Prasad	Field Officer, Alliance Nepal, Dhangadi
63.	Shradha Bhandari	NMB Bank, Branch Office, Dhangadi
64.	Nirmal Lamsal	NMB Bank, Branch Office, Dhangadi
65.	Jhum Adhikari	DEEP Network, Dhangadi
66.	Deepa Shrestha	DEEP Network, Dhangadi
67.	Chandra Tamrakar	DEEP Network, Dhangadi
68.	Arbinda Bhatta	DEEP Network, Dhangadi
69.	Harka Shrestha	DEEP Network, Dhangadi
70.	Devendra Hamal	DEEP Network, Dhangadi
71.	Sushil Chaoudhary	DEEP Network, Dhangadi
72.	Bhagnath Chaudhary	DEEP Network, Dhangadi
73.	Dilli Ram Tharu	DEEP Network, Dhangadi
74.	Shiva Kumar Tuladhar	DEEP Network, Dhangadi
75.	Brid Chaudhary	DEEP Network, Dhangadi
76.	Pratap Singh Dhami	District Education Office, Dhangadi
77.	Somraj KC	District Education Office, Dhangadi
78.	Chet Raj Panta	District Education Office, Dhangadi
79.	Til Bahadur Ranabhat	CTEVT representative in EVENT, Hetauda, Makwanpur
80.	Bhuvan Prakash Bista	Local Development Office, Makwanpur
81.	Dilip Kumar Sribastav	T &Es, Hetauda
82.	Bunty Gupta	T &Es, Hetauda
83.	Hari Ansari	T &Es, Hetauda
84.	Anil Kumar BK	T &Es, Hetauda
85.	Lalan Tiwari	T &Es, Hetauda
86.	Ramu Khanal	T &Es, Hetauda
87.	Rakesh shah	T &Es, Hetauda
88.	Durga Mahat	T &Es, Hetauda
89.	Khadga Bahadur	District Education Office, Hetauda, Makwanpur
90.	Ram Krishna Simkhada	District Education Office, Hetauda, Makwanpur

91.	Til Bahadur Rana Bhat	District Education Office, Hetauda, Makwanpur
92.	Ramakanta Sharma	District Education Office, Chitwan
93.	Ram Sapkota	District Education Office, Chitwan
94.	Bhakta Bahadur Sentury	District Education Office, Chitwan
95.	Achyut Raj Dahal	CTEVT representative in EVENT, Chitwan
96.	Shyam Kumar Shrestha	District Education Office, Chitwan
97.	Ram Sapkota	Finance Officer, College of Employment, Chitwan
98.	Darshan Sapkota	Director, College of Employment, Chitwan
99.	Ram Kazi Neupane	College of Employment, Chitwan
100.	Shankar Bohora	College of Employment, Chitwan
101.	Top Kanta Parajuli	Chairperson, College of employment, Chitwan

Training and Employment Service Providers visited

S.N.	Name of T&Es	District
1.	Peace Technical Training Center	Gwarko, Kathmandu
2.	Global Institute of Hospitality Management	Min Bhawan, Kathmandu
3.	Gurukul Institute of Technical Education	Dhangadi
4.	Sathi Enterprise	Dhangadi
5.	REACE	Dhangadi
6.	SODEC	Hetauda
7.	Business Consultancy Center (BCC)	Hetauda
8.	Creative Service and Sales	Chitwan
9.	College of Employment	Chitwan
10.	Sahara School of Hotel Management	Chitwan
11.	CMES	Chitwan

### Annex 3- Statistics and Indicators in the Log Frame

#### 3a

Achievements	Phase I					
	2008	2009	2010	2011	2012	2013 est.
Total Nr. Trained (total)	4003	10,465	11,418	13,222	14,255	17,000
Nr. Trained (SDC & DfiD)	4003	10,465	10,608	11,207	12,319	15,066
No. T&Es	13	17	21	32	35	36
Gainful Employment Rate	89	81	79	73	68	n.a.
DAG %	85	90	85	81	86	84
Fem. %	60	57	51	41	51	53
Nr. Districts	32	39	54	54	60	66
Nr. Occupations	26	48	65	81	76	75
% budget spent	n.a.	77	89	86	78	n.a.

Source: EFS

3b. Log Frame Indicator (Only DfID and SDS financing)	2011		2012		2013		Phase 1 total/ave.	
	Target	Actual	Target	Actual	Target	Actual (est.)	Target	Actual (est.)
Outcome 1- Young women and men, especially disadvantaged, are gainfully employed								
% of those trained who are gainfully employed after 6 months	80	73	80	68	80	n.a.	80	n.a.
% of trainees belonging to disadvantaged groups	80	81	80	86	80	84	80	85
o/w- % gainfully employed	80	72	80	67	80	n.a.	80	n.a.
% of trainees female	50	41	50	51	50	53	50	49
o/w- % of females gainfully employed	80	85	80	67	80	n.a.	80	n.a.
Output 1.1- Young women and men are trained and skills tested.								
# Trained through DfID & SDC funds	12,000	11,207	11,500	12,319	11,500	15,066	35,000	38,582
% participation in NSTB skills tests	80	94	80	94	80	90	80	93
o/w- % pass the skills tests	80	91	80	87	80	80	80	86
# graduates receiving life skills support	600	526	600	7,148	8,000	8000	3,000	15,674
% trainees satisfied with life skills	80	100	80	98	80	80	80	93
# graduates receiving entrepreneurship skills	3,000	1075	4,500	1,665	4,500	3,000	12,000	5,730
% trainees satisfied with entrepreneurship training	80	99	80	96	80	80	80	92
# trainees receiving training/orientation for overseas market	500	74	500	c.100	600	500	1700	674
Output 1.2- graduates receive satisfactory job placement and business start-up support								
# received support for job placement from T&Es	4,000	6318	4,000	7757	6,000	8000	16,000	22,075
o/w- % reporting satisfactory job placement	80	99	80	86	80	80	80	88
# graduates receiving business start-up support from T&Es	n.a.	NA	n.a.	2004	4,000	3000	10,000	n.a.

o/w- % reporting satisfactory business start-up support by T&Es	80	NA	80	86	80	80	80	n.a.
# training graduates linked to formal credit system	200	53 + MoU NMB	200	286	400	1000	1,000	1,339
Note: est. = estimated for 2013								

Source: EFS

Indicator (log frame)	2011		2012		2013		Phase 1	
	Target	Actual	Target	Actual	Target	Actual (est.)	Target	Actual (est.)
<b>Outcome 2-EFS &amp; its training partners are successful institutions in the TVET sector</b>								
% selected participants completing training	90	95	90	94	90	90	90	93
% of training graduates pass the skill test	80	91	80	86	80	n.a.	80	n.a.
% gainfully employed after six months	80	73	80	68	80	n.a.	80	n.a.
Nr. of additional donors contributing to EF		0		0		none	2 additional donors	EF not seeking additional donors; now focused on mainstreaming processes in GoN system
Common understanding with GoN on monitoring mechanisms & standards		MoU + M&E Guide finalized					Common understanding developed	Monitoring guideline finalized, applied. MoU with EVENT for joint monitoring

Indicator (log frame)	2011		2012		2013		Phase 1	
	Target	Actual	Target	Actual	Target	Actual (est.)	Target	Actual (est.)
Common understand with GoN on quality of training		CTEVT contr'd.		Gen. + 10 QIs			Common understanding developed	Quality indicators agreed – general and for 10 occupations
<b>Output 2.1- EFS capacitated to ensure consistent quality in its operations</b>								
Quality of EF procedures and standards		CTEVT contr'd.					Effective QMS in place	Operational manual issues and used
Quality of monitoring system of EFS and T&Es		M&E guide intro'd.					Monitoring system analyzed, improved, implemented	Done
<b>Output 2.2- T&amp;Es respond to skills demands in local and international markets</b>								
Nr. of T&Es conduct RMAs per guidelines	All	All	All	All			All	Done
Nr. of T&Es make use of 8 national market studies		LM studies shared					All	Done
Nr. Of new training curricula & manuals available and used by T&Es	5	10 o.p., 7 n/curr., 3 man., 14 curr. updated	5	8 o.p., 11 n/curr., 13 man., 13 curr. updated	5	4+ o.p., 8+ n/curr., ++ man., ++ curr. updated	15	At least: 22 occupational profiles developed; 26 new curricula; 16 manuals and 27 curricula updated.
<b>Output 2.3- Roles &amp; responsibilities clarified on sustainable institutionalization of EF</b>								

Indicator (log frame)	2011		2012		2013		Phase 1	
	Target	Actual	Target	Actual	Target	Actual (est.)	Target	Actual (est.)
Agreement among stakeholders on options for institutionalization of EF beyond 2013		Draft CP dev'd.	CP drafted	EVENT MoU			Draft concept paper discussed & agreed	Not done. MoU for joint monitoring of EVENT replaced this
SC & donor decisions taken related to institutionalization process beyond 2013				No clarity yet			SC decision made on way forward; donors agreed on future funding modalities of EF	Not done yet.
Note: "QMS" = quality management systems; QI = quality indicators								

## Annex 4: SWOT Analysis- by Review Mission

(21 May 2013)

(Note- these are points made by various respondents during interviews. They may have been misunderstood or misinterpreted. No verification or endorsement is made of the validity of the statements.)

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
<p><b>Concept of the EF</b></p> <ul style="list-style-type: none"> <li>• Built on past experience and successes</li> <li>• Results based post-financing focuses on the end objective -- employment with income above a threshold</li> <li>• Demand-oriented training -- based on local market assessment and actual employment possibilities. T&amp;Es identify employment opportunities before training starts.</li> <li>• The T&amp;Es are paid mostly for demonstrated employment at minimum income – and consequently must take market analysis seriously</li> <li>• Incentives are effective in providing incentives to enroll target groups</li> <li>• T&amp;Es bear the risk (of advance financing, and of not receiving payment), but also the reward (profits)</li> </ul>	<p><b>Concept of the EF</b></p> <ul style="list-style-type: none"> <li>• Institutionalization               <ul style="list-style-type: none"> <li>○ Donors were supposed to turn the EF over to government after 2/3 years of trial. That has not happened.</li> <li>○ There is no plan for transferring the EF to government, in contradiction to the original intent.</li> </ul> </li> <li>• The value of results achieved from output-based training may not last. Many so called jobs disappear later (e.g. beautician, brick molding).</li> </ul>
<p><b>Application of the concept/method</b></p> <ul style="list-style-type: none"> <li>• The EF works with private training providers.</li> <li>• The EF established norms for direct training costs which helped insure equitable treatment across providers, and minimized expenditures</li> <li>• No advance payment helps ensure that funds will not be spent and wasted without results</li> <li>• Annual LOI engenders a competition for funds</li> <li>• T&amp;Es do the market analysis through RMA methodology – each year</li> <li>• Incentives for female trainees have made the T&amp;Es compelled to include females (marginalized groups, widow, single mother etc.)</li> <li>• Successful bidders must have 2 yrs. experience and start at 100-200 trainees maximum to demonstrate competence</li> <li>• Transparent processes –               <ul style="list-style-type: none"> <li>○ Made transparent the system of</li> </ul> </li> </ul>	<p><b>Application of the model/method</b></p> <ul style="list-style-type: none"> <li>• The EF is built on a project logic, not a business logic stressing financial sustainability</li> <li>• Many T&amp;Es request raising the ceiling on educational background to allow more SLC pass graduates               <ul style="list-style-type: none"> <li>○ Some occupations require higher educational levels, e.g.– electrician, waiter, plumber.</li> </ul> </li> <li>• Direct training costs should be reviewed and raised for some occupations [does procedure exist for regular review/revision?]</li> <li>• Sub-contracting can have perverse effect on quality – the contractor keeps significant portion of the direct training costs.</li> <li>• Those that invest in quality are at a disadvantage because it costs more and they are not competitive with providers willing to cut corners.</li> <li>• Mismatch in trainee allocations</li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
<p>procurement of services of training providers</p> <ul style="list-style-type: none"> <li>○ Each winning bidder knows what the others are paid.</li> </ul>	<p>received by T&amp;Es (gender distribution – arbitrary increases in # females to be trained)</p> <ul style="list-style-type: none"> <li>● The requirement for below SLC pass is not full relevant any more -- as the enrollment rates have increased substantially to grade 10 and the pass rates are above 90%. Those who do not obtain SLC are mainly for very remote areas with few employment opportunities. It took four years for to raise the ceiling educational qualification – now it can be SLC pass for a few trades and only for females.</li> <li>● Rigid, inflexible standards on determining income. <ul style="list-style-type: none"> <li>○ E.g. income verification should take into account meals and housing received in the hospitality sector, and the time required to find a job.</li> <li>○ Income as the only decisive indicator is too narrow. Relative change in income should be considered, job satisfaction and promotion prospects.</li> <li>○ Interrogating rather than interviewing;</li> </ul> </li> <li>● Extrapolation considered unfair – only verifying 4 of 20 trainees.</li> <li>● One T&amp;E claiming capacity requested to be allowed to do more female training within occupations identified by its market research.</li> <li>● Monitoring too closely (by T&amp;Es) caused some providers to leave the partnership.</li> <li>● The test covers only part of the training. The test was designed for about 160 hours of instruction, mainly for RPL, but the curriculum covers 390 hours. Therefore, it is essential to monitor closely the quality of training as it is given.</li> <li>● EF training providers are operating illegally – they are supposed to obtain CTEVT approval to deliver courses, but most do not.</li> <li>● Selection criteria are too complicated and insensitive (ethnic,</li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
	caste differences) and put training providers in awkward situations.
<p><b>Networking and linkages established</b></p> <ul style="list-style-type: none"> <li>• EF has made financial arrangements with banks for post-training start-up capital</li> <li>• EF established strong relationships with CTEVT Departments – Curriculum Development, NSTB, TITI</li> <li>• EF established well-built networking with stakeholders (credit links, publicity)</li> <li>• EF established network with a Netherlands INGO on tourism curricula and training</li> </ul>	<p><b>Networking and linkages established</b></p> <ul style="list-style-type: none"> <li>• Lack of government involvement in the project (except for Steering Committee) <ul style="list-style-type: none"> <li>○ No official direct relationship/integration with CTEVT. EF is implemented in isolation of government.</li> <li>○ Lack of involvement with other ministries</li> <li>○ Lack of involvement at district and local levels. The EF has not had any activities or impact as the district level of government (District development committees.)</li> <li>○ No linkages with public training providers (model schools) [Except one pilot.]</li> </ul> </li> <li>• Lack of involvement of employers at central level (NCCI)</li> </ul>
<p><b>Capacity building-</b></p> <ul style="list-style-type: none"> <li>• Building a training market</li> <li>• Training of trainers-- Applied results-based incentives for in-service training of trainers to L2 level – the EF paid for the training only if the instructor passed the NSTB L2 test. (About two thirds passed.)</li> <li>• Curriculum development <ul style="list-style-type: none"> <li>○ (e.g. 17 new trades under AGEI)</li> <li>○ Making curricula and materials user friendly by translating them into Nepali (CTEVT curricula are produced in English only).</li> </ul> </li> <li>• Supports government institutions- training only done within CTEVT- NSTB-curricula.</li> <li>• Good capacity building for T&amp;Es, in ToT, ToM, RMA, database training, counseling training, psycho-social training</li> <li>• EF has helped to establish quality standards <ul style="list-style-type: none"> <li>○ Requirement that all instructors be primary graduates, that one of two per training be L2</li> </ul> </li> </ul>	<p><b>Capacity building</b></p> <ul style="list-style-type: none"> <li>• Lack of possibility to follow through and evaluate the effectiveness by resource organizations (TITI on training of trainers; IEDI on enterprising.)</li> <li>• Curricula need, but some have not received, regular updating (mobile phone technology, plumbing).</li> <li>• Curricula development – constraints in the Curriculum Development Division of CTEVT: lack of good records, slow, lack of reserve fund for starting development.</li> <li>• EFS never arranged psycho-social training for one training provider.</li> <li>• Lack of integration of EF with government procedures (parallel fund.)</li> <li>• No capacity building provided to the main TVET agency, CTEVT, for developing its staff.</li> <li>• Problem in CTEVT- skill profiles and curricula development are not coordinated.</li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
<ul style="list-style-type: none"> <li>○ Minimum standards are annexed to new curricula- this also provides a basis for monitoring</li> </ul>	
<p><b>Programs and program delivery</b></p> <ul style="list-style-type: none"> <li>• New programs created in “skills plus” and “annex” (multi-skilling)</li> <li>• Innovations developed and piloted</li> <li>• EFS has supported new occupations where possible</li> <li>•</li> </ul>	<p><b>Programs and program delivery</b></p> <ul style="list-style-type: none"> <li>• Lack of follow-up monitoring, advice and other support by resource organization <ul style="list-style-type: none"> <li>○ Training of trainers (TITI)</li> <li>○ Enterprising (IEDI)</li> </ul> </li> <li>• Lack of sufficient (emphasis on) on-the-job training.</li> <li>• Amount of training deemed insufficient by trainers and trainees in many cases</li> <li>• Distortions in allocations- One T&amp;E was asked to train females in non-traditional occupations it deemed not likely for employment.</li> <li>• Selection of participants by NGOs for the enterprising innovation poorly done.</li> <li>• Career guidance is needed, but only a small pilot has been done [? Accurate?]</li> <li>• Little done for workers emigrating – linkages weak with such programs.</li> </ul>
<p><b>Performance and Impact</b></p> <ul style="list-style-type: none"> <li>• Inclusion – through incentive structure (Categories A through D)</li> <li>• Reaching a relatively large number of participants.</li> <li>• High overall employment rate since beginning—50K out of 60K = 83%.</li> <li>• Model being replicated under other large-scale projects (EVENT, and SDP)</li> <li>• EF success has helped change the mindset in government towards private training providers. Now more open to partnering with private providers. “The argument has flipped” – Instead of ‘can private providers be included’, it is ‘can the public providers be included?’”</li> </ul>	<p><b>Performance &amp; Impact</b></p> <ul style="list-style-type: none"> <li>• Declining rate of employment (expansion under DfID financing; raise income minimum)</li> <li>• EF has not had much impact on the (TVET) system. <ul style="list-style-type: none"> <li>○ EF doesn’t support the government (TVET) system.</li> <li>○ Learning and experiences of EF outside does not help government.</li> <li>○ Patchwork – not a systematic contribution to the TVET system</li> </ul> </li> <li>• Lack of integration with government funding.</li> <li>• No impact on government policy since the beginning of EF</li> <li>• Curricula development may not have gone through actual DACUM</li> <li>• EF borrows resources from the system and does not contribute to the system in return. This weakens the TVET system.</li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
	<ul style="list-style-type: none"> <li>• Tracer studies are needed on the sustainability of employment after six months on the job.</li> <li>• Possibility of arrangement of employment up to six month only to get the last installment</li> </ul>
<p><b>Performance of T&amp;Es</b></p> <ul style="list-style-type: none"> <li>• The number, distribution, capacities and experience of private training and employment service providers is a unique feature of Nepal and a clear strength</li> <li>• The capacity of T&amp;Es has been raised through various kinds of training, and through the monitoring process (e.g. checklists make the quality standards clear)</li> <li>•</li> </ul>	<p><b>Performance of T&amp;Es</b></p> <ul style="list-style-type: none"> <li>• Value added of working through intermediary T&amp;Es not always evident to EFS. The variance between reporting and actual verified numbers is not that different from direct training providers. They still have to be monitored, even though they do their own internal monitoring.</li> <li>• Problems in retention of staff.</li> <li>• Enough capacity to handle the big scale-up coming (EVENT and SDP)?</li> <li>• Some T&amp;Es keep a share of the direct training costs when transferring to sub-contractors, leading to lower quality.</li> <li>• Local providers have multiple jobs, are not themselves well trained and do not concentrate on delivery of training. (Comment on the “Enterprising” innovation)</li> <li>• Some T&amp;Es are reluctant to spend money on developing their staff. They tend to be reluctant to pay even for transport and meals while travelling for their staff to attend free EF training of trainers. Sometimes they even ask the staff to pay their transport expenses. On forms reporting their spending, the line for staff capacity development invariably is left blank.</li> <li>• T&amp;Es tend to focus their training on passing the skill test, not on the full curriculum.</li> <li>• T&amp;Es tend to oversell the occupations to get applicants, not presenting a balanced approach. Later the trainees do not want to enter the occupation after learning the negatives. More authentic career counseling is needed.</li> <li>• Targeting – T&amp;Es not doing enough to select trainees among the poorest</li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
<p><b>Management- of implementation</b></p> <ul style="list-style-type: none"> <li>• Overall <ul style="list-style-type: none"> <li>○ As an implementing organization – “brilliant, fantastic”</li> <li>○ High overall output from a relatively small staff</li> <li>○ “Efficient management”</li> <li>○ “Very efficient project management – with transparent procedures, based on indicators, good monitoring of outputs.”</li> <li>○ “Overall very good (project), with honest, dedicated staff.”</li> <li>○ “Broad program – covering all the country”.</li> <li>○ “Working with the EFS is invigorating – it is easy to discuss and resolve difficulties.”</li> <li>○ “EFS never interferes in technical issues. It gave genuine feedback from the field.”</li> <li>○ The EFS struggled initially in scaling up, but it developed the necessary systems by 2010 and is currently managing well.”</li> <li>○ “EF has met the log frame targets.”</li> <li>○ “The EF has developed a good reputation. It has shown visible results, has demonstrated that the model works. Considerable good will has been generated.”</li> </ul> </li> <li>• Learning organization- changes, modifications– “constantly changing systems and procedures, adapting, improving” <ul style="list-style-type: none"> <li>○ Acted on most recommendations from 2009 review [verify]</li> <li>○ EFS listened to feedback from support organizations, e.g. introduced the requirement that all trainers have at least a completed primary education.</li> </ul> </li> <li>• Management systems <ul style="list-style-type: none"> <li>○ Designed and established new monitoring system <ul style="list-style-type: none"> <li>▪ Prepared monitoring</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul> <p><b>Management- implementation</b></p> <ul style="list-style-type: none"> <li>• Coordination - No concrete plan/process yet for coordinating the big three ST training programs (EF, EVENT, SDP)</li> <li>• Scaling up from 2009- ran into system, procedural and institutional limitations</li> <li>• Limitations and issues in EFS management <ul style="list-style-type: none"> <li>○ Relatively small staff in EFS relation to ambitious targets. This is changing somewhat with the addition of more field monitoring officers, but means of transportation are also insufficient.</li> <li>○ Donors have imposed stringent criteria that EFS finds difficult to meet, e.g. that 10 % of the training be in Swiss cluster districts. This translated to training 1,700 in 2013 where employment prospects are extremely low. Training providers, paid on the basis of actual employment, do see profit opportunities in such districts. In addition, additional criteria are imposed: a relatively high proportion of women; and women in non-traditional occupations.</li> <li>○ Some tendency within the INGO for micro-management of EFS leading to some frustration.</li> </ul> </li> <li>• Sometimes EF may tend to focus more on numbers and targets, not the quality of training.</li> <li>• Internal/external EFS communications <ul style="list-style-type: none"> <li>○ Funneling down information to partners leaves something to be desired</li> <li>○ Program information not communicated adequately to all EF staff</li> <li>○ Field level staff may not be</li> </ul> </li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
<p>guidelines covering pre-training; during training; post training.</p> <ul style="list-style-type: none"> <li>▪ With weak partners, it would not have achieved as much if EFS only looked at the outcomes (as recommended in the 2009 review.)</li> <li>○ Established web-based database system</li> <li>• Innovations— <ul style="list-style-type: none"> <li>○ Multi-skilling (annex skills)</li> <li>○ Pathways – based on finding that they were not reaching the poorest</li> <li>○ Enterprising</li> <li>○ Literacy training added to Pathways</li> <li>○ Life-skill training to female trainees to make them aware who they are; what they can do; and how they can do it.</li> </ul> </li> <li>• Web-based monitoring (database) established (speeds information flows, eliminates duplications)</li> <li>• Communications strategy – has made EF known to the media. EF is now visible.</li> <li>• Feedback- <ul style="list-style-type: none"> <li>○ complaint management system</li> <li>○ Periodic reviews with T&amp;Es</li> </ul> </li> </ul>	<p>familiar with EF policies and practices.</p> <ul style="list-style-type: none"> <li>○ Local partners are not fully aware of programs, limited outreach</li> <li>○ Resource partners not aware of communications between EFS and their staff, or with related resource partners (i.e. Curricula development; NSTB)</li> <li>○ Some lack of information within NSTB or CD of what EF is requesting.</li> <li>• Capacity of EFS <ul style="list-style-type: none"> <li>○ EFS has limited technical expertise</li> <li>○ EFS staff are generalists, not technically qualified in TEVT</li> <li>○ EFS disregards the technical expertise of CTEVT</li> <li>○ EFS poaches expertise from government</li> <li>○ Need for updating staff of EFS – lack of capacity development in EFS</li> </ul> </li> <li>• Selections <ul style="list-style-type: none"> <li>○ EFS selects training providers which are not technically competent.</li> <li>○ Bias in the allocation of training places (training quotas) among the winning bidders</li> </ul> </li> <li>• Monitoring and control <ul style="list-style-type: none"> <li>○ EF monitoring tends to duplicate internal monitoring by some T&amp;Es (e.g. F-Skills and Alliance which have their own monitoring systems.)</li> <li>○ EFS staff do not monitor the commencement reports-took decision later to disqualify some male trainees at graduation stage (despite having received five reports over three months on their enrollment.)</li> <li>○ EF hires its own auditors, whereas Government uses</li> </ul> </li> </ul>

STRENGTHS/ADVANTAGES	WEAKNESSES/CONCERNS
	sanctioned auditors from other branches of government.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Institutionalization through EVENT- <ul style="list-style-type: none"> <li>○ Helped EVENT get off the ground (pricing, systems)</li> <li>○ joint monitoring- opportunity to transfer the experience and best practices</li> </ul> </li> <li>• Comparative advantage (compared with government)—flexibility to start and manage innovations. Can play complementary role with government.</li> <li>• Potential to start charging for some training? (Level 2, some cost recovery through loans?)</li> <li>• There appears to be clear agreement on the need for innovation in skills and employment. The EF is recognized as having unique capacity in this area – it is a niche to continue to exploit. However, to maintain the innovation process as an incubator or laboratory is highly challenging.</li> <li>• Expansion of skill testing provision opens up avenues to develop National Vocational Qualification System that allows: <ul style="list-style-type: none"> <li>○ expansion of training market</li> <li>○ increase an access to training market</li> <li>○ workers' career progression</li> <li>○ development partners' support to develop the NVQ system</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Institutionalization – there is no concrete plan to turn over or merge the EF into government. Therefore its continuation as an organization is open to question.</li> <li>• Sustainability- <ul style="list-style-type: none"> <li>○ When the project ends, the T&amp;Es will have few sources of financing. EF will not be sustained after the project.</li> <li>○ So much free money is available for subsidized training, it is difficult to charge fees for courses and thereby help make the training providers financially sustainable.</li> <li>○ Because of labor shortages in villages, a manual laborer can earn Rp500/day. There is little financial incentive for such a person (lacking longer term vision) to acquire skills.</li> </ul> </li> <li>• Risk of duplication with other ST training (EVENT, SDP) – occupations, locations, trainees</li> <li>• Saturation <ul style="list-style-type: none"> <li>○ Risk that T&amp;Es will sell same RMA to different providers which could lead to over-supply of training</li> <li>○ Risk of saturation of the market with too many ST training programs</li> </ul> </li> <li>• Difficulty of achieving or sustaining high rates of employment for graduates in a stagnant and faltering economy.</li> <li>• Risk that the National TVET Fund is not designed with criteria and procedures acceptable to donor agencies making them unwilling to contribute to it.</li> </ul>

## Annex 5- SWOT Self-Analysis of Employment Fund<sup>27</sup>

Carried out in staff workshop on 22<sup>nd</sup> May 2013, Employment Fund Secretariat Office, Kathmandu

	Positive	Negative
Internal	<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Result-orientation on all levels of the project</li> <li>• Out-come based financing system related to monitoring system</li> <li>• Independently carried out monitoring in a fair and transparent monitoring system</li> <li>• User-friendly and effective data-base system for whole project set-up</li> <li>• Many T&amp;Es are specialized in certain occupational sectors</li> <li>• Market-based training (RMA)</li> <li>• Bottom-up and stakeholder consultation in creation of project guidelines</li> <li>• Practice of “first piloting, then scaling up” in innovations</li> <li>• Broad geographical coverage, approx. 17,000 beneficiaries yearly</li> <li>• Strong networks, contributions to civil society through partner organizations</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• High turnover in T&amp;E staff</li> <li>• Reluctance of T&amp;Es to invest in their staff</li> <li>• Training cycle of one year is too short, especially for Job Creation</li> <li>• T&amp;Es are more focused on fulfilling EF regulations than to build sustainable businesses</li> <li>• Overlapping procurements means high workload for T&amp;Es and EFS staff</li> <li>• EFS has loss of investment through termination of contracts with underperforming T&amp;Es</li> <li>• Insufficient linkage with GoN entities</li> <li>• Database not correctly operated in many cases, means a good tool is not used appropriately</li> <li>• EF only offers “one size fits all” training, does not correspond to demand where different sizes are needed.</li> <li>• Insufficient backward and forward linkages, EF should operate more in the direction of a value chain approach.</li> <li>• T&amp;Es show little creativity and innovative approaches</li> <li>• Sinking employment rate: RMA tool implementation needs to be revisited and updated, analysis of reasons for non-employment needs to be carried out</li> <li>• More effort is needed to reach the target group</li> <li>• Free trainings create dependency and little self-initialization</li> <li>• Role of PO/Helvetas Nepal in strengthening EFS is unclear and insufficient</li> <li>• Recent gender misbalance in staff composition</li> </ul>

<sup>27</sup> Staff members present: Siroco Messerli, Bal Ram Paudel, Bhanu Pandit, Bal Mukunda Neupane, Komal Bhatta, Sangita Pudasaini, Khul Bdr. Thapa, Biki Koirala, Gopal Dangol, Sonja Hofstetter

**OPPORTUNITIES**

- Around 50% of school leavers fail at SLC exams every year
- There are many returnee migrants looking for perspectives in Nepal
- TVET is a high priority field for donors in Nepal
- EF continues to receive a lot of support from its donors
- EFS is very well positioned to win the SDC tender in 2015
- There are innovative approaches for new target groups
- Possibility of scaling up innovative approaches and disseminating this information (South-South cooperation)
- Collaboration with other organizations to strengthen achievement of objectives (NMB Bank, Poverty Alleviation Fund, EVENT, YSEF etc.)
- Positive discrimination towards women in training access
- Many opportunities for justification of phase extension
- Economic growth and employment are also goal of GoN
- Increasing availability of loans and financial services from Banks and other financial service providers
- Opportunity of results-based financing and monitoring system in to be incorporated into other HELVETAS projects.
- Develop more innovative approaches to job creation and linking labor demand and supply

**THREATS**

- Increasingly more similar projects to EF are being carried out in Nepal in the TVET sector by different actors
- Incorporation of EF practices with government policy level
- Strategy and closer cooperation with GoN is needed to ensure sustainability
- Many projects in a similar fields implemented by Helvetas Nepal: SEIS (phasing out), ELAM, SaMi, hardly any cross-learning
- Institutionalization of T&Es, what is the best practice?
- Which GoN actor (ministry) is the best partner for EF?
- CTVET is the only entity in Nepal to support EF on curricula development, however they are operating very inefficiently
- No pre-financing of EFS sometimes means that T&Es cannot invest sufficient funds for the training, result is deteriorating quality due to lack of facilities
- Duplication of trainings, wrong targeting leads to many drop-outs
- Employment rate is sinking yearly, needs more commitment of EFS
- Doubts about participants' achievements of income threshold, especially in innovations
- Partners still have a activity-based mindset which challenges the outcomes-based approach of EFS
- Documentation is needed in order not to lose much of valuable learning
- No real RMA conducted in the field
- Collapse of a system of partners after EFS phases out?
- Micro-management of PO poses challenges to EFS

## Annex 6: Main lessons learned

### I. Prior to Phase I

#### **Project Document** (p.9-10)

*Incentives for employment.* Incentives linked to outcome-based payment system generated a strong motivation for T & E service providers to ensure gainful employment.

*Incentives to reach disadvantaged groups.* The differential incentive system is a unique feature of the EF pricing system for skill training and employment. Teaching Category A and B means an extra payment of 100% and 90%, respectively, per graduate employed. This differential incentive system has been instrumental to reach around 90% of participants from DAG.

*Private sector training partners.* T & E service providers have been successful in achieving high rates of gainful employment. They tend to be well networked with stakeholders in the local economy and thus, are well placed to identify technical skills that are in demand in labour markets and to bring skills training graduates into employment.

*The value of diversity in training & employment service providers.* The diversity among service providers since 2009 (e.g. small, large, focus on one economic sector, focus on one geographic region) supported innovation (e.g. identification of new trades, new approaches to skills training such as apprenticeship), maintained a good balance with regard to trade and geographical orientation, as well as facilitated a broad outreach.

*Monitoring training and employment service providers.* Under output-based financing monitoring and verification of outputs is paramount. The first tier of reporting is done by T & E service providers. EF field monitors verify the outcomes and outputs reported by T & E service providers during spot-checks. Income is recorded and verified through a self-declaration of trainees. Verification requires considerable time and resources. The accuracy of the monitoring system is essential to the whole program. The EFS needs to balance emphasis on process monitoring with outcomes monitoring.

*Capacities of T&E service providers need strengthening.* The T&Es are key to delivery of training and employment outcomes. Many are relatively new given the rapid expansion in diversity of providers. T&E service providers have different levels of experience and management capacities. Most need capacity development to manage the various functions associated with outcomes-based payments, including delivery of quality training, management capacities, data management, monitoring and reporting. The EF needs to support T & E service providers to acquire these capacities.

*Post training support for skill trained people.* Short term occupational skill training alone may not be sufficient for many trainees to sustain gainful employment, particularly for those entering self-employment. Additional skills are required, such as financial literacy, access to credit, business skills, and life skills.

**EF Annual Report 2010 (p.11)**

*Selecting participants.* Selecting appropriate trainees is a key to success in the program. Their selection and verifying their education level and economic condition requires considerable time and effort by T&Es. EFS prepared and trained the T&Es on the new participant selection guidelines, but further improvements are needed in the process (e.g. involvement of locally respected people, employers) to increase effectiveness.

*Incorporation of business skill package.* Trainees increasingly are starting or wishing to start their own micro-enterprises. Short business skill training, which EF has piloted, is vital for the success of those who have shown interest in becoming self-employed.

*Strengthening access to credit.* Access of the graduates to credit system is essential for the establishment and expansion of micro-enterprises. Local lenders can charge graduates excessive interest rates (as high as 60% p.a.) making their business unviable. A functional relationship between the graduates and financial institutions is needed.

*Building common understanding of monitoring systems.* There is a lack of common understanding by T&Es of the monitoring and evaluation requirements, processes and methodologies of EF. Further capacity building and experience exchange on monitoring are therefore required in order to ensure that monitoring is understood as a joint effort to improve quality and effectiveness of the training & employment services.

**During Phase I (2011-13)**

**EF Annual Report 2011 (p.13)**

*Increasing outreach through partner organizations.* Collaboration with focused interest group has been effective in publicizing the EF among target groups and generating increased applications for training. EFS initiated the collaboration specifically with women-empowerment and indigenous people's rights organizations to help reach the very poor, remote, discriminated and especially women. The results have been encouraging.

*Strategic use of media.* Media tend to disseminate mostly event and political news, but cover little about development and economic news. EFS developed a communications strategy and organized communication orientation workshops with T&Es. This promoted links with local and national media and contributed to publishing news about EF on a regular basis in local as well as national print media, radio and television. Further, public service announcements and radio programs attracted disadvantaged youth to the training, created awareness among employers about the availability of skilled workforce and informed the wider public about the activities and results of EF.

*Continuous adaptation of curricula and identification of promising trades.* To maintain relevance in the labor market it is important to identify and develop curricula for new promising trades which are emerging on the labor market. Consequently, it is necessary to support continuously CTEVT/ NSTB in updating and translating curricula and occupational profiles as well as developing curricula. The RMA and procurement processes are intended to identify promising new relevant trades, but the T&Es tend not to show sufficient initiative.

Other means, e.g. labor market studies, are needed to identify emerging occupations in demand.

*Mainstreaming skill plus packages for all trainees.* The newly developed business and life skill training packages piloted for a small number of graduates in 2010 proved to be essential for self- and wage-employment. The resource organizations subsequently delivered training to T&Es and conducted the 2011 skills plus programs jointly with the T&Es. From 2012 onwards soft skill packages will be delivered to all trainees.

*Harmonizing EFS interventions with the training implementation plan.* While preparing for the 2012 program, EFS shortened the procurement process and aligned all its support activities (such as communication and outreach, monitoring guideline orientation, market research, ToT, level II trainers skill test, etc.) with the training implementation plan. The timely delivery of project activities to the partners improved the quality of the training and employment services offered by the T&Es.

### **Tracer Study of Technical Skills Development Training Graduates, 2008/2009.**

*Development Vision - Nepal (P.) Ltd.-- May 2012. Lessons and recommendations (pp. xxi-xxiv)*

Importance of RMA to identify occupations in view of location friendly employment potential. Considering the emphasis laid by EFS for involving a greater number of disadvantaged groups from the rural areas to decrease the out-migration tendency, it would be useful for the EFS to emphasize more rural employment market-related training while conducting the RMA through T&Es. To keep disadvantaged females on an equal footing with males, the EFS should also offer them business literacy classes as a package in addition to the technical skills training package.

In 2008/09, the major information source for knowing about the training offer was largely family members and friends. As EFS has already added a communication component for the dissemination of such information, its' contribution should be accelerated to better serve the interest of EFS targeted disadvantaged group of participants through the application of multiple sources of communication including the mass media (e.g., FM radio).

As the transition of self-employment took longer than wage-employment, the EFS should attempt to minimize such transition through strict monitoring of counselling and placement services provided by the T&Es.

Performance of some trades like Thanka Painting and Brick Molding could not achieve a satisfactory level of success. These trades could have performed better in self-employment, had the graduate groups been formed with support for this purpose (self-employment), rather than wage employment

Inconvenient distance of the training centre was reported by around 59% of the graduates as one of the difficulties of joining the training. This could be more difficult for those who need to compete with their time required for earning the livelihood for family members on a daily basis. To overcome such problems, the EFS should promote more mobile trainings targeting disadvantaged groups.

The OJT was found useful for refining the performance skill standards of the graduates as well as connecting access to employment. Therefore, they should be applied consistently across all trades. As 23% of the graduates reported the need for improving OJT environment, the EFS should define its acceptable standard of OJT environment.

The strategies followed for seeking employment revealed limited contribution of T&Es (38%). Therefore, there is a need for improving counselling and placement services being followed by the T&Es.

The graduates demonstrated a tendency of shifting from wage to self-employment over the years together with their increased confidence, as well as risk taking abilities and a flexible scope of work. In view of this, the EFS should promote more self-employment focused training programmes by linking institutional financing services for initial investment required by the graduates. It should also make provisions for supporting the enterprises beyond six months on special cases and also link commodity value chains by involving producer, processor and marketing groups on a team. (xxii)

Around 23% female graduates were found unemployed as opposed to 9% of their male counterparts. To strike a balance between the employment rate of both, the EFS should increase involvement of female in more self-employment focused training programmes (especially, in situations where the likelihood of females accessing wage-employment is rare due to the specific nature of trade). The EFS should promote self-employment focused training for the rural areas so that they can work seasonally in the agriculture sector too.

Around 70% of the graduates faced difficulties in the start-up of a business enterprise. The problems encountered were: insufficient investment fund, imperfect location of the business enterprise, inadequate market conditions, and insufficient technical know-how. To overcome these problems, the EFS should facilitate linking the financial institutions for loans to the graduates and promote training on business skills. Further, it should also encourage the sharing of experiences among the self-employed graduates at least once a year by organizing workshops.

## Conclusion

The overall findings of the study indicate the positive contribution of the EFS supported technical skills training. It has been successful in engaging unemployed youths into jobs. As majority of them were continuously working in the subject area of their training, which indicates sustainable results of outcome based intervention. This can be attributed not only to the skills training conducted but, more importantly, to follow-up verification of knowledge and skills applied at work to meet the gainful income threshold.

More than 90% of the graduates were determined to remain intact with their current job. This reveals the success of EFS in ensuring the first foothold of graduates in jobs. However, to make these technical jobs a component of their improved career path, the EFS should engage in supporting higher level training as well (i.e., training beyond the Elementary Level and Level 1). (xxiv)

## **EF Annual Report 2012 (p.11-12)**

*Multi-skilling increases the chances for higher income and year round employment.* In the rural labor market, unlike in the towns, employers prefer to get multiple services from one individual and graduates cannot make sufficient earnings from one set of skills. This applies particularly to agricultural trades where off- or low season times can be productively used with other elementary level skills. The EF piloted approach of providing training in a main as well as an “annex” occupation achieved encouraging results in 2012 with higher and less fluctuating incomes, and will be extended in 2013.

*Better targeting through improved trainee selection.* Under its two innovations, enterprise job creation and pathways to progress EFS piloted the involvement of independent resource organizations in the career counseling, assessment and selection of the potential trainees. This was done to address the challenges of identifying poverty levels, motivation and aptitude for work in the occupations. The results were promising, despite some coordination problems, and will be further refined in 2013.

*Correlation between employment rate and income threshold.* The increase of the income threshold for gainful employment from NPR 3,000 to NPR 4,600 by the project led to a predictable anticipated decrease in the effective employment rate. This change had no impact on the primary stakeholders (i.e. against the previous threshold the employment rate was with 81% comparable to previous years) it reduced the payments of the project to the T&Es for their services. EFS plan to raise the effective employment rate in 2013 by a) requiring poorly performing T&Es to develop and implement action plans for improving job placement rates; and (b) use multi-skilling which aims in particular on raising the income in low earning (rural) trades.

*Continued challenges in the collaboration with CTEVT/ NSTB.* The continued efforts of EF to develop curricula and occupational standards through the public TVET institutions instead of private consultants are challenged by the limited capacity of CTEVT to deliver the new and translated curricula in time for the start of training. Recently a new challenge appeared as NSTB decided on an increase of the skills testing fee by over 60% with full pre-payment.

*EF has little comparative advantage in counseling ex-combatants.* Based on a request of SDC, EF provided skills training and counseling to 56 ex-combatants in various occupations to place them in employment. The training events were smoothly implemented, but only 22% were gainfully employed. Reasons included lack of interest and availability of financial support from other agencies and political parties. Other specialized agencies (such as UN, GIZ) have extensive experience in working with the issues of the ex-combatants. Individual ex-combatants who show genuine interest in the EF could receive priority access to regular training programs.

### **Introductory Briefing (Siroco Messerli, 2 May 2013, powerpoint, pages 18-19)**

- Result-based payment in VSD works
- Sophisticated monitoring and procurement processes required.
- Balancing process and outcome monitoring.
- Job scarcity in hilly regions and due to poor GDP growth.

- Training and placing women in jobs.
- Comfort-zone trades- few T&Es propose new occupations.
- Enterprise development and training for overseas migrants need new approaches.
- Multi-skilling for higher income and year round employment.
- Better targeting through improved trainee selection-- Career counseling and poverty assessments as tools to improve targeting.
- Continued challenges in the collaboration with CTEVT/ NSTB-- Limited capacities, poor enforcement and haphazard policies.
- Institutionalization : From ambitious (unrealistic?) assumptions to a feasible pathway-  
- Integration of EF as an entity versus mainstreaming its lessons learnt into MoE.

### Annex 7: Donor Activities in Skills Development

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
<b>Industry linkages</b>	<ul style="list-style-type: none"> <li>• By 2016, 10 model public training institutions establish industry partnership committees and establish agreements for industry linkages.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Policy development and planning</b>	<ul style="list-style-type: none"> <li>• By 2014, updating of the TVET sector roadmap and sector results framework in line with national development plan</li> </ul>	<ul style="list-style-type: none"> <li>• Drafting and articulating a new TEVT policy and by developing action plans and implementation plans. [Policy and implementation plan drafted]</li> <li>• Strengthening CTEVT in Planning, Coordination, and Facilitation</li> <li>• Develop and implement a</li> </ul>	<ul style="list-style-type: none"> <li>• Developing CTEVT prospective plan</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
		<p>geographic information system (GIS) to map public and private training institutions [GIS designed and installed]</p> <ul style="list-style-type: none"> <li>• CTEVT analytical work -- training in labor market information analysis, plus labor market analysis papers in four sectors, plus tracer studies.</li> </ul>		
<b>Governance, organization, central management, including information systems, research and monitoring</b>	<ul style="list-style-type: none"> <li>• By 2013 M&amp;E Unit &amp; mechanisms with gender and equity indicators, in operation.</li> <li>• By 2018, impact and tracer studies conducted, with social group- and sex-disaggregated employment data.</li> </ul>	<ul style="list-style-type: none"> <li>• The roles, mandates, responsibilities, and ongoing activities of government TEVT stakeholders will be reviewed, including central agencies and training providers, to develop options for a coordinated public TEVT subsector. [Not done]</li> <li>• Develop a training management information system (TMIS). [TMIS</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity building of CTEVT's regulatory activities, including stock taking, prospective plan, enabling framework for collaboration.</li> <li>• Establishment of a Training Management Information System (TMIS)</li> <li>• Support to MoLT for developing a LMIS</li> <li>• Support to CTEVT for tracer studies, impact assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Tracer studies</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
		<p>developed and installed].</p> <ul style="list-style-type: none"> <li>• Development and implementation of a TEVT awareness plan employing the mass media. [Done]</li> <li>• Analysis of labor market demand for formal and international labor markets.</li> <li>• Strengthening DOLEP in Labor Market Information System LMIS- [Not done]</li> <li>• Action plan for establishing one-stop employment service centers [Not done]</li> </ul>	and other activities.	
<b>Institutional management</b>	<ul style="list-style-type: none"> <li>• By 2016, implementation of CTEVT restructuring plan</li> </ul>	<ul style="list-style-type: none"> <li>• Training of 200 educational managers and 200 supervisors [Done]</li> <li>• Review, adjustment, and dissemination of the accreditation process at CTEVT.</li> </ul>	<ul style="list-style-type: none"> <li>• Support for CTEVT in its norms to strengthen institutional autonomy – consulting services to provide capacity building to selected institutions.</li> <li>• Support for revision of registration of institutions. Establishment of an online</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity building for Training and Employment Service Providers (T&amp;Es) – management training</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
			system for registration and affiliation of training providers	
<b>Standards development</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Review and refinement of the current skills level and qualifications equivalence into a training qualifications framework, including for short-term training. [Not done]</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance for development of new occupational profiles under NSTB</li> </ul>
<b>Curricula development and teaching methods, materials</b>	<ul style="list-style-type: none"> <li>• By 2017, introduction of 25 new or updated mid-level skills training programs in market-demanded occupations introduced in the 10 model public training providers</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare training specifications; development of standards and sample curricula for skills associated with these occupational areas. [Done]</li> <li>• Development of 20 new short-term training programs in skill areas with no standards, CTEVT development of competency-based skills and training standards and sample curricula. [done]</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance to the Curriculum Division of CTEVT for developing new curricula</li> </ul>
<b>Testing and</b>		<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthenin</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
<b>certification</b>			<p>g of NSTB activities – regional workshops, development of testing materials and introduction of mobile platform for skill assessment.</p> <ul style="list-style-type: none"> <li>• Training of 5000 new assessors and 350 skills testing managers</li> <li>• Establishment of a computerized system for examination evaluation</li> <li>• RPL- testing of informally acquired skills for 15,000 workers.</li> </ul>	<p>to National Skill Testing Board— (2007-2010), including capacity for the Board and help in developing a National Vocational Qualifications Framework.</p> <ul style="list-style-type: none"> <li>• Revised by-laws were drafted for NSTB.</li> </ul>
<b>Teacher training</b>	<ul style="list-style-type: none"> <li>• By 2018, training of 300 TVET professionals (at least 15% of whom are women and 15% are from excluded groups) in gender sensitive occupational and instructional skills up-grading,</li> </ul>	<ul style="list-style-type: none"> <li>• 200 training/education supervisors, and 1,000 trainers/instructors using developed training packages .[done]</li> </ul>	<ul style="list-style-type: none"> <li>• Training of 1500 trainers and 100 master trainers.</li> </ul>	<ul style="list-style-type: none"> <li>• Long term assistance to TITI (from 1991 to 2007)</li> <li>• Training of trainers of the T&amp;Es</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
	curriculum development and management.			
<b>Financing of TVET</b>	<ul style="list-style-type: none"> <li>• By 2016, adoption of institutional framework and procedures for the TVET Fund and initial fund allocated by the government</li> <li>• Performance payments to training providers for short term training made within 3 month after verification of employment results</li> </ul>	<ul style="list-style-type: none"> <li>• Review and feasibility assessment of mechanisms to increase the financial sustainability of the subsector; and increase the efficiency, equity, and market-orientation of training budgets allocated in the government and semi-government sector. [not done, except training fund idea]</li> <li>• Options to be studied-- establishment of a skills development fund, performance-based budgeting, levy/grant scheme, other nontraditional sources of funds, and granting full or partial autonomy to public training institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Voucher based financing for training in three urban centers for about 10,000 trainees</li> <li>• Fee subsidies or stipends for about 4000 students.</li> </ul>	<ul style="list-style-type: none"> <li>• Results-based post financing for completion of training, and employment at least minimum income for three and six months.</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
		After decisions, design of an action plan for implementation. [Not done]		
Delivery of training	<ul style="list-style-type: none"> <li>By 2018 training of 45,000 young people (40% of whom are women and 30% are from excluded groups, and 80% by private training providers in basic skills in market-demanded occupations.</li> <li>By 2018, training in middle-level skills of 1,000 students (at least 15% of whom are women and 20% are from excluded groups) in market-demanded occupations</li> </ul>	<ul style="list-style-type: none"> <li>community-based delivery of market-oriented short term (MOST) training community-based delivery of MOST training [Mostly done—original target of 80,000 reduced to 61,000 as the length of training was increased from one month to 3 months; About 60,000 completed. About 60 private training providers were contracted to deliver training ]</li> <li>Financing [8] institutional development plans at public training institutions [done]</li> </ul>	<ul style="list-style-type: none"> <li>Results-based financing for short term training in fifteen districts – 47,500 youths, with emphasis on young women and disadvantaged populations (on Employment Fund model)</li> <li>Support for 30 TSLC and Diploma providers and 8 Annex programs— institutional management, TOT, quality assurance at institutional level, upgrading of facilities.— through matching grants and performance grants.</li> </ul>	<ul style="list-style-type: none"> <li><b>Training for Employment Project (TfE)</b> (2000-2008) – Focus was on inclusion and access of poor and disadvantaged people. Development of training packages; training of 2600 youth with employable skills in 2-6 month vocational training.</li> <li><b>Employment fund—</b> (2008-2013) implemented through Helvetas-short term training for a target of 72,000 disadvantaged people through competitive bidding among training providers. Payment contingent on</li> </ul>

Major aspects	Asian Development Bank		WB- Enhanced Vocational Education and Training Project (EVENT)	Swiss Development Cooperation (and DfID)
	Skills Development Project (SDP) 2013	Skills for Employment (SEP) Project 2004		
				completion of training, employment and income of graduates.

Sources: ADB: RRP for SDP (May 2013); RRP for SEP (October 2004); WB- SAR March 28, 2011; Employment Fund documentation.