Vocational Skills Development Programme (VSDP)

Myanmar

Phase 3

Mid Term Review (MTR)



Final Report

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LIST OF ABBREVIATIONS

Abbreviation	Explanation
AG	Agriculture Sector
BA	Business Administration
BDS	Business Development Services
CBA	Cost Benefit Analysis
CP	Cooperation Programmes
CSO	Civil Society Organisation
CSPM	Conflict Sensitive Programme Management
DAC	OECD's Development Assistance Committee
ESS	Employment Support Services
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GESI	Gender Equality and Social Inclusion
IDP	Internally Displaced Person
IM	Infrastructure Maintenance
KII	Key Informant Interview
LNOB	Leave no one Behind
LogFrame	Logical Framework
LSP	Local Security Plan
MoU	Memorandum of Understanding
MRM	Monitoring and Results Measurement
MSD	Market Systems Development
MSME	Micro and Small Enterprises
MTR	Mid Term Review
NGO	Non-Government Organisation
NSSA	National Skills Standard Authority
ProDoc	Project Document
SAC	State Administration Council of Myanmar
SC	Swisscontact
SME	Small and Medium Enterprise
SRP	Strategic Review Panel
ToR	Terms of References
TVET	Technical and Vocational Education and Training
VC	Value Chain
VSD	Vocational Skills Development
VSDP	Vocational Skills Development Programme
WB	World Bank

EXECUTIVE SUMMARY

VSDP phase 3 started in April 2023 with a duration of 4 years ending in March 2027 with an overall budget of CHF 9'927'000. Its goal is to ***contribute to better livelihood opportunities and increased resilience for women and men*** in 4 geographic focus areas. Engaging in the three sectors agriculture, textile and infrastructure maintenance, VSDP phase 3 works on Vocational Skills Development (VSD) and Employment Support Services (ESS) to contribute to women and men finding employment and self-employment, on building linkages to Business Development Service (BDS) Providers to strengthen the resilience of MSMEs, and on strengthening the collaboration between local economic actors to build a conducive local 'ecosystem'.

This Mid-Term Review took place between December 2024 and March 2025 with a two-week field mission in Myanmar from the 2nd of March to the 14th of March 2025 assessing the relevance, results achievement and efficiency of the project in a very challenging context in order to ***provide practical recommendations for the remainder of the phase***.

The review comes to the conclusion that while ***the programme is on track to achieve all of its LogFrame results at output, outcome and impact level***, the strong focus on quantitative targets anchored in the LogFrame drives everything the programme does ***affecting overall coherence and longer-term sustainability***. While it manages to ***produce many valuable results at individual and MSME level***, the results lack depth and are in many ways scattered along the different sectors with limited connection between them. The limited connection is an effect of the ***organisation of the programme along three sectors which create silos*** and lead to efficiency losses. VSDP phase 3, while in name still a vocational skills programme is increasingly adopting a Market Systems Development culture and interventions beyond VSD mainly, but without yet having adopted the success measurement and reporting accordingly. According to our assessment, ***relevance has shifted more towards a need to investing into the demand side of the labour market focussing on MSMEs*** and their ability to be resilient in the current challenging context, rather than focussing on training people through traditional training providers. That shift is not yet sufficiently implemented in VSDP phase 3, partially rooted in the original design as a phase 3 of a VSD programme agreed upon between both donor and implementer. ***We therefore recommend revising key parts of the design of phase 3*** with immediate effect after this MTR along the following lines:

- Put the current LogFrame on hold and place the ***local economy more prominently at the heart of VSDP phase 3*** as the main system within which to expect changes
- ***Revise the organisational set-up*** in line with a systems focus on the 4 local economies, re-assess the 4 regions with the newly organised teams and provide simple visions for change.
- Based on these visions and MSD thinking, ***develop an 'alternative' results framework*** (LogFrame), linking, wherever possible with the 'parked' LogFrame.
- Decide whether it is necessary to drop a region to maximise depth and scale of results
- Set-up partnerships and define interventions, which make sense from an MSD perspective and ***keep investing in building Myanmar context adapted MSD capacities***
- Revise and ***adjust the budget to increase cost effectiveness*** and share of percentage spent on administrated project funds.
- Agree with SDC Myanmar on redesign and performance framework.

This process should be done within a period of three months and ***finalised by the end of June 2025***. We are of the view that this is feasible with the current team in place but will need full focus and attention of the regional management of Swisscontact and close engagement with SDC.

1. INTRODUCTION

The Vocational Skills Development Program (VSDP) was launched in 2013 as an SDC funded skills pogramme implemented by a consortium led by Swisscontact with Inbas (now INVOLAS) as partner. The programme was designed to pilot key elements of an incipient TVET system during phase 1 (2014 – 2018) focussing on the development of formal skills standards and related processes through the National Skills Standards Authority (NSSA), while strengthening access and inclusion through local vocational training in the South-East of Myanmar and supporting work-based training models in the emerging hospitality sector. Phase 2 (2018 – 2023) intended to further deepen and strengthen an emerging TVET system by for instance adding more formal apprenticeship models in specific sectors with growing private sector drive. Instead of further moving along on its logical trajectory towards increased system formalisation and sophistication, this journey came to an abrupt halt through the military coup in February 2021 forcing the project to adapt towards:

- Less to no engagement with public sector authorities, including the phase 1 and 2 partner ministries.
- Less direct engagement of the implementing organisation, Swisscontact, with system actors (e.g. formal training providers) and more delivery through other, more locally anchored implementers
- Dropping of sectors with limited growth potential through the new context, such as for instance the hospitality sector, while adding other sectors with prospects for local employment, income and market opportunities.
- An increased risk surface for SDC as funder, Swisscontact and implementing partners as actors on the ground, as well as beneficiaries (e.g. 2024 conscription law), leading to frequent staff fluctuations, the reluctance of young people to move for training or work opportunities and a steady trend for internal and external migration.

While the name of the project has been maintained, ***VSDP phase 3 (2023 – 2027) is in many ways a different project in a very different context***. Phase 3 still started rooted in the trajectory of VSDP being first and foremost a VSD programme, heading into a final phase, but an increasing push towards a more market systems development (MSD) oriented approach has structured discussions between the funder, SDC, and the implementer Swisscontact. The Mid-Term Review (MTR) of phase 3 has been called for comparably early in phase 3 in order to:

a. *assess the evolving challenges posed by Myanmar's complex and unstable context and how the VSDP has adapted its approach to deliver results for its targeted beneficiaries from a relevance, efficiency, effectiveness, impact and sustainability perspective*
b. *make practical and actionable recommendations for both the implementer Swisscontact and SDC as steering body that will ensure the project's intended goals are relevant and achievable within the remaining time frame of phase 3*

The MTR has started in December 2024 with the review of secondary literature (see Annex 2). A field mission to Myanmar took place between the 2nd of March and the 14th of March 2025 during which all four project locations were visited and more than 80% of the 28 implementing partners were assessed (see Annex 6). More than 30 Key Informant Interviews (KIIs) and 13 Focus Group Discussions (FGDs) were carried out with implementing partners, MSMEs, learners and graduates of the VSDP phase 3 programme. In addition, both SDC Myanmar and the VSDP phase 3 team carried out a self-assessment under guidance of the MTR team.

At the core of the MTR process were the following criteria:

- **Joint reflection and learning**: in order to come up with the most constructive recommendations for the way forward, it was important to be able to spend time with all involved parties allowing

for open and frank discussions on how VSDP phase 3 can become more relevant, effective and efficient.

- **Systems thinking:** while the Myanmar context has emerged from a predominantly humanitarian logic in its way of delivering development support before 2011, a more development focussed approach increasingly took hold until 2021, when the military coup in addition to other humanitarian events moved the country back into a more humanitarian driven development assistance culture, it was important for the review team to take a systemic viewpoint adopting the very principles of the approach VSDP phase 3 increasingly is tasked to apply.
- **Do no harm**: it was of utmost importance that all necessary precautions were taken to not put anybody at additional risk through the evaluation process, including graduates, learners, partners, implementer, donor and the consultant team themselves.

A separate inception report document, approved in January 2025, describes in more detail the methodology and approach taken for the MTR process.

2. DESCRIPTION OF THE PROGRAMME

VSDP phase 3 has a duration of 4 years lasting from April 2023 to end of March 2027 with an overall budget of CHF 9'927'000. The goal is to contribute to better livelihood opportunities and increased resilience for women and men in its target areas, which were initially defined as Southern Shan, Yangon and surroundings, Mawlamyine and surroundings and Hpa-An and surroundings. Hpa-An was dropped due to security concerns, whereas Mandalay was added in 2024 due to perceived potential in the textile sector. Three sectors were defined as being in focus in phase 3, namely agriculture, textile and infrastructure maintenance.

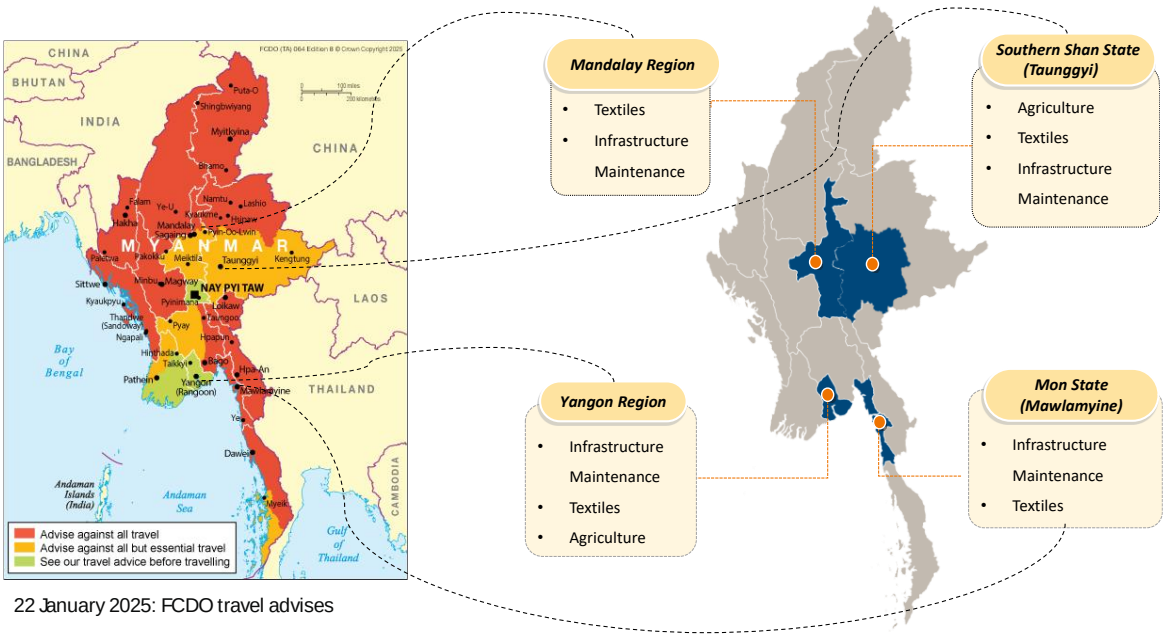


Figure 1: *Geographic Target Areas and Sector Focus of VSDP phase 3*

Agriculture was considered a suitable sector in this changed context, as it employs many people and has an important function in terms of food security in a situation of increased market disruptions, while additionally having the potential to positively contributing to environmental protection. Textile was selected due to its potential to employ a broad range of producers and weavers often in home-

based set-ups, which would decrease security risks due to travel. At the same time, it is a sector with a strong inclusion element and the ability to support women income and employment opportunities, while preserving often important cultural practices and heritage. Infrastructure maintenance is less a typical sector but was defined as a conglomerate of employment opportunities related to the repair and maintenance of basic infrastructure related structures, installations and appliances which are in high demand in urban and peri-urban areas offering employment opportunities in particular for MSMEs.

Three interconnected outcomes were defined for VSDP phase 3 as follows:

Outcome 1: *Women and Men have relevant skills to find employment or self-employment*

This outcome works on the strengthening of relevance of skills programmes and providers in the selected locations through structured, standardised, work-place and demand oriented Vocational Skills Development (VSD) trainings of between 1 and 6 months duration. Soft and entrepreneurship skills form a key transversal part of all VSD and success is measured by having people gainfully employed. Employment Support Services (ESS) throughout all stages of the VSD cycle will increase likelihood of optimal matching of job searchers with employment opportunities. Providers of VSD are either private providers, CSOs or MSMEs offering in-company training.

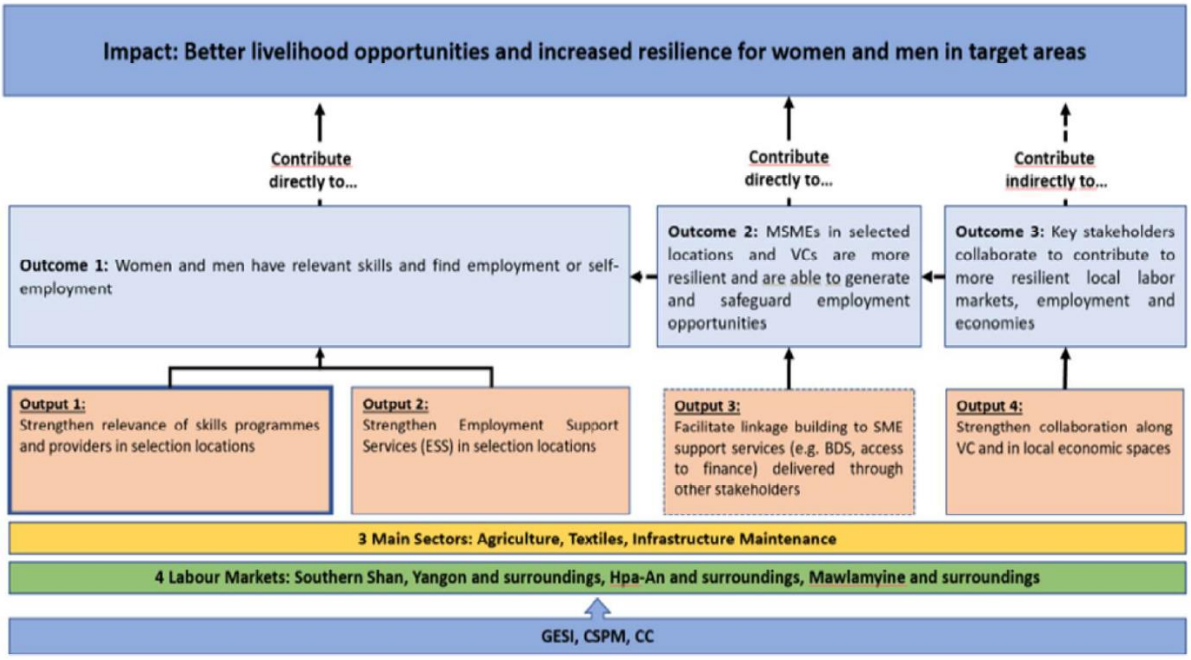


Figure 2: *Illustration of the Phase 3 Programme Components (source: VSDP Phase 3 ProDoc)*

Outcome 2: *MSMEs in selected locations and VCs are more resilient and are able to generate and safeguard employment opportunities*

Outcome 2 will facilitate linkages to providers of finance and business development services (BDS) to support MSMEs engaged in VSD under outcome 1 in addressing their challenges holistically and increasing chances for inclusive growth and employment generation. VSDP will facilitate linkages, rather than innovating and piloting this on its own.

Outcome 3: *Key stakeholders collaborate to contribute to more resilient local socio-economic development through skills provision as core element*

Outcome 3 focuses on collaboration and learning making optimal use of synergies between private sector, CSO and development partners engaged in a specific labour market.

The Theory of Change for phase 3 is formulated as follows:

- *if women and men, in particular from disadvantaged groups, have access to relevant skills and employment support (supply side and matching support)*
- *…and if SMEs have better access to business development services and improved management skills (demand side support)*
- *…and if local, private and CSO stakeholders collaborate in selected VCs and local economic spaces (coordination support)*

…then VSDP will be able to make an important contribution to livelihoods opportunities and resilience for women and men in target areas.

In terms of delivery model, VSDP phase 3 works through so called implementing partners which comprises private training providers, companies within the three value chains, business development service providers and non-government organisations. It either engages them through service contracts for which Terms of References (ToR) are provided with clear deliverables and number targets or through contribution agreements where the partner must contribute around 30% of the total cost of the joint intervention through cash or in-kind support. At the time of the MTR process, VSDP phase 3 has 34 completed and/or ongoing contracts with 28 different implementing partners of total contract values from USD 15'000 up to USD 0.6 Mio.

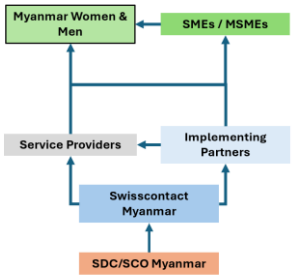


Figure 3: *Phase 3 delivery model*

The target groups as per ProDoc are diverse, including agricultural workers and farmers, women artisans, IDPs and migrant workers, as well as MSMEs. Overall direct outreach in terms of VSD training is estimated to be 15'000 women and men, while indirect outreach is estimated to be 50'000.

Sector	Target Groups	Ethnicity	Age	Religion	Expected benefits
Agriculture	Agricultural workers (in particular women and youth; women are often referred to as labourers or helpers rather than farmers); MSMEs (in particular women-owned SMEs)	Shan Kayah Pa-Oh	17-35	Mostly Buddhist Christian	Improved yields/ incomes; Improved social status; improved access to markets; increased food security
Traditional Textiles	Women-led SMEs, women artisans, single mothers, women with disabilities, women who lost jobs in the ready-made garment sector	Burman Shan, Karen, Mon Kayah, Pa-Oh, Kachin	16-35	Buddhist, Muslim, Christian	Increased/ Improved productivity; Increased incomes; improved social status; improved working conditions; improved access to markets
Infrastructure Maintenance	Domestic migrant workers, IDPs, people whose education was disrupted due to coup	Burman, Karen, Mon Kachin	16-25	Buddhist, Muslim, Christian	Increased employability; increased income; labour mobility

Figure 4: *Different Phase 3 Target Groups*
(source: VSDP Phase 3 ProDoc)

The intervention strategy for VSDP phase 3 follows below illustrated model starting from the identification of the growth potential in the locations and sectors of focus, subsequently identifying skills needs in the companies in those sectors and from there deriving VSD, ESS, MSME and stakeholder coordination support interventions.

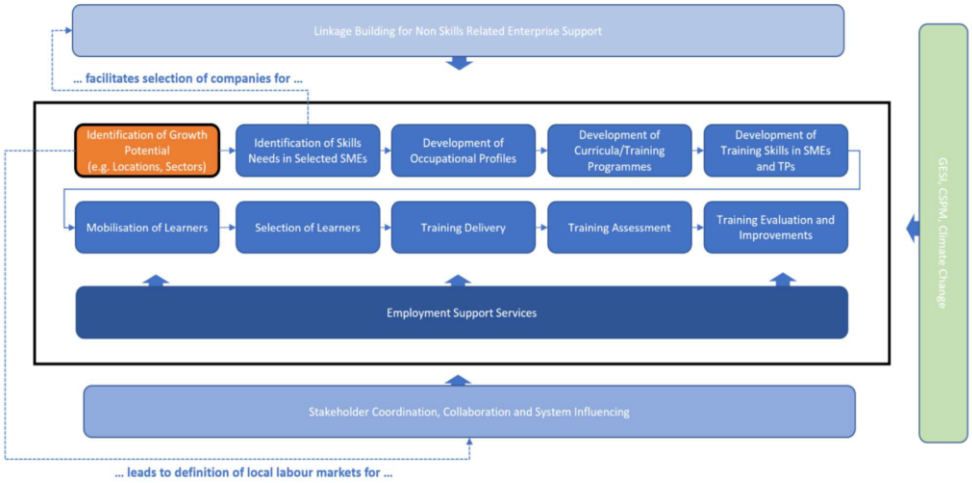


Figure 5: *Illustration of Phase 3 Intervention Strategy*
(source: VSDP Phase 3 ProDoc)

Since the design of phase 3, the programme is increasingly tasked to apply a market systems development (MSD) approach to its work, which puts emphasis on taking on a facilitating role in bringing about change in selected market systems with the potential to lead to sustainability and scale.

3. RELEVANCE: ASSESSMENT AND RECOMMENDATIONS

In essence, relevance assesses whether a project intervention is ***doing the right things***. It is about ensuring that development interventions are truly addressing the most pressing needs and priorities of the target groups they are meant to serve, while at the same time aligning to the strategies and priorities of the funding agency.

The following two, inter-related questions are put forward in the MTR ToR:

Q1_Relevance Target Population: *How well does VSDP Phase 3 align with the current needs and vulnerabilities of target populations when it comes to VSD, employment and income opportunities?*

Q2_Relevance Context: *To what extent does VSDP phase 3 remain relevant in the evolving political, economic and conflict context of Myanmar (including are we in the right geographic locations and sectors)?*

The relevance for women and men in target locations of VSDP phase 3 in Myanmar to find ***income opportunities to sustain livelihoods in a very challenging context[1] remains very high*** and many households struggle to make ends meet: security has decreased considerably, work in the formal economy has become more challenging than ever and mobility to and from work places is in many places of Myanmar a real challenge. It is in particular young people, both men and women, targeted by the conscription law enforced in February 2024, who are afraid and see little future for the time being in Myanmar. This became strikingly evident in all FGDs carried-out with younger VSD graduates where at least 80% of respondents stated to have plans to leave the country in the short or medium term. While self-employment remains highly relevant for many people - often out of pure necessity and less out of an entrepreneurial self-drive -, even though often as a temporary way of earning an income while waiting for the situation to improve or to migrate out of country, the ***relevance of focussing on the supply side of the labour market has reduced*** as there are simply not enough jobs to absorb job seekers. ***It is the demand side*** or in other words (M)SMEs, ***where it is currently most relevant to invest, so the necessary jobs can be created or at least safeguarded***.

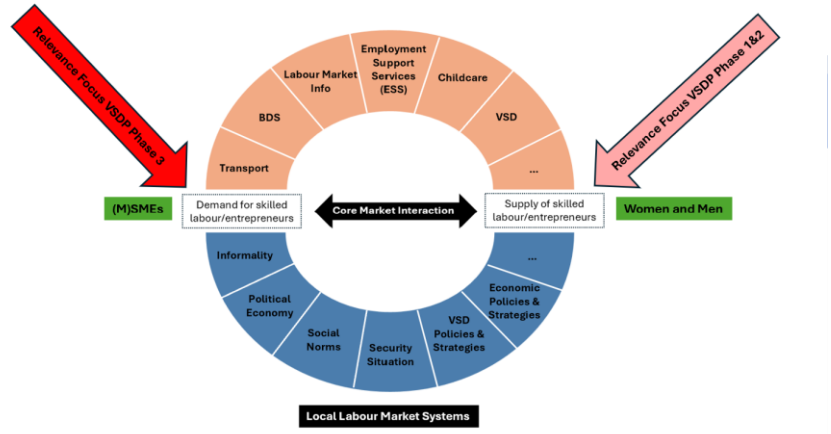


Figure 6: *Shift in Relevance in the Core Market System from VSDP phase 1 & 2 to phase 3*

This is fundamentally different from the situation in phase 1 and 2 of VSDP, when Myanmar was a country emerging from decades of military rule, opening up its border and economy attracting considerable amounts of foreign investments into sectors with high growth potential, such as for instance the tourism sector. What was needed at the time, was a quality workforce to enter into and

[1] The challenging context does not only refer to Myanmar's own political situation since the February 2021 military coup, but in addition a geopolitical context characterized by increased political polarisation and considerable aid spending cuts which have a devastating effect on countries like Myanmar, while opening up the possibilities for non-traditional, non-Western financial and political supporters (e.g. Russia, China) to take more influence, often with the most disadvantaged populations being most affected.

perform in these growth sectors, hence a strong focus on the supply side of the labour market. While the above-mentioned change in relevance has been recognised in the design of VSDP phase 3, it is clear that ***the shift towards more demand-side facing interventions has not yet taken place sufficiently***. This is not at last due to the project's trajectory and history as a Vocational Skills Development Programme – as implied in its name till date -, which was procured as such and was awarded a third phase on the basis of being a VSD project. Such a shift towards more demand side issues does in our view also imply that ***the main target group shifts*** from mainly being 'graduates in search of employment' towards a stronger focus on 'MSMEs in search of business development support to create and maintain jobs'. At the same time, the ***core market system to be addressed is less the overall labour market, but rather the local economic systems within which MSMEs operate*** along value chains trying to access support services for finance, market access, business development and human resources.

In our view it is this ***strong focus on training provider based VSD*** which is clearly visible in the overall phase 3 result chain and in particular output 1 ***which reduces relevance of VSDP in the current context***, while a shift more towards MSME and related support services – including strengthening MSME capacities to train workers on the job, as turn-over is high due to the context - would considerably increase relevance. This as well, if considering support for self-employment as an ESS intervention, rather than a VSD intervention, as self-employment support with a focus on entrepreneurial and life skills remains relevant.

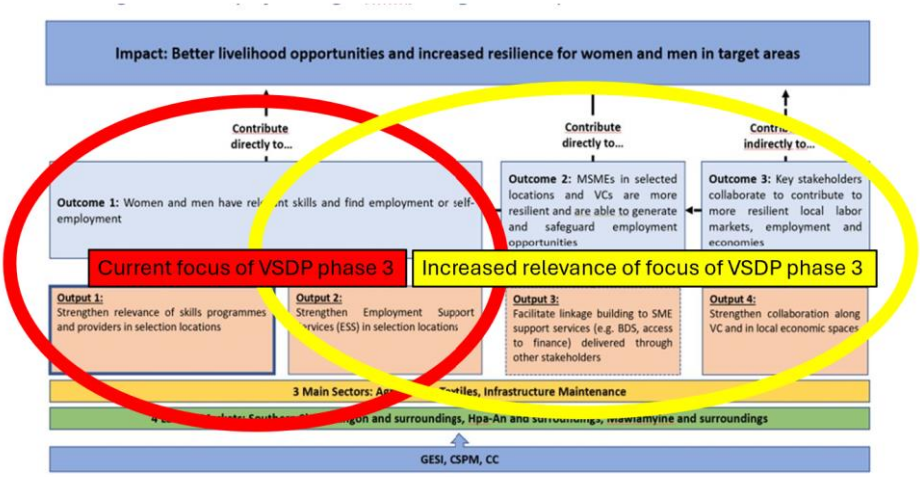


Figure 7: *Shift in relevance of different phase 3 outputs and outcomes*

While above explanations address both Q1 and Q2, a key point to elaborate on related to both relevance and effectiveness is related to the issue of 'are we in the right geographic locations and sectors' which forms part of Q2. A fundamental part to the response to this question is the following: what is the system (including its size and its boundaries) within which we expect to see developments and changes which are realistically relatable to the project's facilitation work. This question was asked to both SDC Myanmar and the VSDP phase 3 team as part of the self-assessment process, while it became clear that ***there is on the one hand a lack of clarity on this and on the other hand an unrealistic expectation when it comes to the expected system changes***. Both SDC and the VSDP team are mainly using sectors as the main system where systemic changes are to be triggered and observed. It is also this sector logic which defines the overall project set-up, identification of partners to work with and the reporting back to SDC. This is in our view very challenging as these sectors are highly complex and often very large (the agriculture sector for instance is more than 20% of the country's USD 60 billion GDP, WB 2022) and the extent to which a comparably small international development

intervention is able to facilitate changes is limited. We consider ***the local economic systems in the 4 regions more realistic system boundaries*** – although still fairly complex and large, if we take for instance Yangon as a local economy -, within which the project should first and foremost identify the main system constraints for MSMEs, the main sectors to focus on and the right partners to work with to bring about some form of systemic change. Figure 7 illustrates this and shows that the main entry point and the main system to report on is the geographic region or the local economy. This would lead to more connected interventions and deeper systemic changes compared to the currently rather scattered and isolated results across different sectors.

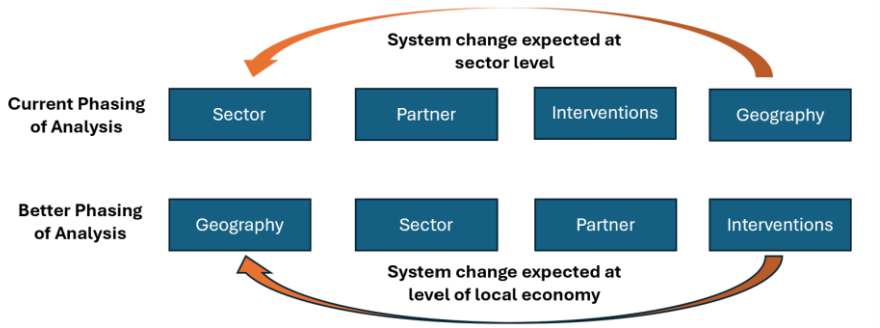


Figure 8: *Phasing of analysis, intervention design and system to report on*

More specifically addressing the question of whether the local economies and sectors chosen are the right ones, it again needs to be clarified what the criteria are for 'right' and whether the analysis starts with the region or with the sector, as not all sectors are similarly relevant in all regions. In situations of conflict, value chains and supply chains are often disrupted, and the importance of more localised economies increases, as transport and communication is simpler, social capital in the region becomes more valuable, informal activities thrive more locally and consumption patterns become more localised.

In general, the arguments brought forward in the ProDoc for the selection of the three main sectors make in our view sense:

- Agriculture is one of the main employers of people in Myanmar and allows smallholder farmers to ***make a living and support their own subsistence, even in time of crisis***. In addition, there are positive effects in that agriculture can ***support food security and strengthen local markets***, while at the same time making important contributions to ***environmental protection***. In addition, agriculture ties in with so many local sub-sectors (e.g. retail, food, transport) which will benefit from a strengthened agriculture sector.
- Textile makes sense in terms of supporting ***home-based self-employment*** in times of reduced mobility and heightened security risks. The sector has the potential to ***employ also vulnerable groups***, such as women or ethnic minorities and contributes to ***protection of heritage***, while also contributing to supplying local markets with better quality products.
- While infrastructure maintenance is not a sector as such – we will comment on this later on-, it targets employment and self-employment around semi-urban and urban centres, where there is ***continuous localised demand for services related to infrastructure maintenance and repair***. This is also an area which offers some form of employment opportunities for younger people and internally displaced people (IDPs).

In terms of geographic focus, we would use the following criteria to assess the suitability of the 4 target locations:

*** = high * = low	Aligned to Swiss CP focus areas	Pre-existing VSDP experiences and networks	VSDP phase 3 post-Jun 2025 intervention density	Employment growth or absorption potential	Safe and secure to implement	Availability and capacity of local economic actors to connect with	Manageable complexity of local economic space
Mawlamyine	***	***	*	**	**	**	***
Yangon	**	***	***	***	***	***	*
Southern Shan	***	***	***	**	**	***	***
Mandalay	*	*	**	***	**	***	*

Table 1: *Possible suitability criteria for the selection of local economies to focus on*

It will depend on how the different criteria are weighted, but in general – without assessing yet the current intervention density and project set-up of VSDP - we would argue that a focus on Southern Shan, Mawlamyine and Yangon makes sense, although it will be important to get a clearer picture on the actual potential for Mawlamyine region which we are not able to judge sufficiently at this point in time without some additional assessment being done. Southern Shan seems to be most obvious and has potential in agriculture and textile. Yangon is potentially too big a space to consider from a local economic development perspective, but it is a good region to have a presence in as most partners which can provide scale and sustainability are located there. Mandalay is likely the most difficult to argue beyond the fact that it is a big urban centre and has employment growth and absorption potential, in particular in and around the textile and solar power sector. ***We are of the view that at present there is not a sufficiently strong analysis for the 4 regions as local economies which allow to make informed decisions on dropping any of the regions***.

This leads us to question 3:

Q3_Relevance Recommendations: What are the main practical recommendations and adjustments possible to strengthen relevance of the project for the remainder of phase 3?

The following adjustments are recommended for the remainder of the phase to strengthen relevance:

- Put the ***local economy more prominently at the heart of VSDP phase 3*** from here onwards
- Clarify and sharpen the target group! It is not possible to have a relevant and effective programme targeting the breath of target groups specified in Figure 4 as different target segments have different skills, capacities, challenges and preferences. ***MSMEs which are able to most sustainably contribute to inclusive local economic development should be at the heart of VSDP phase 3***, rather than all kinds of different disadvantaged groups.
- ***Re-analyse the 4 local economies in terms of overall constraints, identify key value chains with MSME growth potential*** in the local economy (including agriculture and textile), but also sector-agnostic constraints (e.g. lack of access to BDS), in collaboration with selected key local economic stakeholders (e.g. local chamber of commerce, local business service provider), including other development projects (e.g. HEKS in Southern Shan). In this process, it is fundamentally important to ***ask the right questions***, as we usually start with needs and supply when thinking about VSD programmes, but one ***must start with demand*** and understand incentives for MSMEs to invest into their own enterprises and into people.
- Develop ***simple and achievable change visions for the 4 local economies*** and draw clear end of project visions for the different key stakeholders with a focus on answering what will remain after VSDP phase 3 ends.
- Identify entry points to bring about sustainable change for MSMEs through ESS and BDS support services (including in company training for MSMEs), while phasing out centre-based VSD.
- Set-up the right partnerships and collaboration interventions to strengthen local economies

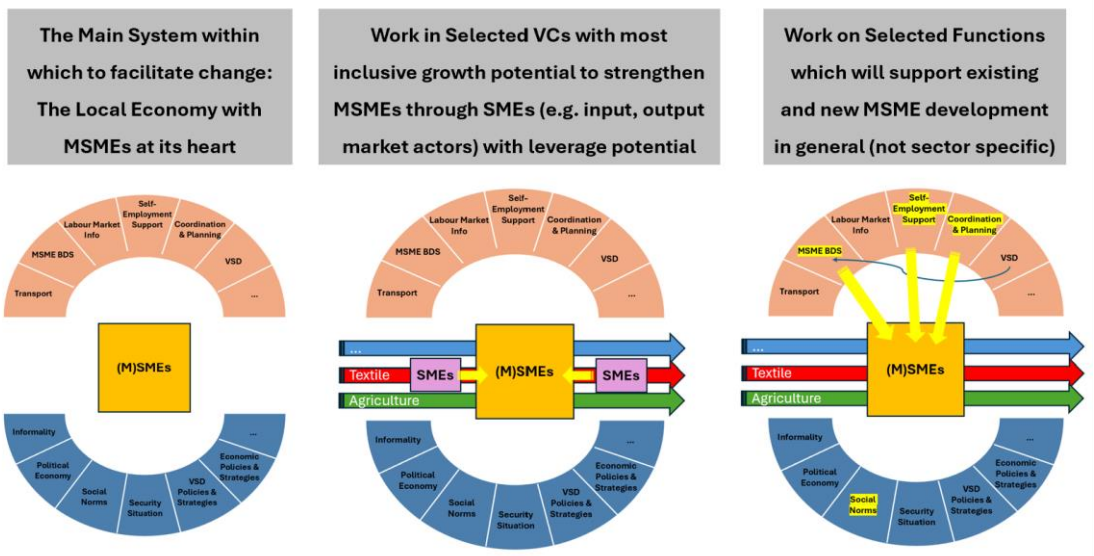


Figure 9: *Conceptual changes proposed to increase relevance for remainder of phase 3*

4. EFFECTIVENESS, IMPACT AND SUSTAINABILITY: ASSESSMENT AND RECOMMENDATIONS

The DAC criteria effectiveness, impact and sustainability relate to the results of a programme and give answer to the question of whether the things are done right. Impact assesses the broader and higher-level long-term results to which the programme contributes, whereas effectiveness assesses more directly attributable results at output and outcome level. Sustainability refers to the likelihood that these results are going to last over time, both at individual and institutional levels.

There are a total of 6 questions relating to this chapter which are to be addressed as part of the MTR, while question 10 asks for practical recommendations on how results achievement can be optimized for the remainder of the phase. We are clustering Q4 – Q6 together, as they are all connected to targets and the LogFrame:

Q4a_Results Achievement All Levels: To what extent does VSDP phase 3 achieve its targets at impact, outcome and output level compared to the LogFrame?

Q4b_Results Achievement Sector/Locations: Is results achievement different depending on locations and sectors? If so, why?

Q5_ Results Level Companies: To what extent are VSD and ESS delivered through VSDP phase 3 considered effective by graduates on the one hand and by private sector companies and MSMEs employing them on the other hand?

Q6_Results Level Service Providers: To what extent are service providers (e.g. VSD providers, ESS providers, BDS providers) considering the support provided through VSDP phase 3 effective?

Annex 5 provides detailed comments to each LogFrame indicator and assesses the current status of results achievement. In simple terms, ***the current LogFrame targets with its current indicators using the current methodologies and measurement tools are all going to be achieved by the end of phase 3***. The income indicator target at impact level – which has been corrected substantially downwards in a LogFrame revision in 2024 - lags slightly behind at 30% of the target value after 43% of phase duration, but the usual time lag for income to take effect and the prospects for more scale towards the end of the phase will allow to catch up on this target. All other indicators are either above 43%, meaning further ahead in terms of achievement than the time lapse till date, or substantially further ahead with clear signs of overachievement of targets. Some of the targets have already been achieved at this point in time.

There are clear differences when it comes to sectors with ***agriculture contributing the largest share of the quantitative targets at individual outreach level***. Corelated to that, ***regions with most agriculture interventions (e.g. Southern Shan, Yangon)*** will contribute most of the numbers for the LogFrame. But it is important to put this into perspective, as in agriculture trainings are much shorter and most people have been employed as farmers beforehand. In terms of MSME strengthening and mobilising stakeholder participation through events, it is both textiles and agriculture which show the largest reach. In terms of targets reached when looking at the different instruments VSDP phase 3 uses, namely VSD, ESS, MSME support and coordination, it is obvious that most direct outreach is generated through VSD trainings, while many VSD graduates will at the same time be using ESS. Targets related to MSMEs and coordination will be achieved, but they are rather unambitiously set (100 MSMEs, a few coordination events) due to the fact that again the project LogFrame has been set-up with the understanding of having to stay as close as possible to a VSD project.

Most graduates responded positively with regards to the effectiveness of VSD services and report to have additional income thanks to the training skills acquired. There are dropout rates fuelled by the current political situation which are likely difficult to avoid, but the fact that training was delivered for free providing in addition stipends to learners was considered important by the

learners and helped them to graduate from the course, although not very much in line with a more MSD driven logic of working. ESS have not always shown the desired results and many learners have ended up in different companies than the ones linked to by their training provider, searched for own employment opportunities or have opted for self-employment. Part of the challenge related to the effectiveness of VSD and ESS is that the ***pressure on numbers delegated down to the implementing partners was considerable*** in a context in which it is not easy to find the right graduates applying quality selection procedures and finding companies capable to employ learners. In particular in textile, there were a few feedbacks with trainings not being as relevant for their own MSMEs, for instance in trainings delivered through Bay Dar & Co or the Impact Hub, but here again the main challenges seem to have been the selection process and the fact that one rather attends a free training, even if it may not end up being as effective for the own business.

At the level of service providers for VSD, ESS and BDS there are different feedbacks when it comes to how the effectiveness of VSDP's support is assessed, although ***predominantly service providers are grateful for the financial support received through the project***. Most of them found the negotiation process challenging, particularly where co-financing was requested (=contribution agreement). The pressure on delivering numbers, the financial and administrative, as well as the monitoring demands of the project were in most cases considered as too heavy, although many of them also acknowledged that this helped them to become more structured as organisations. While most of the content for trainings or ESS was developed either by the partner themselves or through a VSDP financed expert, the service providers in particular appreciated the contributions to their organisational development, for instance through sessions on GESI, life skills and CSPM. In one specific case, the collaboration with VSDP phase 3 was considered rather counterproductive to their own business development efforts, as again number pressure has absorbed most of the partners capacities to work on their own business development.

An important issue to be addressed when talking about working with service providers is the question on additionality: what is the ***value addition of VSDP phase 3 beyond allowing a partner to run a training or support service*** by providing funding support. This is not always very significant, as most partners will have used their own resources and capacities to develop curricula and training materials, whereas VSDP has provided some technical input on certain issues, such as building capacity on work-based learning or supporting partner with life skills trainings.

If we are assessing the LogFrame results against whether they will last over time (=sustainability), we come to the following assessment:

- ***At the level of graduates*** emerging from the different kinds of trainings financed/delivered through VSDP phase 3, there is ***clear evidence for some sustainability***: most graduates interviewed in FGDs mention to have experienced some form of income increase, sometimes of up to 30% according to their own feedbacks, and feeling able to access employment or perform better in their jobs. But as trainings were comparably short, the depth of this is comparably limited.
- At the level of ***MSMEs, feedbacks were in general positive and many stated an increase in business performance***, either through increased revenue (e.g. most Local Agri-Input Shop Owners trained through Borderless Link or most local producers working with Ay Phyay), increased productivity (e.g. most SMEs which participated in CVT's WBL course) or reduced cost which are likely to last over some time.
- ***At the level of service providers***, including training providers (e.g. Glory), BDS providers (e.g. ASK or Impact Hub) and social enterprises (e.g. Turquoise Mountain, She Creates) ***sustainability has so far been rather limited***. This is mainly due to the fact that ***these actors***

were treated as means to an end (=service providers to deliver LogFrame numbers), ***rather than market actors*** with their own incentives and capacities to expand. Sustainability is best with so called aggregators or value chain lead firms (e.g. Tun Yat, Myanmar Bell Shin Shin Food Co., Taunggyi Food Hub) where the VSDP collaboration has led to an increase in quality and quantity of production which is likely going to sustain as the lead firms have incentives to further invest.

What is very noticeable is that it becomes difficult to tell a clear change story with so many different interventions scattered over the 4 regions with little connections between them. While one can add up numbers across these interventions and regions, it is very challenging to correctly interpret these numbers within their particular context. For instance, what does 2000 farmers reached mean in the context of Southern Shan?

In conclusion, our overall assessment related to questions Q4 – Q6 is:

- The ***LogFrame has become a BlockFrame*** for VSDP phase 3: ***the target numbers drive everything***, from intervention design to partner selection, to partner management and relationship building, to reporting back to the donor.
- The focus on LogFrame targets has led to a ***project focussed on proofing numbers, rather than improving delivery***. The overly strong focus on accountability and control (of partners) is currently not balanced well enough with space for learning and the use of quality data for timely steering decisions.
- The ***process and rationale for target setting is unclear***: the targets have been set by Swisscontact based on experience from previous phases under the assumption that VSDP phase 3 must be – due to procurement rules - predominantly about VSD. Numbers have therefore been as high as possible compared to previous phases, while mixing a broad range of different things into one category, e.g. a 5-day training with some follow-up coaching counts the same in terms of 'numbers' like a 3 month full time training.
- ***The LogFrame in its current form does not appropriately allow to measure the success of a project which is increasingly supposed to work on MSD***, as it 'pretends' that VSDP phase 3 is still mainly about VSD.

The above goes back to the design of phase 3 for which ***both SDC as funder and Swisscontact as implementer are co-responsible***. The fact that this has not been addressed more prominently before this MTR process is regrettable – compounded by rather frequent changes in key management positions of VSDP in Myanmar - and has negatively affected the perception the funder holds of the project performance. We will advocate for important changes in the design, as well as in the way success is measured in our forward-looking recommendations related to this chapter.

Question 7 is linked to the challenges and our assessment made above and asks:

Q7_MSD Approach: To what extent is the MSD approach understood and applied in VSDP phase 3 and in what way does this support results achievement?

Before addressing this question, we would like to outline what we consider important when talking about the understanding of an MSD approach. First of all, we consider systems thinking very much ***part of common-sense development work***, where the development actor is understood as a temporary facilitator of change, while relying on actors within different (market) systems to change based on clear incentives. It is in our view more a way of thinking and analysing things, rather than a text-book approach that has very dogmatic rules to it. It will also differ depending on context: A highly fragile environment like Myanmar with rather thin markets and almost no legitimate opportunity to engage with the public sector, within a development culture which is very much humanitarian driven, brings along its own set of challenges.

Here are the main aspects which are important to a project increasingly adopting MSD:

- It is less an approach, but more a way of thinking which must become programme culture
- You measure success less by counting graduates and jobs, but 'how well-defined market systems change, leading to sector growth, outreach and increased income' (Measured for instance through: 'number of people benefitting from sector services', 'number of new MSMEs established in sector', 'revenue growth or investment growth of selected lead sector companies', 'new sector services established and sold').
- You select 'partners' to engage with based on their ability to drive and leverage sector level change.
- Your conversation with partners is a business conversation where you find common interests and co-create win-win solutions which make business sense.
- It is just as much about indirect beneficiaries – as generated through systemic change effects - than it may be about more direct beneficiaries
- You need less technical expertise, for instance for agriculture or textile or curricula development in-house, but rather people who can develop business cases and deals, while the technical experts are sourced as much as possible from the market.
- It is important that both the funder and the implementer have MSD capacities in the way the programme is managed, how progress discussions are taking place and how success is assessed.

As mentioned above, ***VSDP phase 3 has started out of a VSD project with a VSD culture and human resources with predominantly a VSD profile***. Swisscontact has made important investments into building MSD capacity which becomes increasingly visible at the level of the leadership team and in particular in agriculture and increasingly so in textile. Interventions are much more designed with MSD principles and logic and many partners make sense from an MSD viewpoint, for instance:

- Myanmar Bell Shin Shin Food Co is a frozen vegetable production factory with an established export market which can only run at limited capacity due to limited quality of the produce delivered to them by farmers. Together with VSDP, the company established in-house training capacity, managed to train a large number of farmers which has led to the quality of the produce delivered into the factory to be much high, resulting in the factory being able to run at almost 80% of its capacity, while reaching more farmers who are able to generate better incomes, while protecting the environment through better production methods.
- ASK or the Impact Hub are typical BDS providers offering advice and training for business planning and management and could, if further strengthened, reach a much broader clientele of MSMEs.
- Mee Panyar is a social business with incentives to invest into the solar market by offering fee-based training and consulting services. The engagement with VSDP could in principle support that business growth trajectory and reach many solar entrepreneurs, workers and rural communities in need of reliable electricity and energy sources.

Other partners make less sense from an MSD point of view – unless they are used as co-facilitators of MSD interventions, which they are currently not -, as they are working more with an NGO-logic and will remain dependent on international donor funding, such as for instance FXB or MIID[2]. The key point in our view is that ***partners have mainly been selected based on their ability to contribute numbers to the LogFrame targets*** (=the partner helping the project), ***rather than based on their capacity and incentives to drive change*** (=the project facilitating change by buying down risks, speeding up

[2] There is an argument to be made that, even though for instance the FXB model or the VSDP phase 2 LVT model is a charity model with fully subsidized trainings taking place in a challenging context targeting highly vulnerable people (e.g. IDPs), results at the level of graduates who can improve their life skills and are in many cases able to find self-employment or employment are worth the investment. There is limited justification for this from an MSD perspective as sustainability and scale of such interventions will be limited beyond project duration.

processes or pushing for more scale). Partners are paid to provide a service based on VSDP terms, rather than starting a discussion of co-creation and co-ownership.

While interventions are increasingly designed using a more MSD perspective which is very positive and adds value, they are in general modelled around mini market systems where the implementing partner is at the core. ***What goes missing is the broader story behind***, the basic value chain the intervention tries to address, the main constraints identified, the solution to address the constraints, the incentives the partner has to provide it now and in the longer term, how the post-project solution (=sustainable business model) is to look like and how sustainability and scale can be reached.

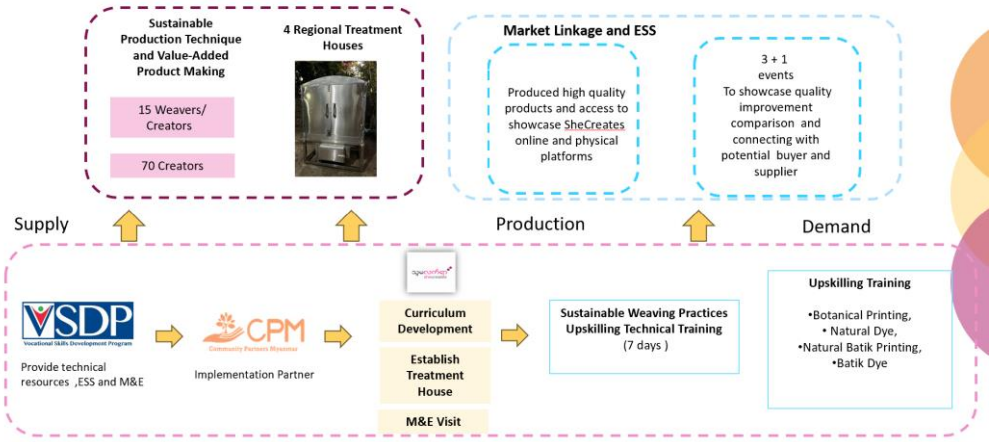


Figure 10: *Examples of an intervention illustration in the textile sector with She Creates*

The above illustrates that there are increasing MSD capacities in VSDP phase 3, which could be considerably further unleashed, if the tools for measuring success and the delivery model is revised. ***MSD culture building needs to be further nourished by using the right terminology*** and coming away from calling for instance graduates 'our' graduates, by not calling key market actors implementing partners, by avoiding as much as possible service agreements but rather focus on co-creation and co-ownership, by clarifying the level at which system changes can realistically be expected and how this can credibly be measured and reported on.

Question 8 connects to results related to outcome 3 aiming at improved stakeholder collaboration for more resilient local labour markets and economies:

Q8_Results Collaboration: To what extent does the project foster collaboration amongst key stakeholders in the respective sectors and geographic locations and what are chances for this collaboration to be sustainable beyond phase 3?

The original idea behind outcome 3 was to strengthen local ecosystems so the planning of interventions to strengthen the local economy and the coordination between different actors could contribute to improved growth and income opportunities for men and women in these local economies, ideally with structures, networks and mechanisms which would survive phase 3 duration. It is clear that this is ***very challenging in the current context, where all actors try to maintain a low profile*** with limited visibility in order to minimise the risk surface for themselves and their partners. While the project has managed to organise a range of stakeholder events which have led to interesting connections between different actors (e.g. Tun Yat and Borderless) and linkages of different MSMEs with BDS and access to finance service providers, some of which will sustain beyond project lifetime, these ***events were so far mainly sector focussed and rather oriented towards how the different actors can support project results, rather than how the project could strengthen the local ecosystem***. While a sector focus makes sense to a certain extent and brings likeminded partners together, we

suggest that in line with our recommendation related to defining the local economy as the main system, ***outcome 3 needs to be re-thought and work much more on bringing different local economic actors beyond specific sectors only together in a conflict-sensitive manner***. Examples for this could be as follows:

- Map the local economy and the different actors, including the different development partner funded projects in terms of who does what where, in collaboration with others (e.g. HEKS in Southern Shan).
- Work with local labour market specialists (e.g. job information platforms, HR specialists) in understanding where the main job and income opportunities are.
- Analyse jointly with MSMEs and MSME service providers where the main challenges for growth lie and how they could be addressed, both in key value chains (e.g. access to quality agricultural inputs), but also in general (e.g. access to finance)
- Develop a joint risk management plan for the local economy with selected CSOs and private sector actors.
- Brainstorm MSD solutions for ESS, MSME support and ecosystem building and select the most promising ones for implementation through VSDP phase 3 or synergies with others.
- Regularly organise low-key local economic development monitoring events to assess progress and define remedial action (e.g. online and offline informal meetings to discuss labour market challenges, organise joint low-key assessments, discuss security environment and what businesses can do to adapt).

Where we believe ***more must be done is in the collaboration between different development projects in the different local economies***. The tendency is that projects rather try to delineate territories to not duplicate each other but then run after their own targets and beneficiaries without much collaboration. Rather than focussing on separation, we would advocate for ***much more pro-active synergy creation***. This makes sense in places where projects work with the same partners, but sometimes with a different approach or logic. Case in point are the collaborations between Borderless and Taunggyi Food Hub and both HEKS and VSDP, where a more strategic approach would likely lead to more sustainable development results.

Question 9 put forward in the ToR focusses on inclusion and how as much as possible a contribution to LNOB is achieved through VSDP phase 3:

Q9_Inclusion and Access: To what extent does the project contribute to increased inclusion and access for diverse target populations (e.g. IDPs, young people, women, ethnic minorities)?

We are both subsuming under this question our assessment related to the transversal themes Gender Equality and Social Inclusion (GESI) and Conflict-Sensitive Programme Management (CSPM). It is important to state that VSDP phase 3 is not a project which has as goal to be gender transformative, but to be gender sensitive. At the same time, it does not work *on* conflict, but *in* a conflict context and therefore needs to be highly conflict-sensitive.

In our view, GESI is applied throughout the project cycle which is evidenced for instance through:

- The selection of sectors with agriculture targeting vulnerable small-holder farmers, both female and male and textile being in particular inclusive for home-based women MSMEs.
- The design of specific intervention areas which are in particular supporting changes in gender stereotypes, such as for instance the work with Doh Eain on women in construction.
- The inclusion of specifically vulnerable groups, such as IDPs, for instance in the small machinery repairs training of Glory Training Centre or FXBs mobile training reaching out to IDPs located in camps.

- The training of implementing partners on GESI, receiving throughout the board positive feedbacks from partner organisations.
- The monitoring and results measurement system able to disaggregate data for GESI characteristics and develop inspiring stories of change.

VSDP phase 3 has a ***strong GESI advisor with the right capacities and passion able to positively influence the VSDP team and partners on all levels***. The GESI action plan clearly defines priorities for each year and defines interventions targeting:

1. Organizational level: to promote and mainstream GESI within Swisscontact Myanmar
2. Program level: to integrate GESI within the VSDP components
3. Stakeholder level: to promote GESI within partners and stakeholders

Overall, we consider the results in terms of GESI satisfactory for a project like VSDP, in particular also taking into account that ***an increasing adoption of MSD means often less direct targeting of the most vulnerable groups***, as many of them may be better reached by other, more humanitarian or direct delivery approaches. We would recommend to avoid targeting everyone with very different needs and 'potential' with a programme like VSDP.

In terms of Conflict-Sensitive Programme Management (CSPM), the programme applies a range of key tools of which the annual CSPM action plan guides interventions along the following 5 main objectives:

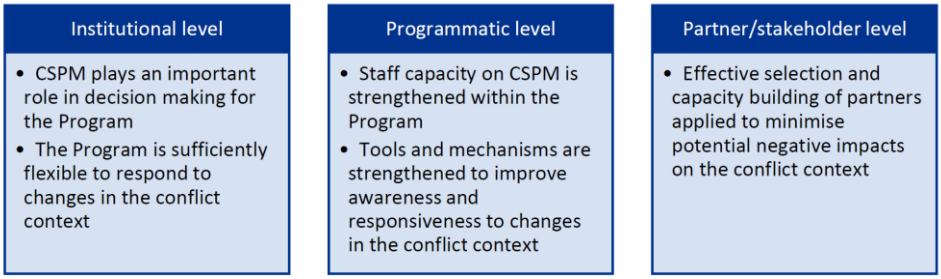


Figure 11: *The 5 objectives of CSPM in VSDP phase 3*

Similarly to the current GESI advisor, we have perceived the ***former CSPM advisor as having the right capacities and passion able to positively influence the VSDP team and partners***, but the advisor leaving the project a few months ago has left an important void which the project has not yet managed to replace with the appropriate person. The former CSPM advisor remains engaged as consultant, which allows to support the team and partners on several fronts and to maintain important institutional knowledge but not being part of the daily work and discussions affects effectiveness. Nevertheless, the tools (e.g. annual CSPM action plan, security plan, due diligence process) applied appear of good quality to us and appropriate for a project like VSDP.

Where we see the main challenges when it comes to CSPM:

- CSPM is still too much interpreted as a security issue for staff on VSDP's management side.
- The advisors for CSPM (and for GESI for that matter) are not yet integrated sufficiently into overall management meetings and intervention discussions…rather than added-on they should be more prominently added-in to key strategic discussions.
- The delivery model of VSDP phase 3 with a broad range of very different partners increases the risk surface and makes a consistent approach to CSPM challenging, bearing certain risks for partners, MSMEs and learners.
- In particular in the current context of Myanmar, it is important to understand CSPM as an issue which needs to be jointly managed, understood and discussed on by the funder (SDC Myanmar),

the implementer (Swisscontact) and, wherever possible, the partners. There is a current discrepancy of ***SDC perceiving VSDP as too risk-averse in the sense of not trying to work in more non-SAC areas, while at the same time not sensitive enough when it comes to risks related to the engagement with the SAC***, for instance in the process of MoU negotiations.

The recruitment of the right person with the right capacities been given the right access to higher level strategic discussions beyond mainly security issues and a closer collaboration with SDC and other implementers on CSPM can ensure that the good basis which has been created can gain in effectiveness. It is important that this is pro-actively driven and ***enabled from the very top of the VSDP management team***.

Q10 outlines the main recommendations we have related to how effectiveness, impact and sustainability can be strengthened:

Q10_Results Recommendations: What are the main practical recommendations and adjustments possible to strengthen results achievement of the project for the remainder of phase 3 (addressing Q4–Q9)?

The recommendations related to how results achievement can be strengthened are strongly linked to the recommendations made for relevance. Some of them may be repeated hereafter:

- ***Park the LogFrame*** and take the focus on LogFrame targets away for the moment
- ***Decide to drop IM as a sector*** but reconceptualise it as general MSME BDS support[3] (note: some of the partners currently in IM may still make sense from this perspective, e.g. CVT)
- ***Re-Assess the 4 local economies*** (and their sectors with potential, while maintaining a focus on ag and textiles) the programme is currently engaged in and develop simple, but convincing change visions.
- Based on these visions and MSD thinking, ***develop an 'alternative' results framework*** (LogFrame), linking, wherever possible with the 'parked' LogFrame.
- Decide on whether and where a region may have to be dropped, if potential and feasibility for bringing about change within the duration of phase 3 is too limited.
- Assess which of the current partnerships established make sense from an MSD lens, meaning which service providers – to not call them implementing partners – have the potential to leverage change in the analysed local economies and sector. Identify new ones, where it makes sense from an inclusive growth and MSME BDS perspective, without being driven by numbers mainly. Ensure it is about depth and sustainability, rather than breadth.
- ***Define strong interventions for outcome 3 which are conflict-sensitive***, but have the potential to outlast the programme duration.
- Keep investing into ***MSD culture building at all levels***, including at management level, but with focus on MSD in the Myanmar context, including what it means to do MSD in a nexus setting.
- Create more ***space for learning and strategic discussions*** and reduce heavy-lifting on MRM and admin and finance.
- ***Raise the importance of GESI and CSPM within the programme set-up*** and structure

[3] Figure 9 above illustrates this: in a first step you define, describe and assess local economies. In a second step you assess the two sectors of ag and textile which we assume are of relevance in all local economies. IM is not analysed any longer. In a third step it is assessed to what extent MSME BDS services in general are of relevance and what the related constraints are. This may benefit MSMEs in infrastructure maintenance related business areas, but we are avoiding making a sector out of something that has not specific sector logic. Instead we are giving a more pro-active mandate to MSME BDS for which the original ProDoc (outcome 2) has only foreseen 'indirect linkage building'.

- Work closer with SDC Myanmar and other implementers on strong CSPM and increase experience exchange on this

5. EFFICIENCY: ASSESSMENT AND RECOMMENDATIONS

Efficiency assesses the extent to which resources are used in the right way to achieve results. We are discussing organisational set-up, HR issues, cost-related aspects, as well as management tools and processes.

Q11 focuses on the organisational set-up and delivery model:

Q11_ Org Set-Up and Delivery Model: To what extent is the current organisational set-up (including geographic spread) and delivery model cost effective and fit for purpose?

The current organogram is depicted in Figure 11. It shows that the programme is structured along the three sectors and has a management team comprising the country manager, the team leader, the three sector heads and the head of business administration. Stakeholder Engagement, MRM and Communications, GESI, CSPM and Business Administration are understood as transversal functions supporting the sector teams. VSDP has a main office in Yangon and two field offices, one in Kalaw/Southern Shan and one in Mawlamyine with three staff members each, whereas the field offices report to either the head of agriculture in the case of Southern Shan and to the head of infrastructure in the case of Mawlamyine.

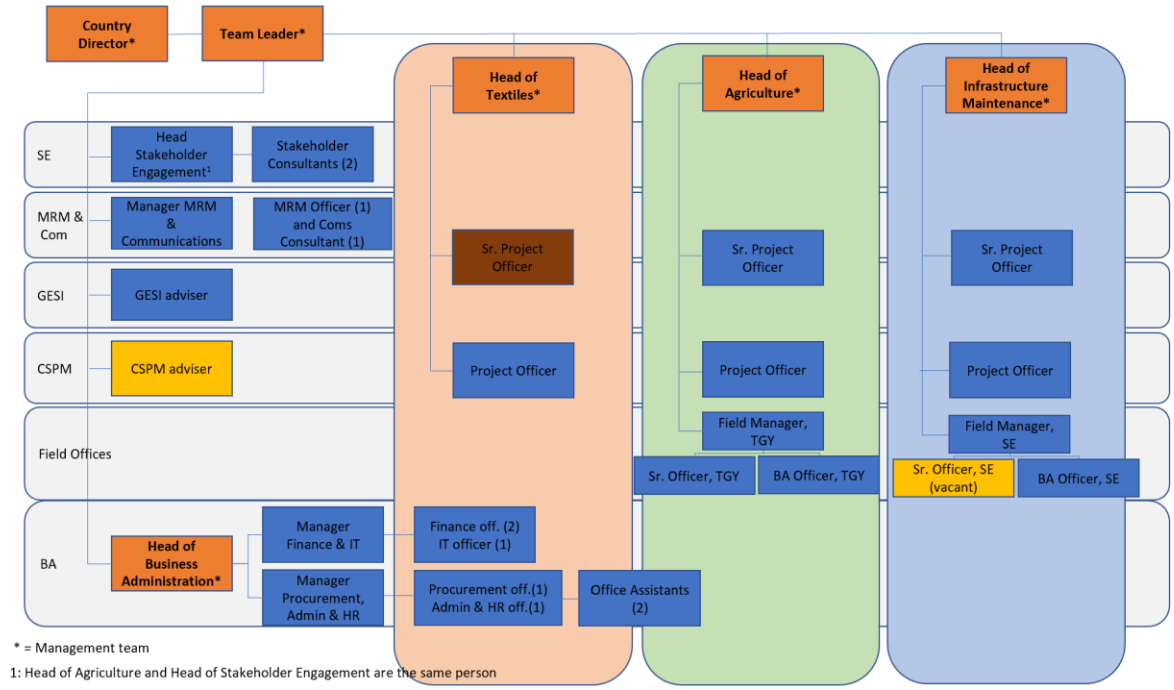


Figure 12: *VSDP phase 3 organisational set-up*

The organogram shows the understanding of the programme as a programme working in three different sectors. The sector logic drives programme delivery resulting in many ways in a programme that seems to have ***three independent sector projects or silos with little connection between them***. The geographic regions and the logic of thinking in local economies across sector boundaries gets lost through this and is not supported by having management lines from regions to specific sectors. Resulting from this are many different interventions built around sector partners which produce very valuable results but ***lack the power of coming together in a synergistic manner delivering a good comprehensive change story lines for the local economies***. The transversal functions need to fight for attention and make themselves heard, whenever possible, but without structurally having the necessary weight and influence. Admin, finance, HR and IT seem comparably heavy for a programme

of this size and lead to an ***admin-heavy set-up where content discussions across sectors get lost*** to time spent on filling out different forms and formats.

VSDP currently works through ***17 active partnerships***: 8 in IM, 4 in the agriculture sector and 5 in the textile sector. A total of 8 of these partnerships have contracts which last beyond June 2025, two of which into 2026 (e.g. Tun Yat, FXB), which will have certain implications in terms of adaptations possible. Yangon has 12 active partnerships, Southern Shan 10, Mawlamyine 8 and Mandalay 6 active partnerships. Of the 17 partnerships, 30% are contracted out as service agreements without contribution necessary from the partner – all of these are in the IM sector -, whereas the remaining 70% are contribution agreements, for the partner contributes with ideally around 30% in cash or in kind.

#	Partner Name	Inititial	Implementation Areas			
			YGN	MON	S.SHN	MDL
Infrastructure Maintenance (10 Partners)						
1	Duel Tech	DT	Finished			
2	May Yu Than Lwin	MYTL		Finished		
3	Mee Panyar	MPY	Finished	Finished		Finished
4	Housing Now	HN	Finished			
5	Duel Tech	DT	Ongoing			
6	May Yu Than Lwin	MYTL		Ongoing		
7	Glory	Glory	Ongoing			
8	Mechanic Stars	MS		Ongoing		
9	Center For Vocational Training	CVT	Ongoing			
10	Mee Panyar	MPY	Ongoing	Ongoing		Ongoing
11	Doh Eain	DE	Ongoing			
12	Naung Taung Vocational Education Center	NTVEC			Finished	
13	MyJob	MJ	Ongoing	Ongoing	Ongoing	Ongoing
Agriculture (10 Partners)						
14	Dekina ABMI	Dekina			Finished	
15	Myanmar Integrated Institutional Development	MIID			Finished	
16	Impact Hub Yangon	IHY	Finished			
17	Golden Plain	GP	Finished			
18	Myanmar Bell Shin Shin Food Co., Ltd	MBSF			Finished	
19	Tun Yat	TY	Finished			
20	Tun Yat	TY	Ongoing			
21	Taunggyi Food Hub Co., Ltd	TFH			Finished	
22	Borderless Link Co., Ltd	BLC			Finished	
23	Fresh Studio	FS			Ongoing	
24	Taunggyi Food Hub Co., Ltd	TFH			Ongoing	
25	Doe Pyi Thit Agro-Development Co., Ltd	DPT			Ongoing	
26	Myanmar Bell Shin Shin Food Co., Ltd	MBSF			Ongoing	
Textile (8 Partners)						
27	FXB Myanmar	FXB	Ongoing	Ongoing	Ongoing	Ongoing
28	Step-In Step-Up	SISU	Finished			
29	Solutions @ AhPhyay	AhPhyay	Ongoing	Ongoing	Ongoing	
30	Impact Hub Yangon	IHY	Finished			
31	ASK Strategic Solutions Co Ltd	ASK	Finished			Finished
32	Bay Dar & Co Ltd	Bay Dar	Ongoing	Ongoing	Ongoing	Ongoing
33	Turquoise Mountain Myanmar	TM	Ongoing		Ongoing	Ongoing
34	Community Partners Myanmar	CPM	Ongoing	Ongoing	Ongoing	Ongoing

Figure 13: *VSDP phase 3 partners and geographic presence*

Our assessment of the costs effectiveness and fitness to deliver results is as follows:

- The number of partnerships is in our view not an issue in itself for a programme of this size, but the fact that ***most partnerships are not connected to each other or to the local economic space leads to efficiency loss***.

- Negotiations with partners often took a very long time, as due diligence in the current context was cumbersome, administrative and monitoring demands from VSDP were considerable and contribution agreements take time to negotiate. As many partnerships are established and will make sense also from here onwards with a more geographic focus, there will be efficiency gains possible.
- We see little value - beyond having a competitive process – in doing service agreements, as they create a patron-client relationship undermining a real co-creation discussion, while at the same time not leveraging additional resources from partners. The fact that ***VSDP was able to leverage around USD 0.7 Mio in co-funding till date*** is very positive in terms of cost-effectiveness and offsets the additional management costs all these partnerships may bring along.
- ***Partnership discussions are not yet focussed enough on how a partner or market actor can become more sustainable***, grow and reach scale, but have been rather transactional in terms of delivering a service to the project. Turning these discussions around will increase cost effectiveness and sustainability of results.
- ***Partnerships with more classical NGOs or NGO-like partners with no system growth and leveraging capacity should rather be phased out*** and not be renewed as they are neither cost effective nor sustainable.
- ***Having two field offices in the current set-up and delivery model of VSDP is difficult to justify.*** While we see currently the value of a physical local presence in Southern Shan and may do more so with an increased focus on the local economy, it is hard to justify the Mawlamyine office set-up with the current capacities and intervention density at local level. It is rather important to ***increase the field presence of the project manager/sector leads/capable regional leads*** – a head of a sector or region should at least be once every two months in the field -, rather than have administrators and office guards on the ground.

In terms of human resource capacities, the ToR ask the following question:

Q12_ HR Capacities and Set-Up: Are the current human resource allocations, including the balance between long-term in-country staff, their expertise in relation to their responsibilities, and the additional support from headquarters and consultants, optimized to ensure project efficiency

We are not commenting on individual people in response to Q12 but will focus rather on whether the capacities are right for the specific functions to be performed. Specifically, we will comment on the following:

- Leadership capacity: the new country manager and comparably new project manager have taken on a project which was set on a certain course since its design and have started to course correct in line with the demand to work more MSD oriented. This MTR is a chance to do this even more effectively with less focus on delivering numbers against the LogFrame, but even more meaningful changes and exchanges between implementer and funder.
- MSD capacity in key positions: MSD capacity is clearly visible in some of the key positions, such as the head of agriculture, the new head of textile, as well as the regional manager in Southern Shan, which needs to be further nurtured. It is important that this takes place not in trainings which are far from the Myanmar context, but in contextualised MSD coaching on the job. The Swisscontact regional director and some of the regional team members have the capacity to mentor team members on the job, whereas it is important to not bring in too many new cooks…context understanding is as important as MSD capacity here.
- Balance between admin and finance vs technical/content capacity: in our view the programme is too heavy on the finance and admin side and has potential to be streamlined. It is in our view difficult to justify an international BA advisor financed at 50% through this project until the end of the phase while having a competent national BA in the team. The latter position was vacant until

very recently, but there is room to streamline from here onwards. At the same time, the programme has recruited staff often based on their technical expertise, such as for instance experts on textile to fill positions in the textile team. This leads to a tendency for direct delivery of interventions, as the technical expert 'wants'/is used to advise directly, rather than having staff who have more of a private sector/deal making profile which allows them to have the right discussions with partners. Technical expertise should be sourced from the marketplace, wherever possible.

- Better integration of transversal functions: there is room to better integrate transversal tasks, such as GESI, CSPM and MRM into the core functions of the different teams. MRM is currently working almost as a separate unit with too little meaningful integration into the core teams, but almost a purpose on its own. Part of the challenge here is to clarify what the main function of MRM is…it is not accountability first and foremost, but having good data for learning and decision making. In order to do this efficiently, MRM needs to be as close as possible to the regional/sector teams.
- Balance between international vs national expertise: we see little additional need for international technical expertise in agriculture, textile, curriculum development or work-based learning from here onwards, if the programme adapts in line with these MTR recommendations, but rather regional support in mentoring current team members in terms of MSD.

Once the programme will have gone through the redesign process as per our recommendations, it will be the right time to revise staffing structures and profiles and clarify each staff members role and responsibilities. The revised matrix set-up we are suggesting will bring in our view additional efficiencies in terms of delivery.

Q12b_HR Management and Retention: What factors may contribute to the observed turnover rate among national and expatriate staff, and what strategies could be implemented to enhance staff retention?

Staff turnover has been comparably high in VSDP phase 3, and it is in particular turn over at the level of the top management which may have contributed to some of the challenges the project has been facing till date. Some of these factors are the following:

- **The context**: The Myanmar overall context makes it both very challenging to find expatriate staff willing to move to Myanmar to lead the project and for local staff to not pro-actively consider moving abroad to look for a safer, more predictable and better quality of life environment (e.g. limited purchasing power due to inflation, limited quality of education and health services). This is in particular the case for people with families with kids in teenage ages, where the risks posed by the conscription law are real. There is little control over this factor by a development project, but it may be compounded by some of the factors below.
- **Salaries and inflation:** According to the programme's own self-assessment, but also confirmed in different staff interviews, salary issues have contributed to staff turn-over, as the project may have been late in adjusting salaries upwards in a highly inflationary environment. VSDP has now tested a new way of transferring funds which allows to react more flexibly to exchange fluctuations which should have a positive effect on staff retention.
- **Swisscontact internal challenges**: In the build up to phase 3 and the beginning of phase 3, when the phase was designed, Swisscontact has recruited a team leader out of the consulting market who had a great profile and track record, but was new to the organisation. The collaboration with Swisscontact and with SDC ended up being challenging for a variety of reasons. At the same time, the long standing Swisscontact regional director who was based in Yangon was in a transition to a different position at headoffice which, in combination with the selected team leader, will have affected leadership of the project and atmosphere in the team for some time. Both a new country director with a lot of experience in Myanmar and SDC itself, and a new team leader with long

standing experience of working with Swisscontact are now leading the project which starts to show positive effects on leadership, donor relationships and staff morale. It is important to maintain this leadership and keep investing in strong relationship building with SDC and the wider management team of VSDP. The role of the new Swisscontact regional director, who has long standing Swisscontact experience, knows the Myanmar context and VSDP very well and has a strong MSD track record will also be crucial to further strengthen leadership.

- **Expectations and pressure on the donor side**: The above-mentioned issues and challenges going back to the original design – pushing for MSD while using a VSD logic -, have led to certain frustrations on the donor side and have put perceived/real pressure onto the project to deliver. The constructive spirit within which this MTR took place and the recommendations emerging from it should be an opportunity to rightsize expectations and put the project into the right direction, while maintaining some healthy pressure to deliver results beyond LogFrame targets.
- **Roles and responsibilities**: To the outside observer it is not always clear what roles and responsibilities the different staff members, in particular at levels below the management team perform. Clarifying these roles in line with the revised design, while increasing responsibility, where it increases efficiency and effectiveness (e.g. in the case of the transversal advisors) will strengthen staff motivation. Breaking down the sector silos and increasing collaboration with a focus on content, strategy and learning will further increase work culture and contribute to a more motivating work environment.
- **Project lifetime**: It is natural that in a programme approaching the end of its lifetime staff turnover increases, as people start thinking of future employment prospects. This can only be addressed by pro-actively and transparently discussing future prospects with staff and find solutions – where possible in conversation with future employers - which allow for smooth transitions without leaving long vacancies. At the same time, it will be important to build capacity (e.g. clear documentation of experience, standard operating procedures, clear job profiles) beyond individual key people, so knowledge does not get lost with a person moving in or out of the organisation.

Q13 focusses specifically on costs and cost-effectiveness:

Q13_Cost Effectiveness: What are factors which increase cost-effectiveness and what are factors which may hinder cost-effectiveness of VSDP phase 3?

This question is very challenging to answer in the right way, starting from the issue of 'what are we comparing with what?' Is VSDP now still a VSD project and we compare it to other VSD projects, or is it more of an MSD project, where cost-effectiveness calculations (but also the LogFrame) will look different. Does it make sense to compare a project in Myanmar operating in a very challenging context with projects outside of Myanmar using a similar approach? An internal calculation of the project itself comparing VSDP phase 3 to other projects doing VSD in Myanmar puts its own learner unit costs at USD 160 – 250 per month, compared to Save the Children's unit costs coming to USD 100 per month, Helvetas' S4E's unit costs to USD 150 and UNDPs VSD costs at USD 360 per month.

We would like to refrain from trying to do such direct comparisons in the frame of this MTR process ourselves, as it would need a much longer and more sophisticated Cost Benefit Analysis (CBA) process on its own, which will provide some number at the end, but at the risk of not providing the full story, in particular taking into account the challenges related to the design. It may be valuable to address this outside of this MTR process once some redesign has been done, as there are very different perceptions on costs and cost effectiveness between Swisscontact Myanmar and SDC Myanmar. We will focus on the ToR question and make comments related to factors which we believe either increase or decrease costs effectiveness:

Nr	Factor/Aspect	How does it affect cost-effectiveness	Actions to increase effectiveness

1	International staff costs	▪ A full-time international team leader, an international head of BA (at almost 50%) and a country manager (at 20%) is comparably high for a project of the size of VSDP phase 3, although the challenging context justifies a higher international investment to a certain extent. ▪ There is some room to reduce the international short-term consultant days, in particular for technical expertise, such as agriculture and textile.	▪ In particular at the level of the BA with a competent new head of BA starting his position in March 2025, it should be possible to reduce international BA costs over time. ▪ Assess reduction potential for international short-term consultants once phase 3 re-design has been done.
2	Streamlining staffing structures and responsibilities	▪ Teams are currently mainly organised and functioning in sector silos, although this has improved under the new management team. ▪ Transversal functions and in particular as well MRM could better be integrated into sector teams	▪ Break down sector silos and organise people in teams per local economic region. ▪ Assign the same person to different roles, such as for instance assignment the ecosystem building and coordination role to the regional manager and make the regional manager at the same time bear responsibility for a sector. ▪ Do in-source MRM tasks, rather than outsource it to a separate team. Consider assignment of an important share of MRM – in particular the joint learning and steering element - to the team leader.
3	Office costs	▪ For the current set-up and intervention density in the different locations, it is difficult to justify a head office and two field offices with the related staffing structure.	▪ Revise office set-up in line with the re-design.
4	Proportion between parts 1-3 to part 4	▪ In most SDC-funded projects implemented by Swiss NGOs, the proportions will hover around 50% - 50%, in particular in contexts where there is a certain need for international project management expertise. ▪ As shown in Figure X below, parts 1-3 stood at 47.7% of the total budget in phase 1, at 51.5% in phase 2 and was contracted at 53% for phase 3. That balance was off in the first part of phase 3 due to delayed spending coming with the contract negotiations, but was coming down in 2024 and is projected to be balanced out again at the end of 2025.	▪ Aligned to the comments made for international staff, there is room for corrections more towards a 50% budget split for parts 1-3. The recommendations of this MTR and the revised design should provide the basis for this.
5	Qualitative results and results beyond LogFrame	▪ The risk with cost-effectiveness calculations is that it is mainly possible to estimate quantifiable and monetizable results, but less qualitative results which often have important long-term effects. ▪ Results related to environmental and social impacts beyond income and employment numbers are often not really factored into the cost benefit analysis which provides a distorted picture.	▪ Clarify the use of qualitative indicators in the revised results framework and provide evidence of how they can be used for cost-effectiveness assessments. ▪ Clarify in discussion with SDC the balance and importance of income and employment indicators vs. environmental indicators
6	Indirect benefits coming through system effects	▪ The value of indirect benefits and beneficiaries is very important in MSD projects, as they are a sign of system effects. ▪ They are currently not really factored into cost effectiveness calculations.	▪ Clarify the approach to indirect beneficiaries and how this is factored into cost benefit calculations when revising the results framework.
7	Leveraging effects	▪ Projects working with MSD principles and market system actors often have important leveraging effects which are an important element contributor to cost effectiveness. ▪ Our calculation shows that the project was able to leverage around USD 0.7 Mio in contributions. If we are assuming an average of 20% - as per indications from most partners talked to - of these contributions going into management costs of the partners it is around USD 5.6 Mio of direct activity costs contributions which have been leveraged.	▪ Keep working with partners under contribution agreements and try to leverage as much as possible investments based on partner incentives. ▪ Better connections between different VSDP interventions in a specific location will lead to increased cost-effectiveness. ▪ Finding more pro-actively synergies with other development partners will lead to increased cost effectiveness.

8	Scale	▪ The project uses the term scale, but there has been so far limited thinking in terms of what good pathways to scale are, as many partnerships still had to pilot first experiences.	▪ Designing interventions with clear pathways to scale will considerably increase the cost effectiveness of the programme. This can for instance include a partnership which has been tested and successful in a particular local economy, but is then scaled beyond the 4 key locations of the project (e.g. TunYat). It is important to be careful with attribution and provide good justifications for scale assessments.
9	Offering free of cost trainings and MSME support	▪ The high number pressure, but also the challenging context with people having very little ability to pay for training has led to offering fully subsidized trainings. This is often also the case in trainings for MSMEs, where there is a certain willingness and ability to contribute to training costs.	▪ Do not always resort to offering fully subsidized trainings, if there is some ability to pay, as it negatively affects costs effectiveness, but also sustainability of more fee-based training models to be developed.

Table 2: Factors affecting cost-effectiveness and ways to address them

	Phase 1	Phase 2	Phase 3	
Parts	**Final ratio**	**Final ratio (Mar23)**	**Original contract (Apr23)**	**Amendment #1 (Jul24)**
Part 1-3	8,092,637	11,619,783	5,257,000	5,126,064
Part 4	8,883,778	10,957,664	4,670,000	4,800,936
Total	16,976,415	22,577,447	9,927,000	9,927,000
Ratio part 1-3	**47.7%**	**51.5%**	**53.0%**	**51.6%**

Table 3: *Ratios between parts 1-3 and part 4 compared between VSDP phases*

Overall, our assessment is that VSDP phase 3 has room to become more cost efficient. The basis for approaching this process is the revised design which we suggest as a result of our MTR recommendations. It should in our view be possible to get the percentage of the budget taken up by parts 1-3 down to 50%.

Q14_Management Tools and Processes: How efficient are management tools and processes of VSDP phase 3, in particular the steering mechanisms and monitoring system in support of steering, accountability and learning?

The Swisscontact country manual, which is at the same time the VSDP programme manual, gives a very detailed description of management tools and processes and is as such of very good quality. It describes:

- the organisational structure with the respective roles and responsibilities
- human resource processes, including recruitment, personal development, salaries and benefits, as well as how to manage exit procedures
- procurement and contracting processes
- travel authorisation and processes
- finance processes, including accounting, budgeting, cash management and financial audits
- asset management
- communication, including the use of social media and communication guidelines for partners
- office management, including safety and security

Additional tools and manuals are:

- an MRM manual detailing out all MRM processes
- a GESI and CSPM action plan referring to a broad range of additional tools used to mainstream both topics into programme delivery
- a Local Security Plan (LSP)

There is in our view ***no shortage of tools and plans, but the application appears to sometimes be more about the tool itself, rather than the purpose the tool is supposed to serve***. MRM is an example for this: there is a lot of data being collected and many tools applied, such as for instance tracer studies, but there is too little focus on making the right use of the data beyond reporting back to the donor or questioning, whether the amount and kind of data collected is really necessary. This affects content discussions, effectiveness and efficiency both within the VSDP team, but also in discussion with partners and needs to be rightsized.

There are different steering mechanisms foreseen for VSDP phase 3, including a Strategic Review Panel (SRP) comprising key management and technical experts from Swisscontact and its consortium partner Involas, bilateral monthly meetings between VSDP and SDC, meetings between VSDP and SDC to discuss YPOs and reports, as well as weekly VSDP management team meetings. ***The SRP has so far never met during phase 3 which is regrettable, as the SRP is often an opportunity to discuss higher level strategic issues, such as for instance the issues put forward as part of the ToR for this MTR***. This allows the programme management team to receive critical inputs to strategically steer the programme and to sometimes take a step back to 'see the forests and its broader landscape rather than the trees'. An SRP is planned to address the main recommendations emerging from this MTR process which we consider to be the right moment, but we would recommend keeping it working at least on an annual basis. We believe it is right to replace the more VSD experienced SRP members with more MSD and change management experienced members, as has been done by bringing in the Swisscontact Regional Director and the INBAS Managing Director into it.

The regular steering meetings with SDC seem to work, in particular with the new team leader and SC country manager in place, but have potential to become more strategic and in line with a revised programme concept which goes beyond LogFrame and numbers, but focuses more on local systems change and possible scale pathways.

This leads to the final question on efficiency combining recommendations related to Q11 – Q14:

Q15_Efficiency Recommendations: What are the main practical recommendations and adjustments possible to strengthen efficiency the project for the remainder of phase 3 (addressing Q11-14)?

The following recommendations are in our view key to increase efficiency for the remainder of phase 3. ***They are feasible to be implemented over the next few months and will lead to improved project delivery***. The recommendations are connected to recommendations made under relevance and effectiveness and need to be implemented as part of an overall package:

- In line with a much stronger focus on the local economy as the main system to expect some systemic changes to take place, ***adjust the organisational structure by putting the local economies as the main structure providing element***. How this will look like in the end, will depend on the assessments to be done in the 4 regions and whether a region will be dropped after this, but in general terms it should in our view look as follows:
  - Each region has a designated head which is the convener of the discussions on interventions for the region. The regional head could at the same time take on other functions, such as for instance 'head of agriculture' or 'head of MSME BDS', while all regional heads could take on the function of the stakeholder engagement person. For example, if there are a lot of ag interventions in Yangon, the regional head Yangon could take on the job of the head of agriculture and be in charge of stakeholder engagement in Yangon (in total adding up to 100% of a job pensum, needing only 1 person).

- Both CSPM and GESI are full time positions, but should be raised in terms of importance and put into the management team. The management team would in this case consist of a maximum of 9 people.
- The head of MRM could be a position taken on by the TL at the same time to give it less of a focus on data collection, but more on learning and steering, which are core tasks of management.
- How many people are needed within the regional structures will depend on the final assessments, but there is room to streamline and reorganise.

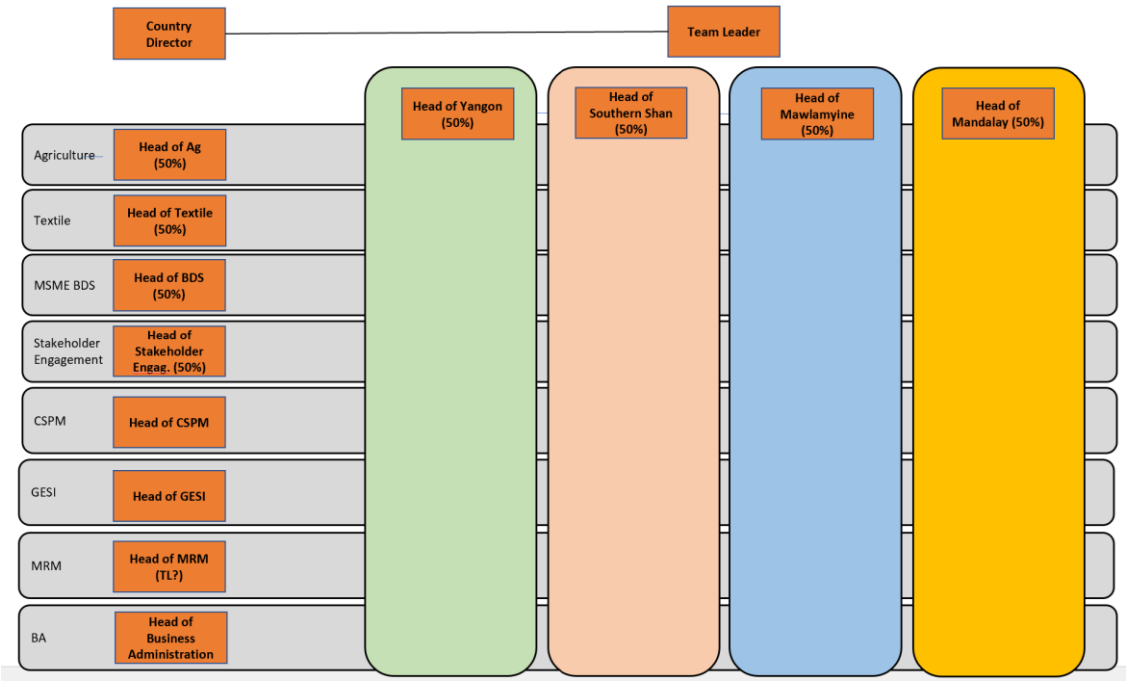


Figure 14: *Outline for a revised organisational structure for VSDP phase 3*

- In terms of delivery model, keep working through system actors with incentives and capacity to co-invest and leverage change in the local economies and their value chains.
- Move away from fully subsidised, service contract models which do not lead to sustainable changes in specific market systems. In particular, we would recommend to stop working through more classic NGO set-ups, such as FXB or MIID, where possible. In the case of running contracts which cannot be terminated, we would recommend to rediscuss targets and invest more on the MSME side and do less training to reach numbers.
- Keep building MSD culture within VSDP with a focus on MSD within the Myanmar context…we would focus more on coaching on the job, rather than sending people to trainings elsewhere.
- Ensure competitive salaries and flexible adaptations to exchange rate fluctuations.
- Re-establish the SRP to ensure the programme remains strategically on the right track and to make use of long-standing MSD experience from regional director of Swisscontact and long-standing project and change management experience of the head of Involas.
- Once redesign is done as per recommendations on relevance and effectiveness, bring the costs of parts 1-3 down to as close as possible to 50% of the budget by reducing in particular to comparably high international costs.
- Reduce the focus on tools and procedures for their own sake, but focus on the purpose of the tool to deliver more efficient, effective and impactful project results.

- Keep investing in strong relationship building and common understanding with SDC in Myanmar, in particular as well throughout the turn-over in key positions at SDC in August 2025.

6. RECOMMENDATIONS FOR REMAINDER OF PHASE 3

Chapter 6 focusses on the main conclusions and recommendations going forward for the remainder of phase 3. There are in principle 3 broader options worth discussing and analysing in this regard, namely:

Option 1: Keep VSDP phase 3 on its current track but tweak some smaller things to improve effectiveness and efficiency.

Option 2a: Redesign VSDP phase 3 in a way relevance and results can be maximised with the highest possible value for money but maintain current size of the project.

Option 2b: Redesign VSDP phase 3 in a way relevance and results can be maximised with the highest possible value for money but reduce the financial volume of the project.

Option 3: Stop the project.

Option 1 would imply that the programme keeps doing what it currently does pretty much in its current set-up improving effectiveness and efficiency in line with some of the above made recommendations. If this would be the chosen option, such adjustments could be as follows:

- Drop IM as a separate sector in line with recommendations further above.
- For agriculture and textile, clarify the market systems changes which are realistic in each of the 4 regions and develop clear localised sector visions for these two sectors (e.g. in agriculture in Southern Shan the vision is to stimulate growth in the selected cash crops of soya and xyz with a strong focus on sustainability practices…) based on successful existing partnerships and experiences and clarify how these two sectors contribute to a more inclusive growth in the local economies as a whole
- Develop additional indicators to current LogFrame which better reflect systemic changes in the local economies based on above visions. This would allow to maintain the current LogFrame – but only with reduced pressure on quantitative targets (!) – while adding more local systemic change-oriented indicators (e.g. new local services developed, new local MSMEs registered, growth of local lead enterprises, growth of employment in core sectors, better local economic collaboration amongst key stakeholders).
- Identify potential interventions and partners in both agriculture and textile in each region which would help to address underlying constraints for MSME and sector growth
- Drop any region where there is not sufficient inclusive growth potential in both agriculture and textile combined (possibly Mandalay, as limited agriculture potential).
- Identify MSME BDS services which will support MSMEs in agriculture and textile, but also beyond.
- Choose the right partners and collaboration modalities in each of the two core sectors: select only system actors with leverage and scale potential and own incentives to invest as partners and engage through contribution/co-creation arrangements, rather than service contracts.
- Invest into connection between interventions: Invest more prominently into outcome 3 and engagement with stakeholders in regions and connect, wherever possible, different interventions to each other.
- Close field offices, where they are not necessary in terms of supporting collaboration with local partners. This is likely the case in Mawlamyine, to be assessed for Southern Shan.
- Adjust organisational structure to reflect above changes (see Figure 15)
- Increase cost share of part 4 in budget: Reduce international costs in the budget and increase share of administrated project funds
- MSD: keep strengthening MSD capacities in the team by providing on the job coaching support

- Improve reporting back to SDC in line with the more localised sector visions and adjusted results framework.

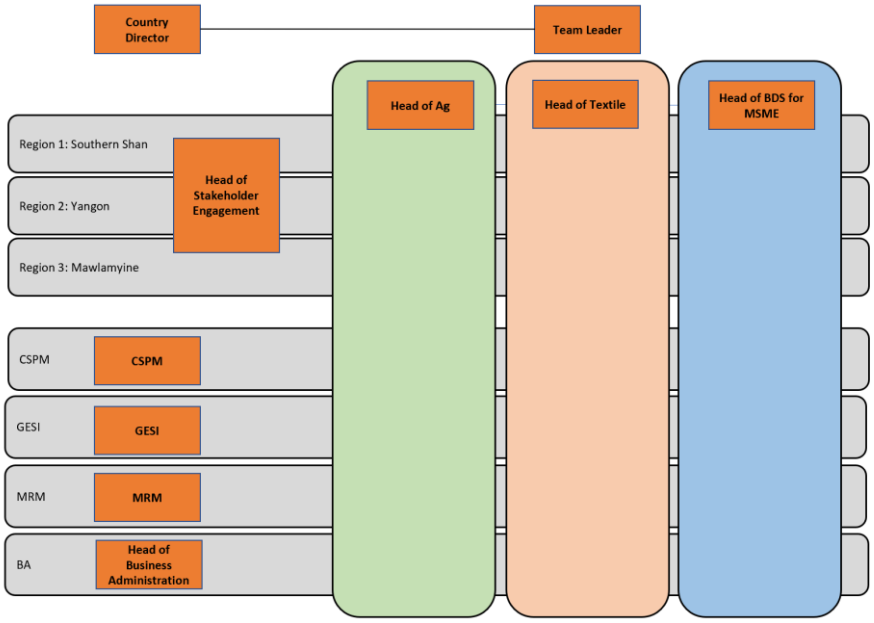


Figure 15: *Potential organisational set-up for Option 1*

With this option, it is very likely that VSDP would achieve its current targets at all levels, including the income target at impact level, but as discussed elsewhere we would be careful with sticking to these targets, but rather revise them based on better system assessments. ***This option would be comparably smooth in terms of adjustments, as it implies least transaction and transformation costs***, but also potential limits in terms of relevance, effectiveness and sustainability gains.

Option 2a is the option we would recommend as a result of this review process, although there are some transaction and transformation costs for the next three months to come, the gains on all levels – relevance, results achievement and efficiency - would be considerable, if implemented well. It is important that VSDP and Swisscontact put all necessary efforts and resources into managing this transition with the highest quality possible and that ***this process is finished by the end of June 2025***.
In summarised form option 2a includes the following steps:

- Agree between SDC and Swisscontact on the re-design process and put the current LogFrame on hold
- Revise the organisational set-up in line with a systems focus on the 4 local economies, re-assess the 4 regions with the newly organised teams, provide simple, clear visions and strategies for change.
- Based on these visions and MSD thinking, develop an 'alternative' results framework (LogFrame), linking, wherever possible with the 'parked' LogFrame.
- Decide whether or not it is necessary to drop a region
- Set-up partnerships and define interventions, which make sense from an MSD perspective and keep investing in building Myanmar context adapted MSD capacities
- Revise and adjust the budget to increase cost effectiveness and share of percentage spent on administrated project funds.
- Agree with SDC Myanmar on redesign and performance framework.

Option 2b is basically a slimmed down version of option 2a, if budget cuts are necessary due to overall cuts to the Myanmar programme. In this case, we would drop 2 of the 4 regions and focus on the regions with most inclusive growth and local economic growth potential (e.g. Southern Shan, Yangon), while sticking to the other recommendations made under option 2a.

Option 3 is the most radical option leading to a stop of the project. While there are issues which we have pointed out above when it comes to the performance of VSDP phase 3 till date, ***we do not think this option is justifiable from our reviewers' point of view***, as many of the challenges related to the project's performance have their roots in the original design and LogFrame, which was jointly agreed upon by both donor and implementer. We are of the view that this option would be a loss for both Myanmar's people and MSMEs, as well as for both SDC Myanmar and Swisscontact in terms of reputation and results achievement.

ANNEXURES

Annex 1: List of People Interviewed

Annex 2: List of Documents Reviewed

Annex 3: Field Mission Schedule

Annex 4: De-Briefing Slides

Annex 5: LogFrame Review

Annex 6 : Qualitative Assessment of Visited Current Partnerships

Annex 7: All recommendations in one table, prioritised

ANNEX 1: LIST OF PEOPLE INTERVIEWED

Below list contains people interviewed over the phone only. All other people interviewed are listed in Annex 3 as part of the detailed field mission schedule.

	Interview Date and Time	Interview Partner and Job Title
1	17.12.25, 9am – 11am UK time	▪ SDC Management Team: Emilie Aubert, Cho Myat New Tun
2		▪ VSDP Management Team: Mark Häusermann, Suresh Matho, Aung Thu, July Bae, Kyaw Saw, Gregoire Delbruyere
3	08.01.25, 10am – 11am UK time	▪ Andrew Wilson, outgoing Helvetas country director
4	08.01.25, 11am – 12pm UK time	▪ Prashant Rana, Swisscontact Regional Director Asia
5	09.01.25, 12.30am – 13.30pm UK	▪ Manish Pandey, former Regional Director Asia at Swisscontact
6	10.01.25, 10am – 11am UK time	▪ Sonja Hofstetter, Head Skills Development at Swisscontact and Member of VSDP SRP
7	17.01.25, 09.00 – 09.45 UK time	▪ Guido Lotz, INVOLAS managing director
8	17.03.25, 09.00 – 10.00 UK time	▪ HEKS Myanmar Country Manager

ANNEX 2: LIST OF DOCUMENTS REVIEWED

NR	Document Name	Reviewer (TG, AK, both)	Importance (high, medium, low)	Relevance for Part 1 (relevance), Part 2 (effectiveness, impact and sustainability) or Part 3 (efficiency)
1	ProDoc VSDP Phase 3	Both	High	All parts
2	Country Manual Swisscontact Nov 2019	TG	Low	Part 3
3	Country Manual Swisscontact Seo 2023	TG	High	Part 3
4	Phase 3 VSDP Risk Management Matrix	TG	Medium	All parts
5	VSDP List of Partners	Both	High	All parts
6	Appendix 4 Organogramm	Both	High	Part 3
7	Due Dilligence Compliance List 2023	TG	Medium	Part 3
8	VSDP Phase 3 LogFrame July 2024	TG	High	Part 2
9	VSDP Phase 3 LogFrame Sep 2023	TG	High	Part 2
10	YPO 2023	AK	Medium	All parts
11	YPO 2024	AK	High	All parts
12	SDC Management Response YPO 2023	Both	High	All parts
13	SDC Management Response YPO 2024	Both	High	All parts
14	YPO 2025	Both	High	All parts
15	SDC comments on YPO 2025	Both	High	All parts
16	VSDP Phase 3 2023 Annual Report	TG	High	All parts
17	VSDP Phase 3 2024 Semi-Annual Report	Both	High	All parts
18	Folder with Government Reports	AK	Low	All parts
19	Folder with Agriculture ToR	AK	High	All parts
20	Folder with Infrastructure ToR	TG	High	All parts
21	Folder with Textile ToR	TG	High	All parts
22	Folder CSPM	TG	High	All parts
23	Folder GESI	AK	High	All parts
24	Folder Communications	AK	Medium	Part 3
25	Folder MRM	TG	High	Part 3
26	Final Report TVET ecosystem	Both	Medium	Parts 1 and 2
27	WB Economic Monitor Myanmar Dec 2024	TG	Medium	Part 1
28	UNDP Myanmar at a Cross Roads April 2023	TG	Medium	Part 1
29	UNDP Poverty and the Household Economy April 2024	TG	Medium	Part 1
30	WB Development Reversed: Poverty and Labour Markets in MMR, May2024	TG	Medium	Part 1
31	WB Myanmar Firm Monitoring, May 24	TG	Medium	Part 1
32	GIZ ASEAN regional cooperation and TVET policy, Aug24	TG	Medium	Part 1

33	BTI Country Report Myanmar 2024: https://bti-project.org/en/reports/country-report/MMR?cHash=2f9ae1c5d0fced0d133ba20af57665e8	TG	Medium	Part 1
34	ILO Myanmar Labour Market Update July 2023	TG	Medium	Part 1
35	MRM Manual	TG	High	Part 2
36	Most updated LogFrame estimates			
37	BMZ Humanitarian, Development and Peace Nexus in Practice	TG	Low	Part 1
38	SDC Back to Office Report January 2025 Field Mission	Both	High	All parts

ANNEX 3: FIELD MISSION SCHEDULE

Date / Time	Activity	Resp. /confirmed ☒	Participants
Sunday, 02 March 2025	**Arrival to Yangon**		
09:45 – 10:35	Flight TG 301 BKK – RGN	TG ☒	TG
11:00 – 11:30	Transport from RGN airport to Novotel by CH Embassy car	SDC ☒	TG
13:00	Overnight stay at Novotel, Yangon	SDC ☒	TG
Monday, 03 March 2025	**Yangon**	**Resp. /confirmed ☒**	**Participants**
08:30 AM – 09:45 AM	Meeting MTR team at Novotel Hotel	MTR team ☒	MTR team
09:45 AM - 10:00 AM	Novotel Hotel to Embassy office by Embassy car	SDC ☒	MTR team
10:00 AM -12:00 PM	Meeting at Embassy	SDC ☒	MTR team, SDC
12:00 PM – 13:00 PM	Lunch	SDC ☒	MTR team
13:15 PM – 13:30 PM	Transport to Swisscontact office by Embassy car	SDC ☒	MTR team
13:30 PM – 15:30 PM	Meeting at Swisscontact (Management Team)	SC ☒	MTR team, SC
15:30 PM – 17:00 PM	Meeting at Swisscontact (Selected staff)	SC ☒	MTR team
	Overnight stay at Novotel, Yangon	SDC ☒	TG
Tuesday, 04 March 2025	**Visit partners in Yangon**		
07:45 AM - 08:30 AM	Novotel Hotel to Tun Yat's meeting venue (Moon Gallery Café & Bistro) by SC office car	SC ☒	MTR team, AT
08:30 AM – 09:30 AM	Meeting at Tun Yat's management staff at the Moon Gallery Café & Bistro	SC ☒	MTR team, AT
09:30 AM – 10:00 AM	FGD with graduated farmers from Tun Yat at the Moon Gallery Café & Bistro	SC ☒	MTR team, AT
10:00 AM - 10:30 AM	Moon Gallery Café & Bistro to Center for Vocational Training (CVT) office	SC ☒	MTR team, SYA

10:30 AM – 11:30 AM	Meeting at CVT office with partner management staff	SC ☒	MTR team, SYA
11:30 AM – 12:00 PM	FGD with graduated MSMEs from CVT	SC ☒	MTR team, SYA
12:00 PM – 13:00 PM	Lunch at the MK restaurant	SC ☒	MTR team, SYA
13:00 PM – 13:30 PM	Restaurant to Doh Eain training centre, North Dagon	SC ☒	MTR team, SYA
13:30 PM – 14:30 PM	Meeting with Doh Eain management staff at the training centre	SC ☒	MTR team, SYA
14:30 PM – 15:30 PM	FGD with graduated learners from Doh Eain	SC ☒	MTR team, SYA
15:30 PM – 16:00 PM	Doh Eain training centre to My Job office	SC ☒	MTR team, SYA
16:00 PM – 17:00 PM	Meeting with My Job management staff	SC ☒	MTR team, SYA
17:00 PM – 17:30 PM	My Job office to Novotel Hotel	SC ☒	MTR team, SYA
	Overnight stay at Novotel, Yangon	SDC ☒	TG
Wednesday, 05 March 2025	**Visit partners in Yangon**		
08:00 AM - 08:45 AM	Novotel Hotel to Glory training center Thakayta by SC office car	SC ☒	MTR team, SYA
08:45 AM – 9:45 AM	Meeting at Glory management staff	SC ☒	MTR team, SYA
9:45 AM - 10:45 AM	FGD with graduated learners from Glory	SC ☒	MTR team, SYA
10:45 AM – 11:30 AM	Glory training center to Turquoise Mountain office	SC ☒	MTR team, SYA
11:30 AM – 12:15 PM	Meeting with Turquoise Mountain management staff	SC ☒	MTR team, NJTA
12:15 PM – 13:15 PM	Lunch at Koe Kant Koufu, Kan Daw Gyi	SC ☒	MTR team, NJTA
13:15 PM – 14:00 PM	Restaurant to Ah Phyay training center	SC ☒	MTR team, NJTA
14:00 PM – 14:45 PM	Meeting with Ah Phyay management staff	SC ☒	MTR team, NJTA
14:45 PM – 15: 30 PM	FGD with Ah Phyay graduated learners	SC ☒	MTR team, NJTA
15:30 PM – 16:00 PM	Ah Phyay office to Helvetas office	SC ☒	MTR team, NJTA
16:00 PM – 17:00 PM	Meeting with Andrew Wilson, Ne Chye Twin from Helvetas	MH ☒	MTR team, NJTA
	Overnight stay at Novotel, Yangon	SDC ☒	TG
Thursday, 06 March 2025	**Travel to S. Shan**		
08:00 AM – 09:00 AM	Check out of Novotel and travel to RGN Domestic Airport by SC office car	SC ☒	TG, AT

08:00 AM – 09:00 AM	Home to RGN Airport (Domestic departure)	AAK ☒	AAK
10:20 AM – 11:35 AM	Flight Air MAI 8M4746 RGN to HEH	SC ☒	MTR team, AT
12:00 PM – 12:10 PM	Heho airport to MBSF factory	SC ☒	MTR team, AT, NMTS
12:10 PM – 13:00 PM	Meeting with MBSF management staff	SC ☒	MTR team, AT, NMTS
13:00 PM – 13:20 PM	MBSF to restaurant	SC ☒	MTR team, AT, NMTS
13:20 AM – 14:00 PM	Lunch at restaurant Taung Paw Day Tha in Heho	SC ☒	MTR team, AT, NMTS
14:00 PM – 14:45PM	Restaurant to Taunggyi Food Hub (TFH) office in Aungpan	SC ☒	MTR team, AT, NMTS
14:45 PM – 15:45 PM	FGD with graduated and contract farming farmers of TFH	SC ☒	MTR team, AT, NMTS
15:45 PM – 16:45 PM	Meeting with TFH management staff	SC ☒	MTR team, AT, NMTS
16:45 PM – 17:15 PM	TFH office to Dream Mountain Hotel for check-in	SC ☒	MTR team, AT, NMTS
	Overnight stay in Kalaw at Dream Mountain Hotel, Kalaw	SC ☒	MTR team, AT
Friday, 07 March 2025	**Visit partners from S. Shan**		
07:00 AM – 09:30 AM	Travel to Borderless office (Nyaung Shwe, Namp Pan village)	SC ☒	AAK, NMTS
09:30 AM – 10:30 AM	Meeting with Borderless management staff	SC ☒	AAK, NMTS
10:30 AM – 11:30 AM	FGD with MSMEs of Borderless	SC ☒	AAK, NMTS
11:30 AM – 12:30 PM	Borderless office to Nyaung Shwe	SC ☒	AAK, NMTS
12:30 PM – 13:30 PM	Lunch at Nyaung Shwe - Golden Kite Restaurant	SC ☒	AAK, NMTS
13:30 PM – 14:00 PM	Nyaung Shwe to Heho	SC ☒	AAK, NMTS
08:00 AM – 09:30 AM	Travel to Doh Pyi Thit Factory (Ayetharyar Industry Zone)	SC ☒	TG, AT, NTNL
09:30 AM – 10:30 AM	Meeting with Doh Pyi Thit staff	SC ☒	TG, AT, NTNL

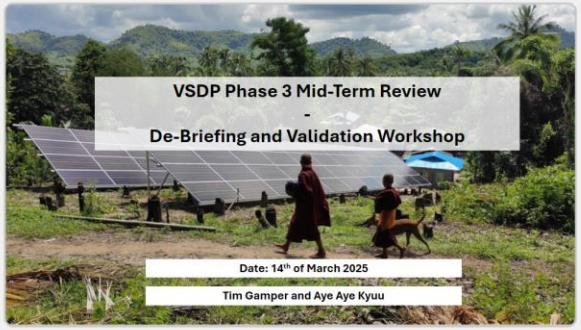
10:30 AM – 11:45 PM	Doh Pyi Thit (Ayetharyar) to Heho	SC ☒	TG, AT, NTNL
11:45 PM – 12:45 PM	Lunch at Heho – Cafe' Inle or Yu Za Na Restaurant	SC ☒	TG, AT, NTNL
12:45 PM – 13:10 PM	Restaurant to Fresh Studio meeting place in Heho	SC ☒	TG, AT, NTNL
13:10 PM – 13 :40 PM	Meeting with Fresh Studio staff	SC ☒	TG, AT, NTNL (AAK and NMTS to join at 14:00 PM)
13:40 PM – 14:40 PM	FGD with farmer associations of Fresh Studio	SC ☒	MTR, AT, NMTS, NTNL
14:40 PM – 15:10 PM	Observe the potato plantation demonstration plot.	SC ☒	MTR, AT, NMTS, NTNL
15:10 PM – 16:00 PM	Heho to Kalaw SC office	SC ☒	MTR, AT, NMTS, NTNL
16:00 PM – 17:00 PM	Meeting with HEKS at Kalaw SC office	SC ☒	MTR, AT, NMTS
	Overnight stay at Dream Mountain Hotel, Kalaw	SC ☒	MTR, AT
Saturday, 08 March 2025	**Travel back from S. Shan to Yangon**		
8:00 AM – 10:00 AM	OPEN	MTR ☒	MTR
10:00 AM – 10:50 AM	Check-out of hotel and travel back from Kalaw to Heho airport	SC ☒	TG, AAK, AT
10:50 AM – 11:50 AM	Check in at Heho airport	SC ☒	TG, AAK, AT
11:50AM – 13:05 PM	Flight Air 8M4747 from Heho to Yangon	SC ☒	TG, AAK, AT
13: 15 PM – 14:00 PM	Airport to Novotel by SC Office car	SC ☒	TG, AT
13: 15 PM – 14:00 PM	Airport to home by own arrangement	AAK ☒	AAK
14:30 PM – 15:30 PM	Meeting with Natasha from Mee Panyar at Novotel	SC ☒	TG, AAK
	Check-in to Novotel hotel, Yangon	SDC ☒	TG
Sunday, 09 March 2025	**Yangon**		
	Overnight stay at Novotel, Yangon	SDC ☒	TG
Monday, 10 March 2025	**Travel to Mandalay (TG),** **Travel to Mawlamyine (AAK)**		

04:15 AM – 05:00 AM	Check out of Novotel hotel and travel to RGN domestic airport by rental car service (curfew time 04:00)	SC ☒	TG
05:00 AM – 06:00 AM	Check in at Yangon airport	SC ☒	TG, NJTA
06:00 AM – 07:05 AM	Flight KBZ K73307 RGN to MDL	SC ☒	TG, NJTA
07:30 AM – 08:30 AM	Mandalay (Tadaroo airport) to Hotel Mandalay by rental car	SC ☒	TG, NJTA
08:30 AM – 09: 00 AM	Check in at Hotel Mandalay with short breakfast	SC ☒	TG, NJTA
09:00 AM – 09:15 AM	Hotel to the SD + Mall (meeting venue)	SC ☒	TG, NJTA
09:15 AM – 10:00 AM	Meeting with the staff of Mee Panyar, home solar installation training provider	SC ☒	TG, NJTA
10:00 AM – 11:30 AM	FGD with solar companies working with Mee Panyar	SC ☒	TG, NJTA
11:30 AM – 12:00 PM	SD + Mall to Rose Marry Office	SC ☒	TG, NJTA
12:00 PM – 13:30 PM	Meeting with 2 textile MSMEs for FGD supported by Academy for Skills & Knowledge (ASK)	SC ☒	TG, NJTA
13:30 PM – 14:15 PM	Lunch at the Rose Marry Office	SC ☒	TG, NJTA
14:15 PM – 14:45 PM	Rose Marry Office to Hotel Mandalay	SC ☒	TG, NJTA
14:45 PM – 15:45 PM	FGD with graduate producers from Bay Dar & Co at the Hotel Mandalay's meeting room	SC ☒	TG, NJTA
15:45 PM – 16:45 PM	FGD with graduate weavers from Bay Dar & Co at the Hotel Mandalay's meeting room	SC ☒	TG, NJTA
	Overnight stay at Hotel Mandalay	SC ☒	TG
5:30 AM – 06:30 AM	Home to Yangon domestic airport by own arrangement	SC ☒	AAK, SYA
6:30 AM – 07:30 AM	Check in at Yangon airport	SC ☒	AAK, SYA
07:30 AM – 08:05 AM	Flight Air ST411 Yangon to Mawlamyine by flight	SC ☒	AAK, SYA
08:30 AM – 09:30 AM	Mawlamyine airport to May Yu Than Lwin training center	SC ☒	AAK, SYA, KM
09:30 AM – 10:30 AM	Meeting with May Yu Than Lwin management staff	SC ☒	AAK, SYA, KM
10:30 AM – 12:00 PM	FGD with graduated learners from May Yu Than Lwin	SC ☒	AAK, SYA, KM
12:00 PM – 13:00 PM	Lunch	SC ☒	AAK, SYA, KM
13:00 PM – 13:45 PM	Meeting with Mechanic Star management staff	SC ☒	AAK, SYA, KM
13:45 PM – 14:30 PM	Meeting with companies recruited graduated learners from Mechanic Star	SC ☒	AAK, SYA, KM

14:30 PM –15:00 PM	**Visit to MLM SC field office**	**SC ☒**	**AAK, SYA, KM**
15:00 PM – 15:15PM	MLM SC field office to FXB office	SC ☒	AAK, SYA, KM
15:15 PM – 16:15 PM	FGD with FXB graduates (FXB office)	SC ☒	AAK, SYA, KM
16:15 PM – 16:30 PM	Return to Novotel	SC ☒	AAK, SYA
	Overnight stay at Ngwe Moe Hotel, Mawlamyine	SC ☒	AAK, SYA
Tuesday, 11 March 2025	**Travel back from Mandalay (TG), Travel back from Mawlamyine (AAK)**		
07:00 AM – 07:20 AM	Hotel to Mawlamyine airport by office car	SC ☒	AAK, SYA
8:20 AM – 08:55 AM	Flight Air ST412 Travel back from Mawlamyine to Yangon	SC ☒	AAK, SYA
9:30 AM – 10:30 AM	Yangon airport to SC office by SC office car	SC ☒	AAK, SYA
10:30 AM – 12:00 PM	OPEN	SC ☒	AAK
12:00 PM – 13:00 PM	Lunch by own arrangement	SC ☒	AAK
Until 11.00 AM	OPEN	SC☒	TG, NJTA
11:00 AM – 11:45 AM	Hotel Mandalay to Mandalay (Tadaroo airport) by rental car	SC ☒	TG, NJTA
13:45 PM – 14:50 PM	Flight Air 8M3308, Travel back from Mandalay to Yangon	SC☒	TG, NJTA
15:00 PM – 16:00 PM	Yangon airport to SheCreate Training Centre	SC☒	TG, NJTA
15:30 PM – 16:00 PM	SC office to SheCreates Training Centre	SC ☒	AAK
16:00 PM – 17:00 PM	Meeting with CPM/SheCreates staff at SheCreate Training Centre	SC ☒	TG, AAK, NJTA
17:00 PM- 17:30PM	SheCreate Training Centre to Novotel	SC ☒	TG, AAK, NJTA
	Check-in to Novotel and overnight stay, Yangon	SDC ☒	TG
Wednesday, 12 March 2025	**Yangon**		
8:00 AM – 8:30 AM	Novotel hotel to Impact Hub Yangon (IHY) office by SC office car	SC ☒	MTR team, NJTA
8:30 AM – 9:15 AM	Meeting at IHY management staff	SC ☒	MTR team, NJTA
9:15 AM – 10:30 AM	FGD with IHY' MSMEs	SC ☒	MTR team, NJTA
10:30 AM – 10:50 AM	IHY office to SC office	SC ☒	MTR team, NJTA

10:50 AM – 12:00 PM	Reflection MTR team	MTR team	MTR team
12:00 PM – 13:00 PM	Lunch	SC ☒	MTR team
13:00 PM – 17:30 PM	Meeting at SC office	SC ☒	MTR team
	Overnight stay at Novotel, Yangon	SDC ☒	TG
Thursday, 13 March 2025	**Yangon**		
08:00 AM – 09:00 AM	Novotel hotel to FXB office by SC office car	SC ☒	MTR team, NJTA
09:00 AM – 10:00 AM	Meeting with FXB management staff	SC ☒	MTR team, NJTA
10:00 AM – 10:45 AM	FXB office to Myanmar Institute for Integrated Development (MIID) office	SC ☒	MTR team
10:45 AM – 12:00 PM	Meeting with MIID management staff	SC ☒	MTR team, AT
12:00 PM – 13:00 PM	Lunch	SC ☒	MTR team
	Meeting with INVOLAS (online)	SC ☒	MTR team
14:00 PM – 17:30 PM	Reflection MTR team at Novotel	MTR team	MTR team
	Meeting MTR team	MTR team	MTR team
	Overnight stay at Novotel, Yangon	SDC ☒	TG
Friday, 14 March 2025	**Yangon to Bangkok**		
8:30 AM – 8:45 AM	Check-out of Novotel hotel and travel to SC by SC office car	SC ☒	MTR team
8:45 AM – 12:00 PM	Validation workshop with both SDC and VSDP 3 team at SC office	SC ☒	MTR team/ SDC/ SC
12:00 PM – 13:30 PM	Lunch (organised by SC) incl. travelling by *SC office car and Embassy car* to CH Embassy.	SC/SDC ☒	MTR team/ SDC/ SC
14:00 PM – 15:30 PM	Debriefing at CH Embassy	SDC ☒	MTR team/ SDC
15:45 PM - 16:30 PM	Travel to Yangon International Airport by CH Embassy car for check-in	SDC ☒	TG
19:00 PM – 20:55 PM	Flight TG 304 from RGN to BKK	TG ☒	TG

ANNEX 4: DE-BRIEFING SLIDES



1

Validation Workshop: Agenda

- Introduction, Objectives and Workshop Methodology
- Field Mission Overview
- Overall impressions
- Relevance: MTR Observations and Your Feedbacks
- Effectiveness: MTR Observations and Your Feedbacks
- Efficiency: MTR Observations and Your Feedbacks
- Outlook: MTR Recommendations and Your Feedbacks

2

Validation Workshop: Objectives and Workshop Methodology

- MTR Objectives
  a. *assess the evolving challenges posed by Myanmar's complex and unstable context and how the VSDP has adapted its approach to deliver results for its targeted beneficiaries from a relevance, efficiency, effectiveness, impact and sustainability perspective*
  b. *make practical and actionable recommendations for both the implementer Swisscontact and SDC as steering body that will ensure the project's intended goals are relevant and achievable within the remaining time frame of phase 3*

3

Validation Workshop: Objectives and Workshop Methodology

3 criteria at the heart of the design process for the MTR

- **Joint reflection and learning at the core**: while MTR's always must have a critical (e)-valuation of the current performance of the project at their core, we understand the spirit for this evaluation to be one of learning and joint reflection at all levels of the implementation chain.
- **Systems thinking:** we are adopting a (market) systems perspective when reviewing VSDP phase 3.
- **Do no harm**: it is of utmost importance that all necessary precautions are taken to not put anybody at additional risk through this evaluation process.

4

Validation Workshop: Objectives and Workshop Methodology

Validation Workshop Objectives

- Collect feedbacks and first reactions to our observations after the field mission.
- The idea is *not to find a consensus and agree on all observations*, but to have a chance to jointly reflect in a constructive manner with a forward-looking orientation.
- The workshop is *not a decision making event*, but will provide inputs into our own independent recommendations as MTR team to which both SDC and Swisscontact will provide their own management responses.

5

Validation Workshop: Objectives and Workshop Methodology

Validation Workshop Methodology

a. For the three blocks of relevance, effectiveness and efficiency we make 3 observations each (total of 9 observations) which we explain with examples and collected evidence
b. After each block, you reflect as individual workshop participants, provide your inputs and questions which we collect on cards for discussion
c. We then provide our current forward-looking recommendations, for which we would again ask you for your inputs and questions.

6

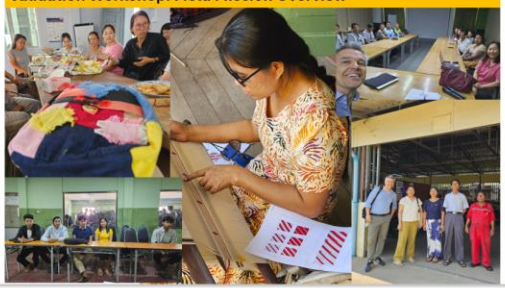
Validation Workshop: Field Mission Overview

- Visited all 4 project regions
- Engaged with 80% of the phase 3 IM partners and their target groups
- Engaged with 70% of the phase 3 AG partners and their target groups
- Engaged with 80% of the phase 3 textile partners and their target groups
- Spent time with VSDP phase 3 team at different levels



7

Validation Workshop: Field Mission Overview



8

Validation Workshop: Field Mission Overview



9

Validation Workshop: Field Mission Overview



10

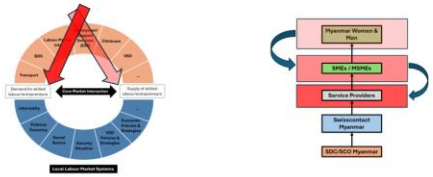
Validation Workshop: Overall Impression

- There are many interesting results, some promising partnerships and interventions, where a pathway to some systemic change is realistic, e.g. Ag: Tun Yat, Taunggyi Food Hub
- A shift in thinking and approach from a VSD focussed project towards a more MSD oriented project is visible, but unevenly distributed amongst sectors, regions and team members.
- Success is still mainly measured as if would be a VSD project: intervention design, partnership set-up and reporting is predominantly driven by target numbers, even though the relevance of these numbers has changed.
- ***Many of the challenges currently visible in VSDP phase 3 go back to the design stage (ProDoc, LogFrame). We see the need to make some key changes in the design without throwing everything overboard! The MTR recommendations should trigger that process!***

11

Validation Workshop: Relevance (1)

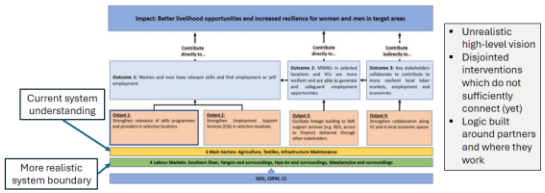
Observation 1: While access to income and employment opportunities remain highly relevant for women and men in the target areas of VSDP phase 3, the relevance dial has shifted more towards the demand side of local labour markets (MSMEs), while VSDP phase 3 has not yet fully made that shift.



12

Validation Workshop: Relevance (2a)

Observation 2: There is a lack of clarity about the system, its size and boundaries which makes it difficult to define what realistic changes are possible. This gives room to unrealistic expectations and makes story telling and reporting difficult.

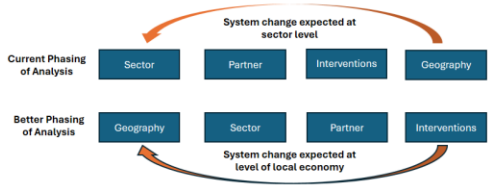


- Unrealistic high-level vision
- Disjointed interventions which do not sufficiently connect (yet)
- Logic built around partners and where they work

13

Validation Workshop: Relevance (2b)

Observation 2: There is a lack of clarity about the system, its size and boundaries which makes it difficult to define what realistic changes are possible. This gives room to unrealistic expectations and makes story telling and reporting difficult.



14

Validation Workshop: Relevance (3)

Observation 3: Given the projects history, the primary solution and technical intervention area in the design has been VSD, whereas MSMEs and the local economies need many other services with more urgency (access to markets, access to finance, access to energy, more efficient management and work force).



15

Validation Workshop: Effectiveness, Impact, Sustainability

Observation 4: The LogFrame has become a BLockFrame for VSDP phase 3: it drives everything, from the identification of partners to the conversation with partners to the reporting back to SDC. This undermines depth of impact and sustainability potential.

Target achievement:

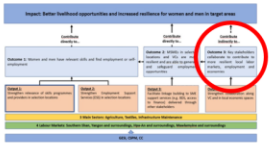
- At output and outcome level, most targets are likely going to be achieved, as currently at 50% or above
- Impact level income indicator lagging behind
- Sustainability of results: at individual level several good results, but limited depth
- Sustainability of results of market actors (e.g. Bell Shin Shin) is there in some cases, but could be fundamentally strengthened by working in a different manner with them.
- Fully subsidizing training programmes under service contract to classic training providers does make little sense from an MSD and sustainability perspective.

But how do these targets matter? What story do they tell us about systems change?

16

Validation Workshop: Effectiveness, Impact, Sustainability

Observation 5: The sector focus, along which the whole project is structured, creates silos which undermine results achievement in local economic spaces and limit the connections between different interventions across sectors. Outcome 3 in principle would have the potential to support this, but has received too little attention thus far.



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Validation Workshop: Effectiveness, Impact, Sustainability

Observation 6: MSD thinking is increasingly taking hold in the project, but not consistently…it has not yet become part of the project culture. The strongest MSD thinking is visible in agriculture interventions. It is most challenging in IM, which is by nature not really a sector.

What does MSD culture imply:

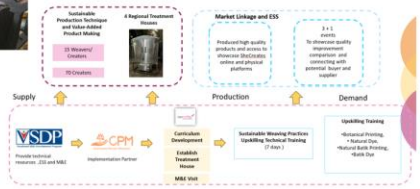
- A different way of measuring success: it is ***not about graduates and jobs*** mainly, but how clearly defined market systems change, leading to sector growth and increased income
- Which partners the project works with: mainly private sector partners which are able to ***leverage sector level change*** (e.g. Myanmar Bell Shin Shin Food, Tun Yat, Mee Panyar)
- How you work with partners: it is a ***business conversation*** where you facilitate change at partner level so they can grow in a way they would not do on their own. They are less to be seen as service providers delivering numbers (who 'helps' who?)
- It is not about data collection to proof numbers, but it is about timely ***data to learn, so you can steer*** into the right direction
- It is ***indirect beneficiaries*** which are just as or more important than direct beneficiaries

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Validation Workshop: Effectiveness, Impact, Sustainability

Example of an Intervention: She Creates





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Validation Workshop: Effectiveness, Impact, Sustainability

Example of an Intervention: She Creates





- **How does the basic value chain this intervention tries to address work**
- **Where are the main constraints**
- **What is the solution and the incentive for She Create to provide it**
- **What is the post-intervention solution (the sustainable business model)**
- **How do we reach scale and sustainability**

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Validation Workshop: Efficiency

Observation 7: The organisational set-up and delivery model could be streamlined by breaking down the organisational silos along sectors and sector-specific partners, but rather regions with transversal functions. Partnership logic should change from implementing partners providing services to business partners ready to co-create.

Examples:

- Partners to be selected based on their incentives and ability to drive change in their region, value chain and beyond (scaling-potential)
- Service agreements tend to lead to a charity model, which is not sustainable
- Strengthening outcome 3 of local coordination and ecosystem building will lead to efficiency and sustainability gains (e.g. synergies, networks, partnerships)
- 4 different regions with little connection between interventions affects efficiency

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Validation Workshop: Efficiency

Observation 8: Admin, financial and data processes bear too much weight on the project and come at the cost of quality strategic discussions on market systems, partnerships and intervention design. It is too much about proving numbers, rather than learning about and improving systems.

Examples:

- Monitoring is not enough integrated into intervention teams and management as a function for learning and steering
- Partners often need to hire full time monitoring and finance staff members for the duration of the agreement
- Time spent on data collection and tracer studies is too extensive

But: despite the above, most partners mention that the focus on admin and finance pushed them to be more structured when it comes to admin, finance and monitoring.

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Validation Workshop: Efficiency

Observation 9: Value for money is difficult to judge in a project which is supposed to increasingly do MSD, but is measured against a VSD-oriented results framework. There are many effects which are under-reported and often of more qualitative nature which would positively influence value for money.

Examples:

- Leveraging ability: through contribution agreements, VSDP was able to leverage around 0.9 Mio USD in additional funding over the last 2 years.
- Results over time beyond interventions: in more classic MSD you measure up to 2 years beyond end of an intervention.
- New linkages and connections built which lead to more business
- Indirect effects of adoption of a practice on business performance
- Positive effects on the environment
- Positive effects in terms of food security

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Validation Workshop: Recommendations (1)

- Take a step back from the numbers and park the LogFrame and targets!
- (Re-)analyse the 4 local economic systems you operate in and clarify entry points and connections
- Based on analysis, assess, whether it is necessary to drop a region
- Keep agriculture and textile as sectors to engage in, depending on local economic development constraints and potential in the 4 regions.
- Reconsider IM as a sector, but rather more specifically define it as MSME support, while being sector-agnostic.
- This will lead to less focus on more classic training-based VSD interventions to more focus on in-company training and other BDS for MSMEs

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Validation Workshop: Recommendations (2)

- Understand outcome 3 as key investment into local economic and labour market ecosystem building (in a nexus context)
- Develop local economic system visions, including how you measure success and set-up alternative results framework
- At the same time, develop basic, but clear sector visions in agriculture and textile, including how you scale up results beyond local economies.
- Reduce heavy lifting on MRM and financial procedures
- Keep building team capacity in terms of MSD thinking and culture and streamline HR set-up, where possible
- Revise budget in line with revised structure

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Validation Workshop: Recommendations (3)

	Yangon	Mon	Southern Shan	Mandalay
Agriculture				
Textile				
BDS for MSMEs				
Coordination, Ecosystem				
CSPM				
GESI				
MRM				

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Validation Workshop: Efficiency

Feedbacks, Inputs, Questions



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ANNEX 5: LOGFRAME ANALYSIS

Result chain	Indicators	Target	Status Dec 2024	Comments MTR team
Impact: Contribute to better livelihood opportunities and increased resilience for women and men in target areas	**Impact Indicator 1:** Cumulative additional net income of trained graduates	**Target:** CHF 1.28 Mio	▪ Estimates for Dec 2024 are CHF 0.366 Mio in cumulative income, which equals 30% of the phase target after 43% of the phase duration. ▪ Considering the time lag of income and likely scale effects in the remainder of the phase, this target can realistically be achieved.	▪ This target has been corrected downwards in a first LogFrame revision in July 2024 from CHF 11Mio to CHF 1.28 Mio, although this revision has never been officially approved by SDC (!). This is a change of an estimated average of CHF 1000 per graduate to just above CHF 100 per graduate and more realistic for the current context and the target group. ▪ In an MSD project, income in particular is measured aften for 2 years after the intervention has finished.
	Impact Indicator 2: (IED TRI 1) Change in yearly net income (salary/wage or profit) of individuals in reporting currency, adjusted for inflation	**Target:** 55% of graduates 6,600 (3,300 women)	▪ Estimated for Dec 2024 are just above 4000 which is just over 60% of the phase target with agriculture contributing 50% of these numbers. ▪ The phase target of 6'600 will be over-achieved.	▪ This indicator and target are not according to the definition of IED TRI 1, which is supposed to measure the change in average yearly net income. The target here measures the % of graduates who are seeing an upward change of income. ▪ As it is used here, it says very little about changes on an individual level. ▪ If we are assuming a considerable overachievement in this indicator and put this into relation to Impact Indicator 1, the average per person will likely be rather small which is a sign for breadth of the project (=many people reached) at the cost of depth (=limited depth of impact).
	Impact Indicator 3: Proportion of women with a positive perception on their influence on business and economic-related decision-making due to the increased income	**Target:** 10% of women who have increased income (330)	▪ The estimate for Dec 2024 is at 763 which is already – at 43% of phase duration - more than double than the phase target and will clearly be overachieved	▪ For this indicator we question the unambitious phase target and why it was set in this way. ▪ We also would find it interesting to clarify the methodology behind the collection of this indicator and would be keen to understand better the qualitative stories behind the numbers. ▪ Interesting for this indicator are in particular also the differences between sectors with IM showing the least favourable results…it would be good to see the project's strategy to change perceptions in particular in that sector.

Outcome 1: Women and men have relevant skills to find employment or self-employment	**Outcome Indicator 1.1:** Percentage and number of graduates, supported by VSD training, who are employed/self-employed within 6 months of graduating	**Target:** 75% graduates 9,000 graduates of which at least 4,500 (50%) are women	▪ In December 2024 an estimated 5623 graduates will be in employment which is 62% of the phase target at 43% of the phase duration. ▪ If we are assuming that calculations are correct and in line with the indicator this target will be overachieved.	▪ Two comments which are important for this indicator: a. In particular in agriculture, it is not fully clear how employed/self-employed is measured compared to the situation before the project started to engage, as most farmers have always been farmers and may now earn more, but are not 'newly' employed. This needs to be clarified in the reporting to SDC. b. Recently, to facilitate reporting processes, tracer studies have been carried out much shorter after the 6 months post training. This questions sustainability of these jobs which in any case will be very challenging to see in the current context of increased outmigration. c. Would be interesting to differentiate between employed and self-employed and factor in the effect of having start-up/self-employment support
	Outcome Indicator 1.2: Percentage of graduates who mention their chances of getting employment in the labor market have increased and reported reasons for increased chances	**Target:** 70% of graduates (8,400)	▪ This indicator is estimated to be already at 65% after less than half of the phase duration and will be overachieved, if measured in this way.	▪ This indicator is difficult to measure in a methodologically sound manner…if it is simply a question asked as part of a tracer study, it may not say too much. ▪ Again, the major share of the success of this indicator comes from agriculture, where most people will have been employed already before going through a new training. It would be interesting to hear more qualitative stories behind the simple number which on its own says little about the quality of the change.
	Outcome Indicator 1.3: Number of men and women benefitting from the introduction of climate change adaptation measures, climate-smart technologies, and good practices (CCE_ARI1)	**Target:** 6,400	▪ By December 20204 3430 or 53% of the phase target have been achieved showing that this indicator is likely going to be achieved by the end of the phase.	▪ This indicator exclusively relates to interventions in the agriculture sector. ▪ While it is an interesting indicator which provides a picture beyond typical IED indicators, the question is how the breadth of the project including work in other sectors can better be represented here.
Outcome 2: MSMEs in selected locations and VCs are more resilient and able to generate and	**Outcome Indicator 2.1:** Percentage and number of MSMEs actively offering work-based learning (WBL)	**Target:** 50% of MSMEs 50 MSMEs	▪ The achievement here stands at just over 50% at less than half of the phase duration. It is likely that this indicator will be achieved by the end of the phase.	▪ The main challenge here is to clarify what is meant by 'actively' offering and how WBL is defined. At the same time, it will be most interesting, what mechanisms and incentives are in place for MSMEs to offer such in company trainings in a sustainable manner. Again, it is

safeguard employment opportunities				about the story behind the numbers from where most can be learned in terms of changes and their sustainability. ▪ WBL as introduced by VSDP is often too complex for the context of MSMEs and needs to be adapted.
	Outcome Indicator 2.2: Percentage and number of MSMEs who are satisfied with their business performance (reduced costs, increased growth)	**Target:** 75% of MSMEs 75 MSMEs	▪ This indicator is already 70% achieved in December 2024 and will be over-achieved by the end of the phase.	▪ The main question for this indicator is attribution: how much of any positive change here can be attributed to the project in a context which makes many things very challenging, such as for instance getting access to loans, inflation, costs of raw materials. ▪ At the same time, it has to do with expectations in a context which makes it difficult to be optimistic. It would be interesting to actually see which businesses were able to grow or were able to reduce costs and how/why. ▪ Qualitative interviews found that MSMEs owners appreciated the support of the VSDP in terms of operational knowledge (Finance, Reporting, etc.), and social knowledge (Life skills, GESI, CSPM).
	Outcome Indicator 2.3: Percentage and number of MSMEs safeguarded and generated Full Time Employment (FTE) opportunities in selected VC and locations	**Target:** 75% of MSMEs 75 MSMEs	▪ This indicator stands at 65% in December 2024 and will be achieved if measured in the same manner till date.	▪ Similar to the indicator above, the main question here is attribution, as the project has had often very little engagement with the MSMEs for a rather short time…it would be interesting to have a control group here to have some information on additionality of the project. ▪ It is difficult to subsume both generation of jobs and safeguarding of jobs into the same indicator, as they are quite different results and again, would have to be compared to a control group.
Outcome 3: Key stakeholders collaborate to contribute to more resilient local labor markets, employment, and economies	**Outcome Indicator 3.1:** Number of Stakeholders who adopted or adapted key documents or recommendations from VSDP into their activities (e.g. work-based learning, curricula, training materials, selection processes, training methodologies etc.) and types of those	**Target:** 15 stakeholders (5 in each component)	▪ This indicator is already over-achieved at the time of the MTR mission.	▪ Just in a quantitative form, this indicator says very little about outcome 3. Outcome through is about collaboration between different actors, whereas adoption of a tool or document does not say much about collaboration. ▪ It would be valuable to have a more meaningful indicator here: - Regular collaboration meetings related to the local economy with clear decision points acted upon organised.

	documents/ recommendations			- Number of organisation from private sector and civil society participating in regular collaboration events. - Number of joint actions and synergies identified and acted upon.
Output 1: Skills of unemployed and working people in selected labor markets are strengthened	**Output Indicator 1.1 (IED-ARI1):** Number of persons enrolled in new or better vocational skills development	**Target:** 15,000 whom at least 7,500 are female	▪ This indicator stands at 44% of achievement at 43% of the duration of the phase and is likely going to be achieved.	▪ The main issue with this indicator is that it mixes very different forms of trainings into the same indicator, including very short 5-day agriculture training (including some follow-up coaching) with 3 month long full time trainings. Not surprisingly, the majority of the persons enrolled (65%) come from agriculture. ▪ At the same time, it is important to note that pretty much all trainings offered through VSDP are fully subsidised and include a stipend. While the current context makes this to a certain extent necessary, it says very little about the sustainability and quality of the training. ▪ There are several factors which contribute to the achievement of this indicator, such as: the country's political situation, availability of participants, transportation challenges, parents' consents, accommodation service, etc.
	Output Indicator 1.2: Number of graduates with new or improved vocational skills	**Target:** 80% of enrolled with 50% female (12,000 whom at least 6,000 are female)	▪ The target stands at above 50% in December 2024 and is likely achieved by end of the phase.	▪ The target formulation is slightly misleading, as 80% of enrolled are all graduates. The expectation is therefore that all graduates will have new or improved skills, but how this is methodologically measured and compared between different sector is unclear.
	Output Indicator 1.3: Number and types of Labour market-relevant occupational standards, curricula and training materials that are made available for targeted occupational profiles in Agriculture, Textiles and	**Target:** 40 Curricula	▪ 75% of this indicator are achieved in Dec 2024 and overachievement is very likely.	▪ The indicator does not provide much value addition as it does not say much about whether and why this is good to have. ▪ It also does not deal with attribution, as in many cases the curricula are developed by partners, rather than VSDP, whereas VSDP provides the funding. ▪ This is also an indicator which clearly shows that phase 3 is still understood in many ways to be a VSD programme, despite a push to do more MSD.

	Infrastructure Maintenance			
	Output Indicator 1.4: Number of partner training providers (private training service providers, CSOs, and business enterprises) who are effectively managing the delivery of VSD training in target areas and selected occupations	**Target:** 27	▪ 21 of the target of 27 are already achieved according to the LogFrame and it seems very likely that 27 will be achieved before the end of the phase.	▪ The indicator says very little about the sustainability of these training providers and their incentives and contributions to engage. In many cases, trainings are fully subsidised under a service contract arrangement which undermines the sustainability of the training service provider. ▪ The terminology is further problematic here, as we are subsuming classic training providers with companies into the same category, although incentives to engage with VSDP phase 3 are often very different. Again, the term roots back in the history of the project being a VSD programme without acknowledging the shift towards more MSD thinking and intervention design.
	Output Indicator 1.5: Number of persons reached by agricultural inputs and services	**Target:** 6.400 (Agriculture component only)	▪ This indicator stands at 67% of the phase target.	▪ Important again to be clear what inputs and services mean exactly. ▪ This is the second agriculture-specific indicator, whereas the other sectors become less visible as part of the results measurement framework.
Output 2: Employment Support Services (ESS) strengthened	**Output Indicator 2.1:** Number of ESS providers strengthened	**Target:** 15	▪ This indicator in the current interpretation of VSDP stands at 80% achieved in December 2024. Full achievement is very likely.	▪ We doubt the meaningfulness of this indicator: it does not tell much about what is understood by ESS, what is defined as an ESS provider and what does 'strengthened' mean. Here again, the number behind the story is much more important and to what extent sustainability and scale of such a service is likely.
	Output Indicator 2.2: Number of people using improved ESS	**Target:** 7,200	▪ This indicator is almost at 90% of the target for the end of the phase and will be overachieved	▪ Again, similar to the indicator above, the story is behind the number: does using ESS mean proactively using and approaching such services by graduates or do we count training providers placing people in jobs as 'people using'. Which kind of ESS are we talking about, etc.?
Output 3: Linkages of MSMEs to finance and BDS established	**Output Indicator 3.1:** Number of MSMEs accessing BDS services	**Target:** 100 MSMEs	▪ This indicator is 60% achieved in December 2024 and will be achieved by end of the phase.	▪ It would be interesting to understand what kind of BDS MSMEs access, how they access them and whether they access them for free or against a fee. Fee-based BDS are at the core of sustainability here and working towards this is crucial. Many of the MSMEs we have been talking to would be ready to pay at least for parts of a service,

				but because it is often offered for free by VSDP (or another development project), there is little incentives for them to invest.
	Output Indicator 3.2: Number of BDS providers offering improved services to MSMEs.	**Target:** 10 BDSPs	▪ This indicator stands at 40%, just about in line with the phase time laps.	▪ It would be interesting to understand what kind of BDS providers we are talking about, where they are located, who they are servicing and whether they have offered improved services because the project subsidised these services or whether this is now parts of an improved portfolio which can be sold in the market.
Output 4: Collaboration and learning spaces established and functional	**Output Indicator 4.1:** Number of joint events related to skills and employment organized with local private and CSO actors	Target: 20 events (minimum 2 events in each region)	▪ 65% of the target for this indicator are achieved in December 2024 and it is likely that this indicator would be achieved by the end of the phase	▪ This indicator clearly shows the roots of this project coming from a VSD background, rather than increasingly focus on the local economy as a whole. This would imply slightly different stakeholders and a different kind of space for exchange towards which the project should work. ▪ Good that the target focusses on events in each region, but again, of interest would be to what extent are these spaces established and functional and therefore, likely to reap benefits beyond project duration. ▪ Challenge of this indicator is related to the current context, where one wants to keep a low profile, whereas this indicator points towards increased visibility (CSPM).
	Output Indicator 4.2: Number of stakeholders from the private sector and CSOs actively participating in events	**Target:** 100 (25 in each region)	▪ This indicator is already overachieved by almost double of the original phase target.	▪ The current achievement shows that the indicator in this form is not very useful, as it does not say much about who participates in these events, what is the quality and depth of the discussions, what are concrete actions derived from it and whether it is likely that the different actors have incentives to keep participating in such events. ▪ If these events are fully subsidised by the project, it is challenging to mention them as a success of the project.

ANNEX 6: QUALITATIVE ASSESSMENT OF VISITED PARTNERSHIPS

Nr	Partner	Qualitative Assessment of Partnership	Recommendation
Infrastructure Maintenance			
1	May Yu Than Lwin	▪ To be added	
2	Mee Panyar	▪ As a social business, Mee Panyar has an incentive to grow its service portfolio in a fee-based and socially oriented manner in order to maximise reach to as many people as possible in Myanmar in places, where there is market potential for solar energy. ▪ While the partnership with VSDP has managed to train a good amount of qualified workers and in-company technicians, while also creating linkages to companies in the market through ESS, the high pressure on numbers and the tight timeline, combined with a fully subsidised training model, has affected Mee Panyar's ability to grow and develop its own business-based portfolio with fee-based training services as a key part of the business portfolio. ▪ While we consider Mee Panyar an interesting partner with whom a real MSD-aligned business partnerships could be established, the conversation has not had the right focus and was too much driven by how Mee Panyar can support VSDP to achieve the numbers, rather than VSDP co-creating together with Mee Panyar a service market which leads to institutional sustainability and growth for Mee Panyar, while increasing outreach to disadvantaged and underserved areas.	▪ Engage with Mee Panyar in a different kind of conversation and co-create sustainable business models where Mee Panyar's own incentives and growth potential remains at the core, while supporting through business modelling advise and buying down risk for growth and reach into areas with market potential.
3	Glory	▪ Glory training center is a classic private training service provider with whom VSDP has engaged to deliver trainings. Most of the curricula, ToT, learner mobilisation and graduate placement was done through Glory, while the arrangement with VSDP comprised a fully subsidized service contract. ▪ While some of the graduates seemed to have found work or self-employment thanks to the training, there is little sustainability in this way of engagement and the risk of focussing on numbers, rather than on selecting the right learners and having them in the best possible employment opportunities, of which there is not so many, is high.	▪ We would not re-engage with Glory in the same way, but rather put more focus on working directly with existing MSMEs and their way of training people on the job.
4	Mechanic Stars	▪ See Glory	▪ See Glory
5	Centre for Vocational Training	▪ CVT is a locally registered NGO with Swiss backing with whom Swisscontact has had a long-lasting collaboration since phase 1 of VSDP. The intervention of working on work-based learning with SMEs seems to have shown very good results and feedbacks from SMEs are mainly very positive. Again, this training was offered completely free of cost, although the purchasing capacity of these companies, for the mentioned benefits they are able to derive since the training, is considerable. There is a stated readiness to pay for such trainings. ▪ CVT has the tendency to function more like an NGO, whereas these WBL trainings are an interesting business/BSD offering.	▪ Assess in what way the model can be made more business like and scaled, potentially into other areas and slightly smaller companies.

6	Doh Eain	▪ Doh Eain is a registered social business funded by an expatriate with a fresh, young drive, but clearly also a donor darling. It comes across as very oriented towards donor funding at this stage and less business oriented, for instance when it comes to setting up training offers. ▪ The women in construction is an interesting and very inclusive model which Doh Eain came up with in collaboration with Swisscontact, which also challenges existing gender stereotypes, we see certain risks though in particular after graduation when placing women in workplaces which remain very traditionally oriented without engaging much more intensively with these employers. The skills levels are very broad involving a little bit of everything, but it is difficult to see how this potentially leads to a decent employment opportunity in the longer term.	▪ We would re-assess whether this partnerships really makes sense from an MSD perspective with Doh Eain having a clear business model on how such trainings can be offered in the future and how the collaboration with employers can be strengthened to ensure that women are not only trained in a decent manner, but employment in the most decent and safe manner possible.
7	Naung Taung Vocational Education Centre	▪ See Glory	▪ See Glory
8	My Job	▪ My job is an employment support service provider being able to combine labour market information, labour market programs and services with job matching, guidance and counselling and job fairs. The existing commercial Myjob plattform is in principle an interesting idea for strengthening the access of VSDP graduates into the job market, it is difficult to see though how this would actually work in the end, as this partnership was also still fairly new.	▪ Closely monitor and re-evaluate this partnership.
Agriculture			
9	Impact Hub Yangon	▪ The impact hub Yangon is, private, experienced start-up and entrepreneurship ecosystem supporter working with a broad range of different donors on different schemes. ▪ The intervention with them is interesting from a BDS angle and the trainings provided to MSMEs in general received positive feedbacks. ▪ The collaboration with VSDP was based on a service contract without much co-creation and longer-term business modelling with the impact hub	▪ An interesting partner with whom follow-up discussions should be had, but more with a co-creation and scale up orientation.
10	Myanmar Bell Shin Shin Food Co.	▪ Private sector company with an established market and a clear business incentive to collaborate and invest. ▪ Interesting partnership with further growth potential	▪ Keep discussing future collaboration with MBSSF and assess scale potential
11	Tun Yat	▪ Interesting partnership with scale potential, in particular through an online plattform ▪ Also a donor darling and important to not double fund things which other funders are already doing	▪ Keep discussing future collaboration with Tun Yat and assess scale potential
12	Taunggyi Food Hub	▪ Interesting small social business emerging from a HEKS supported development project ▪ The partnership with contract farming and soya farmers is interesting and seems to have some scale potential, but it needs to carefully be assessed, how the different INGOs work with TFH without duplicating and distorting the market. A joint approach between HEKS and VSDP is important. ▪ Important to not push too quickly for scale here, as it is still a fairly young and inexperienced business.	▪ Keep discussing future collaboration with TFH and assess carefully scale potential

13	Borderless Link Co.	▪ Very interesting small social business driven by its young Japanese owner, who is also very well connected and able to acquire donor funds from various sources, including also HEKS. ▪ The service contract arrangement has led to a collaboration with comparably little co-creation and future business modelling, but was rather a service provided to an NGO.	▪ Keep discussing future collaboration with TFH and assess carefully scale potential
14	Fresh Studio	▪ Recently started collaboration with fresh studio and potatoe farming ▪ The end of VSDP collaboration sustainable future business model is not yet clear, neither is the role of the local farmer association.	▪ Closely monitor and re-evaluate this partnership.
15	Doe Pyi Thit Agro Development Co.	▪ An SME led by an ag university graduate, with strong understanding of the local market and context ▪ Recently started collaboration with a co-funding contract type ▪ Focusing on natural fertilizer making, market coverage not only in Shan State but other areas like Yangon and centre of Myanmar.	▪ Keep discussing future collaboration with DPT and assess careful scale potential
Textile			
16	FXB Myanmar	▪ Partnership with a Swiss based INGO with an own training programme managed by a former VSDP trained employee. ▪ Large amount of co-funding coming in through FXB which is interesting, whereas the programme financed through the partnership is very much a fully funded charity model with little sustainability beyond project duration. ▪ Interesting is a certain focus on IDPs, in some cases using mobile training set-ups, but the risk here is that this model is fairly supply driven without having strong market demand.	▪ This partnership lasts until July 2026. We would refrain from renewing it after that, as it shows comparably little sustainability if run in the same manner as a fully funded charity model. ▪ Consider rediscussing the content of the contract redirecting money for training high numbers towards more MSME support.
17	Solutions @ AhPhyay	▪ AhPhyay is a social business with its own production and market place and incentives to grow and increase the quality of the production. ▪ The partnerships is a fully subsidized training model with graduates getting in addition start-up assets (e.g. sewing machine) and many of them seem to be able to make additional income. ▪ What was unclear is what the business model for AhPhyaya would be beyond the VSDP training.	▪ Interesting partnership, which should focus much more on a business and co-creation discussion to see how AyPhyaya can reach more scale.
18	Impact Hub Yangon	▪ See above	
19	ASK Strategic Solutions Co Ltd.	▪ See Impact Hub, as similar set-up and model with good results at MSME level ▪ There is potential to setup this model to not be fully subsidized, as there is ability and willingness to pay amongst the MSMEs	
20	Bay Dar & Co	▪ Small social enterprise with a very engaged and well connected CEO who runs at the same time a HR consulting company (which could be an interesting partners for ESS). ▪ The intervention has not been the most successful one till date, as some of the MSMEs participating had maybe not the most use from the training, but similar to Ah Phyaya Bay Dar & Co would have some potential, if a different business modelling and co-creation discussion with them could take place.	▪ Interesting partnership, which should focus much more on a business and co-creation discussion to see how Bay Dar & Co can reach more scale.

21	Turquoise Mountain Myanmar	▪ Strong internationally backed social business with an established market in high-class hospitality and boutique shops around the world, hence also very expensive to collaborate with, but with potential to reach textile workers in remote areas in support of the protection of cultural heritage. ▪ Partnerships started on a rather difficult footing due to interpersonal issues, but has only just managed to get off the ground in better terms.	▪ Interesting partnership, which should focus much more on a business and co-creation discussion to see how TM can reach more scale.
22	Community Partners Myanmar and She Creates	▪ CPM is the fomal umbrella for a not yet registered social business called She Creates which is in essence a network. ▪ The programme and training offer is in principle interesting and has potential to connect to many home based small scale textile producers, but the lack of business planning on the side of She Creates potentially risks sustainability potential.	▪ Closely monitor and re-evaluate this partnership and push for better business planning on She Creates side (clear end of project vision needed).

ANNEX 7: KEY RECOMMENDATIONS IN ONE TABLE AND PRIORITISED

Nr.	Recommendation	Priority	Deadline
1	Agree on Re-Design Need and Process and put current LogFrame on hold.	High	**asap**
2	Revise organisational set-up in line with a systems focus on 4 local economies and ensure MSD capacity in key positions.	High	End of April 2025
3	Drop IM as a sector but reconceptualise it as MSME BDS support.	Medium	End of April 2025
4	Raise the importance of GESI and CSPM within the programme set-up and structure.	Medium	End of April 2025
5	Re-analyse the 4 local economies and develop simple, but high-quality visions and strategies for change.	High	End of June 2025
6	Based on these visions and MSD thinking, develop an 'alternative' results framework, linking, wherever possible with the 'parked' LogFrame and propose better reporting on achievements focussing on systemic change.	High	End of June 2025
7	Decide on need to drop (a) region(s).	High	End of May 2025
8	Set-up partnerships and define interventions, which make sense from an MSD perspective with system actors with incentives and capacities to co-invest and leverage change in the local economies and beyond.	High	End of June 2025
9	Define strong interventions for outcome 3 which are conflict-sensitive but have the potential to outlast the programme duration.	High	End of June 2025
10	Revise HR needs and clarify roles and responsibilities to deliver on redesign and streamline staffing structure ensuring the right people for the right tasks.	High	End of June 2025
11	Revise and adjust the budget to increase cost effectiveness and share of percentage spent on administrated project funds.	High	End of June 2025
12	Ensure competitive salaries and flexible adaptations to exchange rate fluctuations.	High	End of June 2025
13	Agree with SDC Myanmar on redesign and performance framework.	High	End of June 2025
14	Keep investing into MSD culture building at all levels, including at management level, but with focus on MSD in the Myanmar context, including what it means to do MSD in a nexus setting.	High	Continuous
15	Create more space for learning and strategic discussions and reduce heavy lifting on MRM and admin and finance.	High	Continuous
16	Re-establish the SRP to ensure the programme remains strategically on the right track.	High	End of April 2025
17	Reduce the focus on tools and procedures for their own sake, but focus on the purpose of the tool to deliver more efficient, effective and impactful project results.	Medium	Continuous
18	Keep investing in relationship building and common understanding with SDC, in particular as well throughout the turn-over in key positions at SDC in August 2025.	High	Continuous

Yangon, 25 April 2025

Management response to the Mid Term Review for the Vocational Skills Development Program - Phase 3

Introduction

This document outlines SDC's position on the recommendations of the Mid-Term Review for the Vocational Skills Development Program (VSDP) – Phase 3. It provides a solid foundation for strategic decision-making and sets out expectations and milestones for the way forward. These will be further discussed with Swisscontact during the Strategic Review Panel on 30 April. Swisscontact is expected to propose feasible adjustments by 27 July to ensure meaningful results, taking into account the contextual constraints, the team's capacity, and the time remaining until the end of the project.

General appraisal of evaluation results

The evaluation was conducted by a team of independent experts, Tim Gamper (GSA Ltd) and Aye Aye Kyuu, in accordance with international standards. The process was well managed and involved close engagement with SDC, Swisscontact, their implementing partners, MSMEs, as well as learners and graduates of VSDP Phase 3.

The main objectives of the evaluation were twofold: (a) Assess the evolving challenges posed by Myanmar's complex and unstable context and how the VSDP has adapted its approach to deliver results for its targeted beneficiaries from a relevance, efficiency, effectiveness, impact and sustainability perspective; and (b) Make practical and actionable recommendations for both the implementer Swisscontact and SDC as steering body that will ensure the project's intended goals are relevant and achievable within the remaining time frame of phase 3. These objectives have been fully met by the evaluators.

SDC appreciates the comprehensiveness of the evaluation report. Its analysis and recommendations are considered valuable for strengthening the strategic orientation of the Vocational Skills Development Program.

Main findings

The Mid-Term Review (MTR) was conducted between December 2024 and March 2025, including a two-week field mission in Myanmar. The review concludes that while the program is on track to meet all its LogFrame targets at the output, outcome, and impact levels, its strong emphasis on quantitative targets drives decision-making, impacting overall coherence and long-term sustainability. Although the program delivers valuable outcomes for individuals and MSMEs, these results often lack depth and remain fragmented across different sectors with limited interconnections.

While VSDP Phase 3 is still formally a vocational skills program, it is increasingly incorporating Market Systems Development (MSD) principles and interventions beyond vocational skills development. However, it has yet to fully adopt corresponding success measurement and reporting mechanisms. The review highlights a shift in relevance towards greater investment in the demand side of the labour market, focusing on MSMEs and their resilience in the current challenging environment rather than primarily training individuals through traditional providers.

To increase efficiency for the remainder of Phase 3, the MTR recommends streamlining the organisational structure around regional economies, ensuring roles are leaner and more integrated, with greater emphasis on learning, steering, and stakeholder engagement. It calls for a shift away from service delivery through classic NGO models toward partnerships with system actors that have the capacity and incentives to co-invest. The report also highlights the need to curb high international costs, ensure competitive staff compensation, reduce process-heavy procedures, and foster an embedded MSD culture through on-the-job coaching rather than external trainings.

The evaluation team provided four options for the remainder of Phase 3:

Option 1: Keep VSDP phase 3 on its current track but tweak some smaller things to improve effectiveness and efficiency.

Option 2a: Redesign VSDP phase 3 in a way relevance and results can be maximised with the highest possible value for money but maintain current size of the project.

Option 3a: Redesign VSDP phase 3 in a way relevance and results can be maximised with the highest possible value for money but reduce the financial volume of the project.

Option 4: Stop the project

While the evaluation team primarily recommends the second option based on its findings, **SDC's decision favors the first option, considering the time constraints and the project's capacity for the remainder of the program**. A clear list of expectations and milestones, to be met within the existing budget, is outlined as part of the proposed measures for each recommendation. However, if challenges arise in meeting the agreed measures within the given timeframe, a reduction in the budget or project scope may be considered. Swisscontact is expected to submit a series of documents, listed below, **by July 27** to enable **SDC to make a decision by August 7**.

The MTR provided 18 final recommendations. 13 recommendations are 'fully agreed' (green) and 5 recommendations are 'partially agreed' (orange).

The SDC agrees to seize this opportunity to improve its results by implementing specific measures in line with the recommendations.

1. Agree on Re-Design Need and Process and put current LogFrame on hold.	
2. Revise organisational set-up in line with a system focus on 4 local economies and ensure MSD capacity in key positions.	
3. Drop IM as a sector but re-conceptualise it as MSME BDS support.	
4. Raise the importance of GESI and CSPM within the programme set-up and structure.	
5. Re-analyse the 4 local economies and develop simple, but high quality visions and strategies for change.	
6. Based on these visions and MSD thinking, develop an 'alternative' results framework, linking, wherever possible with the 'parked' LogFrame and propose better reporting on achievements focussing on systemic change.	
7. Decide on need to drop (a) region(s).	
8. Set-up partnerships and define interventions, which make sense from an MSD perspective with system actors with incentives and capacities to co-invest and leverage change in the local economies and beyond.	
9. Define strong interventions for outcome 3 which are conflict sensitive but have the potential to outlast the programme duration.	
10. Revise HR needs and clarify roles and responsibilities to deliver on redesign and streamline staffing structure ensuring the right people for the right tasks.	
11. Revise and adjust the budget to increase cost effectiveness and share of percentage spent on administrated project funds.	
12. Ensure competitive salaries and flexible adaptations to exchange rate fluctuations.	
13. Agree with SDC Myanmar on redesign and performance framework.	

14. Keep investing into MSD culture building at all levels, including at management level, but with focus on MSD in the Myanmar context, including what it means to do MSD in a nexus setting.	
15. Create more space for learning and strategic discussions and reduce heavy lifting on MRM and admin and finance	
16. Re-establish the SRP to ensure the programme remains strategically on the right track.	
17. Reduce the focus on tools and procedures for their own sake, but focus on the purpose of the tool to deliver more efficient, effective and impactful project results.	
18. Keep investing in relationship building and common understanding with SDC, in particular as well throughout the turnover in key positions at SDC in August 2025.	

Fully agree	Partially agree	Disagree

Separate responses to each recommendation, along with specific measures proposed by the SDC, are provided in the Annex to this document.

We would like to thank the evaluation team - Tim Gamper and Aye Aye Kyuu - for their dedicated work and valuable insights throughout the Mid-Term Review of VSDP Phase 3.

Our appreciation also goes to the Swisscontact team for their collaboration and openness during the review process. Finally, we extend our thanks to all stakeholders involved in the implementation of VSDP for their ongoing engagement and constructive contributions to the evaluation.

Emilie Aubert
Head of Livelihoods and Food Security

Annex Overview of recommendations, management response and measures

Recommendation 1		
Agree on **Re-Design Need and Process** and put current **LogFrame on hold**.		
Management response		
Fully agree	**Partially agree**	Disagree

SDC and Swisscontact will align on the redesign needs and process during the upcoming Strategic Review Panel on 30 April. While we are committed to improving the LogFrame, we emphasize that **the results achieved so far should not be disregarded and should continue to be monitored until an improved logframe is in place.** We note with appreciation that the current LogFrame targets were on track to be fully achieved by the end of Phase 3, and that most graduates reported increased income and found the training services effective. Sustainability appeared stronger at the level of graduates and MSMEs than at the level of service providers.

The MTR rightly points out the need to **sharpen and clarify the project's target group**. We agree that the current framing, as shown in Figure 4, is broad. However, due to the project's sector-based approach, a certain level of **diversity is both intentional and necessary.** The project works with a range of actors—from individuals seeking employment to MSMEs operating in specific value chains—which reflects its systemic orientation. That said, we agree that **this diversity must be better captured and disaggregated in the results framework to avoid mixing fundamentally different target groups**. This will improve the clarity and relevance of the LogFrame and help ensure more effective monitoring of outcomes so that a broader story can be told on the results of the project.

We also support **placing greater emphasis on MSMEs in our targeted sector**, particularly those with potential to contribute to inclusive and sustainable local economic development in the targeted sectors. In the current context, it is indeed crucial to **invest more in the demand side of the labor market**. However, **we do not believe the project should fully shift away from its focus on skills development and employability**. In the remaining period, it remains important to continue supporting individuals seeking jobs, while also strengthening the MSMEs and systems in which they are embedded. We therefore advocate for a more **balanced approach—one that reinforces local economies by supporting MSMEs,** their support systems (finance, market access, BDS), and their role in on-the-job training**, while continuing to create opportunities for job seekers**.

Measures	Responsibility	Timing
a) Agree on the next steps at the SRP meeting	SDC/ Swisscontact	30.04.2025
b) Define MSMEs as a more prominent target groups (both in the theory of change behind the improved logframe and the weight they will get in future interventions)	Swisscontact	25.06.2025

Recommendation 2		
Revise organisational set-up in line with a system **focus on 4 local economies** and ensure **MSD capacity in key positions**.		
Management response		
Fully agree	**Partially agree**	Disagree

We agree that the project should clearly define the economic "systems" in which it seeks to facilitate change. This includes setting realistic boundaries in terms of geography and sector focus. **Rather than working broadly on "local economies" in all four target regions, we recommend identifying specific sub-sectors or value chains within the three sectors** already targeted (agriculture, textiles, infrastructure maintenance), **based on local economy assessments**. This approach will ensure more focused and achievable outcomes. Therefore, while we see some value in revising the organizational structure slightly, **we do not believe it should be done based on geographical lines.** However, if **field offices** are maintained, we recognize they **should adopt an intersectoral approach** and not be placed under the head of a single sector and allow for more exchanges across sectors whenever possible.

Regarding the recommendation to continue building the MSD culture within VSDP, we agree. We believe that embedding MSD principles into everyday practice and **providing on-the-job coaching** will enable the team and partners to develop the necessary skills to implement MSD **effectively and relevantly within the Myanmar context**. The project should draw more on technical expertise from the local market and context, rather than relying systematically on international consultants.

Measures	Responsibility	Timing
c) Revise the organisational structure so that field offices do not depend on a single sector head, but operate with a stronger intersectoral approach.	Swisscontact	25.06.2025
d) Ensure that MSD coaching is provided on the job, tailored to the specificities of the Myanmar context, and leverage Swisscontact's internal expertise to deliver this support.	Swisscontact	continuous

Recommendation 3		
Drop IM as a sector but re-conceptualise it as **MSME BDS support**.		
Management response		
Fully agree	**Partially agree**	Disagree

We agree that **Infrastructure Maintenance (IM) as a broad sector is too wide** and that current interventions have suffered from a lack of interconnexions. However, **we do not support completely dropping IM** because we believe it provides significant value. Being trained is definitely an added value when it comes to finding a job in this area that requires some specific technical skills. Furthermore, IM remains a promising sector, both in terms of demand and supply of labour. Finally, the recent earthquake might have had an impact on the demand of skilled labour in this area. Therefore, instead of abandoning IM, **we recommend selecting a promising subsector within IM, based on the local economic assessments** that will be conducted, and focusing on that for targeted and interconnected interventions.

At the same time, we see **value in conceptualizing general MSME BDS support that would be sector-agnostic**, which could complement the more targeted subsector approaches for all sectors. The report also recommends to identify entry points to bring about sustainable change for MSMEs through ESS and BDS support services (including in company training for MSMEs). We fully agree with this recommendation. **Investing in more sustainable and tailored support for MSMEs through ESS and BDS services**, including in-company training, will enhance the long-term impact of the project.

Measures	Responsibility	Timing

e) Swisscontact will identify and focus on a promising subsector within IM based on the findings of the local economic assessments.	Swisscontact	25.06.2025
f) Swisscontact will assess sector-agnostic constraints, such as access to finance and business services, that may impact MSMEs across the sectors, and identify where MSME BDS services can play a role.	Swisscontact	25.06.2025

Recommendation 4		
Raise the importance of **GESI and CSPM** within the programme set-up and structure.		
Management response		
Fully agree	Partially agree	Disagree
We agree with the recommendation to raise the importance of GESI and CSPM within the project set-up and structure. **GESI and CSPM should not operate in silos**. They should also **work closer with SDC Myanmar** and other implementers to increase experience exchange on this.		

Measures	Responsibility	Timing
g) Make sure CSPM and GESI can participate in broader strategic discussion within the project and possibly with SDC and other partners.	Swisscontact	continuous
h) Invite CSPM and GESI to relevant events	SDC	continuous

Recommendation 5		
Re-analyse the 4 local economies and develop simple, but high-quality **visions and strategies for change.**		
Management response		
Fully agree	**Partially agree**	**Disagree**

We agree with the importance of **re-analysing the four local economies**. As outlined in the core document, we believe this should be done **within the boundaries of the project's three predefined sectors**—agriculture, textiles, and infrastructure maintenance—rather than expanding too broadly. This keeps the analysis manageable and focused. We support the idea of taking a more integrated local economic perspective and creating **stronger links between project interventions**. However, **the project will remain structured by sector**. The vision(s) should primarily focus on the sectors, rather than the regions, unless a focused regional strategy would clearly contribute to solving constraints in a given value chain. The project still lacks the ability to bring its interventions together in a coherent way that tells a compelling story of change for local economies. Re-analysis should help address this.

We see value in **identifying key sub-sectors or value chains within the existing sectors where MSMEs can drive inclusive growth and job creation** even if we also acknowledge the relevance of analysing sector-agnostic constraints—such as access to finance or business services—which may impact a broad range of MSMEs.

Therefore, we suggest to amend footnote number 3 as follows: *in a first step you define, describe and assess local economies with a focus on three sectors of ag, textile and a subsector of IM which we assume are of relevance in all local economies. In a second step you identify subsectors/ value chains in the three sectors where to focus future interventions. In a third step it is assessed to what extent MSME BDS services in general*

are of relevance and what the related constraints are. We are therefore giving a more pro-active mandate to MSME BDS for which the original ProDoc (outcome 2) has only foreseen 'indirect linkage building'.

At the end of the assessment, **we expect a clear understanding of the systems we aim to influence**, including their scope and boundaries, and the conditions required for success. This will help guide strategic direction and **inform realistic change visions** for the chosen sub-sectors or value chains. We also agree that these change visions should clearly focus on what will remain once the project ends, ensuring local stakeholders can sustain and continue driving change.

Measures	Responsibility	Timing
i) Swisscontact will conduct the local economic assessments for Southern Shan and Mon State; Yangon and Mandalay should be considered as supporting regions only.	Swisscontact	25.06.2025
j) Swisscontact will use the results of the local economy assessments to identify key sub-sectors or value chains in the 3 sectors in which to concentrate its facilitation.	Swisscontact	25.06.2025
k) The project will clarify the boundaries of the economic systems it seeks to influence.	Swisscontact	25.06.2025
l) Realistic end visions and strategies for change will be developed for all selected subsectors, identifying the conditions required for success and ensuring sustainability beyond the project.	Swisscontact	25.06.2025

Recommendation 6

Based on these visions and MSD thinking, **develop an 'alternative' results framework** (LogFrame), linking, wherever possible with the 'parked' LogFrame.

Management response

Fully agree	Partially agree	Disagree

We do not intend to create an entirely new LogFrame. However, we recognise that the current one, while capturing many valuable results at individual and MSME levels, lacks depth and coherence across sectors. The results appear scattered, with limited systemic connections—making it difficult to measure the success of a project that is increasingly expected to adopt a Market Systems Development (MSD) approach. **Improving the results framework based on the newly defined visions and MSD thinking** is essential to better align project objectives with the realities on the ground. Where relevant, **this improved framework will link with the current LogFrame** to maintain continuity and reflect achievements to date. Relevant existing indicators will be retained, targets revised, and new MSD-relevant indicators introduced.

A new way of measuring success is needed. We will **revisit the targets** to ensure they are **meaningful** and **realistic**—without artificially aggregating indicators that do not belong together (e.g. trained graduates from very different sectors like textiles, agriculture, and infrastructure maintenance). We note that some confusion emerged around the impact target during our July 2024 exchanges, and this will be addressed.

The MTR document (p.14) provides useful suggestions. We expect the improved framework to include **a mix of quantitative and proxy indicators**, as collecting robust data in fragile contexts can be challenging. Surveys with reasonable sample sizes and field observations will probably be key tools.

We note the following MSD-aligned indicators proposed by the MTR team (some of which are standard DCED indicators):

- Outreach (number of people benefiting from new services/products)
- Net income increase
- Sector growth/resilience (e.g. number of lead enterprises showing revenue growth, number of new businesses or business exits)
- MSMEs reporting an improved enabling environment (via qualitative surveys)
- BDS providers with increased client portfolios and services

We also take note of the detailed observations on the LogFrame in the MTR (pp. 49–54) and look forward to **hearing Swisscontact's proposals** on how they intend to revise and improve it moving forward.

Measures	Responsibility	Timing
m) An improved results framework is submitted. The results framework will reflect and disaggregate the diversity of target groups in a meaningful and measurable way.	Swisscontact	25.06.2025
n) Comments are given on the observations made at pp. 49-54	Swisscontact	25.06.2025
o) The improved results framework is approved and used.	SDC/ Swisscontact	5.07.2025

Recommendation 7

Decide on whether and where a **region may have to be dropped**, if potential and feasibility for bringing about change within the duration of phase 3 is too limited.

Management response

Fully agree	Partially agree	Disagree

We agree with this recommendation. It is important to assess both the potential and feasibility of achieving meaningful change within the remaining timeframe of Phase 3.

As we focus on specific subsectors or value chains, we recognize that **constraints in certain regions could be addressed through support in other regions**, **such as Yangon and Mandalay**, which we consider as supportive regions rather than primary focus regions.

Accordingly, the project will assess the relevance and viability of continuing activities in Mon State and Southern Shan. **Based on this analysis, we are prepared to make a decision to drop implementation areas where change is no longer feasible or strategic**.

In any case, we agree with the recommendation made on p.22 to **close the Mawlamyine office**: "*Having **two field offices** in the current set-up and delivery model of VSDP is **difficult to justify**. While we see currently the value of a physical local presence in Southern Shan and may do more so with an increased focus on the local economy, it is hard to justify the Mawlamyine office set-up **with the current capacities and intervention density at local level.** It is rather important to **increase the field presence of the project manager/sector leads/capable regional leads** – a head of a sector or region should at least be once every two months in the field -, rather than have administrators and office guards on the ground."*

Measures	Responsibility	Timing
p) In the local economic assessments, Swisscontact will assess the potential for change in Mon State and Southern Shan, including considering whether constraints in these regions can be addressed through other regions, particularly Yangon and Mandalay and propose if a region should be dropped.	Swisscontact	25.06.2025
q) Mawlamyine office will be closed	Swisscontact	ASAP

Recommendation 8

Set-up **partnerships** and define interventions, which **make sense from an MSD perspective** with system actors with incentives and capacities to **co-invest** and leverage change in the local economies and beyond.

Management response

Fully agree	Partially agree	Disagree

We agree with the importance of setting up the right partnerships and designing interventions that align with MSD principles. Working with system actors who have the right incentives and capacities to co-invest and drive change within local economies and their value chains is indeed **crucial for the sustainability and scalability of the program's impact**. As recommended, the **project should rethink the way it engages with partners** (contribution vs service agreements) in that regard. The MTR rightly says: *We see little value - beyond having a competitive process – in doing service agreements, as they create a patron-client relationship undermining a real co-creation discussion.*

We fully support the recommendation **to assess existing partnerships through an MSD lens** in order to determine which partners have the potential to contribute to systemic change in the local economies and target sectors. This reassessment will help ensure alignment with the project's strategic objectives and systemic focus. The project should also make sure there are **better connections between different VSDP interventions.**

We also agree with the need to gradually **move away from fully subsidized**, service contract models that do not lead to sustainable changes. In particular, we acknowledge the **limitations of more traditional NGO-driven delivery models** and recommend minimising collaboration with such actors where possible in the future. However, **we do not support the termination of ongoing contracts** at this stage. For existing contracts, we agree with the recommendation to engage with the partners to **redefine targets and rebalance efforts toward MSME engagement and support**, while reducing the emphasis on training delivery solely for the sake of meeting numerical targets.

Ultimately, we endorse the recommendation that **VSDP should focus on the *additionality* it brings** – beyond funding service delivery – by leveraging partnerships that can catalyse inclusive growth and lasting change in market systems.

We found Figure 9 and the practical recommendations on p.14 particularly useful. These include a **shift in success measurement—from simply counting graduates and jobs to tracking meaningful market systems change**, such as:

- the number of people benefitting from new sector services,
- the emergence of new MSMEs,
- revenue or investment growth among lead firms,
- and the development and uptake of new sector services.

These indicators reflect systemic transformation and should guide the project's approach. Similarly, **partner selection should be driven by their potential to influence sector-level change**, and conversations with them should be structured as strategic, **business-oriented engagements**. The focus must increasingly be on indirect beneficiaries reached through systemic effects (and those should be captured in the results framework as well)

Measures	Responsibility	Timing
r) Swisscontact will assess current partnerships, evaluating them based on their potential to drive change in local economies and the selected sectors and will possibly redefine targets and rebalance efforts where necessary.	Swisscontact	25.06.2025
s) Improve the success measurement in the improved logframe	Swisscontact	25.06.2025
t) Initiate new partnerships/ interventions with a more MSD lens	Swisscontact	From 5.07.2025

Recommendation 9

Define strong interventions for outcome 3 which are conflict-sensitive, but have the potential to outlast the programme duration.

Management response

Fully agree	Partially agree	Disagree

We agree with this recommendation. As stated in the report, the focus of Outcome 3 has thus far been sector-oriented and primarily aimed at how different actors can support project results, rather than strengthening the local economic ecosystem. Moving forward, **Outcome 3 needs to be rethought** to bring together different local economic actors beyond only specific sectors in a conflict-sensitive manner.

Measures	Responsibility	Timing
u) Swisscontact will re-define Outcome 3 by focusing on building a more inclusive and integrated local economic ecosystem.	Swisscontact	25.06.2026

Recommendation 10

Revise HR needs and clarify roles and responsibilities to deliver on redesign and **streamline staffing structure** ensuring the right people for the right tasks.

Management response

Fully agree	Partially agree	Disagree

We agree with this recommendation. **It is ultimately Swisscontact's responsibility to revise its internal structure** in light of the recommendations from the MTR and the evolving orientation of the project.

We also agree that the team currently seems to have **too many staff working on administration and finance** which may have affected the project's agility and relationships with partners. (c.f. p.12) and also take note that "*Admin, finance, HR and IT seem comparably heavy for a programme of this size and lead to an admin-heavy set-up where*

content discussions across sectors get lost to time spent on filling out different forms and formats".

We also concur with the recommendation to **reposition the Monitoring, Results Measurement (MRM) function as a more strategic role**. MRM should move beyond data collection to actively support learning and decision-making, ensuring that it is better integrated with program management. The MRM system should guide and inform program decision-making processes, helping drive systemic learning and programmatic adjustments and therefore be closer to the management. Finally, as stated before, **GESI and CSPM roles should not function in silos either.**

Measures	Responsibility	Timing
v) Swisscontact to propose an improved and more streamline organisational structure in line with the MTR recommendations	Swisscontact	25.06.2025

Recommendation 11		
Revise and adjust the budget to **increase cost effectiveness** and share of percentage spent on administrated project funds.		
Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation, and also with the point made in the report that – once the project redesign is complete – **the costs for budget parts 1–3** (management, operations, admin) should be reduced as much as possible, **ideally down to around 50%** of the total budget. A more streamlined structure would help with this. Any savings made from parts 1–3 **should go towards part 4.**		

Measures	Responsibility	Timing
w) All savings made from the improved structure should go to part 4 and a budget amendment should be submitted	Swisscontact	25.06.2025
x) Contract amendment should be signed	SDC/ Swisscontact	From 5.07.2025

Recommendation 12		
Ensure **competitive salaries** and flexible adaptations to exchange rate fluctuations		
Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation. However, we feel that this is already being addressed within the program.		

Measures	Responsibility	Timing
y) Continue the ongoing practice	Swisscontact	continuous

Recommendation 13
Agree with SDC Myanmar on redesign and **performance framework**.

Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation. As previously stated, and included in other suggested measures, a common understanding and agreement on the way forward will be reached during the **upcoming Steering Review Panel** (SRP) meeting. Moreover, the **improved results framework will clarify how project performance will be measured** moving forward.		

Recommendation 14		
Keep investing into **MSD culture building at all levels**, including at management level, but with focus on MSD in the Myanmar context, including what it means to do MSD in a nexus setting.		
Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation. We acknowledge the importance of **adapting MSD practices to the Myanmar context**. This will also allow the project to tell a broader story. Relevant measures in that regard have already been proposed above.		
Measures	Responsibility	Timing
z) Define what MSD means for VSDP and what is the role and added value of the project in the supported interventions.	Swisscontact	27.07.2025

Recommendation 15		
Create more **space for learning and strategic discussions** and reduce heavy-lifting on MRM and admin and finance.		
Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation. We recognize the importance of creating more space for learning and strategic discussions within the team. We also acknowledge the need to **reduce the burden of MRM, administration, and finance tasks** to allow for more focus on strategic decision-making and programmatic learning. This is included in the measures suggested as part of HR revisions.		

Recommendation 16		
Re-establish the **SRP** to ensure the programme remains strategically on the right track.		
Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation and look forward to the organisation of the first SRP (Strategic Review Panel) soon. This will actually be the occasion to discuss the present management response with Swisscontact and agree on the proposed measures and deadlines.		

Recommendation 17		
Reduce the focus on tools and procedures for their own sake, but **focus on the purpose of the tool** to deliver more efficient, effective and impactful project results.		
Management response		
Fully agree	Partially agree	Disagree
We fully agree with this recommendation, but leave it up to Swisscontact to find the right measures to implement it.		

Recommendation 18		
Keep investing in strong relationship building and **common understanding with SDC** in Myanmar, in particular as well throughout the turn-over in key positions at SDC in August 2025.		
Management response		
Fully agree	Partially agree	Disagree
We agree with this recommendation. **SDC remains committed to maintaining close relationships** through regular interactions, including monthly meetings and discussions around annual reports and yearly plans of actions. Additionally, we will continue to engage in dialogue whenever either party considers it useful, ensuring smooth coordination during the turnover of key positions in August 2025. The annual organization of the SRP will also be introduced.		

Measures	Responsibility	Timing
aa) Keep monthly meeting, annual report and YPO meetings	SDC/ Swisscontact	continu-ous
bb) Introduce Emilie and Gabriella's successors as part of the handover process	SDC	August 2025
cc) Ensure SRPs are held annually	SDC/ Swisscontact	continu-ous