

Corporate Unit Evaluation

Central Project Evaluation

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# Central project evaluation

Innovation and Investment for Inclusive Sustainable  
Economic Development (ISED), Indonesia  
Project number 2015.2112.9

## Evaluation Report

On behalf of GIZ by Klaus-Peter Jacoby (iSPO GmbH) and Ima Susilowati

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The Evaluation Unit commissioned external independent evaluators to conduct the evaluation. This evaluation report was written by these external evaluators. All opinions and assessments expressed in the report are those of the authors.

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## Abbreviations

ASEAN	Association of Southeast Asian Nations
BAPPENAS	<i>Badan Perencanaan Pembangunan Nasional</i> Ministry of National Development Planning
BMZ	<i>Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung</i> German Federal Ministry for Economic Cooperation and Development
BSF	Black Soldier Fly
DAC	Development Assistance Committee (of the OECD)
GDC	German development cooperation
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH</i>
IB	Inclusive business
ISED	TC measure: Innovation and Investment for Inclusive Sustainable Economic Development
KADIN	<i>Kamar Dagang dan Industri</i> Industrie- und Handelskammer
MEL	Monitoring, evaluation and learning
(M)SME	(Micro) Small and medium enterprises
MoCSME	Ministry of Cooperatives and Small and Medium Enterprises
OECD	Organization for Economic Cooperation and Development
PN	project number
RECOTVET	TC measure: Regional programme to improve the quality and labour orientation of TVET
RPJMN	<i>Rencana Pembangunan Jangka Menengah Nasional</i> National Medium Term Development Plan of Indonesia
SDG	Sustainable Development Goals
SEAMOLEC	Southeast Asian Ministers of Education Organisation – Regional Open Learning Centre
SECO	State Secretariat for Economic Affairs (Switzerland)
SED-TVET	TC-measure: Sustainable Economic Development through Technical and Vocational Education and Training
SREGIP	TC-measure: Sustainable Regional Economic Growth and Investment Programme
TC	Technical cooperation
TNA	Training needs assessment
TSR	TC-measure: TVET System Reform
TVET	Technical and Vocational Education and Training



## The project at a glance

Indonesia: Innovation and Investment for Inclusive Sustainable Economic Development (ISED)

Project number	2015.2112.9
Creditor reporting system code(s)	11330 – Vocational training (60%), 25010 - Business policy and administration (40%)
Project objective	The capacities of private sector stakeholders in selected economic sectors to create inclusive employment have been strengthened.
Project term	July 2017 – June 2021
Project value	EUR 7,500,000
Commissioning party	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of National Development Planning (Badan Perencanaan Pembangunan Nasional, BAPPENAS)
Implementing partner organisations (in the partner country)	Sectoral Ministries (e.g. for Tourism, Industry, Small and Medium Enterprises, Village, Education/Culture/Higher Education/Research, Manpower) Provincial governments and district authorities Private sector organisations and companies
Other development organisations involved	(-)
Target group(s)	The project's target groups are school leavers or apprentices who are pursuing further qualification in the vocational fields of sustainable tourism and manufacturing, as well as employees under 35 who are working in businesses, and employees working in the supply chains of companies with which the project develops cooperative relationships. The project focuses on people under the age of 35, women and disadvantaged sections of the population in rural areas.
Development cooperation (DC) programme	Sustainable Economic Development and Technical and Vocational Education and Training
Implementing organisations of the DC programme	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, KfW Development Bank (Kreditanstalt für Wiederaufbau), Bundesanstalt für Geowissenschaften und Rohstoffe (BGR); Physikalisch-Technische Bundesanstalt (PTB)
Organisation responsible for implementing and coordinating the DC programme	The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

# 1 Evaluation objectives and questions

This chapter aims to describe the purpose of the evaluation, the standard evaluation criteria, and additional stakeholders' knowledge interests and evaluation questions.

## 1.1 Evaluation objectives

Central project evaluations of projects commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) fulfil three basic functions: they support evidence-based decisions, promote transparency and accountability and foster organisational learning within the scope of contributing to effective knowledge management. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH structures the planning, implementation and use of evaluations to optimise the contribution the evaluation process and the evaluation findings make to these basic functions (GIZ, 2018a).

The Innovation and Investment for Inclusive Sustainable Economic Development (ISED) module was selected as part of the random sample, that is its selection was not driven by further specific situational evaluation objectives. The evaluated module ended in June 2021. According to the main objectives of the CPEs, the evaluation will still maintain a summative function, that is it will focus on verifying the effects of the technical cooperation and accountability. A follow-on module is focusing more on very different sectors, which means that the potential for making specific recommendations for a follow-on module is limited.

## 1.2 Evaluation questions

The project is assessed on the basis of standardised evaluation criteria and questions to ensure comparability by GIZ. This is based on the Organisation for Economic Co-operation and Development ([OECD/Development Assistance Committee \(DAC\) evaluation criteria](#) (updated 2020) for international cooperation and the [evaluation criteria for German bilateral cooperation \(in German\)](#): **relevance, coherence, efficiency, effectiveness, impact and sustainability**.

Specific assessment dimensions and analytical questions have been derived from this framework. These form the basis of all central project evaluations at GIZ and can be found in the **evaluation matrix** (Annex). In addition, contributions to the 2030 Agenda for Sustainable Development and its principles are taken into account as well as cross-cutting issues such as gender, the environment, conflict sensitivity and human rights. Also, aspects regarding the quality of implementation are included in all OECD/DAC criteria.

Project staff and national partners were consulted on additional evaluation questions during the inception mission. The aspects highlighted by some of the consulted partners are summarised in Table 1. Please note that the questions only represented selected aspects of the project; for a balanced overview of the project concept, see Chapter 2.

Table 1: Knowledge interests by main evaluation stakeholder groups

Evaluation stakeholder group	Knowledge interests in evaluation/additional evaluation questions	Relevant section in this report
Ministry of National Development Planning (Badan Perencanaan Pembangunan Nasional, BAPPENAS) and other ministries	Comparison of the contribution of inclusive business models and skill development models to job creation.	Section 4.5 on <b>impact</b>
	Benefits for upstream supply chain stakeholders of the different inclusive business models	Section 4.4 on <b>effectiveness</b>
	Replicability of project-supported business models versus skill development models	Section 4.5 on <b>impact</b>
Private sector stakeholders	Effects of skill development measures on work processes and overall performance of companies.	Section 4.4 on <b>effectiveness</b>

## 2 Object of the evaluation

This chapter aims to define the evaluation object, including the theory of change, and results hypotheses.

### 2.1 Definition of the evaluation object

#### Framework conditions and core problem

With a domestic market of around 270 million people (2019), Indonesia is one of the largest and most influential economies in the South-East Asia region. According to the World Bank (2020), the Indonesian economy grew steadily by over 5% per annum. for nearly two decades until 2019. Structural changes have been made in recent years, with economic growth boosted by a number of successful export sectors, including manufacturing and tourism. Despite this positive trend, the labour market continues to lag behind the Indonesian Government's expectations. Average employment growth in the period between 2015 and 2017 was just 1.06%, which is lower than the country's economic growth (see ISED 2018a). Growth potential and employment opportunities vary greatly within the country. There is a low level of value creation and a lack of higher-quality employment in peripheral regions. The employment rate among women is below the international average, reaching 50.1% nationwide in 2017 compared with an employment rate of 78.3% for men. The income gap between men and women is approximately 49% (see ISED 2018a).

Companies report a lack of training among employees and difficulties in recruiting sufficiently skilled staff. The shortage of skilled workers in the economy's growth segments is a major obstacle to growth and a competitive disadvantage for Indonesia at international level: 52% of the industry workforce is classified as underqualified, which has consequences for company productivity (see ISED 2018a).

Despite on-going improvements in technical and vocational education and training (TVET), the quality of TVET is still too low and is not yet sufficiently tailored to the needs of the labour market. The business and investment climate is challenging, and policy frameworks are not conducive to job creation. Business growth momentum is therefore limited, particularly with regard to future challenges (e.g. digitalisation). Companies mainly create employment in urban centres, which in turn increases existing inequalities. In conclusion, private sector stakeholders lack the capacity to create inclusive employment. According to the module offer, this is the core prob-

lem. Some relevant causes of the core problem are: (a) a lack of vocational training and further education capacities for the existing workforce, (b) the poor quality of training resulting from a lack of practical relevance and insufficient orientation to the needs of the labour market, (c) little awareness within companies of the need to train their employees, (d) a lack of capacities within national institutions to tailor TVET measures to the needs of the private sector, (e) a low level of implementation of new TVET quality standards, (f) a lack of cooperation between companies on sectoral issues of common concern and (g) limited public-private dialogue on inclusive and sustainable employment (see ISED 2018a).

### Changes in framework conditions due to the COVID-19 pandemic

Both intervention sectors of the project – manufacturing and tourism – were significantly affected by the economic crisis and restrictions resulting from the COVID-19 pandemic. The manufacturing sector experienced considerable pressure from both the supply and demand sides. On the supply side, reduced global trade activity has affected the supply of raw materials, while social distancing policies affected production capacity. On the demand side, the downturn of the world economy caused global demand for manufacturing products to decline. After a long period of average annual growth rates of approximately 5%, the manufacturing sector showed a decrease of 1.9% in 2020 (overall national GDP: -1.26%). According to estimates from the Ministry of Industry, the workforce in the sector dropped by 5.6 million workers either due to layoffs or housing without pay. The loss in workers was equivalent to approximately 30% of the total industrial workforce (data from ISED 2021f: 30). The sharp decline was, however, largely temporary and was followed by a steady recovery that was fraught with risks.

In the tourism sector, international travel stopped temporarily, and most establishments (hotels, restaurants, entertainment venues) were forced to close. In July 2020, the number of foreign tourists plummeted 98% compared with July 2019. According to the Indonesian Hotel and Restaurant Association, an estimated 6 million workers were subject to unpaid leave (see ISED 2021f: 31). Unlike the recovery of the manufacturing sector, the recovery of the tourism sector has been hindered by restrictions on international travel. Consequently, the sector is now focusing on the domestic tourism market. Broader recovery is expected to take place in the period until 2023.

Several fiscal and non-fiscal policies have been implemented to deal with the economic crisis. Measures include cash transfers to laid-off workers as well as reskilling and upskilling programmes for the post-pandemic period. Broader sectoral recovery strategies consider elements of import substitution, export promotion and support for technological innovation and innovation.

### Technical cooperation (TC) measure: Innovation and Investment for Inclusive Sustainable Economic Development (ISED)

The specific object of this evaluation is the TC measure 'Innovation and Investment for Inclusive Sustainable Economic Development (ISED)', hereinafter referred to as 'the project'. The project was carried out by GIZ and its partners on behalf of BMZ. It lasted four years from July 2017 to June 2021 and had a **budget** of 7,500,000 euros. The project strategy was based on experiences gained in two earlier TC modules – Sustainable Economic Development through Technical and Vocational Education and Training (SED-TVET, PN 2013.2242.9) and Sustainable Regional Economic Growth and Investment Programme (SREGIP, PN 2013.2122.3) – both of which ended in 2017.

The **objective** of the project was to strengthen 'the capacities of private sector stakeholders in selected economic sectors to create inclusive employment', with module objective indicators focusing on (a) the organisational capacities of private sector stakeholders, (b) the occupational skills of trained staff members, (c) the implementation of inclusive business models (IB), (d) job creation and (e) the adoption of recommendations on

TVET instruments and IB models by government stakeholders. For this purpose, the following output goals were formulated:

- **Output A – Policy advice and policy dialogue:** ‘The funding approaches developed within the framework of the project for creating inclusive employment are being implemented at national level.’
- **Output B – Demand-based TVET opportunities:** ‘TVET courses on selected topics are provided in cooperation with companies in selected economic sectors and regions.’
- **Output C - Inclusive business models:** ‘Private sector stakeholders in the selected economic sectors and regions establish alliances for creating employment with inclusive business models in supply chains.’<sup>1</sup>
- **Output D - Working groups with companies:** ‘Cooperation between private and public sector stakeholders for creating inclusive employment has improved the selected economic sectors and regions.’

The project’s final **target groups** were school-leavers or apprentices pursuing further qualification in the vocational fields of sustainable tourism and manufacturing, employees under the age of 35 who are working in businesses, and employees working in the supply chains of companies with which the project developed cooperative relationships. The project focused on people under the age of 35, women and girls, and disadvantaged sections of the population in rural areas that are affected by social and economic disparities, under- or unemployment, and who would increase their incomes by becoming integrated into IB models. The project aimed to achieve a female participation rate of at least 50%. Intermediary target groups included experts and managers from the ministries involved in TVET and from sectoral ministries, staff at other participating institutions (such as professional associations and TVET institutions), and entrepreneurs and management staff in companies in the manufacturing (food & beverage) and sustainable tourism sectors.

The project’s intervention strategy was based on a **multi-level approach** that ranged from policy-level support (mainly output 1) and cross-sectoral dialogue at regional and local levels (output 4) to the implementation of TVET instruments and IB models at local level (outputs 2 and 3), the results of which were fed back to the policy dialogue. The **regional focus** of the project was on the island of Lombok in the tourism sector and on Java and Lampung in the manufacturing sector.

The promotion of employment-intensive business models supported the implementation of the right to work (Article 23 of the Universal Declaration of **Human Rights**) and aimed to protect the livelihood of the final beneficiaries. The applied business models also considered **environmental sustainability** (for example, taking account of environmental aspects in the development of vocational education and training curricula).

## 2.2 Results model including hypotheses

An analysis of the original results matrix showed some methodological weaknesses, in particular (a) the order of the outputs was more hierarchical than parallel and (b) a set of module objective indicators that is partly situated below or above the module objective level. However, at the beginning of the project term, the ISED team elaborated the results model, clearly visualising the intended change processes and causal relations. For the most part, the updated results model adequately maps the methodological approach and results hypotheses. Only one module objective indicator, which is situated more at impact level, was kept at outcome level. For this matter, the evaluation team recommended one further adjustment which has now been included in the following explanation of the results model and its visualisation in Figure 1 (see page 14). The order of the outputs follows the sequential logic of the results model instead of the numbering in the results matrix:

**Output D** aims to improve the **cooperation between private and public sector stakeholders** in selected economic sectors (sustainable tourism and manufacturing) to create inclusive employment. With the project

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<sup>1</sup> The project follows an inclusive business (IB) approach ‘where a developed industry is encouraged to tap on more resources including those of the micro, small and medium-sized enterprises and the marginalised members of society and in doing so providing them access to economy’ (ISED 2020c: 7)

assuming an intermediary role, companies, private sector chambers and associations and public stakeholders are brought together to form dialogue platforms and working groups for employment promotion (**D-1** in Figure 1). Aspects to be discussed include training requirements for employees and training approaches, future challenges such as digitalisation and Industry 4.0, and the potential of inclusive business models. The intensified and improved dialogue will lead to the development of related implementation strategies (**D-2**) and commitments for the required contributions agreed between the participating companies (**D-3**). It is assumed that agreed implementation strategies and partner contributions will lead to improved cooperation among these companies (**D-4**). Improved cooperation forms the basis of the measures in the three other outputs.

**Output B** addresses the supply side of the labour market and aims to create and establish **demand-based TVET opportunities**. This is facilitated by an approach that is heavily oriented towards the private sector: companies, other private sector stakeholders and TVET institutions are advised on needs assessments, training topics and approaches, and thus enabled to introduce TVET instruments (**B-1**) and short demand-based TVET courses in selected economic sectors (**B-2**). These courses contribute directly to the improvement of the occupational skills of apprentices and employees (with a focus on people under the age of 35 and women) (module objective indicator **M-3**), thereby improving employability and employment (for example in terms of salary and workplace quality) (**B-3/C2**). Better occupational skills also benefit the participating companies by improving their specific capacities (module objective indicator **M-1**).

**Output C** aims to develop and implement employment-relevant **inclusive business models** in the supply chains of participating companies. The project helps private sector stakeholders to identify opportunities in their supply chains with a potential for IB models. As a result of the cooperation mechanisms supported in output D, private sector stakeholders establish alliances between companies that are willing to include micro, small and medium enterprises (MSME) in their supply chains (**C-1**), thus engaging in the implementation of IB models (module objective indicator **M-4**) which results in the creation of employment along the supply chain (**B-3/C-2**) and improved capacities of the lead companies in supply chain/supplier management and other areas (such as training/human resources) (module objective indicator, **M-1**). The project identifies training providers – mostly local TVET institutions – that implement training measures to increase the capacities of trainees and employees of participating MSMEs (**C-3**). Building on these experiences, further training services are developed by private sector stakeholders and TVET institutions with a focus on improving the employability of participants (**C-4**) and scaling existing business models.

**Output A** aims to feed results of outputs B, C and D into the **policy dialogue for the creation of inclusive employment**. Through corporate working groups (output D) and technical advice at policy level, experience with TVET instruments (output B) and IB models (output C) are fed into the policy-making process (**A-1**). If it is possible to prove that TVET instruments and courses have a positive effect on the occupational skills of apprentices and employees (see above, M-3), it is assumed that measures covering selected TVET topics are integrated by the partners into the implementation plans of the reform of the TVET system (**A-2**). The same applies to validated successful IB models where the project helps private sector stakeholders to elaborate strategies for replicating or scaling validated approaches and advises public-sector partners on how to incorporate these approaches into policy-making at national level (**A-3**). Recommendations for capacity development and job creation with regard to digitalisation and Industry 4.0 are also brought to national level and taken up by the Government of Indonesia to be included in relevant strategic processes (**A-4**). The respective module objective indicator (**M-2**) measures the extent to which jointly prepared recommendations in the above-mentioned areas are adopted in policy-making processes in a verifiable manner.

At the **outcome level**, the module objective is to strengthen: ‘the capacities of private sector stakeholders in selected economic sectors to create inclusive employment’. Output-specific contributions to the module objective and its indicators are explained in the preceding paragraphs. The key results hypotheses to be evaluated are that (1) better occupational skills (**M-3**, resulting from needs-based TVET courses) lead to better workplace quality (**B3/C2**, e.g. regarding salary, workplace quality), (2) the implementation of inclusive business models

(M-4) leads to better workplace quality and income opportunities (B3/C2) for local residents, (3) the availability of good practices in TVET and validated inclusive business models (A-1) and their translation into policy recommendations (A-4) lead to the adoption of innovative instruments/models in the policy-making process (M-2).

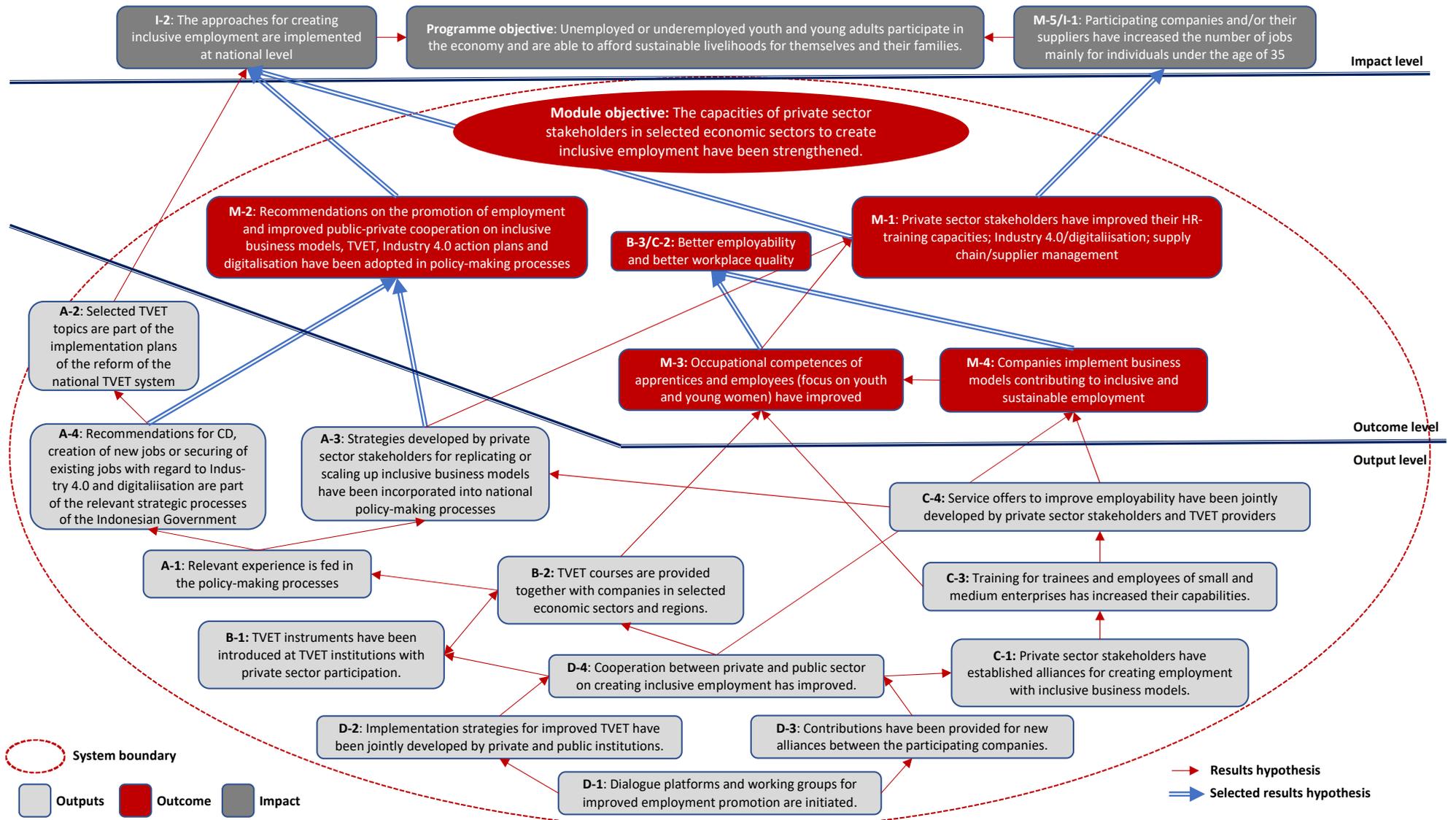
At the **impact level**, increased private sector stakeholder capacities (see above, M-1) contribute to job creation and enhance the number of jobs required (M-5/I-1). In the project offer, this result is situated at module objective level (with an indicator targeting a 20% increase in the number of jobs required in a sample of companies over the next three years of the project). While individual employment effects of training and supply chain measures can be directly attributed to the project (see above, B-3/C-2), a broader job increase as a result of increased capacities at benefiting companies is a rather indirect and (at least) medium-term effect. At system level, the adoption of validated TVET instruments and IB models in the policy-making process (M-2) and improved public-private cooperation (D-4) lead to the implementation of approaches for creating inclusive employment at national level (I-2). Impacts in both areas contribute to achieving the overall programme objective. Unemployed or underemployed, young people under the age of 35 participate in the economy and are able to afford sustainable livelihoods for themselves and their families (I-3).

Overall, the **stakeholder landscape** of the project includes national ministries, private sector associations and companies, local governments, local communities and entrepreneurs, TVET institutions and non-governmental organisations. In the original results model, the **system boundary** of the project was adequately defined with the exception of module objective indicator M-5, which belongs more to the impact level (see the explanation in the previous paragraph). The adjusted results model (see Figure 1) has separated the dimensions of the employability of trainees and direct employment effects (outcome level) and job creation through improved company capacities and performance (impact level). For contributions to the **2030 Agenda**, see Section 4.2 on relevance.

**Potential risks:** Risk anticipated in the project proposal refers to (a) the dependency on continued economic growth as a driver for job creation, (b) exposure to external shocks (such as natural disasters), (c) uncertainties regarding the available resources for TVET reforms, (d) obstacles to effective cooperation within the private sector and between private and public sector, such as mistrust, nepotism and (e) social tensions at local level.

**Unintended results:** During the inception mission, anticipated unintended results relating to the coronavirus crisis were identified. The project was already rapidly developing digital alternatives both at management level (such as the use of digital communication tools) and at the level of specific interventions (such as the development of online training as a substitute for in-person training). Response measures were systematised in a comprehensive COVID-19 contingency plan (see ISED 2020g).

Figure 1: Current results model (June 2020), adapted during evaluation



# 3 Evaluability and evaluation process

This chapter aims to clarify the availability and quality of data and the process of the evaluation.

## 3.1 Evaluability: data availability and quality

This section covers the following aspects:

- availability of essential documents,
- monitoring and baseline data including partner data, and
- secondary data.

### Availability of essential documents

All commonly used essential documents were available for this evaluation. These documents included the project proposal, programme and project progress reports, Safeguard & Gender documents, Quality assurance in line management (QSIL in German) documents (such as results logic, capacity development strategy, plan of operations etc.), strategy documents from the German and Indonesian Governments, and cost data.

### Monitoring and baseline data including partner data

The monitoring of the project was based on sound methods, instruments and processes. It consisted of (a) activity monitoring based on the operational plan, (b) result-oriented monitoring based on the results model, (c) baseline and end-line studies to follow up results at target-group level and results hypotheses, (d) yearly monitoring, evaluation and learning (MEL) reports to complement aggregated monitoring results with qualitative documentations of implementation experiences and lessons learned, (e) additional follow-up activities for the monitoring of specific plans (such as the COVID-19 contingency plan). The status of output and module objective indicators was updated for quarterly monitoring meetings. Monthly activity monitoring is also well-documented. The baseline data was generally available and further supplemented by additional quantitative and qualitative data which was collected through a baseline study (ISED 2019b). Partners were not involved in collecting data for monitoring, but results were shared and discussed at management meetings with the political partner. Whereas some indicators of the project offer are not yet fully specific and leave room for interpretation, monitoring provided a clearer picture. It required primary data which was generated by the project itself. The collected data for all output and module objective indicators was complete and mostly based on reliable sources. In addition to indicator monitoring, external factors (challenges, risks and assumptions) are covered not only through the results based monitoring, but also through additional planning and management instruments, such as a comprehensive sustainability strategy (see ISED 2020f) and the COVID-19 contingency plan (see 2020g).

### Secondary data

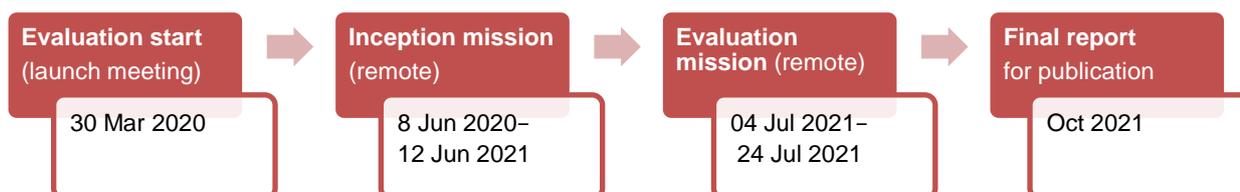
Secondary data from partners' sources were either not specific enough for the purpose of the evaluation or not available for the required time periods. Therefore, no secondary data was used. To a reasonable extent, the primary data generated by the above-mentioned surveys compensated for the lack of secondary data.

## 3.2 Evaluation process

This section covers the following aspects:

- milestones of the evaluation process,
- involvement of stakeholders,
- selection of interviewees,
- data analysis process,
- roles of international and local evaluators and
- remote evaluation.

Figure 2: Milestones of the evaluation process



### Involvement of stakeholders

Stakeholders were involved at several stages of the evaluation. During the inception mission, project staff, the political partner, representatives of involved ministries and key private sector partners were consulted for knowledge interests. Further discussions were held with project staff to adjust the results model of the project for the evaluation. Results were presented to project staff and the political partner, and the design for the main evaluation mission was discussed. The inception mission was carried out at an exceptionally early stage to combine it with an appraisal mission for the follow-on phase of the project. To share results, the appraisal team was also invited to the final meeting of the inception mission.

Due to the long period between inception and main mission (12 months), further conversations with project staff were carried prior to the main evaluation mission to ensure that the design would still be appropriate. Further meetings were held with a representative of BMZ and staff members in the sectoral and regional departments at GIZ. During the evaluation mission, representatives of all stakeholder groups participated in semi-structured interviews and focus groups. Preliminary results were presented to the political partner and project staff, discussed and validated during a final presentation meeting one week after the evaluation mission.

### Selection of interviewees

The selection of interview partners and focus group participants was carried out with the project team during the inception mission based on stakeholder maps and the results model. It was agreed that the selection had to cover (a) both thematic pillars (TVET, IB), (b) both involved sectors (sustainable tourism and, manufacturing), (c) all intervention levels (national, regional/local authorities and associations, company level, final beneficiaries). An exhaustive overview of the selection criteria within each stakeholder group was provided in the inception mission report. In accordance with these selection criteria, the evaluation team defined the stakeholder categories to be considered, and either (a) defined the respective interviewees for categories that were fully covered during the evaluation (such as project management staff, ministries involved in the project), or (b) asked the project to propose interviewees for categories that could only be addressed selectively (such as benefiting companies, trainees, etc.). In the latter case, additional criteria were provided to avoid bias (such as the consideration of a mix of known successful and unsuccessful as well as random cases). The table was discussed and adjusted in a few feedback loops. The evaluation fully complied with the interview plan agreed during the inception mission.

Table 2: List of evaluation stakeholders and selected participants

Organisation/company/target group	Overall number of persons involved in evaluation (*gender disaggregation)	Participation in interview (number of persons)	Participation in focus group discussion (number of persons)	Participation in briefing/ debriefing meetings (number of persons)
<b>Donors and regional organisations</b>	5 (3/2)	5	(-)	(-)
German Embassy and BMZ				
Switzerland, State Secretariat for Economic Affairs (SECO)				
Asian Development Bank (ADB)				
Southeast Asian Ministers of Education – Regional Open Learning Centre Asian Development Bank (SEAMOLEC)				
<b>GIZ</b>	15 (6/7)	14	(-)	10
GIZ project team (principal advisor until 06/2020, principal advisor from 07/2020 onwards, technical staff)				
Other TC modules: TVET System Reform (TSR), Regional Programme to Improve the Quality and Labour Orientation of TVET (RECOTVET), Inclusive Business Action Network (IBAN)				
GIZ headquarters in Germany (sectoral department, regional department)				
<b>Partner organisations, national level</b>	11 (9/2)	11	(-)	2
National ministries: Ministry of Planning (BAPPENAS), Ministry of Tourism and Creative Economy (MoTCE), Ministry of Industry (MoI), Ministry of Village, Development of Disadvantaged Regions and Transmigration (MoVDDRT), Ministry of Cooperatives and Small and Medium Enterprises (MoCSME), Ministry of Education and Culture (MoEC)				
<b>Regional and local authorities</b>	9 (8/1)	9	(-)	(-)
Regional Planning Office, West Nusan Tenggara province				
Village and sub-village heads (Bilebante, Sembalun, Sengkol)				
Representatives of further organisations at village level (waste management)				
<b>Civil society, private actors, universities</b>	23 (15/8)	23	(-)	(-)
Lead companies and training providers of the inclusive business approaches: Aliet Green (organic coconut sugar), Great Giant Pineapple (banana plasma), Martha Tilaar (wellness tourism), Sustainable Coffee Platform of Indonesia (SCOPI), Sekolah Seniman Pangan (culinary artisanal school)				
Benefitting companies: Aruna Sengigi Hotel, Kila Sengigi Beach Hotel, JM Hotel Kuta, Lautan Natural Krimerindo				
Non-governmental and academic organisations: Pro Black Soldier Fly (BSF), Wise Steps Foundation, Universitas Prasetiya Mulya (UPM)				
Private sector associations: National Industrial Chamber ( <i>Kamar Dagang dan Industri Indonesia</i> , KADIN), Indonesian Tourism Development Corporation (ITDC), Hotel E-Commerce and Revenue Community (HERC), Indonesia Hotel General Manager Association (IHGMA), Hotel Human Resources Manager Association (HHRMA)				
TVET schools: Mataram, Makassar, Astra Winteq				
<b>Final beneficiaries – Focus groups</b>	15 (9/6)	(-)	17	(-)
Stakeholders Green Tourism Village Bilebante	4 (2/2)	(-)	5	(-)

Organisation/company/target group	Overall number of persons involved in evaluation (*gender disaggregation)	Participation in interview (number of persons)	Participation in focus group discussion (number of persons)	Participation in briefing/ debriefing meetings (number of persons)
Coffee farmers and entrepreneurs	4 (3/1)	(-)	5	(-)
Female farmers	3 (-/3)	(-)	3	(-)
TVET school teachers	4 (4/-)	(-)	4	(-)

### Data analysis process

Interviews in English were captured by digital hand-writing (Nebo), for interviews in Bahasa Indonesia, the local consultant provided English transcripts. Both interviews and project documents were analysed according to the evaluation dimensions and questions of the evaluation matrix (see annex). The qualitative data analysis tool MaxQDA was used to thematically code text passages and interview segments according to the elements of the evaluation matrix. It was also used to refine the analysis within each evaluation dimension. Quantitative data from project monitoring, the end-line survey and other sources were already processed and did not require further statistical analysis. They were captured through the same process as the qualitative data. The availability of quantitative data for all indicators, comprehensive qualitative reports on all results areas and qualitative interview data with all relevant stakeholder groups meant that it was possible to triangulate quantitative vs. qualitative research and analysis methods and data sources and multiple perspectives.

### Roles of international and local evaluators

The evaluation team consisted of one international and one local evaluator. Tasks were distributed as follows:

- **International Evaluator:** team leader (coordination of the evaluation process and communication with GIZ), evaluation design, data collection, leading the presentation of results and report writing (inception report, evaluation report and by-products), conducting of interviews with English-speaking interviewees).
- **Local Evaluator:** critical feedback for the above-mentioned tasks and provision of contributions as agreed with the team leader, document and secondary data research in the partner country (between on-site missions), preparation of the agenda of the evaluation mission, data collection, conducting and transcription of interviews in Indonesian language (Bahasa Indonesia).

Researcher triangulation was ensured by regular discussions between the two evaluators at the end of each interview day. Constant exchange between the evaluators was of the utmost importance since most interviews were carried out by one evaluator only due to the language barrier.

### Remote evaluation

Due to COVID-19 related travel restrictions, the evaluation was carried out as a remote evaluation. All meetings, semi-structured interviews and focus group discussions were held via Microsoft Teams. Occasionally, when the sound quality was not good enough, interviews were held by phone. Interviews in English (in other words, interviews involving the team leader) were scheduled within the few overlapping office hours between Indonesia and Germany. To avoid bottlenecks, the main mission started one week earlier than planned so that interviews could be programmed in an overall time-frame of three weeks. The evaluation team did not encounter any unforeseen obstacles during the evaluation process.

## 4 Assessment according to OECD/DAC criteria

### 4.1 Impact and sustainability of predecessor projects

This section analyses and assesses the impact and sustainability of the predecessor project(s) Sustainable Economic Development through TVET (SED-TVET) and the Sustainable Regional Economic Growth and Investment Programme (SREGIP).

#### Summarising assessment of predecessor project

Since both predecessor projects operated with different regional or thematic scopes to ISED, the evaluation focused on the few common areas and the continuity of concepts. ISED combined the separate approaches for TVET and private sector development to create an integrated approach to employment promotion. While SED-TVET had aimed to strengthen TVET institutions, ISED focused on needs-oriented skill development areas, supporting selected TVET institutions as co-implementers. Due to the different regional focus, however, ISED did not directly build on the results of SED-TVET. Nevertheless, some stakeholders said that good practices from SED-TVET added conceptual value. A Tourism Master Plan for Lombok developed by SREGIP did not have a major influence on the framework conditions for ISED since a lack of coordination between the different levels of government prevented full implementation. The concept for establishing green tourism villages (*Desa Wisata Hijau*, DWH), on the other hand, is still politically viable and part of the current strategy of the Ministry of Tourism and Creative Economy for the development of tourist destinations. The ISED support for Bilebante is a direct follow-up of the site development initiated by SREGIP.

#### Analysis and assessment of predecessor project

Although the project is not categorised as a follow-on measure, it builds on experiences of the prior TC-modules Sustainable Economic Development through TVET (SED-TVET) and the Sustainable Regional Economic Growth and Investment Programme (SREGIP). However, the inception mission concluded that it was beyond the scope of the evaluation to cover the impact and sustainability of project results that were mostly generated outside the thematic, sectoral and regional scope of the current ISED module. The focus therefore was on (a) the extent to which ISED built on approaches and results of the predecessors, (b) how stakeholders assess the added value of prior experience for the ISED interventions and (c) the continuity and impact of regional level results of SREGIP's tourism sector support in Lombok (the common thematic area with ISED).

While SED-TVET aimed to increase the employability of TVET graduates in five provinces (West-Java, Central-Java, Yogyakarta, South-Sulawesi, East-Kalimantan), SREGIP aimed to increase added value, inclusiveness and ecological sustainability of MSMEs in selected agricultural value chains and the tourism sector in West-Kalimantan and West-Nusa-Tenggara (which includes Lombok). The following table summarises the key results of both projects according to their final progress reports (GIZ 2017a and 2017b). For SREGIP, only results relating to sustainable tourism (the intervention area which was continued by ISED) are shown:

Table 3: Key results of the predecessor projects

Key results of SED-TVET	Key results of SREGIP
<ul style="list-style-type: none"> <li>• 23 supported TVET institutions improved capacities (management, equipment, staff).</li> <li>• The proportion of graduates of 23 TVET institutions who found employment within 6 months of graduation increased from 16% to 21% (the target was 24%).</li> <li>• 23 TVET institutions (target: 19) introduced elements that allowed them to adapt better to the industry's needs (for example, internships/placements, training needs assessments).</li> <li>• As a result of the further development and dissemination of the Indonesian Qualification Framework (IQF), 146,000 workers in the tourism and cultural sector were certified according to the IQF.</li> </ul>	<ul style="list-style-type: none"> <li>• 304 involved MSMEs in the tourism sector in Lombok (travel agents, hotels, among others) have enhanced their annual turnover by a price-adjusted average of 36%.</li> <li>• 79% of the MSMEs involved have created additional employment for local populations.</li> <li>• Innovations in supply chains or local markets included (a) a business model for solid waste recycling and (b) the fostering of local supply for hotels in Mataram.</li> <li>• Inputs for the formulation of the Tourism Master Plan of the Ministry of Tourism for Lombok were approved in March 2015.</li> </ul>

Both modules achieved most of their module objective indicators. For results measurement, however, both projects had to generate their own primary data, which means that there is no partner data available to assess the durability of the achievements. Since TVET institutions and MSMEs involved are situated outside the regional scope of ISED, the evaluation cannot produce any estimates either. Concepts and good practices from both projects continued by ISED. ISED combined the two separate approaches for TVET and private sector development to an integrated approach for employment promotion. At first, ISED not only combined the two intervention areas but also the local/regional and the national level by including an output on policy advice for the TVET reform agenda (see ISED 2016a). Following a BMZ initiative, however, the policy advice was outsourced into a separate TC module TVET System Reform (TSR, see ISED 2017a). Elements from SED-TVET and SREGIP which were continued by ISED, include:

- SED-TVET: (a) the industry-orientation of TVET measures (tools for training, needs assessments, tracer studies), (b) the focus on improving cooperation between TVET institutions and the private sector, and
- SREGIP: (a) the green tourism village concept, expanded by the wellness tourism model of ISED, (b) the focus on inclusive business models and (c) the focus on multi-stakeholder cooperation.

While SED-TVET aimed to strengthen TVET institutions, ISED focused on needs-oriented skill development areas, supporting selected schools as co-implementers. Since the targeted institutions do not coincide, ISED did not directly build on the results of SED-TVET. Nevertheless, stakeholders said that good practices from SEDTVET added conceptual value to the implementation process of ISED (Int 4, Int 33, Int 79)

Regarding SREGIP, the Tourism Master Plan for Lombok did not have a major influence on the framework conditions for ISED implementation. Although considered a positive initiative, a lack of coordination between the different levels of government prevented full implementation of the plan, leading to the need for a new master plan. The World Bank has been working on this since 2018 (see OECD 2019: 30). The concept for establishing green tourism villages, on the other hand, is still politically viable and part of the current strategy of the Ministry of Tourism and Creative Economy for the development of tourist destinations. ISED support for Bilebante is a direct follow-up of the site development initiated by SREGIP. The guidelines for the inclusive business model on wellness tourism can be considered a continuation of the guidelines for green tourism villages elaborated by SREGIP in 2016. Training modules on green tourism villages were anchored in the Ministry of Tourism, and the concept was replicated in several priority destinations in Indonesia (Int 4, Int 5).

## Methodology for assessing predecessor project

Table 4: Methodology for predecessor project

Assessment dimension: predecessor project	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
<p><b>Impact of the predecessor projects</b></p> <p><b>Sustainability of the predecessor projects</b></p>	<ul style="list-style-type: none"> <li>Extent to which developed concepts, approaches and instruments have been used and/or further developed by ISED</li> <li>Stakeholder's assessment of the added value of past experiences for the ISED intervention</li> <li>Continuity and impact of regional-level results of SREGIP's tourism sector support in Lombok</li> </ul>	<p><b>Evaluation design:</b> Analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>document analysis (project proposals, final reports)</li> <li>semi-structured interviews with stakeholders (project staff, stakeholders at national level)</li> </ul>	<p>As specified in the inception report, analysis of impact and sustainability was not feasible for the following reasons:</p> <ul style="list-style-type: none"> <li>regional, thematic and sectoral focus different from ISED</li> <li>results variables depended on primary data, which could not be generated by the evaluation.</li> </ul> <p>The focus was therefore on the continuity of specific results through ISED and added value for ISED.</p>

## 4.2 Relevance

This section analyses and assesses the relevance of the project Innovation and Investment for Inclusive Sustainable Economic Development (ISED).

### Summarising assessment and rating of relevance

Table 5: Rating of OECD/DAC criterion: relevance

Criterion	Assessment dimension	Score and rating
<b>Relevance</b>	Alignment with policies and priorities	28 out of 30 points
	Alignment with the needs and capacities of the beneficiaries and stakeholders	30 out of 30 points
	Appropriateness of the design*	16 out of 20 points
	Adaptability – response to change	20 out of 20 points
<b>Relevance total score and rating</b>		<p>Score: <b>94 out of 100 points</b></p> <p>Rating: <b>Level 1: highly successful</b></p>

The project was consistently aligned with the strategic reference frameworks of the Indonesian and German Governments, and with the 2030 Agenda. Although the selected sectors fully align with the priority sectors of the Indonesian Government; tourism is not highlighted by the German country strategy for Indonesia. For this reason, the focus of the follow-on measure on the renewable energy sector is more specifically aligned with BMZ objectives than with the evaluated module. The relevance of the core problem is confirmed, the project objective corresponds to the needs of the involved stakeholders since the different TVET and IB interventions are based on sound needs assessments. Gender mainstreaming aspects as well as the leave-no-one-behind principle are adequately considered in the project concept through the focus on women and girls, and the under 35s.

All in all, with the exception of indicator M5 (creation of new jobs through skill development measures, which is considered an impact level result), the design was suitable for achieving the module objective. The assessment of the evaluation, however, recognises the trade-off between the different goal dimensions. Apart from that, the results model was plausible and mostly confirmed by the end-line assessment.

**In total, the relevance of the project is rated as Level 1: highly successful, with 94 out of 100 points.**

## **Analysis and assessment of relevance**

### **Relevance – Dimension 1: Alignment with policies and priorities**

To evaluate alignment with relevant strategic frameworks, the project concept was assessed against the extent to which the methodological approach was consistent with (a) the policies and strategies of the partner country, (b) the strategic orientation of German development cooperation (GDC) in Indonesia, with strategy papers, policies and guidelines of the BMZ, and (c) the reference framework of the 2030 Agenda.

The **relevant strategic reference frameworks of the Indonesian Government** at the time of the project formulation were the national medium-term development plan (*Rencana Pembangunan Jangka Menengah Nasional*, RPJMN 2015-2019), and the long-term master plan for economic development (*Masterplan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia*, MP3EI 2011-2025). Although the medium-term development plan (RPJMN) defines rather generic targets, it mandates private sector development interventions and contributions to workforce development as addressed by ISED. In RPJMN 2020-2024, strategic goals for TVET were categorised under economic development (in RPJMN 2015-2019: under the development of the educational sector) which makes it easier to address cooperative, industry-driven skill development (see ISED 2019a). Since RPJMN 2015-2019, the development of the tourism sector has become a top priority; the accompanying tourism strategy set policy directions for among other things the development of the tourism workforce, MSME support and integrated destination master planning (see OECD 2019: 11). The long-term master plan defines three core strategies, of which two are relevant to the ISED mandate: regional economic development along regionally determined priorities, and the development of human resources. Java and West Nusa Tenggara (ISED's target regions) are named as two of six growth centres. Investments in the acceleration and expansion of the ISED-supported sectors sustainable tourism and manufacturing are part of 22 primary activities defined by the long-term master plan (see Gol 2015). The TVET sector in particular has been a very high policy priority in recent times; a 2016 Presidential Instruction on TVET mandates nine sectoral ministries and other state institutions to implement a comprehensive reform agenda. Particular attention is paid to forms of cooperation with the private sector (see ISED 2018a). The German TVET approach serves as a role model in this regard.

From both a sector and a regional/country perspective, the module corresponds to the relevant **concepts and strategies of German development cooperation**. The country strategy for Indonesia dates from 2017 and defines three pillars: energy, sustainable economic growth and TVET, and environmental protection. Under the second pillar, the strategy defines young employees and people under the age of 35 as key target groups and enumerates several approaches that specifically mandate the ISED module, such as improving the offer and quality of labour-market-oriented TVET courses, strengthening the capacity of public and private stakeholders for broad-scale and sustainable employment (see BMZ 2017a). Whereas the follow-on module engages in the prioritised renewable energy sector, the sectors supported by the evaluated module are not highlighted by the country strategy. In that sense, the follow-on measure aligns more specifically with the country strategy. The sector concept for the educational sector includes the TVET sector and highlights labour-market orientation as a guiding principle. It also provides a mandate for several elements of ISED's approach, in particular for the strengthening of cooperative training approaches with the private sector, the focus on employment promotion, and the strengthening the capacity of training personnel at TVET institutions (BMZ 2015c: 17ff, see also BMZ 2017c). The 2019 strategy of the German Federal Government for international cooperation on TVET (BR

2019) stresses the focus on supporting cooperative training modalities and inclusive employment. The strategy on private sector development from 2013 mandates the inclusion of young people under 35 years and women in entrepreneurial activities and the strengthening of inclusive value chains and local markets (see BMR 2013b: 13ff).

Regarding the **alignment with the 2030 Agenda**, the project objectives are linked to several sustainable development goals (SDGs), namely SDG 4 (Quality of Education) through the capacity-building of human resources, to SDG 5 (Gender Equality) through capacity building for women in the digital field and the promotion of income opportunities for women; to SDG 8 (Decent Work and Economic Growth) through the promotion of job opportunities, increased income and the improvement of post-training work conditions; to SDG 9 (Industry, Innovation and Infrastructure) through skill development models in the field of digitalisation and Industry 4.0 and the implementation of digital learning environments; to SDG 10 (Reduced Inequalities) through the promotion of inclusive business models and inclusive employment; to SDG 12 (Responsible Consumption and Production) through the promotion of resource-efficient practices in tourism enterprises and an IB model on organic waste management; and to SDG 17 (Partnerships for the Goals) through the consistent focus on multi-stakeholder partnerships and the mobilisation of financial and in-kind contributions of stakeholders (see ISED 2021f).

Altogether, the project was consistently aligned with strategic reference frameworks at all levels. Whereas the selected sectors fully aligned with the objectives of the Indonesian government, the follow-on module's focus on renewable energy more specifically aligns with the BMZ country strategy. Relevance dimension 1 – Alignment with policies and priorities – scores **28 out of 30 points**.

#### **Relevance – Dimension 2: Alignment with the needs and capacities of beneficiaries and stakeholders**

The evaluation dimension implies analysing (a) the extent to which evidence confirms the core problem, (b) the extent to which the project objectives coincide with the solution of the core problem and (c) the extent to which the project objectives address the needs of the target groups (such as younger employees and other employees, female workers) and intermediary target groups (such as staff of ministries, TVET institutions, companies).

The **core problem** defined in the project proposal (see ISED 2018a 8) is the inability of private sector stakeholders to create inclusive employment. It relates to the shortage of skilled workers for growth sectors of the Indonesian economy and to the lack of local entrepreneurship and income sources due to a lack of integration into wider economic cycles or supply chains. The core problem is highlighted in all relevant national strategies (see evaluation dimension 1) and in interviews with representatives of the involved ministries (Int 35-38, 41-44, 76, 77). Labour market studies confirm the key challenge to preparing the workforce for the digitalisation of the economy. While the demand for low-skilled workers is declining, the demand for a highly skilled workforce remains increasingly unsatisfied (see ADB 2018). The uneven participation of several sectors of the population (such as women, people under 35) shows the need for not only more but also inclusive employment (see ISED 2018a).

The **project objective adequately addresses the core problem**. The supported TVET instruments and skill development measures in digitalisation and Industry 4.0 address the lack of skilled staff in the selected sectors (manufacturing, sustainable tourism) whereas the implementation of inclusive business models productively integrates low-income populations in the project region into value chains of lead companies or newly developed local markets (such as in the case of wellness tourism in Bilebante). According to the end-line study of the project (ISED 2021c), survey participants agree that the selection of the above-mentioned core issues suited the ISED objectives of skill upgrading and creating inclusive employment. This assessment is also confirmed by interviewed representatives of national ministries (Int 35-38, 41-44, 76, 77).

According to the project's political partners, ISED's task was 'to focus on designing smart and tactical approaches' (ISED 2020: 8). This means, rather than synergistically contributing to a single higher-level result, interventions were designed to provide a range of tested and replicable models to enrich the on-going national reform processes. To assure the **demand- and needs-orientation** of each single intervention, the project placed great emphasis on needs assessments based on sound methodologies. Output 4 was specifically dedicated to facilitating multi-stakeholder dialogues that also served to create a mutual understanding of each stakeholder's needs and to identify common interests. For skill development measures, further training needs assessments (TNA) were carried out to identify skill gaps and adapt training content to the needs of intermediary or final target groups (see ISED 2021c: 27). The ability to match skill development to demand was considered one of ISED's key strengths by many interviewees (see for example, Int 37, 45, 54, 71). In addition, the TNA methodology was transferred to the TVET schools involved (Int 17, 20, FG 3). The high needs-orientation is also confirmed by the end-line survey (ISED 2021c: 11). In the sustainable tourism sector, 20 out of 27 surveyed hotels expressed their satisfaction about human capital development training and digitalisation and Industry 4.0, only one hotel expressed dissatisfaction. In the manufacturing sector, all surveyed companies stated that they were satisfied with the skill development measures (Int 7, 10, 54, 57)

The project's goal system and related documents do not explicitly refer to the **leave-no-one-behind** principle but consider objectives and interventions for additional disadvantaged groups. The module objective indicators M3 and M5 (on enhanced occupational competence and on job creation) define sub-targets for people under the age of 35, considering that youth unemployment is on average 13 percentage points higher than for other population groups (see ISED 2018a: 12). A further contribution to the leave-no-one-behind principle was provided by the implemented IB models, which aimed to improve livelihoods and create income sources for unemployed and underemployed local residents with limited access to other income sources.

Regarding its **contribution to gender equality**, the project generally pursued the gender-sensitive implementation of its measures (such as emphasising the participation of female trainees in skill development measures) but also implemented several measures specifically oriented towards the involvement and empowerment of women, such as digital skills trainings for female employees, digital literacy and online marketing training opportunities for female entrepreneurs in rural areas, the design of IB models aiming to create income sources for female target groups (such as spa therapists in wellness tourism, see ISED 2021h). Project monitoring revealed that target values for female participation in skill development were not fully met and proposed maximising 'women's involvement by designing (...) activities specifically targeting women and increase awareness among the key partners' (see ISED 2021c: 11). This self-assessment, however, assessed more the effectiveness of the applied gender strategy (see Section 4.4 on effectiveness) than the pertinence of ISED's gender focus and implemented activities. The evaluation still concluded that ISED was adequately designed to contribute to gender equality.

Overall, the core problem was confirmed, the project objective corresponded to the needs of the involved stakeholders, the different TVET and IB interventions were based on sound needs assessments, and gender mainstreaming aspects and the leave-no-one-behind principle were adequately considered. Relevance dimension 2 – Alignment with the needs and capacities of the beneficiaries and stakeholders – scores **28 out of 30 points**.

### **Relevance – Dimension 3: Appropriateness of the design**

Evaluating the appropriateness of the project design refers to the extent to which the methodological approach actually addressed the causes of the core problem as described in the project offer. The quality of the project concept, including results model, was assessed against current GIZ quality criteria.

As already mentioned in Section 2.2, it was discussed during the inception mission whether module objective indicator M5 on the number of additional jobs required in participating companies referred to an outcome level

or to an impact level result. There was a consensus among the interviewed project team representatives and the political partner that the project design was oriented more towards ‘maintaining jobs’ and ‘improving jobs’ (for example in terms of working conditions, job promotions and higher income) than towards creating a significant number of ‘new/more jobs’. ISED’s skill development measures mostly benefited target groups that were already in employment, whereas the supported IB models included the creation of new income sources, but were not designed to do so on the scale projected by indicator M5 (Int 4-7, 24, 27, 79).

Different designs (such as a stronger focus on MSME promotion as a job engine) could have been applied to maximise the contribution to job growth but this would have come at the expense of other aspects of the module objective. While the prioritisation of ‘better jobs’ over ‘more jobs’ would seem a plausible strategic decision, ISED stakeholders were not fully aware of this trade-off from the beginning of the project (Int 5, 24). The modification offer from 2018 adjusted the wording of the project objective from ‘capacities ... for promoting inclusive and sustainable employment’ to ‘capacities ... to create inclusive employment’ (ISED 2018b). Some partners still highlighted the objective of job creation during the inception mission but shifted emphasis towards the easier-to-replicate skill development measures and their effects on job quality at the time of main mission (Int 6, 43). The project management, however, was already aware at that time that indicator M5 did not fit with the current design and was not achievable, even without the negative external effects of the pandemic (Int 4, 5).

With the exception of indicator M5, the results model is plausible. Beyond the indicators, the end-line study also assessed – and confirmed – the validity of the underlying results hypotheses (see ISED 2021c: 5). The plausibility of the intended effects of TVET and IB models on individual capacity development, on the capacity of participating companies and on local entrepreneurship was confirmed by both project monitoring and interviewed partners (Int 11-13, 36, 43, 44, 58, 76, 77). The only ambiguity observed related to the intended transfer of the developed instruments and models to policy level. Interviewees recognised the project’s participatory approach as a contributor to the project’s effectiveness, but some also assumed that the limitation of most of the interventions to one testing site hampered their replicability (Int 6, 43, also ISED 2021f: 27).

All in all, with the exception of the indicator M5 (‘more jobs’), the design was suitable for achieving the module objective. Apart from that, the results model was plausible and largely confirmed by the end-line assessment. Relevance dimension 3 – Appropriateness of the design – scores **16 out of 20 points**.

#### **Relevance – Dimension 4: Adaptability – response to change**

This section assesses the suitability of any adjustments to the methodological approach(es) due to changes in the external framework conditions.

Early in the project, at the end of 2018, the project received an additional 3 million euros to extend its scope and duration. The project was initiated with a focus on the sustainable tourism sector only. The modification expanded the activities to the manufacturing sector, thereby extending the duration from three to four years. Apart from the mentioned detachment of the macro-level output into the new ‘Technical System Reform’ module (see chapter 4.1), the modification offer did not result in any major strategic or methodological changes because the extension had been envisaged since the planning phase and had already been announced in the first project proposal (see ISED 2016a: 16).

The main changes in the framework conditions were caused by the coronavirus pandemic (see ISED 2021f: 29ff). Although the overall methodological approach remained relevant under the pandemic conditions, operational planning underwent considerable adjustments. From the beginning of the crisis, the project pursued a systematic response by developing a comprehensive contingency plan (ISED 2020e) that identified response measures and vulnerabilities. Response measures included adaptations down to the level of each main activity (e.g. modifications in training formats, use and dissemination of online communication tools, reprioritisations and postponements) as well as new activities to strengthen the partners’ capacity to deal with the situation.

These activities included, for example, (a) the introduction of an online learning platform at the Ministry of Tourism and Creative Economy and (b) a study entitled 'Impact of Digitalisation on the Employment Opportunity in the Tourism Sector of Lombok' designed to help the tourism industry cope better with the impact of the pandemic and prepare for the recovery period (see ISED 2020f: 38). Interviewed partners generally appreciated ISED's risk management and structured reaction to pandemic constraints (see, for example, Int 35, 37, 38, 51-53, 58, 64).

The contingency strategy allowed the last 15 months of the project to be completed with a realistic, needs-oriented set of activities and without major setbacks. Although some interventions were more affected by the pandemic than others, the impact on goal-attainment at outcome level was kept to a minimum. The negative effect on impact-level indicators was more severe (see Section 4.5) but is outside the scope of influence of the project's contingency strategy. The project also managed to turn some of the response measures into opportunities for accelerated change processes. Beyond the necessary shifts from offline to online project operations, the project increased its emphasis on its digital agenda (that is digital skills development, smart factory/Industry 4.0, e-commerce, Int 24, see also ISED 2021f).

To sum up, ISED reacted to changes in the framework conditions in a pertinent manner, driven by systematic contingency planning and reflection on the vulnerabilities caused by the coronavirus pandemic. The response measures mitigated the negative effects of the pandemic, but also used opportunities to accelerate change processes. Relevance dimension 4 – Adaptability – response to change – scores **20 out of 20 points**.

### Methodology for assessing relevance

Table 6: Methodology for assessing OECD/DAC criterion: relevance

Relevance: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Alignment with policies and priorities</b>	<ul style="list-style-type: none"> <li>• Policies and strategies of the partner country</li> <li>• strategic orientation of the GDC in Indonesia, (sectoral and regional strategies)</li> <li>• policies and guidelines of BMZ (on education/TVET and private sector promotion)</li> <li>• reference framework of the 2030 Agenda</li> </ul>	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document analysis (strategy documents)</li> <li>• semi-structured interviews with stakeholders (BMZ, GIZ, partners at national level)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• evidence strength: high</li> </ul>
<b>Alignment with the needs and capacities of the beneficiaries and stakeholders</b>	<ul style="list-style-type: none"> <li>• Extent to which available evidence confirms the core problem</li> <li>• extent to which the project objectives coincide with the solution of the core problem</li> <li>• extent to which the project objectives address the needs of the target groups</li> </ul>	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document analysis (proposal, context analyses)</li> <li>• semi-structured interviews with intermediary target groups</li> <li>• focus groups with final target groups</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• evidence strength: high</li> </ul>
<b>Appropriateness of the design*</b>	<ul style="list-style-type: none"> <li>• extent to which the methodological approach actually addresses the causes of the core-problem described in the project offer</li> </ul>	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left; all data available as planned in</li> </ul>

	<ul style="list-style-type: none"> <li>• quality of the project concept according to current GIZ quality criteria</li> </ul>	<b>Empirical methods:</b> <ul style="list-style-type: none"> <li>• document analysis (project proposal, results model, context analyses)</li> <li>• semi-structured interviews with project staff</li> <li>• discussion with project team</li> </ul>	the inception phase <ul style="list-style-type: none"> <li>• evidence strength: high</li> </ul>
<b>Adaptability – response to change</b>	Pertinence of eventual adjustments of the methodological approach(es) due to changes in the external framework conditions. In particular <ul style="list-style-type: none"> <li>• modification offer from May 2018</li> <li>• adaptations to the conditions of the COVID-19 pandemic</li> </ul>	<b>Evaluation design:</b> The analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied. <b>Empirical methods:</b> <ul style="list-style-type: none"> <li>• Document analysis (modification offer, operational plans, COVID-19 contingency plan, monitoring,)</li> <li>• semi-structured interviews (project staff, national partners, regional and local intermediaries)</li> </ul>	<ul style="list-style-type: none"> <li>• data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• evidence strength: high</li> </ul>

\* The project design encompasses the project's objective and theory of change (GIZ results model, graphic illustration and narrative results hypotheses) with outputs, activities, instruments and results hypotheses as well as the implementation strategy (such as methodological approach, capacity development strategy, results hypotheses).

### 4.3 Coherence

This section analyses and assesses the coherence of the project. It is structured according to the assessment dimensions in the GIZ project **evaluation matrix** (see annex).

#### Summarising assessment and rating of coherence

Table 7: Rating of OECD/DAC criterion: coherence

Criterion	Assessment dimension	Score and rating
<b>Coherence</b>	Internal coherence	46 out of 50 points
	External coherence	40 out of 50 points
<b>Overall score and rating</b>		Score: <b>86 out of 100 points</b>
		Rating: <b>Level 2: successful</b>

Regarding internal coherence, synergies within German development cooperation concentrated on the TVET System Reform (TSR) module and the regional TC-module Regional Cooperation to Improve the Quality and Labour-Market Orientation of TVET (RECOTVET). Synergies with TSR included the transfer of developed models (ISED) to macro-level reform processes, the stimulation of upscaling processes for digital skill/Industry 4.0 training through the National Industrial Chamber (KADIN) and the transfer of the TVET 4.0 strategy (ISED) to the process of national TVET strategy formulation. Despite visible synergies, however, synchronisation of the different paces of macro vs. meso/micro level processes was challenging. RECOTVET played an important role in upscaling ISED's e-commerce training model to regional level. With regard to external coherence, ISED maintained its function as a facilitator, identified political drivers and implementers for each model, and thus complied with the principle of subsidiarity. Synergies with other donors were less relevant than anticipated in the project proposal.

**In total, the coherence of the project is rated as Level 2: successful, with 86 out of 100 points.**

## Analysis and assessment of coherence

### Coherence – Dimension 1: internal coherence

This section assesses the coherence of the project. This includes (a) the extent to which the project is designed in a complementary manner vis-à-vis other German projects in the sector; (b) the extent to which the projects of German development cooperation are interlinked, and (c) the extent to which the project is consistent with international and national norms and standards relevant for German development cooperation.

From the predecessors to the evaluated ISED module, the **configuration of German Development Cooperation in the sector** went through different phases:

- Until June 2017, SED-TVET and SREGIP focused on workforce development on the one hand, and private sector development on the other. SREGIP also included skill development measures within the supported value chains and business models, but obvious potential for synergies was not realised due to different regional scopes and stakeholder landscapes.
- In July 2017, both intervention areas were merged to create the new ISED module. TVET measures and IB development models for selected growth sectors and policy advice for the TVET reform agenda were combined to contribute to the promotion of inclusive employment. Managing the range of interventions within one single module should ensure synergies and a common focus.
- From July 2018 onwards, however, the macro level interventions were moved into the separate TSR module. At the same time, a programme framework was formulated as a common umbrella for ISED and TSR (Sustainable Economic Development and Technical and Vocational Education and Training/SED-TVET programme, see GDC 2018).

**Synergies between ISED and TSR** were pursued with regard to the TVET delivery system. The related output 2 of the TSR module aimed to use ‘measures to strengthen in-company training, and co-operative TVET’. Output indicators measured the private sector involvement in reform processes and the development of competences in digitalisation and Industry 4.0. The contributions of ISED and related synergies include:

- All skill development models developed by ISED are available and ready to be used by TSR as concrete good practices of labour-market oriented skills development.
- In-company trainers were made available by ISED. The TSR module introduced ISED and its Advancing Digital Skills training model (see Section 4.4) to the national Industrial Chamber (KADIN). Subsequently, 98 industry trainers from 20 KADIN member companies were trained as trainers for advanced digital skill training events. ISED’s results also contributed to the TSR-objective of strengthening the position of KADIN as a private sector representative in TVET policy development.
- Following the completion of readiness assessments on TVET 4.0 in 12 polytechnic schools, ISED contributed to the development of the TVET 4.0 strategy of the Ministry of Industry. TSR participated in the related discussions. It has been agreed that the TVET 4.0 strategy will be one of the references for the National TVET Strategy (Int 4, 5, 24, 33, 79).

Despite clearly visible synergies, interviewees also pointed to a challenge resulting from the separation of ISED and TSR into two different modules with different political partners and stakeholder environments. According to the module designs, results on the micro/meso level would serve as inputs at macro level while macro-level results would serve as a reference for work at meso and micro level. This is always difficult to ensure, due to the different pace of macro-level vs. meso-/micro-level processes. To split the contributions at both levels into two different modules, however, further hampered the synchronisation of interventions (Int 24).

Beyond bilateral development cooperation, ISED pursued **synergies with the regional TC-module Regional Cooperation to Improve the Quality and Labour-Market Orientation of TVET (RECOTVET)** which cooperates with regional organisations within the sphere of the Association of Southeast Asian Nations (ASEAN) with a focus on private sector cooperation in TVET and on improving education and training for TVET personnel.

The relevance of the interface has increased since the current phase of RECOTVET (from July 2020 onwards) started to focus on TVET system challenges related to digitalisation. The resulting synergy was the expansion of the skill development model on applied e-commerce for the hospitality industry to ASEAN level, in coordination with the Regional Open Learning Centre of the Southeast Asian Ministers of Education Organisation (SEAMOLEC). Among four batches of online training for TVET teachers conducted in March and April 2021, one batch was offered at ASEAN level. It is assumed that future replication will be coordinated by SEAMOLEC. Moreover, RECOTVET facilitated the transfer of the training model to a bilateral TC module in Cambodia (Regional Economic Development/RED IV, PN 2015.2150.9) (Int 24, 33, see also ISED 2021c). As part of the SED-TVET programme proposal from 2018, a **financial cooperation (FC) module** for the establishment of TVET Fund was envisaged but has not yet materialised (see GDC 2021).

With regard to compliance with **international norms and standards**, the project objectives are linked to several 2030 Agenda SDGs (see Section 4.2 on relevance). The project objective also contributed to the human right to work, which includes just and favourable conditions of work (Article 23 of the Universal Declaration of Human Rights, see UN 2015). Furthermore, Indonesia is a co-signatory to the G20 resolution on Inclusive Business (see G20 2015) as part of a pro-poor economic system and has increased its efforts to develop corresponding pilot projects for different economic sectors. The development of innovative IB models by ISED directly feeds into this process.

Considering the conceptual complementarity of the national and regional TC-modules, the synergies with the TC-modules TSR and RECOTVET, and the compliance with international standards, coherence dimension 1 – Internal Coherence – scores **46 out of 50 points**.

#### **Coherence – Dimension 2: external coherence**

This section analyses and assesses the coherence of the project. This includes (a) the extent to which the project supported the partner's own efforts (principle of subsidiarity), and (b) the extent to which the project design and implementation were coordinated with the activities of other development partners.

With regard to the **principle of subsidiarity**, the project methodology was based on assessing the needs of stakeholders, forming partnerships and identifying 'owners', that is political drivers and implementers for each intervention. ISED consistently avoided substituting partner efforts and concentrated on facilitating partner activities and providing necessary conceptual inputs and stakeholder management support (Int 24, 79).

At the overall project steering level, the role of ISED was more prominent. Whereas political drivers and implementers were identified for each TVET or IB model, GIZ was perceived as 'the conductor of the orchestra' for overall steering (Int 58). At this level, ISED cooperated with the political partner BAPPENAS, which was highly engaged in facilitating communication and coordination with the involved line ministries and promoted validated models. According to the perception of several German and Indonesian interviewees (Int 4-5, 27-28, 30), the ministries involved tend to work in isolation from each other so that BAPPENAS may not be in a position to assume the overall coordinating function of ISED in the facilitation of the transfer of good practices into policy processes. It must be noted that this observation is not considered a design issue but just explains the ISED's position in the light of the situation regarding other partners. In general, ISED's methodological approach complied with the subsidiarity principle.

**Synergies with other donors** were less relevant than anticipated in the module proposal, partly due to the detachment of the macro-level interventions. Consequently, coordination processes at national level were attended by the TSR module. Although several development partners are active in the fields of private sector development and TVET, potential synergies are largely dependent on the specific project topics, the regional focus and related stakeholder landscapes. In the case of ISED, potential synergies were therefore limited. According to the project offer, it was assumed that the Polytechnic Education Development Programme (PEDP)

of the Asian Development Bank could have played a role in the upscaling of TVET courses developed by ISED. Since there were no regional and only a few thematic interfaces between both projects, no direct cooperation between these development partners took place during the ISED implementation period (Int 40). Except for the Asian Development Bank's interest in including the ISED model for e-commerce training in a publication (see ISED 2021c: 59), dissemination processes have not yet started either. The Swiss State Secretariat for Economic Affairs (SECO) played a role in the dissemination of results of the predecessor project SED-TVET (for example by contributing to the up-scaling of the Teaching Factory concept, see ISED 2018c), but was less involved in the current ISED interventions. Expected potential synergies with the SECO project Sustainable Tourism Education Development in Lombok did not materialise since a SECO-supported polytechnical school did not become functional within the time frame of ISED (Int 80). However, SECO and GIZ regularly shared their experience. Moreover, SECO's project school may still adopt TVET instruments and course content in the future. No significant coordination or cooperation with donors in the ISED-supported provinces (World Bank, Asian Infrastructure Investment Bank) was reported. However, interviewees did not report any missed potential for synergy either (Int 24, 40, 79, 80).

Considering the generally high compliance with the subsidiarity principle and the limited synergies (but also limited potential for synergies) with other development partners, coherence dimension 2 – external coherence – scores **40 out of 50 points**.

### Methodology for assessing coherence

Table 8: Methodology for assessing OECD/DAC criterion: coherence

Coherence: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Internal coherence</b>	<ul style="list-style-type: none"> <li>• Extent to which the project is designed in a complementary manner vis-à-vis other German projects in the sector</li> <li>• extent to which the instruments of GDC are inter-linked</li> <li>• extent to which the project is consistent with norms and standards to which GDC is committed</li> </ul>	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document analysis (standard documents from GDC programmes and modules)</li> <li>• semi-structured interviews (BMZ, GIZ sectoral/regional department, project staff)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• evidence strength: high</li> </ul> <p>Criterion was not considered in the inception phase (not yet part of the evaluation framework).</p>
<b>External coherence</b>	<ul style="list-style-type: none"> <li>• Extent to which the project supports the partner's own efforts (principle of subsidiarity)</li> <li>• extent to which the project design and implementation were coordinated with the activities of other development partners</li> </ul>	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• Document analysis (progress reports, monitoring, documents of development partners)</li> <li>• semi-structured interviews (project staff, development partners)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• evidence strength: medium (interviewees of further development partners did not fully cover interfaces)</li> </ul> <p>Criterion was not considered in the inception phase (not yet part of the evaluation framework).</p>

## 4.4 Effectiveness

This section analyses and assesses the effectiveness of the project. It is structured according to the assessment dimensions in the GIZ project evaluation matrix (see Annex 1).

### Summarising assessment and rating of effectiveness

Table 9: Rating of OECD/DAC criterion: effectiveness

Criterion	Assessment dimension	Score and rating
<b>Effectiveness</b>	Achievement of the (intended) objectives	28 out of 30 points
	Contribution to achievement of objectives	27 out of 30 points
	Quality of implementation	20 out of 20 points
	Unintended results	20 out of 20 points
<b>Overall score and rating</b>		Score: <b>95 out of 100 points</b> Rating: <b>Level 1: highly successful</b>

Goal-attainment is high since the project achieved four out of five indicators – partly over-performing by doubling or tripling the target values. The outcomes included improved company capacities, increased trainee skills, the successful implementation of inclusive business models sustained by competent private lead companies and multi-stakeholder networks and the transfer of tested TVET and IB models and instruments to policy-making processes. Results hypotheses on the project’s contribution to better workplace quality of the workers who benefitted (through TVET and skill development measures) or of local residents (through IB models) and to the adoption of innovative models in policy-making were confirmed. Several positive unintended effects were reported at the level of individual interventions, including the involvement of additional stakeholders, the involvement of additional target groups, additional business ideas of beneficiaries or increased awareness of cross-cutting topics (e.g. environmental protection), among others.

**In total, the effectiveness of the project is rated Level 1: highly successful, with 95 out of 100 points.**

### Analysis and assessment of effectiveness

#### Effectiveness– Dimension 1: Achievement of the (intended) objectives

Table 10 provides a short overview of the quality of the indicators, adaptations for the evaluation and indicator achievement (current values at the time of the evaluation vs. target values). Subsequently, a detailed quantitative and qualitative analysis of each outcome level indicator is carried out:

Table 10: Assessed and adapted objective indicators for specific modules (outcome level)

Project’s objective indicator according to the (last modification) offer	Assessment according to SMART* criteria	Specified objective indicator
<p><b>M1:</b> Citing specific practical examples, 50 private sector stakeholders proved that the project’s measures have improved their capacities in one of the following areas: (a) training/development of human resources, (b) Industry 4.0/digitalisation, (c) supply chain/supplier management.</p> <p>Base value (2018): 0 Target value (06/2021): 50</p>	<p><b>Specific/Measurable:</b> yes (considering operational definitions) <b>Achievable:</b> yes <b>Relevant:</b> yes <b>Time-bound:</b> yes The results matrix indicator is still vague in terms of specifying the intended change. A thorough operationalisation was elaborated</p>	No adaptation

Project's objective indicator according to the (last modification) offer	Assessment according to SMART* criteria	Specified objective indicator
<p>Current value (06/2021): 50 Achievement: 100% Source: Company survey</p>	<p>for monitoring purposes (including a definition of 'practical examples', specification of the stakeholders and relevant capacities).</p>	
<p><b>M2:</b> Jointly prepared recommendations by government stakeholders, companies and associations with regard to the promotion of employment and improved cooperation between the public and private sectors on topics such as inclusive business models, TVET, and Industry 4.0 action plan and digitisation, have been adopted in 5 policy-making processes in a verifiable manner.</p> <p>Base value (2018): 0 Target value (06/2021): 5 Current value (06/2021): 11 Achievement: 100% (or 220% if overachievement is considered) Source: Analysis of documents covering policy-making procedures (legal texts/regulations, documents of government bodies, etc.)</p>	<p><b>Specific/Measurable:</b> yes (considering operational definitions) <b>Achievable:</b> yes <b>Relevant:</b> yes <b>Time-bound:</b> yes Similar to M-1, the results matrix indicator leaves room for interpretation. Sufficiently specific operational definitions (what counts as a jointly prepared recommendation? what counts as a policy-making process?), however, have been formulated for monitoring purposes.</p>	<p>No adaptation</p>
<p><b>M3:</b> Twenty participating companies have confirmed that the occupational skills of 80% of 1,000 apprentices and employees, of whom 40% were women and 60% were under the age of 35, have improved by two levels, when measured on a scale of 1-6.</p> <p>Base value (2018): 0 Target value (06/2021): 80% of 1,000 (i.e. 800); women: 40% of 800 (i.e. 320), youth: 60% of 800 (i.e. 480) Current value (06/2021): 68% of 2,996, (i.e. 2,043); women: 30 of 2,043 (i.e. 623), youth: 51% of 2,043 (i.e. 1,041) Achievement: based on absolute numbers: 100% (or overall: 204%, women: 195%, youth: 167%) Source: Pre-/post-test survey for trainees</p>	<p><b>Specific/Measurable:</b> yes (considering operationalisation of measurement scale in monitoring) <b>Achievable:</b> yes <b>Relevant:</b> yes <b>Time-bound:</b> yes The indicator mostly complies with SMART criteria with the exception of the scale specification, which has not yet been defined in the project offer. For monitoring purposes, however, the scale and methodology were operationalised.</p>	<p>No adaptation</p>
<p><b>M4:</b> Four participating companies (two of which are in tourism and two in manufacturing) implemented business models propagated by the project in their company or supply chain. In turn, these models contributed to inclusive and sustainable employment.</p> <p>Base value (2018): 0 Target value (06/2021): 4 Current value (06/2021): 17 Achievement: 100% (or 425% if overachievement is considered) Source: baseline survey and follow-on assessments of four companies on the basis of the defined business models</p>	<p><b>Specific:</b> partly (see comment) <b>Measurable:</b> yes <b>Achievable:</b> no <b>Relevant:</b> yes <b>Time-bound:</b> yes The formulation of the indicator seems to imply two sequential targets (business model implementation → job creation). The focus, however, is on implemented business models. 'Contribution towards inclusive and sustainable employment' is treated as a qualitative verifier, not in the sense of target threshold for a 'successful' business model but of its conceptual orientation.</p>	<p>No adaptation</p>
<p><b>M5:</b> A sample of participating companies and their suppliers in the promoted sectors, with a total of 5,000 direct and indirect employees, shows a 20% increase in the number of jobs required over the next three years as a result of the measures taken by the project,</p>	<p><b>Specific:</b> No (impact level indicator) <b>Measurable:</b> yes <b>Achievable:</b> No (see Section 4.6) <b>Relevant:</b> yes</p>	<p>Indicator used for the impact assessment.</p>

Project's objective indicator according to the (last modification) offer	Assessment according to SMART* criteria	Specified objective indicator
of which 60% are for individuals under the age of 35 (male and female).	<b>Time-bound:</b> yes The indicator is relevant and specific for the impact level → see explanation in Section 2.2 and the adjustment of the system border.	
* SMART: specific, measurable, achievable, relevant and time-bound		

*Assessment of Indicator M1: Citing specific practical examples, 50 private sector stakeholders prove that the project's measures have improved their capacities in one of the following areas (a) training/development of human resources, (b) Industry 4.0/digitalisation, (c) supply chain/supplier management.*

Project monitoring showed that 84 companies were involved through the participation of their employees in skill development measures and subsequent in-company applications, and 15 companies were involved in inclusive business activities. During the last project year, 77 partner companies in the TVET field were requested by the project to fill out a questionnaire about their satisfaction regarding capacity development. Of these 77 contacted companies, 10 were permanently or temporarily closed due to the effects of the pandemic. Of the remaining 67 companies, 50 partner companies reported capacity improvement, 1 company reported insignificant improvements and 16 companies did not respond (see ISED 2021c: 87). Companies were counted for the indicator only when capacity improvement was clearly described or exemplified. Depending on the field in which training took place, companies highlighted aspects such as employees' improved technical skills and the minimisation of technical skill gaps, improved programming and IT-troubleshooting skills, added value to ongoing processes of implementing the digital transformation in the company, and improved capability in using digital tools for business.

Photo 1: Participants of an Industry 4.0 skill development measure (Source: Evaluation team).



Interviews held with manufacturing companies and hotels confirmed the positive results of the end-line study. All interviewees highlighted the positive effects on the technical and soft skills of their employees. Specific examples of the transfer of skills into the productive or business processes of the company were mainly provided

by companies in the manufacturing sector. In the hotel industry, the shutdown of the sector 'left [many hotels] unable to see the effects of the training' except for some interviewees that highlight the usefulness of acquired e-commerce skills to better position themselves for the start of domestic tourism. Interviewed management staff members from the hotel industry, however, were optimistic that trained staff could be retained and that upgraded skills could still be turned into improved company capacities once the sector reopens (see ISED 2021c, Int 7, 10, 63, 74).

Overall, indicator M1 has been **fully achieved**. The additional interviews confirm this picture for the manufacturing sector. Concerns expressed by interviewees in the hotel industry relate to the temporary shutdown, which might challenge the sustainability and long-term effects of the skill development but do not question the achievement of the indicator.

*Assessment of Indicator M3: 20 participating companies have confirmed that the occupational skills of 80% of 1,000 apprentices and employees, of whom 40% were women and 60% were under the age of 35, have improved by two levels, when measured on a scale of 1 to 6.*

The indicator combines outcomes of output 2 (skill development measures for formal workers, that is trainees and employees working for the companies involved) and output 3 (skill development measures carried out in the context of inclusive business models). Overall, ISED reached 2,996 trainees and employees from 85 participating companies (1,828 participants from 82 companies in output 2 and 1,168 participants from 3 companies or their supply chains in output 3). The increase in occupational skills was measured by comparing pre-tests before training with post-tests after training. Tests were usually based on a score between 0 and 100 which was converted to the 1-to-6-scale following standardised criteria. The test methodology was usually based on written questions and answers but in some cases also included observation of the participants' proficiency.

The end-line study reports an improvement of 2 points on the 1-to-6-scale for 76% of the participants in output 2 (1,828 trainees) and 55% of the participants in output 3 (648 trainees). Overall, approximately two thirds or 2,043 of the trainees comply with the requirement of the indicator. Though the share of successful participants is moderately lower than the target (68% instead of 80%), the absolute number is far higher than originally intended as it triples the originally intended number of participants, thus resulting in the above-mentioned 2,043 successful cases (68% of 2,996) vis-à-vis a target number of 800 (that is 80% of 1,000). The conclusion for the share of women and workers under the age of 35 is similar. The project falls somewhat short of the target shares, with 30% of successful female participants (623 out of 2,043, compared with the target of 40%, equalling 320 successful female participants) and 51% of workers under the age of 35 (1,041 out of 2,43 successful cases, compared with the target of 60%, equalling 480 successful cases). However, the numbers also show that the project reached a higher absolute number of beneficiaries due to the higher overall number of training participants. Whereas the share of women and girls in ISED reflects occupational patterns in the target industries, the share of younger workers' participation obeys diverging dynamics, in other words the reluctance of some employers to send younger workers to formal training to avoid staff hijacking versus the dominant targeting of young workers with certain educational background as participants of trainings on specific subjects such as digitalisation. Although the end-line report reflects on strategies to better target women and young workers, the evaluation considers the achieved results to be in line with the requirement of the indicator. Overall, indicator M3 has been **fully achieved**.

*Assessment of Indicator M4: four participating companies (two of which are in tourism and two in manufacturing) implement business models propagated by the project in their company or supply chain. In turn, these models contribute to inclusive and sustainable employment.*

The indicator captures the outcome of output 3 on IB models. Project monitoring considers six IB implemented models – a seventh IB model was implemented but not counted since it is not based on a memorandum-of-understanding (MoU) signed by the partners involved. The number of companies that have contributed to the

implementation of IB models far exceeded expectations, reaching 17 companies or associations (2 from manufacturing, 15 from sustainable tourism) by the end of the project term. The supported IB models are:

- **Wellness tourism in Bilebante village** (private partners: Martha Tilaar Group, Panorama Group, Santika Hotel Mataram, Allianz Indonesia)
- **Coffee commodity in Sembalun village** (private partners: Anomali Coffee, Lion Parcel, Sustainable Coffee Platform of Indonesia)
- **Culinary in Bilebante, Sembalun and Mandalika** (private partners: Artisanal Culinary School Javara, New Generation of Indonesian Cooking)
- **Waste management with black soldier flies (BSF) in Mandalika** (Pro BSF and producers of organic waste from several branches)
- **Inclusive tourism** (private partner: Panorama Group)
- **Promotion of organic coconut sugar in Kulon Progo** (private partner: Aliet Green)
- **Promotion of banana in Lampung** (private partner: Great Giant Pineapple)

The IB models differ in their objectives, individual dynamics, maturity and outcome. For a short description and assessment of each model, see the next section on contribution analysis. Overall, 1,167 local residents were involved in training activities (see indicator M3) aimed at creating job opportunities – 527 of them women (such as female farmers and spa therapists). Project monitoring showed that, 772 local residents obtained employment directly and indirectly or improved working conditions as a result of participating in new markets and being (better) integrated into supply chains. Overall, indicator M4 has been **fully achieved** from a quantitative perspective (the number of companies implementing IB models) and mostly achieved in terms of the already observed workplace improvement or employment creation (data according to end-line study ISED 2021c, and ISED 2021f).

*Assessment of Indicator M2: Jointly prepared recommendations by government stakeholders, companies and associations with regard to the promotion of employment and improved cooperation between the public and private sectors on topics such as inclusive business models, TVET, and Industry 4.0 action plan and digitalisation, have been adopted in 5 policy-making processes in a verifiable manner.*

Project monitoring identified 11 project inputs adopted in policy processes – 4 in the area of TVET, Industry 4.0 and digitalisation, and 7 in the area of inclusive business – of which 5 highlighted processes (i.e. the number of processes required to meet the target value) are briefly explained below:

- Based on previous cooperation with a polytechnical school, ISED developed an industry-driven curriculum and syllabus on programmable logic controller (PLC) and an **assessment tool for the readiness of polytechnics in preparing human resources for Industry 4.0**. The tool was applied to 12 polytechnics and accepted by the Ministry of Industry for further use to orient its activities on the development of human resources for Industry 4.0 (Int 24, 35)
- The Ministry of Industry also requested ISED support for the elaboration of a **TVET 4.0 Strategy to enhance digitalisation of TVET** in polytechnic schools. The strategy has been approved by the Ministry. A process for feeding the content into the upcoming national TVET Strategy was set in motion (Int 35).
- The project helped the National Industrial Chamber KADIN develop a **Sustainability Framework Strategy in Advancing Digital Skills for Industry 4.0** which defines the Chamber's further engagement in improving the human resources capacity for Industry 4.0. The activities include the replication of training opportunities developed by ISED (Smart Factory, Data Science) (Int 24, 35, 69).
- The e-commerce training opportunities developed and conducted by ISED for the hotel industry in Lombok were upscaled by the Ministry of Education and Culture and SEAMOLEC. The initiative for **Industry Driven Skill Development in E-Commerce for Hospitality Industry** aimed to equip TVET institutes with internal capacities on e-commerce to increase their independence from instructors recruited from the industry. Follow-up by the Ministry of Education and Culture will include the dissemination of learning material and the integration of the ISED module in vocational school (polytechnics) curriculums (Int 41).

- Based on the **IB model on waste management using BSF**, the Environment and Forestry Office of West Nusa Tenggara requested policy support for organic waste management. ISED supported a regulatory analysis which was used to draft a Governor Regulation on Extended Producer Responsibility to maximise the involvement of companies (such as the food industry and restaurants) in organic waste management. The regulation is expected to come into effect by December 2021, see ISED 2021c: 36).

Monitoring highlighted other policy-making initiatives in the field of inclusive business, such as (a) support for the Masterplan on Wellness Tourism Village of the Ministry of Tourism and Creative Economy, (b) the development of a regulatory framework for wellness tourism villages, (c) an initiative by the Ministry of Village to replicate the capacity development for local coffee baristas, (d) a regulatory analysis on culinary entrepreneurship with the Ministry of Cooperatives and Small and Medium Enterprises (MoCSME) to prepare national guidelines on the matter, (e) the elaboration of guidelines for the MoCSME for the strengthening of the intermediary role in inclusive business, and (f) guidelines on cloud kitchen for the MoCSME<sup>2</sup>. The policy transfer initiatives counted during the project monitoring process differ in scope (national vs. regional), relevance (support to specific up-scaling initiatives vs. general orientation) and stage of policy process (approved plans or regulations vs. inputs into early stages of policy formulation). However, the number of initiatives that comply with the requirement of the indicator exceeds the target value. Overall, the indicator has been **fully achieved**.

The evaluation team comes to the conclusion that project objective indicators M1 to M4 were fully achieved or surpassed by the end of the project. The deduction for below-target shares of women and workers under the age of 35 is minimal since the absolute numbers reached were higher than intended for both groups (due to the high absolute number of participants). As agreed during the inception mission, indicator M5 was not used to assess effectiveness. Effectiveness dimension 1 – Achievement of the (intended) objectives – scores **28 out of 30 points**.

### Effectiveness – Dimension 2: Contribution to achievement of objectives

Table 11: Results hypothesis 1 for effectiveness

<b>Hypothesis 1</b>	Better occupational skills (resulting from needs-based TVET courses) lead to better workplace quality (for example, regarding salary, promotion)
<b>Main assumptions</b>	Better occupational skills improve work performance, which is recognised by employers, for example through promotions and/or increased salary
<b>Risks/unintended results</b>	Lay-offs and temporary closures of businesses during the COVID-19 pandemic
<b>Alternative explanation</b>	(-)
<b>Confirmed/partly confirmed/not confirmed</b>	Confirmed

ISED implemented a broad range of TVET/skill development measures in the areas of manufacturing and sustainable tourism and on the following subjects:

- **Manufacturing:** (a) data science, (b) digital marketing, (c) robotic process automation, (d) programmable logic controller, (e) smart factory/Industry 4.0, (f) soft skills
- **Sustainable tourism:** (a) digital skills for female hoteliers, (b) e-commerce, (c) human resources development, (d) soft skills

<sup>2</sup> For a short explanation of the cloud kitchen concept, see the Wikipedia article [https://en.wikipedia.org/wiki/Ghost\\_kitchen](https://en.wikipedia.org/wiki/Ghost_kitchen)

The immediate effects on the improvement of occupational skills were assessed in the previous section (indicator M3). Pre-test-post-test measurement during the monitoring process documented the effects for 1,816 workers in 84 companies. Despite differences between the manufacturing sector (with a higher rate of learning apprehension) and the sustainable tourism sector, the positive effect on occupational skills has been proven across the entire portfolio of TVET/skill development measures.

Regarding the effect of the training measures and improved occupational skills on workplace quality, tracer data was gathered as part of the project monitoring process. The available data shows that (a) a minimum of 47 employees in 8 companies received departmental promotions; (b) 15 employees received salary increases of 3–17% after having their work performance assessed by superiors, and (c) 92 employees in 4 companies have better working conditions (such as a change from temporary to permanent employment status, increased job efficiency through the use of digital tools, increased job security through the obtainment of professional certifications, see ISED 2021f: 54). The overall gross effect on workplace quality cannot be quantified because (a) there are no means to establish a counterfactual situation, that is access of employees in a comparable scenario without ISED interventions, (b) the data represent a lower-bound estimate, and it is improbable that all relevant changes have been reported by the involved companies, and (c) the situation during the COVID-19 pandemic is highly dynamic, in other words, numbers could change rapidly in the event of lay-offs, temporary closures or (particularly in the tourism sector) the permanent closure of businesses.

Nevertheless, the reported effects provide sufficient evidence that the TVET measures have had a relevant effect on the workplace quality of a number of training participants. Promotions and their direct relationship with the training participation were also confirmed by company managers interviewed during the evaluation mission (Int 14, 15, 63). Although the numbers may not seem high at first, they have to be interpreted against the backdrop of serious external constraints (that is massive layoffs at the beginning of the pandemic, temporary shut-down of entire industries). Thus, the **hypothesis is confirmed (evidence: medium to high)**.

Table 12: Results hypothesis 2 for effectiveness

<b>Hypothesis 2</b>	The implementation of inclusive business models leads to better workplace quality and income opportunities for local residents
<b>Main assumptions</b>	There is a market and demand for products and services supported by the inclusive business models
<b>Risks/unintended results</b>	In the tourism sector, high dependence on how things develop as the COVID-19 pandemic progresses and response measures; several unintended results, such as the involvement of additional stakeholders and target groups, additional areas of activity and business ideas (see evaluation dimension 4)
<b>Alternative explanation</b>	(-)
<b>Confirmed/partly confirmed/not confirmed</b>	Confirmed

To explain the extent to which the IB models contribute to the creation of new markets, the improvement of supply chains and to the improvement or creation of employment, the contributions made by each individual IB model are briefly assessed below:

- **Wellness tourism in Bilebante village:** The IB model involved the community in the drawing up of a master plan for the development of a wellness tourism village. The plan consisted of an integrated set of interventions that ranged from training for spa therapists and the establishment of herbal gardens to organising festivals and events. By April 2021, 364 villagers had attended training on some aspect of wellness tourism to obtain an income. Before the start of the COVID-19 pandemic, at the end of 2019, 190 residents had increased their income by an average 130 euros per month. Certain niches, such as herbal products that are in high demand, kept generating income even during the pandemic. Interviewed national

partners consider the wellness tourism village to be ISED's flagship project and highlight its potential for replication in the post-pandemic period (Int 6, 43, 44; see also Section 4.5 on impact).

- **Coffee commodity in Sembalun village:** The IB model consisted of the promotion of good coffee farming practices (seedling technique, soil work, planting and harvesting) to upgrade coffee as a superior local product, stimulate business relationships with external enterprises and train local baristas to support the coffee shop business as a source of inclusive income. According to involved stakeholders, the business model has proven viable even during the pandemic and creates additional income for coffee farmers as well as for coffee shop entrepreneurs (FG 1, Int 46, 59; see also ISED 2021f: 21ff)
- **Culinary in Bilebante, Sembalun and Mandalika:** This IB model encouraged local residents to explore cultivating and processing local food resources. Its aim was to support local entrepreneurship in the food business (see ISED 2021f). The model was severely affected by the COVID-19 pandemic, which meant that no employment and income outcomes were discernible at the time of the evaluation. ISED culinary training included an additional training unit called 'survival during the COVID-19 crisis' (see ISED 2020e).
- **Waste management using BSF in Mandalika:** The use of BSF larvae is an effective and environmentally beneficial way of quickly processing organic waste and producing compost. Excess larvae have an additional economic value as animal food (see MEL 2021f: 92f). The IB model included training on the use and management of BSF, the installation of a BSF processing site and a multi-stakeholder cooperation (private investors, local government). Although it is still a small-scale model (four female employees at the processing centre), replications are planned in up to five other locations. BSF waste management in Sengkol has, however, been badly hit by the pandemic since food waste reduced drastically due to the shutdown of the hospitality sector. At present, the BSF site doesn't receive the daily volume of waste it needs to make the method viable. Interviewees also stated that the institutional set-up is not yet consolidated (Int 49, 51).
- **Inclusive tourism:** For the IB model on inclusive tourism, ISED and the tourism and hospitality company Panorama Group, in conjunction with several ministries, implemented online training opportunities for MSMEs in the tourism sector, reaching 1,884 participants. The activity was not implementation oriented but intended to bridge the pandemic situation and equip local target groups with knowledge and skills for the post-pandemic period.
- **Promotion of organic coconut sugar in Kulon Progo:** The project cooperated with the organic sugar export company Aliet Green to carry out value chain actor development activities in Yogyakarta, based on a concept of Creating Shared Value (CSV). It included the development of the technical capacity of farmers in hybrid coconut cultivation, soft skill development, empowering female farmers through financial literacy training and capacity-building related to certification for organic products. Project monitoring showed that 336 coconut sugar farmers managed to improve the quality of their working conditions, about 70% of whom managed to generate additional income of between 50 and 100 euros per month.
- **Promotion of banana in Lampung:** The IB model for banana plasma farmers in Great Giant Pineapple's supply chain focused on capacity development in entrepreneurship, financing and administration, including an expansion plan based on farmer partnerships. While some activities were hampered by the pandemic situation (such as the cancellation of field visits for need assessments), other activities were delayed. This meant that the benefits for the farmers involved had not yet materialised at the time of the evaluation. (Int 57)

The results hypothesis has not been falsified for any of the IB models. However, in some cases, the delays (such as the promotion of banana in Lampung) or setbacks (such as waste management with BSF) caused by the COVID-19 pandemic kept the intended outcome from materialising until the end of the project term. Any observable effects on workplace quality and income generation during the project term were largely restricted to the two IBs on wellness tourism (approximately 50% of the 364 beneficiaries reported average income increases of 130 euros) and on organic coconut sugar promotion (approximately 70% of the 336 beneficiaries reported increased income in the range of 50 to 110 euros). In the case of the IB on wellness tourism, the shutdown of the tourism sector also halted the new economic activities, except for some niches such as herbal products (in 2020, increased income is still reported for 34 residents in Bilebante). BSF waste management (10 people with

new jobs in Sengkol village) and coffee commodity in Sembalun (12 people with additional jobs or additional income until March 2021) only contribute a minor number of beneficiaries, although the promotion of improved coffee farming and local coffee shops is assumed to have already been generating higher quantities at the time of the evaluation. Although there certainly were contributions to the creation of new employment (such as spa therapists, BSF waste management, baristas), they play a minor role compared with the more frequently reported income gains. Several of the IB models (such as those on wellness tourism, BSF waste management and organic coconut sugar) particularly and successfully promoted income opportunities and better workplace quality for female target groups.

For all reported results, there is an immediate causal relation between the described interventions and the observed outcome. Public or private partners contributed own resources to the initiatives (financial, instructors, coaches) as part of the project, but no external factors were identified that could have contributed to the same results. Overall assessment: **Hypothesis confirmed (evidence: high).**

Photo 2: Spa therapists (IB model on wellness tourism) (Source: Evaluation team).



Table 13:: Results hypothesis 3 for effectiveness

<b>Hypothesis 3</b>	The availability of good practices in TVET and validated inclusive business models and their translation into policy recommendations lead to the adoption of innovative instruments/models in the policy-making process.
<b>Main assumptions</b>	The TVET practices and inclusive business models are developed in close interaction with the responsible ministries and therefore cater to their political agenda.
<b>Risks/unintended results</b>	(-)
<b>Alternative explanation</b>	(-)
<b>Confirmed/partly confirmed/not confirmed</b>	Confirmed

Training measures in the sustainable tourism sector were developed in cooperation with 2 TVET institutions (such as polytechnic schools) and 11 TVET institutions in the manufacturing sector. Two types of good practice were systematised for replication or transfer to policy processes: (a) the training courses themselves and relat-

ed instruments, that is curricula, syllabi, facilitator/training-of-trainer guides specific to the topics and (b) methodological innovations, that is pre-test-post-test methodologies, project-based multiplication guides.

Whereas the TVET courses and instruments are easy to standardise for replication, the inclusive models are specifically designed to respond to the local context, stakeholders and needs. For this reason, transfer to policy processes does not mean primarily pursuing the replication of models in the narrower sense, but identifying lessons learned, specific contents and methodologies for their consideration in policy processes. Inputs prepared for the policy level include (a) the master plan on the Wellness Tourism Village, (b) a regulatory analysis for Wellness Tourism, (c) the capacity development strategy and tools for local barista with private sector engagement, (4) the model on organic waste management with BSF, (5) a model on strengthening the intermediary roles in inclusive business in the agricultural sector and (6) the model for the promotion of the culinary IB model.

The extent to which innovative instruments/models have been adopted in policy processes was discussed for the assessment of indicator M2 (see previous section). Despite differences in the scope, relevance and stage of policy processes, the indicator was considered fully achieved. This means that policy processes stimulated by ISED are underway – already including replications in the case of some TVET instruments (such as e-commerce, Industry 4.0). However, the integration into broader reform processes will, of course, be a more complex and non-linear process. Still, ISED's government partners highlighted the added value of the documented models and instruments for their strategic orientation, and they provided examples of how specific ISED-driven concepts have influenced on-going policies (for example, the Ministry of Tourism in relation to the conceptual framework for the promotion of tourism villages). Despite the presence of other donors in the thematic fields of the project, they do not overlap in specific intervention areas (see also Section 4.2 on coherence), so that identified added values for the policy process can be attributed to the project: **Hypothesis confirmed (evidence: medium)**

Overall, the three results hypotheses for effectiveness have been confirmed. Regarding hypotheses 2, the project effects of TVET measures on workplace quality can be shown for a limited number of employees, but the full potential cannot yet be quantified under COVID-19 pandemic conditions. Effectiveness dimension 2 – Contribution to achievement of objectives – scores **27 out of 30 points**.

### **Effectiveness – Dimension 3: Quality of implementation**

The assessment of the quality of implementation takes into account selected capacity works success factors (strategy, cooperation, steering, processes, learning and innovation) and results-oriented monitoring.

The project **steering structure** considered three levels:

- a political-strategic steering committee involving all national key stakeholders (BAPPENAS, ministries and private sector representatives) to monitor overall project progress once a year and to take key-political strategic decisions concerning ISED,
- regular management meetings with the political partner and executing agency BAPPENAS for the joint planning and monitoring of the implementation process and
- different types of stakeholder partnerships at implementation level.

This steering structure was mirrored by analogue levels of GIZ team meetings. Overall, the steering structure was conducive to ensuring the ownership of involved partners at each level and smooth communication from the steering down to the implementation level (Int 4-6). This includes a clear and binding communication of the project's **strategy**. Interviews during the evaluation showed that stakeholders at all levels were aware of the objectives and approach of the project or the intervention in which they were involved.

The project put much emphasis on building and facilitating **cooperation** structures and processes between stakeholders to ensure that counterparts could assume responsibility for implementation processes. For exam-

ple, one focus in TVET was increasing cooperation between TVET institutions and the private sector as a prerequisite for industry-driven training. To ensure viable institutional and organisational frameworks for IB models, the project facilitated the conformation of public-private multi-stakeholder partnerships, which were all formalised by MoUs to assure a common understanding of the roles, functions and contributions of each party (see project monitoring). One output of the project (output 4) was exclusively dedicated to preparing the cooperation structures and stimulate the related dialogue processes (see project proposal, ISED 2018a).

A key factor in navigating the unstable framework conditions was that the project made significant efforts to be both a **learning** system and a facilitator of learning. For that purpose, it implemented a comprehensive monitoring system that had an excellent architecture and process management system (for a description of the system elements, see Section 3.1 on evaluability). Yearly monitoring, evaluation and learning (MEL) reports were published to reach a wider audience. The monitoring process also included so-called 'failure sessions' to systematically analyse obstacles and bottlenecks in a safe environment (Int 8, 79).

Given the methodologically sound design and implementation of all the above-mentioned elements, effectiveness dimension 3 – Quality of implementation – scores **20 out of 20 points**.

#### **Effectiveness – Dimension 4: Unintended results**

The assessment distinguishes between three different categories of unintended results: (a) anticipated unintended results (that is the extent to which the project has anticipated and adequately managed risks, (b) unanticipated negative results and (c) unintended positive results.

No unintended negative results were reported in the project reports and interviews with stakeholders. Against the backdrop of the project's support in the area of digitalisation, study results (such as ADB 2018) indicated job losses due to automation. This trend, however, is an external condition; the project interventions themselves helped companies and employees cope with the related challenges.

As assessed in Section 4.2, the project reacted in multiple ways to the restrictions resulting from the COVID-19 pandemic (see the COVID-19 contingency plan, ISED 2020e). In addition to operational and methodological adjustments, these adaptations included measures to accelerate partners' digitalisation processes (for example regarding the systematic use of online communication tools), to implement technical solutions for e-learning (such as the online learning platform of the Ministry of Tourism and Creative Economy) and the use of online learning modes to reach additional target groups (such as the extension of the e-commerce training course to national and ASEAN levels). These effects were not unintended in the narrower sense but were the result of systematic replanning processes that took place once the pandemic started to hit Indonesia.

Several positive unintended effects were reported at the level of individual interventions. A non-exhaustive list of examples mentioned by interviewees and reports is given below:

- **Involvement of additional stakeholders:** IB models were mostly based on multi-stakeholder processes. According to the growth and consolidation of the models, they have attracted the attention of other (public or private) stakeholders (Int 46, 75).
- **Involvement of additional target groups:** The project measures aimed to equitably benefit men and women and included several measures with gender-specific target groups. A successful gender-specific contribution was the training for spa therapists, which provided an income opportunity to female beneficiaries. Increased male interest in such training was subsequently reported, which contributes to weaken gender stereotypes associated with this activity (Int 75, FG 4).
- **Additional areas of activity:** An unspecified number of persons trained either in TVET measures or in the context of IB models has been recruited by TVET institutions as trainers or resource persons (Int 46, 66).

- **Additional business ideas:** Interviewees reported examples of additional business beyond the immediate scope of the IB models developed with ISED-support (e.g. ‘coffee farm tours’ introduced by participants of the coffee IB model, Int 46, 75).
- **Increased awareness of cross-cutting topics:** Several of the propagated business models imply and increase awareness of cross-cutting topics and of environmental aspects in particular. Apart from specific project objectives, interviewees reported examples of positive behavioural effects (such as a decrease in plastic waste ‘littered around’ the tourist village and in farming areas) and increased environmental awareness (for example, forest conservation) (Int 29, 54).

**Risk monitoring** was taken very seriously during the project. Risk analyses and so-called ‘failure sessions’ were an integral part of the activity monitoring process and were carried out regularly. With the introduction of the first COVID-19 related restrictions, the project elaborated a COVID-19 contingency plan based on a detailed analysis of related risks for each main activity of the project and a structured process for the follow-up. As a result, the capability of the project to maintain its focus, adapt its methodology and continue implementation with some delays but without significant disruptions was highly appreciated by many interviewed stakeholders.

Overall, effectiveness dimension 4 – Unintended results – scores **20 out of 20 points**.

### Methodology for assessing effectiveness

Table 14: Methodology for assessing OECD/DAC criterion: effectiveness

Effectiveness: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Achievement of the (intended) objectives</b>	Extent to which module objective indicators are being achieved (see indicators in Table 11)	<p><b>Evaluation design:</b> analysis was based on the analysis of secondary data from the project monitoring process</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document and secondary data analysis (progress reports, monitoring, end-line)</li> <li>• semi-structured interviews (all stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• End-line study provided rich and methodologically sound data for the indicator assessment</li> <li>• evidence strength: high</li> </ul>
<b>Contribution to achievement of objectives</b>	<ul style="list-style-type: none"> <li>• Extent to which it is plausible that the outcome of the project has contributed or will contribute to the overarching results</li> <li>• Hypotheses: <ul style="list-style-type: none"> <li>→ Better occupational competences lead to better workplace quality</li> <li>→ IB models lead to better workplace quality and new employment</li> <li>→ TVET and IB models and their translation into policy recommendations lead to the adoption in policy-making</li> </ul> </li> </ul>	<p><b>Evaluation design:</b> contribution analysis</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document analysis including secondary data analysis (progress reports, monitoring reports, end-line report)</li> <li>• semi-structured interviews (all stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• possibly positive bias of interviews, limited awareness and feedback on intervening variables</li> <li>• Evidence strength: medium to high</li> </ul>
<b>Quality of implementation</b>	Quality of steering and implementation based on Capacity Works dimensions (that is quality of strategy, cooperation,	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• Evidence strength: high</li> </ul>

Effectiveness: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
	steering, processes, learning and innovation)	<b>Empirical methods:</b> <ul style="list-style-type: none"> <li>document analysis (standard documents, monitoring, end-line study, MEL, reports on individual interventions)</li> <li>semi-structured interviews (all stakeholders)</li> </ul>	Criterion was not considered in the inception phase (not yet part of the evaluation framework).
<b>Unintended results</b>	Extent to which the project did or may contribute to foreseeable/identifiable unintended outcome	<b>Evaluation design:</b> outcome harvesting <b>Empirical methods:</b> <ul style="list-style-type: none"> <li>document and secondary data analysis (progress report, monitoring, end-line study, MEL)</li> <li>semi-structured interviews (all stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>Data available as indicated in the column immediately to the left</li> <li>all data available as planned in the inception phase</li> <li>Evidence strength: high</li> </ul>

\* SMART: specific, measurable, achievable, relevant and time-bound

## 4.5 Impact

This section analyses and assesses the impact of the project. It is structured according to the assessment dimensions in the GIZ project evaluation matrix (see Annex 1).

### Summarising assessment and rating of impact

Table 15: Rating of OECD/DAC criterion: impact

Criterion	Assessment dimension	Score and rating
<b>Impact</b>	Higher-level (intended) development changes/results	20 out of 30 points
	Contribution to higher-level (intended) development results/changes	32 out of 40 points
	Contribution to higher-level (unintended) development results/changes	30 out of 30 points
<b>Impact score and rating</b>		Score: <b>82 out of 100 points</b> Rating: <b>Level 2: successful</b>

ISED seeks to contribute to four of the five programme indicators in the SED-TVET programme. For indicator 1 (the share of young people neither employed nor continuing education) and indicator 2 (the labour force participation of women above 15 years), no meaningful conclusions can be drawn at the time of the evaluation. Available data is not recent enough to capture the current situation under COVID-19 pandemic conditions and effects would probably diminish against the backdrop of continuing layoffs of millions of workers. There is significant progress towards indicator 4 (the economic performance of companies) and indicator 5 (the increase in the number of companies participating in TVET measures), but both indicators aggregate outcome level results rather than overarching development goals. Although the end-line study does not show that skill development measures had an effect on job creation, inclusive business models did to the expected extent, although still on a limited scale. More significant contributions to overarching results are expected in the medium term since the project contributions are highly relevant for Indonesian partners' different economic recovery strategies. Further replication and upscaling of ISED approaches is therefore expected.

**In total, the impact of the project is rated Level 2: successful, with 82 out of 100 points.**

## **Analysis and assessment of impact**

### **Impact – Dimension 1: Higher-level (intended) development changes/results**

This section assesses the impact of the project on SED-TVET programme indicators 1, 2, 4 and 5.

*Labour market- and business performance-related indicators of the German development programme in the sector: (1) share of young people (15-24) neither employed nor continuing education/training, (2) labour force participation of women above 15 years, (4) economic performance of companies that benefit from the programme.*

There are no current values for indicators 1 and 2 that would properly reflect the current state under pandemic conditions. The most recent figures for all indicators date back to 2020. Baseline values were collected in 2017/2018 and are too recent to serve as a benchmark for pre-pandemic programme impact. Furthermore, the manufacturing sector faced a drop from 5% annual growth to -1,9% recession in 2020 (ISED 2021f: 30) so that any timeline would predominantly show the effect of the pandemic instead of the programme goal attainment. This is more obvious for the tourism sector, which faced a complete closure and has so far opened for domestic tourism only (ISED 2021f: 33). The partly temporary, partly continuing layoffs of millions of workers would currently make programme effects on labour-market related indicators unobservable. At first sight, indicator 4 seems to be an exception, since the programme progress report counts 97 companies with improved business performance in 01/2021 – all contributed to by ISED. However, a closer look shows that the indicator accumulates output and outcome level benefits (that is the number of companies that were reached and reported some kind of improvement, not necessarily improved economic performance). Under the current conditions it can be assumed that the expected labour market- and business performance-related impacts are currently not being achieved and will be significantly delayed depending on the course of the recovery process.

Despite this challenging situation, it would not be pertinent to assess the achievement of overarching development results with a negative rating since the results of the programme modules are highly relevant for economic recovery. The Manufacturing Industry Recovery Strategy of the Ministry of Industry prioritises reskilling and upskilling programmes as well as the implementation of technological innovation and adaptations (such as the Industry 4.0 as promoted by ISED). In the tourism sector, the Economic Recovery Programme emphasises the internal readiness of the tourism industry to re-start activities under new standard operating procedures and health protocols. Representatives of the Indonesian government assume that ISED's training models on e-commerce and soft skill development will make a significant contribution (Int 28, 43, 44). The impact of IB models will depend on the extent to which good practices find their way into national policies – considering the transfer to policy processes has been on-going and even accelerating during the pandemic (see section on contribution analysis). Specific – though still small-scale – employment and income effects have been observed for targeted sub-populations (women, people under the age of 35) as a result of the project as well as the capacity strengthening of private sector companies (see contribution analysis in Sections 4.4 and 4.5). It can therefore be reasonably assumed that further upscaling of the supported TVET and IB practices will have an effect on the economic recovery and thus, in the medium term, on progress towards the overarching development results.

*Programme indicator 5: increase of the number of companies that participate in TVET measures, and increase of the number of trainees and trained employees*

This indicator has been achieved by ISED alone. According to the end-line report, 2,996 trainees (programme target value: 1,500) from 84 involved companies (programme target value: 20) participated in TVET and skill development measures, with 30% of participants being female (30%) and 51% under 35. Considering indirect

beneficiaries that were trained by multipliers (that is the commitment of participants to replicate and share training contents with up to ten co-workers), close to 10,000 trainees were reached by ISED (see ISED 2021c: 26). This indicator captures successful upscaling within the TC module rather than overarching development results. However, it provides information on the quantitative relevance of the results of the TC module.

Impact dimension 1 – Higher-level (intended) development changes/results – scores **20 out of 30 points**.

## Impact – Dimension 2: Contribution to higher-level (intended) development results/changes

Table 16: Results hypothesis 1 for impact

<b>Hypothesis 1</b>	Increased private stakeholder capacities lead to an increase in the number of jobs in the respective companies.
<b>Main assumptions</b>	Companies with more skilled staff are more competitive; in the medium-term, a growing business requires additional staff.
<b>Risks/unintended results</b>	Lay-offs and temporary closures of businesses during the COVID-19 pandemic
<b>Alternative explanation</b>	Overall economic growth; new technologies in target companies
<b>Confirmed/partly confirmed/not confirmed</b>	TVET: end-line study under the pandemic can neither confirm nor reject the potential mid-term contribution to job creation; Inclusive business: Confirmed

Direct effects of the project on the capacities of companies have been assessed in Section 4.4 with a focus on the results of skill development measures (indicator M1). Available data showed among other things an effect on the closing of technical gaps, troubleshooting skills and the capability of digital tools. The end-line study provides a follow-up of 11 sample companies with a total number of 19,093 employees in 2018 and 17,145 in 2021, which equals a decrease of 1,894 or 9.9% during the project term. Significant decreases were noted in all four monitored companies in the hospitality sector but only in two out of seven manufacturing companies. The decrease in the hospitality sector was mainly caused by COVID-19 restrictions, whereas in the two manufacturing companies, automation contributed an equal or even bigger share. Of 299 job openings in the first six months of 2021, just seven can be traced back directly to ISED. It must be remembered, however, that the results hypothesis does not refer to a direct effect of the ISED measures but to an indirect effect, which is mediated through increased company capacities. In conclusion, the end-line study **does not provide sufficient evidence to confirm the hypothesis** for the TVET area. This in line with the conclusion of the end-line study that results in the TVET area benefited employees that were already working for companies and helped them to maintain and upgrade their jobs.

For the implemented inclusive business models, the analysis looks different. More so than the TVET interventions, the IB models were specifically designed to stimulate new activities for the underemployed or even new employment for local residents. As already shown in Section 4.4, the IB models have not only helped the 17 lead companies involved to create potential new markets and qualify local residents for activities in their supply chains, they have also led to new and additional jobs, improved income for the training participants and new local enterprises in the tourism value chain in Lombok. Comprehensive qualitative descriptions of the implemented business models and documentation of quantitative results provide clear evidence of the project's contribution to job creation. Beyond the numbers analysed in Section 4.4 as direct effects of the IB models, interviewed local and regional stakeholders expect that the IB models will have further medium- and long-term effects on the local economies through multiplier effects such as increasing demand for further commodity supply and raw materials. In conclusion, the **results hypothesis is confirmed** for the inclusive business intervention area (**evidence: high**) even though employment has not yet been created on a bigger scale and, of course, was temporarily halted by COVID-19 restrictions in the tourism sector.

Table 17: Results hypothesis 2 for impact

<b>Hypothesis 2</b>	New instruments/models adopted in the policy-making process and improved capacities of private sector stakeholders lead to the implementation of approaches for creating inclusive employment at the national level.
<b>Main assumptions</b>	The TVET practices and inclusive business models are developed in close interaction with the responsible ministries and therefore cater to their political agenda.
<b>Risks/unintended results</b>	(-)
<b>Alternative explanation</b>	(-)
<b>Confirmed/partly confirmed/not confirmed</b>	Confirmed

The results hypothesis is based upon the transfer of models and instruments to policy processes which was assessed in Section 4.4 on effectiveness. Policy implementation of the TVET and IB approaches in terms of replication or upscaling was not observed for all processes discussed in Section 4.4 since the transfer to the policy level mainly occurred during the last project year and subsequent effects of the implementation of policies would require significantly more time. In some cases, however, effects on the Indonesian Government's activities have already been observed or can be anticipated. The following (non-exhaustive) examples describe cases where replication and up-scaling have already been achieved or initiated:

- The industry-driven e-commerce curriculum has already been implemented on a broader scale, reaching 800 trainers from TVET institutions in 3 batches at national and 1 batch at ASEAN level. The Indonesian Ministry of Education and Culture and SEAMOLEC are committed to further promoting the integration of the topic and the curriculum in TVET institutions, thus envisaging a significant upscaling (Int 24, 41, 42, 68).
- In manufacturing, the upscaling of training models for digital skills and Industry 4.0 is addressed by the Sustainability Framework Strategy with KADIN, which during the final sixth months of the project comprised a series of over 15 pilot trainings (such as Smart Factory, Data Science) (see ISED 2021c: 34). It is KADIN's role to continue advising the industries and (in coordination with the Ministry of Industry) TVET institutions involved so that they can replicate the training.
- IB models are more idiosyncratic and complex than the skill development measures and instruments in the TVET field. For this reason, the replication (or rather the distillation of good practices to inform policy-makers) is a more complex process. Still, there are already examples of scale effects, such as the Capacity Development Model for Barista which was extended beyond the local level through online training opportunities for coffee shop owners and barista. The training was carried out through a cooperation between the Ministry of Village, the Indonesian Coffee Academy, Anomali and Lion Parcel and reached approximately 5,800 persons nationwide. Based on the guidelines and training materials provided by ISED, the Ministry of Village is already envisaging further online and offline replications of the training (Int 36).

Although upscaling processes are steered by ministries and private sector organisations, improved private company capacities still play a role in the results hypothesis in two ways: (a) companies are involved as direct target groups of training-of-trainer approaches for in-company trainers, and therefore, as future implementers of in-house training courses and (b) all models documented and prepared for upscaling and policy transfer are based on previous implementation on the ground, including the evaluation of effects on employees' skills and companies' capacities; this means that models are only transferred when they have proven to be beneficial for companies and workers. Overall, the **results hypothesis is confirmed** for some transferred models (**evidence: medium to high**) while others have just been handed over and do not yet allow the same conclusion to be drawn. Since it is to be expected that policy transfer happens selectively, the evaluation considers successful cases to be sufficient confirmation of the overall results hypothesis.

Impact dimension 2 – Contribution to higher-level (intended) development results – scores **32 out of 40 points**.

Photo 3: Digital Transformation Knowledge Sharing Platform – panel discussion (Source: Evaluation team).



### Impact – Dimension 3: Contribution to higher-level (unintended) development results/changes

Regarding the occurrence of **unintended negative results** and the **monitoring of risks**, similar observations to those mentioned in Section 4.3 on effectiveness apply. No unintended negative results were observed during the evaluation. Interactions between the different **dimensions of sustainable development** were considered as part of the sustainability framework, mostly focusing on the social dimension (maintain, improve or create jobs for disadvantaged target populations) and the economic dimension (employability of graduates, company capacities and performance), but also on the ecological dimension (no-harm principle for all interventions plus specific interventions on organic waste management). The monitored aspects refer to planned interventions and results; unintended impact-level results have not yet been observed. Given the absence of unintended negative results and the sound risk monitoring process (see Section 4.3), impact dimension 3 – Contribution to higher-level (unintended) development results/changes – scores **30 out of 30 points**.

### Methodology for assessing impact

Table 18: Methodology for assessing OECD/DAC criterion: impact

Impact: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Higher-level (intended) development changes/results</b>	<ul style="list-style-type: none"> <li>Extent to which programme results are being achieved                             <ul style="list-style-type: none"> <li>→ share of young people (15-24) neither employed nor continuing education</li> <li>→ labour force participation of women above 15 years</li> <li>→ increase in the number of companies participating in TVET measures, and increase in the number of trainees or trained employees</li> </ul> </li> </ul>	<p><b>Evaluation design:</b> analysis is based on secondary data and followed the analytical questions from the evaluation matrix (see annex).</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>document analysis including secondary data analysis (programme report, end-line report)</li> <li>semi-structured interviews (project staff, na-</li> </ul>	<ul style="list-style-type: none"> <li>Data available as indicated in the column immediately to the left</li> <li>all data available as planned in the inception phase</li> <li>overall high evidence but also strong confounding external factors (due to the pandemic)</li> <li>overall evidence strength: medium to high</li> </ul>

Impact: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
	→ economic performance of benefited companies	tional stakeholders)	
<b>Contribution to higher-level (intended) development results/changes</b>	<ul style="list-style-type: none"> <li>• Extent to which it is plausible that project outcome has contributed or will contribute to the overarching results</li> <li>• Hypotheses: <ul style="list-style-type: none"> <li>→ increased capacities of companies lead to an increase in the number of jobs.</li> <li>→ New models adopted in the policy-making process and improved private sector stakeholder capacities lead to the implementation of approaches at the national level.</li> </ul> </li> </ul>	<p><b>Evaluation design:</b> contribution analysis</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document analysis including secondary data analysis (progress report, monitoring reports, end-line study, MEL reports)</li> <li>• semi-structured interviews (all stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• evidence strength varying by indicator: overall high evidence but also strong confounding external factors (due to the pandemic)</li> <li>• overall evidence strength: medium to high.</li> </ul>
<b>Contribution to higher-level (unintended) development results/changes</b>	<ul style="list-style-type: none"> <li>• Extent to which the intervention did or may contribute to foreseeable/identifiable unintended higher-level results</li> </ul>	<p><b>Evaluation design:</b> outcome harvesting</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>• document analysis including secondary data analysis (progress report, monitoring, end-line study, MEL)</li> <li>• semi-structured interviews (all stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>• Data available as indicated in the column immediately to the left</li> <li>• all data available as planned in the inception phase</li> <li>• evidence strength: medium to high</li> </ul>

## 4.6 Efficiency

This section analyses and assesses the efficiency of the project. It is structured according to the assessment dimensions in the GIZ project evaluation matrix (see Annex 1).

### Summarising assessment and rating of efficiency

Table 19: Rating of OECD/DAC criterion: efficiency

Criterion	Assessment dimension	Score and rating
<b>Efficiency</b>	Production efficiency (resources/outputs)	65 out of 70 points
	Allocation efficiency (resources/outcome)	28 out of 30 points
<b>Efficiency score and rating</b>		Score: <b>93 out of 100 points</b> Rating: <b>Level 1: highly successful</b>

Resources were managed flexibly among outputs since the project was not subject to cost-per-output assignment. It pursued specific strategies to maximise results, including a multiplier approach for training replications, early planning of training replications through local implementers, systematic mobilisation of partner resources, and the use of online training formats (initially forced by the pandemic) to increase outreach. Compliance with the maximum principle is evidenced by the overachievement of several output indicators. An efficient instrument concept, in particular regarding the interplay between long-term experts and third-party contributions, further contributed to the high production efficiency. The same strategies contributed to maximising the out-

come and overachieving three module objective indicators by doubling or tripling the target values. Significant partner contributions were leveraged. In conclusion, allocation efficiency was high too.

**In total, the efficiency of the project is rated Level 1: highly successful, with 93 out of 100 points.**

## Analysis and assessment of efficiency

### Efficiency – Dimension 1: Production efficiency

This section on production efficiency assesses (a) the extent to which the outputs have been maximised with the given amount of resources, and (b) the extent to which the outputs have been maximised by reallocating resources between outputs. For the cost analysis, GIZ's efficiency tool was used to capture data from GIZ cost-accounting reports, and expenses were attributed to the outputs to provide an understanding of their relative cost-intensity (follow-the-money-approach). However, the reliability of the attributions is limited for the following reasons:

- Since the project was not subject to cost-per-output planning und monitoring, the distribution of costs had to be estimated ex-post in discussions with project management staff.
- Most staff members contributed to more than one output. More than half of the staff members were involved in all four outputs since operational tasks were not primarily divided by outputs but also by implementation levels and sectors. This affects the reliability of the input estimations.

The contract value of the German contribution was 7,500,000 euros. Input was distributed evenly between Output 1 with 23% of the input (transfer of models/instruments into policy-making), Output 2 with 21% (TVET/skill development) and Output 3 with 25% (IB models). Input for Output 4 (working groups with the private sector) absorbed only 16% of the resources (see GIZ efficiency tool). The lower value results from the instrumental function of the output, which is – to a certain extent – not a results area of its own, but served to create and maintain stakeholder dialogues and partnerships that would add value to the other outputs. Overarching costs seem high and amount to 16% but are associated to difficulties in discerning hybrid cost categories and staff assignments which partly add value to the implementation process but also contribute to genuine overarching cost categories (e.g. monitoring staff with contributions to management processes vs. contributions to external reporting). Despite an attempt to divide respective costs, overarching costs are probably still overestimated.

Figure 3: Cost per output.

	Output A	Output B	Output C	Output D	Übergreifende Kosten
<b>Outputs</b>	The approaches developed within the framework of the project for creating inclusive employment are being implemented at national level.	TVET courses on selected topics are provided in cooperation with companies in selected economic sectors and regions.	Private sector stakeholders in the selected economic sectors and regions establish alliances for creating employment with inclusive business models in supply chains.	Cooperation between private and public sector stakeholders for creating inclusive employment has improved in the selected economic sectors and regions.	
<b>Kosten inkl. Obligo</b>	1.300.093,46 €	1.230.918,91 €	1.439.715,08 €	912.610,65 €	857.443,44 €
<b>Gesamtkosten</b>	1.300.093,46 €	1.230.918,91 €	1.439.715,08 €	912.610,65 €	857.443,44 €
<b>Gesamtkosten in %</b>	23%	21%	25%	16%	15%

During the evaluation period, the project team consisted of one international long-term expert as principal advisor (until the hand-over to a national principal advisor in June 2020), eight national long-term advisors, one development advisor and another eight long-term staff members with supporting tasks (admin, finance, IT, office assistance). Most of the team operated from Jakarta; only two national advisors and the development advisor plus support staff were located in Lombok. Most local assignments were carried out by a subcontracted consulting company which coordinated a pool of international and national short-term consultants (Int 25-26). Almost as many financial resources were invested in these third-party external services as in long-term project staff (2.38 million euros compared with 2.68 million euros). Overall, 46 % of total expenditure went to staff-related costs (including travel costs), 38 % went to external services (see above). Other cost categories are minor and include internal services within GIZ (4.5%), procurement (1.5%) and participation of partners in hu-

man capacity development measures (1.5%). Remaining costs were assigned to 'Other costs' (see GIZ efficiency tool). No resources were invested in financing contracts, since the project relied exclusively on service contracts (Int 5-6).

Project expenditure, including staff assignments, were checked against initial estimates for the main cost positions (see previous paragraph) and managed according to an operational plan. However, since they were not yet subject to cost-output assignment – they were managed flexibly according to progress and needs for action within each working area. The coronavirus pandemic led to significant changes, both in the operational modes (for example from offline to online communications) and in the design of interventions, as specified in the COVID-19 contingency plan. Nevertheless, these changes did not have a major influence on the overall cost distribution between outputs. Within each output area, the project worked consistently to maximise results and pursued specific strategies for this purpose such as, for example, (a) the multiplier approach in skill development (that is the commitment of participants to share acquired competences with a specified number of colleagues in their companies), (b) a consistent focus on local implementers and the avoidance of any substitute performance, (c) systematic efforts to mobilise partner resources, not in the sense of the partner input agreed in the offer, but as additional stakeholder inputs into specific implementation activities (measured by output indicator 4.2), (d) turning the forced shift to online modalities into an opportunity to reach more participants and additional target groups, even beyond the project region (Int 1-5, 24-26, 79). As a consequence, the project clearly exceeded several output indicator targets, thus clearly complying with the **maximum principle**.

Regarding the **instrument concept**, the above-mentioned mix of long-term experts and flexible consultant pool assignments complied with both (a) the minimum principle, since it allowed personnel resources to be assigned only where and when needed (Int 5), and (b) the maximum principle because it allowed for shifts between national and local short-term experts, thereby helping to navigate the unstable external conditions and to maintain delivery capability (Int 24). The decision to maintain over two thirds of the project staff in the Jakarta office was also linked to the above-mentioned strategies, sending the signal that the ISED team was not supposed to act as a substitute implementer but as a catalyser of local stakeholder partnerships' own efforts (Int 79). Consequently, the formalisation and follow-up of partners' roles, functions and inputs with MoUs was essential. On this basis, the project succeeded in managing a complex, multi-level, multi-sectoral **partner landscape** as well as a broad **thematic scope** of interventions without facing resource constraints.

Overall, the given resources were used flexibly and adjusted systematically to maximise results even under adverse framework conditions. The resulting overachievement of indicator target values compensates for the high overarching costs. Efficiency dimension 1 – Production efficiency – scores **65 out of 70 points**.

### **Efficiency – Dimension 2: Allocation efficiency**

Based on a previous analysis of the distribution of inputs, allocation efficiency is assessed as (a) the extent to which the outcomes have been maximised with the given resources, (b) the extent to which the outcome-resource ratio and alternatives were considered during the conception and implementation process and (c) the extent to which more results were (or could have been) achieved through cooperation.

Regarding the extent to which the intended outcomes could have been maximised with the same resources and the same or better quality (**maximum principle**), conclusions must rely on stakeholder opinions and qualitative analysis since comparable benchmarks do not exist for either one of the modules. Although sets for key performance indicators that measure the performance of TVET systems do exist, they are usually designed to compare the performance of running TVET systems but do not apply to the assessment of the implementation costs of skill development measures, which are innovative in terms of both design and content. Although the outcome indicators provide measurable quantities that could be translated (with significant effort) into unit-costs, the calculation would not add much value due to the lack of a valid benchmark. Besides, significant resources are associated with the preparation of the transfer of the TVET and IB models to policy-making pro-

cesses. This means that anticipated replication and upscaling (see Section 4.6) is part of the overall balance but not yet measurable.

As described in the previous section, the project was not subject to cost-per-output-planning and was, therefore, as flexible in shifting resources *among* outputs as it was *within* outputs. In the same way that maximisation of output results was pursued, the project managed its resources to maximise overall goal-attainment. As a result, the project overperformed on three out of four module objective indicators, reaching up to double and triple the target values. The strategies for the maximisation of the outcome are the same as for the output level (see previous section). In addition, shifting resources between sectors (manufacturing vs. sustainable tourism) is just as important for the maximisation of the outcome as shifting between TVET and IB interventions, although the first happens *within* outputs and the latter *between* outputs. This means that cost-per-output attributions should not be overinterpreted and might even be misleading. An analysis to compare the costs of single TVET and IB models against their contribution to the outcome would be more useful but the cost data cannot be tracked to see what input has actually flown into each single workstream. It must be noted, however, that the project complied with administrative requirements, which do not provide for further differentiated analyses.

As mentioned in the previous section, the project leveraged significant partner resources. This is equally relevant for allocation efficiency. Beyond the specifications in the project proposal, partners contributed over 1.1 million euros to the management of the project (30% of the partner contributions) or to specific implementation activities (70%), thus surpassing the respective indicator target value by more than 600,000 euros (output indicator 4.2, target value: 500,000 euros). Contributions were particularly high for inclusive business activities (57% of overall contributions) and for the sustainable tourism sector (54%). About three quarters came from public sector partners and one quarter from private sector partners (see ISED 2021c: 72ff). The successful mobilisation of resources both at national and regional/local level indicates high ownership of organisations whose commitment is essential for future replication and upscaling processes – which, for their part, are a necessary precondition for further enhancing the input/outcome-relation after the end of the project term.

As already assessed in Section 4.2 on external coherence, interfaces with other development partners were limited. However, no losses in efficiency due to insufficient coordination and cooperation were identified. Cooperation with other German projects in the sector was also assessed in Section 4.2.

Overall, the project systematically pursued the maximisation of the outcome and clearly overperformed on most module objective indicators. Leveraged partner contributions and high ownership of partner networks contribute to this achievement and will play a crucial role in further replication and upscaling. Efficiency dimension 2 – Allocation efficiency – **scores 28 out of 30 points.**

### Methodology for assessing efficiency

Table 20: Methodology for assessing OECD/DAC criterion: efficiency

Efficiency: assessment dimensions	Basis for Assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Production efficiency</b> (Resources/outputs)	<ul style="list-style-type: none"> <li>Extent to which outputs were maximised with the given amount of resources</li> <li>extent to which outputs were maximised by re-allocating resources between outputs.</li> </ul>	<b>Evaluation design:</b> analysis was based on the follow-the-money approach and followed the analytical questions from the evaluation matrix (see annex) <b>Empirical methods:</b> <ul style="list-style-type: none"> <li>analysis of cost data</li> <li>document analysis (standard project, monitoring, end-line)</li> <li>semi-structured interviews (project staff, national stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>Data available as indicated in the column immediately to the left</li> <li>all data available as planned in the inception phase</li> <li>cost-per-output planning and monitoring was not yet mandatory for the</li> </ul>

Efficiency: assessment dimensions	Basis for Assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Allocation efficiency</b>  (Resources/ outcome)	<ul style="list-style-type: none"> <li>• Extent to which the outcome has been maximised with the given amount of resources</li> <li>• extent to which the outcome-resource ratio and alternatives were considered during the conception and implementation process</li> <li>• extent to which more results were (or could have been) achieved through cooperation.</li> </ul>	<b>Evaluation design:</b> Analysis was based on the follow-the-money approach and followed the analytical questions from the evaluation matrix (see annex). <b>Empirical methods:</b> <ul style="list-style-type: none"> <li>• analysis of cost data</li> <li>• document analysis (standard project documents, monitoring, end-line report)</li> <li>• semi-structured interviews (project staff, international development partners)</li> </ul>	project → analysis based on estimated distribution <ul style="list-style-type: none"> <li>• cost-per-sector or cost-per-model would be equally important measures but are not retrievable</li> <li>• evidence strength: medium</li> </ul>

## 4.7 Sustainability

This section analyses and assesses the sustainability of the project. It is structured according to the assessment dimensions in the GLZ project evaluation matrix (see Annex 1).

### Summarising assessment and rating of sustainability

Table 21: Rating of OECD/DAC criterion: sustainability

Criterion	Assessment dimension	Score and rating
<b>Sustainability</b>	Capacities of the beneficiaries and stakeholders	18 out of 20 points
	Contribution to supporting sustainable capacities	30 out of 30 points
	Durability of results over time	40 out of 50 points
<b>Sustainability score and rating</b>		Score: <b>88 out of 100 points</b> Rating: <b>Level 2: successful</b>

TVET institutions have the necessary capacities to continue implemented training models. For the inclusive business models, partner capacities vary between the models. While some can rely on consolidated institutional and organisational structures (e.g. IB model on wellness tourism), other still face management issues (for example the IB model on waste management). At national level, ministries or private sector organisations have been involved at all stages of the project to enhance the adaptation of documented models to their needs, including the prerequisites for their replication and upscaling. ISED pursued a consistent, explicit and methodologically sound sustainability strategy and management from the beginning of the project. It also involved local public and academic institutions as future points of reference. There are certainly considerable sustainability risks due to the complicated economic environment and on-going COVID-19 restrictions, but the project's consistent sustainability management still ensures a positive forecast.

**In total, the sustainability of the project is rated Level 2: successful, scoring 88 out of 100 points.**

## Analysis and assessment of sustainability

### Sustainability – Dimension 1: Capacities of the beneficiaries and stakeholders

This section assesses (a) the extent to which beneficiaries and stakeholders have the institutional, human or financial resources and the willingness (ownership) to sustain the achieved results, and (b) the extent to which they have the resilience to overcome future risks. Since each workstream has its own specific stakeholders and beneficiaries, capacities can only be assessed for broader categories.

The sustainability of skill development approaches on the ground depends on the capacity of involved TVET institutions to carry out future training without further project support. Course contents are integrated into the curricula and syllabi of the involved schools. Trainers are equipped with the skills required to replicate training. Challenges may arise in the future: (1) ensuring staff capacity in the medium and long term since the number of specifically trained staff is limited and (2) making further adjustments to course content in the future. Nevertheless, interviewed representatives of vocational schools do not see major obstacles to offering the courses in the future (Int 71, FG 3).

The inclusive business approaches are based on MoUs that define the role of the private and public stakeholders involved. If economically viable, the business approaches should be self-sustaining by adding value for each of the involved parties. Depending on the model, however, they also depend to some degree on institutional/organisational/individual capacities to sustain the achieved results:

- **IB model on wellness tourism in Bilebante:** A master plan and a village regulation for wellness tourism and a management structure for the tourism village provide an institutional and organisational framework. Ownership and involvement of local residents is high; no capacity gaps were reported. Successful branding and marketing have provided high visibility to the destination (Int 75, FG 4).
- **IB model on Culinary in Sembalun, Mandalika and Bilebante and Coffee Commodity in Sembalun:** Coffee farmers reported enhanced skills for good agricultural practices (thus producing higher quality), while capacities to mobilise and sustain local entrepreneurship (barista, coffee shops, culinary) are also in place. The Sustainable Coffee Platform of Indonesia and the Indonesian Coffee Academy have the capacity to provide further training and to upscale the coffee commodity; culinary training can be delivered by the Artisanal Culinary School Javara. No capacity gaps are reported (Int 46, 59; FG 1)
- **IB model on waste management with BSF:** A site for BSF management is operating, and staff have acquired technical skills. There are, however, unsolved management issues that leave a question mark over the capacity to sustain the project result (Int 49, 51).
- **Partnership with banana plasma in Lampung:** Insufficient data for the assessment.
- **Promotion of organic coconut sugar in Kulon Progo:** A Creating Shared Value business model is in place, and the technical capacities of farmers in organic coconut cultivation and financial literacy have been developed (including the empowerment of women farmers) (Int 54, FG 2).

At national level, ministries or private sector organisations (in particular, KADIN) have been involved in enhancing the adaptation of documented models and instruments to their needs. Replication and upscaling instruments include the ToT-approach for industry trainers under the Sustainability Framework Strategy in Advancing Digital Skills for Industry 4.0 with KADIN and the implementation of an e-learning platform for developing human resources in the tourism sector with the Ministry of Tourism and Creative Economy.

Since most partners have (or have obtained) the capacities needed to sustain the achieved results, Sustainability dimension 1 – Capacities of the beneficiaries and stakeholders – scores **18 out of 20 points**.

Photo 4: Participants in the culinary inclusive business model (Source: Evaluation team).



## **Sustainability – Dimension 2: Contribution to supporting sustainable capacities**

The evaluation basis for sustainability – dimension 2 – is the extent to which the intervention contributed to enhancing the stakeholder’s capacities and strengthening the resilience to sustain the project results.

A sustainability strategy was prepared at the very beginning of the project term. In addition to an overarching strategy document (2020d), a sustainability action plan for the operational level was elaborated and continuously monitored (Int 24, 25). Drivers that could assume steering, coordinating or implementing roles throughout the project term and beyond were identified for each topic area. With these key partners, stakeholder sustainability plans were elaborated to ensure clear direction and commitment in the post-project phase. The sustainability strategy further anticipates structural and resource-related preconditions for sustainable change in specific results areas. In practice, the following main activities were carried out to support sustainable capacities and ensure further enhancement of results beyond the duration of the project (see ISED 2021f):

- **For the sustainability of industry-driven training programmes:** selection of capable polytechnic schools, building capacities to improve the industry-orientation (such as training needs assessments), development of the TVET institutions’ capacity to implement and the capacity of trainers.
- **For the sustainability of results in participating companies:** application of a multiplier approach, i.e. the commitment of trainees to replicate training or share content with a specified number of workers in their companies. This measure not only contributed to significantly enhancing the outreach of ISED-supported training, but was also an opportunity for beneficiaries to reflect on training content and consolidate the skills acquired.

ISED also supported newly created or existing formal and informal collaboration between companies or professionals (such as the Hotel E-Commerce and Revenue Community/HERC), which targeted initiatives for collective learning, training cost sharing and exchange of experiences. For this purpose, ISED advised cooperation models and developed the capacities of facilitators.

- **For the sustainability of inclusive models:** For IB models, the selection of the right lead companies was considered a key sustainability factor, favouring the participation of companies with existing policies on corporate social responsibility, involvement of particular target groups (such as female farmers or workers) or prior experience in inclusive employment promotion. Given the self-interest of lead companies (such as reputation gains, business opportunities), the project concentrated on the identification and design of viable business models and related capacity-development measures for involved stakeholders.

- ISED also involved local public and academic institutions as future points of reference in the project region. In the sustainable tourism sector, for example, the state-owned Indonesian Tourism Development Corporation (ITDC) accompanied project activities in the zone of Mandalika, thus further developing its own strategic orientation for the development of Lombok's tourist industry. ISED also partnered with the University Prasetiya Mulya (UPM) on capacity development measures for intermediaries in IB.

Overall, the sustainability strategy and sustainability management were an inherent part of the methodological approach and contributed to the partner's capacity to sustain the project results. Sustainability dimension 2 – Contribution to supporting sustainable capacities – scores **30 out of 30 points**.

### **Sustainability – Dimension 3: Durability of results over time**

This section assesses the extent to which the results of the project (positive or negative) are deemed durable. It does so by further analysing the stability of the context and its possible influence on the durability of results.

Despite the positive assessment of the project's effectiveness and impact, it must be taken into account that the second half of the project was carried out under adverse economic conditions. At the time of the evaluation report, Indonesia is facing its second and far worse wave of coronavirus infections, which entails new uncertainties. From the beginning, dependency on continued economic growth as a driver for job creation was identified as a major risk. Naturally, the project's final target groups were severely affected. Despite the project's excellent capacity to adjust to the new situation (see Section 4.2), the forecast for the durability of results depends on the intervention area and the sector.

The sustainability of skill development in the manufacturing sector is assumed to be less affected. The recovery of the sector started relatively early and the relevance of digitalisation and Industry 4.0 for the Indonesian economy remains the same or has even been enhanced. The capacities of the TVET schools in the project region and of KADIN – as intermediaries for future upscaling – have not been hampered. Interviewed stakeholders agree that the skill development measures are well-documented and both easily replicable and scalable. The commitment of the Ministry of Industry as a political driver is high (Int 24, 38, 69).

The situation is more critical for the sustainability of skill development in the hospitality sector. The sector has been re-opening for domestic tourism only; e-commerce and further digital skills are, however, still in demand and have been used by interviewed hotel owners to adapt their marketing to the domestic market (Int 63, 78). A huge proportion of the workers, however, is still laid off, and 20% of companies monitored during the project monitoring process (5 out of 25) have closed permanently. Interviewed hotel managers are still cautiously optimistic that staff – and thus developed skills – may be retained when a broader reopening starts, depending on the duration of the recovery. Despite the sustainability risks at target group level, intermediary structures and capacities remain intact. The TVET institutions involved have integrated and will continue the implemented training courses. Moreover, the upscaling of the e-learning course for the e-commerce training-of-trainers at national and ASEAN level was initiated and carried forward under pandemic conditions.

In the area of inclusive business, the forecast depends on the characteristics of each model. The multi-stakeholder partnerships in the sustainable tourism sector provide a solid basis for the sustainability and possibly for the further expansion of the IB models. The IB models (wellness tourism, coffee commodity, culinary) have proven their economic viability, and local residents were actively involved. Of course, with the exception of the above-mentioned niches (such as the commercialisation of herbal products and coffee), developed business activities were severely affected – if not halted – by the pandemic. Nevertheless, interviewed beneficiaries and intermediaries are confident that activities can be resumed with the recovery of the tourism sector. At national level too, the Ministry of Tourism and Creative Economy is confident that it will be able to include practices from the wellness tourism sector or other IB models in its future destination development policies. High sustainability risks were only reported for the IB model on waste management, partly due to the management is-

sues mentioned in the section on evaluation dimension 1 and partly because the insufficient available quantities of organic waste as a result of ongoing closures in the hospitality sector. The agricultural business models have also proven their economic viability and reached a certain scale (for example, 350 participants were reached through replication by 50 farmers directly trained by ISED), but they are considered less consolidated than the IB models in sustainable tourism since they started later, had to abstain from originally intended field work and are not based on stabilising multi-stakeholder partnerships to the same extent as the IBs in sustainable tourism.

Overall, although there certainly are considerable COVID-19 sustainability risks, the project's consistent sustainability management means that the forecast for the durability of results remains positive. Sustainability dimension 3 – Durability of results over time – scores **40 out of 50 points**.

### Methodology for assessing sustainability

Table 22: Methodology for assessing OECD/DAC criterion: sustainability

Sustainability: assessment dimensions	Basis for assessment	Evaluation design and empirical methods	Data quality and limitations
<b>Capacities of the beneficiaries and stakeholders</b>	<ul style="list-style-type: none"> <li>Extent to which beneficiaries and stakeholders have the capacity and resources to sustain results → TVET institutions → IB: lead companies and involved local residents → ministries, KADIN</li> <li>extent to which beneficiaries have the resilience to overcome risks</li> </ul>	<p><b>Evaluation design:</b> analysis followed the analytical questions from the evaluation matrix (see annex); no specific evaluation design was applied.</p> <p><b>Empirical methods:</b></p> <ul style="list-style-type: none"> <li>document analysis (MEL reports, end-line study)</li> <li>semi-structured interviews (project staff, stakeholders mentioned in the column immediately to the left)</li> </ul>	<ul style="list-style-type: none"> <li>Data available as indicated in the column immediately to the left</li> <li>all data available as planned in the inception phase</li> <li>interviews as main source may provide a positively biased picture</li> <li>evidence strength: medium</li> </ul>
<b>Contribution to supporting sustainable capacities</b>	<ul style="list-style-type: none"> <li>Extent to which the project contributed to enhancing stakeholder capacities and strengthening resilience to sustain results</li> </ul>		
<b>Durability of results over time</b>	Extent to which the results of the project (positive or negative) are deemed durable		

## 4.8 Key results and overall rating

Overall, the ISED managed to become a successful project under extremely difficult framework conditions. Against the backdrop of millions of laid-off workers, the potential impact of employment promotion measures becomes partly unobservable no matter how pertinent and successful the groundwork may be. For that reason, there are differences in the assessment of those evaluation criteria and dimensions that were mostly under the management control of the project (such as relevance, internal coherence, effectiveness, efficiency, contribution to supporting sustainable capacities) versus criteria and dimensions that were strongly exposed to a crisis-ridden economic environment (impact on programme objectives and project contribution to higher-level development results, forecast of the durability of results over time). The project not only excelled in the first category, it also managed to maximise results fully in the second category, although the influence of the adverse context (particularly in the sustainable tourism sector) cannot be fully compensated by the intervention of a single project. There is, however, high potential for significant impact and sustainable results depending on the dynamics of economic recovery after the peak of the coronavirus pandemic.

The project's capacity to adjust to the context shapes the assessment of several evaluation criteria. Under **relevance** (assessment: highly successful), alignment with policies and priorities, alignment with the needs of

beneficiaries and stakeholders and appropriateness were all high. The main enabler, however, was the project's adaptability to external changes through consistent contingency planning. Similarly, the basis for the positive assessment of **effectiveness** (highly successful) was the methodologically sound project management and implementation quality, in particular the capacity to steer internal and external learning. This laid the foundations for the project's significant contributions to the intended outcome and the (over)achievement of the module objective indicators selected for the evaluation. Several strategies for the maximisation of results enhanced the **efficiency** of the project, for example, a multiplier approach for training replications, early planning of training replications through local implementers, systematic efforts to mobilise partner resources, and the use of online training formats (forced by the pandemic) to reach more participants and additional target groups.

The remaining criteria show the mixed picture of sound project management and related results versus the dependency on the external environment. Internal **coherence** within German development cooperation was still high, despite some difficulties in synchronising processes with the macro-level TSR project – whereas external coherence was somewhat lower due to lower engagement with other development partners. The **impact** assessment is shaped by the negative effect of the external conditions versus the high potential for future impact during and after economic recovery. Also the forecast of **sustainability** is affected by the consequences of the pandemic, but still maintained positive by a methodologically sound sustainability management which included strategic and operational sustainability planning from the very beginning of project implementation.

Photo 5: Participants receiving Programme Logic Controller training (Source: Evaluation team).

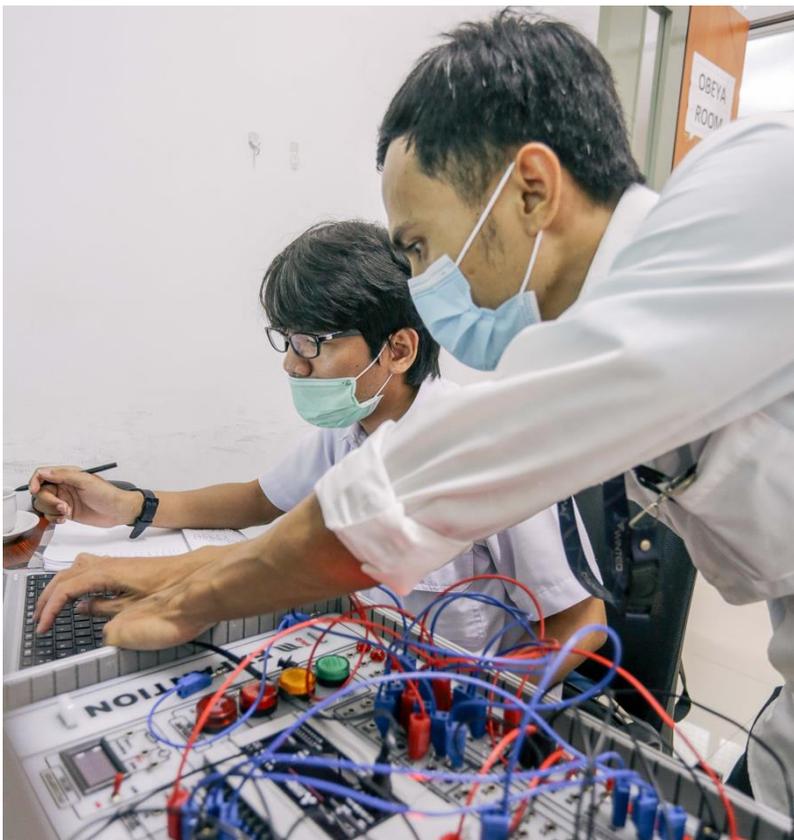


Table 23: Overall rating of OECD/DAC criteria and assessment dimension

Evaluation criteria	Dimension	Max	Score	Total (max.100)	Rating
<b>Relevance</b>	Alignment with policies and priorities	30	28	<b>94</b>	Level 1: highly successful
	Alignment with the needs and capacities of the beneficiaries and stakeholders	30	30		
	Appropriateness of the design*	20	16		
	Adaptability – response to change	20	20		
<b>Coherence</b>	Internal coherence	50	46	<b>86</b>	Level 2: successful
	External coherence	50	40		
<b>Effectiveness</b>	Achievement of the (intended) objectives	30	28	<b>95</b>	Level 1: highly successful
	Contribution to achievement of objectives	30	27		
	Quality of implementation	20	20		
	Unintended results	20	20		
<b>Impact</b>	Higher-level (intended) development changes/results	30	20	<b>82</b>	Level 2: successful
	Contribution to higher-level (intended) development results/changes	40	32		
	Contribution to higher-level (unintended) development results/changes	30	30		
<b>Efficiency</b>	Production efficiency	70	65	<b>93</b>	Level 1: highly successful
	Allocation efficiency	30	28		
<b>Sustainability</b>	Capacities of the beneficiaries and stakeholders	20	18	<b>88</b>	Level 2: successful
	Contribution to supporting sustainable capacities	30	30		
	Durability of results over time	50	40		
<b>Mean score and overall rating</b>		<b>100</b>		<b>90</b>	<b>Level 2: successful *</b>

Table 24: Rating and score scales

100-point scale (score)	6-level scale (rating)
92–100	Level 1: highly successful
81–91	Level 2: successful
67–80	Level 3: moderately successful
50–66	Level 4: moderately unsuccessful
30–49	Level 5: unsuccessful
0–29	Level 6: highly unsuccessful

Overall rating: The criteria of effectiveness, impact and sustainability are knock-out criteria: if one of the criteria is rated level 4 or lower, the overall rating cannot go beyond level 4 although the mean score may be higher.

## 5 Conclusions and recommendations

### 5.1 Key findings and factors of success/failure

Overall, the ISED managed to become a successful project under extremely difficult framework conditions. There are differences in the assessment of those evaluation criteria and dimensions that were mostly under the management control of the project (such as relevance, internal coherence, effectiveness, efficiency, contribution to supporting sustainable capacities) versus criteria and dimensions that were strongly exposed to a crisis-ridden economic environment (impact on programme objectives and project contribution to higher-level development results, forecast of the durability of results over time). The project not only excelled in the first category, it also managed to maximise results fully in the second category. The outcome level results hypotheses on:

- the effect of occupational competences on the workplace quality,
- the effect of inclusive business models on workplace quality and income opportunities and
- the effect of the availability of good TVET and IB practices on policy-making processes

were all confirmed with medium to high evidence. Impact level hypotheses on

- the effect of increased company capacities on the number of jobs and
- the effect of the transfer of TVET instruments/IB models into policy-making processes and improved capacities of private sector stakeholders on the implementation of tested approaches at national level

were only partly confirmed.

Inclusive business models were effective in stimulating employment for local residents, but still do so on a limited scale. TVET measures were more effective in improving employment than in stimulating the creation of new jobs, partly due to the huge effect of the COVID-19 crisis on the labour market. Aside from the economic recovery, the long-term impact will largely depend on the replication and upscaling of successfully implemented models by partners at national level. At the time of the evaluation, first steps in this direction have already been taken (such as, for example, the sustainability framework for Industry 4.0 skill development agreed with KA-DIN).

Among the wide range of success factors, the following are highlighted by the evaluation:

- An emphasis on building and facilitating cooperation structures and processes between stakeholders and mobilising financial or in-kind partner resources to ensure that counterparts could assume responsibility for implementation processes,
- an emphasis on cooperative, demand- and needs-driven approaches for the design of TVET offers or IB models (including the application of sound needs-assessment methods),
- a comprehensive monitoring system that had an excellent architecture and process management system, thus enabling ISED to be both a learning system and a facilitator of learning,
- a proactive sustainability management which included an overarching sustainability strategy and sustainability plans for specific work streams,
- a high capacity to adequately adjust to the changing framework conditions during the coronavirus pandemic, including the formulation and follow-up of a detailed contingency plan.

### **Findings regarding the 2030 Agenda**

Regarding the 2030 Agenda, the project's contributions to multiple SDGs include:

- SDG 4 (Quality of Education): 10 innovative training measures with nearly 3,000 direct beneficiaries (up to 10,000 beneficiaries in total, including indirect beneficiaries), trained instructors in 12 TVET institutions,
- SDG 5 (Gender Equality): 213 women trained in digital skills, over 500 women in rural areas trained for new income opportunities,
- SDG 8 (Decent Work and Economic Growth): approximately 150 beneficiaries of skill development measures with improved workplace quality (promotion, higher income, change of employment status, etc.), over 700 local residents with income gain (though partly measured before the pandemic),
- SDG 9 (Industry, Innovation and Infrastructure): skill development model in the area of digitalisation and Industry 4.0 implemented and transferred to the National Industrial Chamber KADIN for replication,
- SDG 10 (Reduced Inequalities): the implementation of six inclusive business models that involved income opportunities for (mostly poor) rural populations.
- SDG 12 (Responsible Consumption and Production): implementation of a business model on organic waste management with black soldier flies.
- SDG 17 (Partnerships for the Goals): overall 188 stakeholders (private companies, local communities, TVET institutions, government institutions, associations, development agencies) engaged in inclusive business and employment promotion activities (see next section).

### **Universality, shared responsibility and accountability**

The methodology of ISED was based on sound needs-assessments, bringing stakeholders together to form partnerships and identifying 'owners', that is political drivers and implementers, for each intervention. ISED consistently avoided substituting partner efforts and concentrated on facilitating partner activities and providing necessary conceptual inputs and stakeholder management support. ISED also supported newly created or existing formal and informal collaborations between companies or professionals. Building on the results of a sound monitoring system, ISED published yearly Monitoring, Evaluation and Learning (MEL) reports to account for the project results and share experiences, lessons learned, and good practices with a wider public.

### **Interplay of economic, environmental and social development**

The consistent sustainability management has been highlighted as a good practice of the project. It included an overarching sustainability strategy and framework that also addressed the interactions between the different dimensions of sustainable development. The interaction between economic and social development is essential for the concepts of inclusive employment and inclusive business which enhance the economic participation and thus the livelihoods of disadvantaged target groups. The project also fostered the interplay with the dimension of environmental sustainability by raising awareness of the dependence of supported business models (such as wellness tourism, organic farming) on the protection of the environment. The approach included one

IB model that specifically addressed the dimension of environmental sustainability (waste management using BSF).

### **Inclusiveness/leave no one behind**

Inclusiveness was not just a cross-cutting issue for the evaluated module but a core element of the project objective. Inclusive employment promotion sought to foster employment, income opportunities and working conditions for disadvantaged sectors of the population that might not otherwise benefit from economic growth. In particular, the project focused on skill development measures for young target groups (due to their higher unemployment rate), on female target groups (due to their lower participation in the labour market) and local residents in rural areas (due to their lack of income sources). Although the leave-no-one-behind principle was not explicitly mentioned in the project proposals, the approach fully complied with it. In practice, target shares the participation of women and young people under the age of 35 in skill development measures were not fully met, although the absolute numbers of beneficiaries were higher than intended. The inclusive business models provide several good practices for the creation of income opportunities in rural villages, including income opportunities for female target groups.

### **Findings regarding follow-on project**

Compared to the evaluated module, the follow-on project will have a significantly different focus. With the shift towards the renewable energy sector, interventions in manufacturing and sustainable tourism will not be continued. The new focus also implies a concentration on institutional capacities, regulatory framework conditions and enhancement of training capacities in the energy sector, and thus, the phasing out of interventions in the area of inclusive business. There are still several methodological elements that were successfully applied in the current ISED and can serve as a blueprint for similar interventions in the energy sector:

- The current module provides **good practices for the involvement of the private sector**, both regarding the structuring and the facilitation of sectoral dialogues regarding the introduction of cooperative methods, industry-driven design of curricula, syllabi and training materials, and the fostering of better coordination between TVET institutions and the private sector.
- Thematically, **digitalisation and Industry 4.0** are equally important topics in the energy sector, as they were for the evaluated module in the manufacturing sector. The current module has provided a range of training offers and materials and a replication strategy with the Industrial Chamber KADIN and has contributed to strategy formulation for increasing the readiness of the TVET sector for Industry 4.0. Though specific topics vary, the follow-on project can build upon several good practices.

## **5.2 Recommendations**

This evaluation confirms conceptual approaches and good management practices of the evaluated project which lead to the following **recommendations to the management of the ISED follow-on module of GIZ in Indonesia**:

- Despite the follow on-module's shift towards the renewable energy sector and the concentration on TVET aspects, there are still many success factors in the current ISED module that can be transferred to the follow-on phase. Across the different intervention areas, interviewees confirmed a similar 'methodological' DNA of the project that should also guide implementation processes in the follow-on module, namely the emphasis on (a) cooperative approaches with the private sector, (b) stringent sustainability management, and (c) consistent methodology and architecture for results-oriented monitoring. Since COVID-19 in Indonesia is at a new peak at the time of the evaluation, systematic contingency planning may also be required right from the beginning of the new module.

- Digitalisation and Industry 4.0 are as important in the renewable energy sector as they are in manufacturing, for example with regard to smart grid development and automation. Across sectors, digitalisation is at the top of the Indonesian Government's agenda and will therefore be a door-opener for partner engagement. Although the content of existing training formats will require significant sectoral adjustment, training models, implementation guides, provider networks etc. can be built upon and maximise the scope of the new module. Although digitalisation is not an option but a given framework condition, the ambiguous effects on employment (new job profiles, and job gains through economic growth vs. job losses due to automation) should be analysed for strategic dialogues on how to optimise employment effects.
- The evaluation has identified some risks for the durability of achieved results, largely caused by the COVID-19 pandemic and its adverse effects on the economy. It is therefore quite possible that strategic partners in the out-phased sector may turn to the follow-on project with support requests. The new module does not foresee budgeted activities to support the sustainability of results in the out-phased sectors. On the other hand, the follow-on measure maintains a significant share of current module's technical staff, and thus expertise and networks built over the years. Clearly delimited transitional and selective advisory support should be considered when it contributes to pending replication and upscaling processes, that is when bottlenecks for considerable outcome can be removed with limited input.
- Although the current ISED module benefited a higher number of female workers than originally intended, it fell somewhat short of the targeted share of female beneficiaries. Goal-attainment was higher in inclusive business (compared to TVET), and the sustainable tourism sector (compared to manufacturing). Extrapolating the experiences towards the new intervention area, it will become more challenging to maintain a similar outreach to female target groups, to increase women's access to the renewable energy sector (currently estimated at 10% or lower), and to engage with employers to reduce gender preferences and stereotypes. Digital skills training for women in the evaluated ISED module constitute good practice and provide a starting point, but for the follow-on module, a more systemic approach will be required.

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## Annex: Evaluation matrix

OECD-DAC Criterion RELEVANCE (max. 100 points)						
Assessment dimensions	Filter - Project Type	Evaluation questions	Evaluation indicators	Data collection methods (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	Data sources (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	Evidence strength (moderate, good, strong)
<p>The project concept (1) is in line with the relevant strategic reference frameworks.</p> <p>Max. 30 points</p>	Standard	Which strategic reference frameworks exist for the project? (e.g. national strategies incl. national implementation strategy for 2030 agenda, regional and international strategies, sectoral, cross-sectoral change strategies, if bilateral project especially partner strategies, internal analysis frameworks e.g. safeguards and gender (2))	(1) The methodological approach is consistent with the strategic orientation of the GDC	Document analysis	Programme and module offer	strong
	Standard	To what extent is the project concept in line with the relevant strategic reference frameworks?	(2) The methodological approach is consistent with the (national) policies and strategies of Indonesia	Semi-structures interviews with key stakeholders	GDC strategy documents and guidelines (see Inception Report, Annex 1, e.g. BMZ country strategy for Indonesia, sector strategies on private sector development and TVET, BMZ's Asia Policy)	
	Standard	To what extent are the interactions (synergies/trade-offs) of the intervention with other sectors reflected in the project concept – also regarding the sustainability dimensions (ecological, economic and social)?	(3) The methodological approach is consistent with the reference framework of the Agenda 2030 (incl. the alignment of national development plans and sustainable development goals under the coordination of BAPPENAS).		Partner strategies: Medium Term Dev. Plans 2015-2019 and 2020-2024; Master Plan for the Acceleration and Expansion of Indonesia Economic Development 2011-2025.	
	Standard	To what extent is the project concept in line with the Development Cooperation (DC) programme (if applicable), the BMZ country strategy and BMZ sectoral concepts?			GDC representatives in Germany and partner countries (semi-structured interviews)	
	Standard	To what extent is the project concept in line with the (national) objectives of the 2030 agenda? To which Sustainable Development Goals (SDG) is the project supposed to contribute?			Indonesian key counterparts (semi-structured interviews)	
	Standard	To what extent is the project concept subsidiary to partner efforts or efforts of other relevant organisations (subsidiarity and complementarity)?				

<p>The project concept (1) matches the needs of the target group(s).</p> <p>Max. 30 points</p>	Standard	To what extent is the chosen project concept geared to the core problems and needs of the target group(s)?	(1) Extent to which available evidence confirms the core problem addressed by the TC measure	<p>Document analysis</p> <p>Semi-structures interviews with key stakeholders and focus groups with beneficiaries</p>	<p>Programme and module offer</p> <p>Context and sector analyses</p> <p>Representatives of GDC/GIZ, national government stakeholders, regional government and private sector stakeholders (semi-structured interviews)</p> <p>Target groups according to intervention areas (focus groups)</p>	strong
	Standard	How are the different perspectives, needs and concerns of women and men represented in the project concept?	(2) Extent to which the project objectives coincide with the solution of the core problem			
	Standard	To what extent was the project concept designed to reach particularly disadvantaged groups (LNOB principle, as foreseen in the Agenda 2030)? How were identified risks and potentials for human rights and gender aspects included into the project concept?	(3) Extent to which the project objectives address the needs of the target groups			
	Standard	To what extent are the intended impacts regarding the target group(s) realistic from today's perspective and the given resources (time, financial, partner capacities)?	(4) Extent to which particular target groups (women, young people under 35) benefit from the project interventions.			
<p>The project concept (1) is adequately designed to achieve the chosen project objective.</p> <p>Max. 20 points</p>	Standard	<p>Assessment of current results model and results hypotheses (theory of change, ToC) of actual project logic:</p> <ul style="list-style-type: none"> <li>- To what extent is the project objective realistic from today's perspective and the given resources (time, financial, partner capacities)?</li> <li>- To what extent are the activities, instruments and outputs adequately designed to achieve the project objective?</li> <li>- To what extent are the underlying results hypotheses of the project plausible?</li> <li>- To what extent is the chosen system boundary (sphere of responsibility) of the project (including partner) clearly defined and plausible?</li> <li>- Are potential influences of other donors/organisations outside of the project's sphere of responsibility adequately considered?</li> <li>- To what extent are the assumptions and risks for the project complete and plausible?</li> </ul>	<p>(1) Extent to which the results logic obeys to current quality criteria of GIZ</p> <p>(2) The potential effectiveness of key interventions is based on previous evidence and/or validated through the project monitoring</p> <p>(3) Key stakeholders of each intervention area confirm</p>	<p>Document analysis</p> <p>Semi-structures interviews with key stakeholders and focus groups with beneficiaries</p>	<p>Programme and module offer</p> <p>Context and sector analyses</p> <p>Representatives of GDC/GIZ, national government stakeholders, regional government and private sector stakeholders (semi-structured interviews)</p> <p>Target groups according to intervention areas (focus groups)</p>	strong
	Standard	To what extent does the strategic orientation of the project address potential changes in its framework conditions?				

	Standard	How is/was the complexity of the framework conditions and guidelines handled? How is/was any possible overloading dealt with and strategically focused?	that interventions were strategically focused			
The project concept (1) was adapted to changes in line with requirements and re-adapted where applicable.  Max. 20 points	Standard	What changes have occurred during project implementation? (e.g. local, national, international, sectoral, including state of the art of sectoral know-how)?	(1) Key stakeholders confirm that the project concept has evolved according to requirements of the partner system.	Document analysis  Semi-structures interviews  Focus groups	Progress reporting, RBM documents  All stakeholders (semi-structured interviews)  Target groups according to intervention areas (focus groups)	strong
	Standard	How were the changes dealt with regarding the project concept?				

- (1) The 'project concept' encompasses project objective and theory of change (ToC, see 3) with activities, outputs, instruments and results hypotheses as well as the implementation strategy (e.g. methodological approach, CD-strategy, results hypotheses)
- (2) In the GIZ Safeguards and Gender system risks are assessed before project start regarding following aspects: gender, conflict, human rights, environment and climate. For the topics gender and human rights not only risks but also potentials are assessed. Before introducing the new safeguard system in 2016 GIZ used to examine these aspects in separate checks.
- (3) Theory of Change = GIZ results model = graphic illustration and narrative results hypotheses
- (4) Deescalating factors/ connectors: e.g. peace-promoting actors and institutions, structural changes, peace-promoting norms and behavior. For more details on 'connectors' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 55/135.
- (5) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.
- (6) All projects in fragile contexts, projects with FS1 or FS2 markers and all transitional aid projects have to weaken escalating factors/dividers and have to mitigate risks in the context of conflict, fragility and violence. Projects with FS1 or FS2 markers should also consider how to strengthen deescalating factors/ connectors and how to address peace needs in its project objective/sub-objective?

OECD-DAC Criterion EFFECTIVENESS (max. 100 points)						
Assessment dimensions	Filter - Project Type	Evaluation questions	Evaluation indicators	Data collection methods (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	Data sources (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	Evidence strength (moderate, good, strong)
The project achieved the objective (outcome) on time in accordance with the project objective indicators.(1)  Max. 40 points	Standard	To what extent has the agreed project objective (outcome) been achieved (or will be achieved until end of project), measured against the objective indicators? Are additional indicators needed to reflect the project objective adequately?	Present degree of goal-attainment and anticipated degree of goal-attainment until the end of the project term for the following indicators:			

Standard	To what extent is it foreseeable that unachieved aspects of the project objective will be achieved during the current project term?	Indicator M1: Citing specific practical examples, 50 private sector stakeholders prove that the project's measures have improved their capacities in one of the following areas: (a) training/development of human resources, (b) industry 4.0/digitisation, (c) supply chain/supplier management.	Document analysis Secondary data analysis (RBM) Semi-structured interviews	Progress reporting of the TC-module RBM Data GIZ representatives Representatives of involved companies	good
		Indicator M2: Jointly prepared recommendations by government stakeholders, companies and associations with regard to the promotion of employment and improved cooperation between the public and private sectors on topics such as inclusive business models, TVET, an Industry 4.0 action plan and digitisation, have been adopted in 5 policy-making processes in a verifiable manner..	Document analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data Policy recommendations GIZ representatives Representatives of involved national ministries	strong
		Indicator M3: 20 participating companies have confirmed that the occupational competences of 80% of 1,000 apprentices and employees, of whom 40% were women and 60% were under the age of 35, have improved by two levels, when measured on a scale of 1-6.	Document analysis Secondary data analysis (RBM) Semi-structured interviews Focus groups	Progress reporting of the TC-module RBM Data GIZ representatives Representatives of involved companies Trained apprentices and employees (focus groups)	strong
		Indicator M4: 4 participating companies (2 of which are in tourism and 2 in manufacturing) implement business models propagated by the project in their company or supply chain. In turn, these models contribute to inclusive and sustainable employment.	Document analysis Secondary data analysis (RBM) Semi-structured interviews Focus groups	Progress reporting of the TC-module RBM Data GIZ representatives Representatives of involved companies Trained apprentices and employees (focus groups)	strong

			Indicator M5: A sample of participating companies and their suppliers in the promoted sectors, with a total of 5,000 direct and indirect employees, shows a 20% increase in the number of jobs required over the next 3 years as a result of the measures taken by the project, of which 60% are for individuals under the age of 35 (male and female).	Document analysis Secondary data analysis (RBM) Semi-structured interviews	Progress reporting of the TC-module RBM Data GIZ representatives Representatives of involved companies	good
The activities and outputs of the project contributed substantially to the project objective achievement (outcome).(1)  Max. 30 points	Standard	To what extent have the agreed project outputs been achieved (or will be achieved until the end of the project), measured against the output indicators? Are additional indicators needed to reflect the outputs adequately?	Results Hypotheses to be assessed:			
	Standard	How does the project contribute via activities, instruments and outputs to the achievement of the project objective (outcome)? (contribution-analysis approach)	(1) Better occupational competences (resulting from needs-based TVET courses) lead to better employability and workplace quality (e.g. regarding salary, workplace quality).	Document analysis Secondary data analysis (RBM) Semi-structured interviews Focus groups	Progress reporting of the TC-module RBM Data GIZ representatives Representatives of involved companies Trained apprentices and employees (focus groups)	strong
	Standard	Implementation strategy: Which factors in the implementation contribute successfully to or hinder the achievement of the project objective? (e.g. external factors, managerial setup of project and company, cooperation management)	(2) Better occupational competences of trainees and the implementation of inclusive business models lead to improved capacities of private sector stakeholders	Document analysis Secondary data analysis (RBM) Semi-structured interviews Focus groups	Progress reporting of the TC-module RBM Data GIZ representatives Representatives of involved companies Trained apprentices and employees (focus groups)	good
	Standard	What other/alternative factors contributed to the fact that the project objective was achieved or not achieved?	(3) The availability of validated good practices in TVET and of validated inclusive business models and their translation into policy recommendations lead to the adoption of innovative instruments/models in the policy-making process.	Document analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data Policy recommendations GIZ representatives Representatives of involved national ministries	strong
	Standard	What would have happened without the project?				
No project-related (unintended) negative results have occurred – and if any negative results occurred the project responded adequately.	Standard	Which (unintended) negative or (formally not agreed) positive results does the project produce at output and outcome level and why?	(1) The project periodically monitors framework conditions, risks and unintended effects based on defined processes/tools/instruments	Document analysis Semi-structured interviews	Progress reporting of the TC-module RBM Framework documents GIZ representatives	strong
The occurrence of additional (not formally agreed) positive results has been monitored and addi-	and Fragility	To what extent was the project able to ensure that escalating factors/ dividers have not been strengthened (indirectly) by the project? Has				

<p>tional opportunities for further positive results have been seized.</p> <p>Max. 30 points</p>		the project unintentionally (indirectly) supported violent or 'dividing' actors?	<p>(2) The rationale of management decisions based on the identification of external changes/risks and/or unintended results is documented and conducive towards the project goal</p>	<p>Document analysis Semi-structured interviews</p>	<p>Offer, Results Model Progress reporting GIZ and national partner representatives</p>	<p>strong</p>
	Standard	How were risks and assumptions (see also GIZ Safeguards and Gender system) as well as (unintended) negative results at the output and outcome level assessed in the monitoring system (e.g. 'Kompass')? Were risks already known during the concept phase?				
	and Fragility	To what extent have risks in the context of conflict, fragility and violence (5) been monitored (context/conflict-sensitive monitoring) in a systematic way?				
	Standard	What measures have been taken by the project to counteract the risks and (if applicable) occurred negative results? To what extent were these measures adequate?				
	Standard	To what extent were potential (not formally agreed) positive results at outcome level monitored and exploited?	<p>(3) No project-related negative results have occurred – and if any negative results occurred the project responded adequately.</p>	<p>Document analysis Semi-structured interviews</p>	<p>RBM Data All involved stakeholders</p>	<p>strong</p>

(1) The first and the second evaluation dimensions are interrelated: if the contribution of the project to the objective achievement is low (2nd evaluation dimension) this must be considered for the assessment of the first evaluation dimension also.

(2) Risks in the context of conflict, fragility and violence: e.g. contextual (e.g. political instability, violence, economic crises, migration/refugee flows, drought, etc.), institutional (e.g. weak partner capacity, fiduciary risks, corruption, staff turnover, investment risks) and personnel (murder, robbery, kidnapping, medical care, etc.). For more details see: GIZ (2014): 'Context- and conflict-sensitive results-based monitoring system (RBM). Supplement to: The 'Guidelines on designing and using a results-based monitoring system (RBM) system.', p.27 and 28.

#### OECD-DAC Criterion IMPACT (max. 100 points)

Assessment dimensions	Filter - Project Type	Evaluation questions	Evaluation indicators	Data collection methods (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	Data sources (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	Evidence strength (moderate, good, strong)
<p>The intended overarching development results have occurred or are foreseen (plausible reasons). (1)</p> <p>Max. 40 points</p>	Standard	To which overarching development results is the project supposed to contribute (cf. module and programme proposal with indicators/identifiers if applicable, national strategy for implementing 2030 Agenda, SDGs)? Which of these intended results at the impact level can be observed or are plausible to be achieved in the future?	Identification of potentials for impact in the following categories:			
	Standard	Indirect target group and 'Leave No One Behind' (LNOB): Is there evidence of results achieved at indirect target group level/specific groups of population? To what extent have targeted marginalised groups (such as women, children, young people, elderly, people with disabilities, indigenous peoples, refugees,	(1) The reduction of the share of young people (age 15 to 24) who are neither employed not continuing education or training	Document analysis Secondary data analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data, sector data National public and private sector stakeholders	good

		IDPs and migrants, people living with HIV/AIDS and the poorest of the poor) been reached?				
			(2) The increase of labour force participation of women above 15 years.	Document analysis Secondary data analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data, sector data National public and private sector stakeholders	good
			(3) The increase of the share of public spending for TVET	Document analysis Secondary data analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data, sector data National public and private sector stakeholders	strong
			(4) The improvement of the economic performance of companies that benefit from the programme modules	Document analysis Secondary data analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data, sector data National public and private sector stakeholders Representatives of involved companies	good
			(5) The increase of the number of companies that participate in TVET measures, and in-increase of the number of trainees and trained employees	Document analysis Secondary data analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data, sector data National public and private sector stakeholders Representatives of involved companies	good
The project objective (outcome) of the project contributed to the occurred or foreseen overarching development results (impact).(1)  Max. 30 points	Standard	To what extent is it plausible that the results of the project on outcome level (project objective) contributed or will contribute to the overarching results? (contribution-analysis approach)	Results Hypotheses to be assessed:  (1) Increased capacities of private sector stakeholders lead to an increase in the number of jobs in the respective	Document analysis Secondary data analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data, sector data National public and private sector stakeholders Representatives of involved companies	moderate
	Standard	What are the alternative explanations/factors for the overarching development results observed? (e.g. the activities of other stakeholders, other policies)	(2) New instruments/models adopted in the policy-making process and improved capacities of private sector stakeholders lead to the implementation of approaches for creating inclusive employment at the national level.	Document analysis Semi-structured interviews	Progress reporting of the TC-module RBM Data Policy recommendations GIZ representatives Representatives of involved national ministries	good
	Standard	To what extent is the impact of the project positively or negatively influenced by framework conditions, other policy areas, strategies or interests (German ministries, bilateral and multilateral development partners)? How did the project react to this?				
	Standard	What would have happened without the project?				

	Standard	To what extent has the project made an active and systematic contribution to widespread impact and were scaling-up mechanisms applied (2)? If not, could there have been potential? Why was the potential not exploited? To what extent has the project made an innovative contribution (or a contribution to innovation)? Which innovations have been tested in different regional contexts? How are the innovations evaluated by which partners?				
<p>No project-related (unintended) negative results at impact level have occurred – and if any negative results occurred the project responded adequately.</p> <p>The occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized.</p> <p>Max. 30 points</p>	Standard	Which (unintended) negative or (formally not agreed) positive results at impact level can be observed? Are there negative trade-offs between the ecological, economic and social dimensions (according to the three dimensions of sustainability in the Agenda 2030)? Were positive synergies between the three dimensions exploited?	(1) The project periodically monitors framework conditions, risks and unintended effects based on de-fined processes/tools/instruments	Document analysis Semi-structured interviews	Progress reporting of the TC-module RBM Framework documents GIZ representatives	strong
	Standard	To what extent were risks of (unintended) results at the impact level assessed in the monitoring system (e.g. 'Kompass')? Were risks already known during the planning phase?	The rationale of management decisions based on the identification of external changes/risks and/or unintended results is documented and conducive towards the project goal	Document analysis Semi-structured interviews	Offer, Results Model Progress reporting of the partnership projects Representatives of GDC in partner countries and of German and African partner institutions (semi-structured interviews)	strong
	Standard	What measures have been taken by the project to avoid and counteract the risks/negative results/trade-offs (3)?	(3) No project-related negative results have occurred – and if any negative results occurred the project responded adequately.	Document analysis Semi-structured interviews	RBM Data All involved stakeholders	strong
	Standard	To what extent have the framework conditions played a role in regard to the negative results? How did the project react to this?				
	Standard	To what extent were potential (not formally agreed) positive results and potential synergies between the ecological, economic and social dimensions monitored and exploited?				

(1) The first and the second evaluation dimensions are interrelated: if the contribution of the project outcome to the impact is low or not plausible (2nd evaluation dimension) this must be considered for the assessment of the first evaluation dimension also.

(2) Broad impact (in German 'Breitenwirksamkeit') is defined by 4 dimensions: relevance, quality, quantity, sustainability. Scaling-up approaches can be categorized as vertical, horizontal, functional or combined. See GIZ (2014) 'Corporate strategy evaluation on scaling up and broad impact: The path: scaling up, the goal: broad impact' (<https://www.giz.de/de/downloads/giz2015-en-scaling-up.pdf>)

(3) Risks, negative results and trade-offs are separate aspects and are all to be considered.

OECD-DAC Criterion EFFICIENCY (max. 100 points)

Assessment dimensions	Filter - Project Type	Evaluation questions	Evaluation indicators (pilot phase for indicators - only available in German so far)	Data collection methods (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	Data sources (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	Evidence strength (moderate, good, strong)
<p>The project's use of resources is appropriate with regard to the outputs achieved.</p> <p>[Production efficiency: Resources/Outputs]</p> <p>Max. 70 points</p>	Standard	To what extent are there deviations between the identified costs and the projected costs? What are the reasons for the identified deviation(s)?	Das Vorhaben steuert seine Ressourcen gemäß des geplanten Kostenplans (Kostenzeilen). Nur bei nachvollziehbarer Begründung erfolgen Abweichungen vom Kostenplan.	Cost analysis, further document analysis and semi-structured interviews Follow-the -money approach	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Operational Plans and Progress Reports of the TC-module Project personnel (semi-structured interviews)	strong
	Standard	Focus: To what extent could the outputs have been maximised with the same amount of resources and under the same framework conditions and with the same or better quality (maximum principle)? (methodological minimum standard: Follow-the-money approach)	Das Vorhaben reflektiert, ob die vereinbarten Wirkungen mit den vorhandenen Mitteln erreicht werden können.	Document analysis Semis-structured interviews	Operational Plans and Progress Reports of the TC-module Project personnel (semi-structured interviews)	strong
	Standard		Das Vorhaben steuert seine Ressourcen gemäß der geplanten Kosten für die vereinbarten Leistungen (Outputs). Nur bei nachvollziehbarer Begründung erfolgen Abweichungen von den Kosten. Die übergreifenden Kosten des Vorhabens stehen in einem angemessenen Verhältnis zu den Kosten für die Outputs. Die durch ZAS Aufschriebe erbrachten Leistungen haben einen nachvollziehbaren Mehrwert für die Erreichung der Outputs des Vorhabens.	Cost analysis, further document analysis and semi-structured interviews Follow-the -money approach	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Operational Plans and Progress Reports of the TC-module Project personnel (semi-structured interviews)	strong
	Standard	Die übergreifenden Kosten des Vorhabens stehen in einem angemessenen Verhältnis zu den Kosten für die Outputs.	Document analysis Semis-structured interviews	Project offer, Efficiency Tool Progress Reports of the TC-module Project personnel (semi-structured interviews)	good	
	Standard	Die durch ZAS Aufschriebe erbrachten Leistungen haben einen nachvollziehbaren Mehrwert für die Erreichung der Outputs des Vorhabens.	Document analysis Semis-structured interviews	Cost-Obligo-Data, Efficiency Tool, Progress Reports of the TC-module Project personnel (semi-structured interviews)	strong	
	Standard	Focus: To what extent could outputs have been maximised by reallocating resources between the outputs? (methodological minimum standard: Follow-the-money approach)	Das Vorhaben steuert seine Ressourcen, um andere Outputs schneller/ besser zu erreichen, wenn Outputs erreicht wurden bzw. diese nicht erreicht werden können (Schlussbewertung).  Oder: Das Vorhaben steuert und plant seine Ressourcen, um andere Outputs schneller/ besser zu erreichen, wenn Outputs erreicht wurden bzw. diese nicht erreicht werden können (Zwi-	Cost analysis, further document analysis and semi-structured interviews Follow-the -money approach	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Operational Plans and Progress Reports of the TC-module Project personnel (semi-structured interviews)	strong

		schevaluierung).			
Standard	Were the output/resource ratio and alternatives carefully considered during the design and implementation process – and if so, how? (methodological minimum standard: Follow-the-money approach)	Das im Modulvorschlag vorgeschlagene Instrumentenkonzept konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.	Document analysis Semis-structured interviews	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Instrument Concept, Progress Reports of the TC module Project personnel (semi-structured interviews)	strong
Standard		Die im Modulvorschlag vorgeschlagene Partnerkonstellation und die damit verbundenen Interventionsebenen konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.	Document analysis Semis-structured interviews	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Progress Reports of the TC module Project personnel (semi-structured interviews)	strong
Standard		Der im Modulvorschlag vorgeschlagene thematische Zuschnitte für das Vorhaben konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut realisiert werden.	Document analysis Semis-structured interviews	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Operational plans Progress Reports of the TC module Project personnel (semi-structured interviews)	strong
Standard		Die im Modulvorschlag beschriebenen Risiken sind hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens gut nachvollziehbar.	Document analysis Semis-structured interviews	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Progress Reports of the TC module Project personnel (semi-structured interviews)	good
Standard		Die im Modulvorschlag beschriebene Reichweite des Vorhabens (z.B. Regionen) konnte hinsichtlich der veranschlagten Kosten in Bezug auf die angestrebten Outputs des Vorhabens voll realisiert werden.	Document analysis Semis-structured interviews	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Operational plans Progress Reports of the TC module Project personnel (semi-structured interviews)	strong
Standard		Der im Modulvorschlag beschriebene Ansatz des Vorhabens hinsichtlich der zu erbringenden Outputs entspricht unter den gegebenen Rahmenbedingungen dem state-of-the-art.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Documents on other TVET and IB interventions in the South-East-Asian region Representatives of other development partners Project personnel (semi-structured interviews)	good
Standard		For interim evaluations based on the analysis to date: To what extent are further planned expenditures meaningfully distributed among the targeted	(-)	(-)	(-)

		outputs?				
<p>The project's use of resources is appropriate with regard to achieving the projects objective (outcome).</p> <p>[Allocation efficiency: Resources/Outcome]</p> <p>Max. 30 points</p>	Standard	To what extent could the outcome (project objective) have been maximised with the same amount of resources and the same or better quality (maximum principle)?	Das Vorhaben orientiert sich an internen oder externen Vergleichsgrößen, um seine Wirkungen kosteneffizient zu erreichen.	Semi-structured interviews	Project personnel (semi-structured interviews)	strong
	Standard	Were the outcome-resources ratio and alternatives carefully considered during the conception and implementation process – and if so, how? Were any scaling-up options considered?	Das Vorhaben steuert seine Ressourcen zwischen den Outputs, so dass die maximalen Wirkungen im Sinne des Modulziels erreicht werden. (Schluss-evaluierung)	Document analysis Semis-structured interviews	Project offer, Costing-plan, Cost-Obligo-Data, Efficiency Tool, Operational plans Progress Reports of the TC module Project personnel (semi-structured interviews)	good
	Standard		Das im Modulvorschlag vorgeschlagene Instrumentenkonzept konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden.	(-)	(-)	(-)
	Standard		Die im Modulvorschlag vorgeschlagene Partnerkonstellation und die damit verbundenen Interventionsebenen konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden. <b>See comment above</b>	(-)	(-)	(-)
	Standard		Der im Modulvorschlag vorgeschlagene thematische Zuschnitte für das Vorhaben konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut realisiert werden. <b>See comment above</b>	(-)	(-)	(-)
	Standard		Die im Modulvorschlag beschriebenen Risiken sind hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens gut nachvollziehbar. <b>See comment above</b>	(-)	(-)	(-)
	Standard		Die im Modulvorschlag beschriebene Reichweite des Vorhabens (z.B. Regionen) konnte hinsichtlich der veranschlagten Kosten in Bezug auf das angestrebte Modulziel des Vorhabens voll realisiert werden. <b>See comment above</b>	(-)	(-)	(-)
	Standard		Der im Modulvorschlag beschriebene Ansatz des Vorhabens hinsichtlich des zu erbringenden Modulziels entspricht unter den gegebenen Rahmenbedingungen dem state-of-the-art.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Documents on other TVET and IB interventions in the South-East-Asian region Representatives of other development partners	good

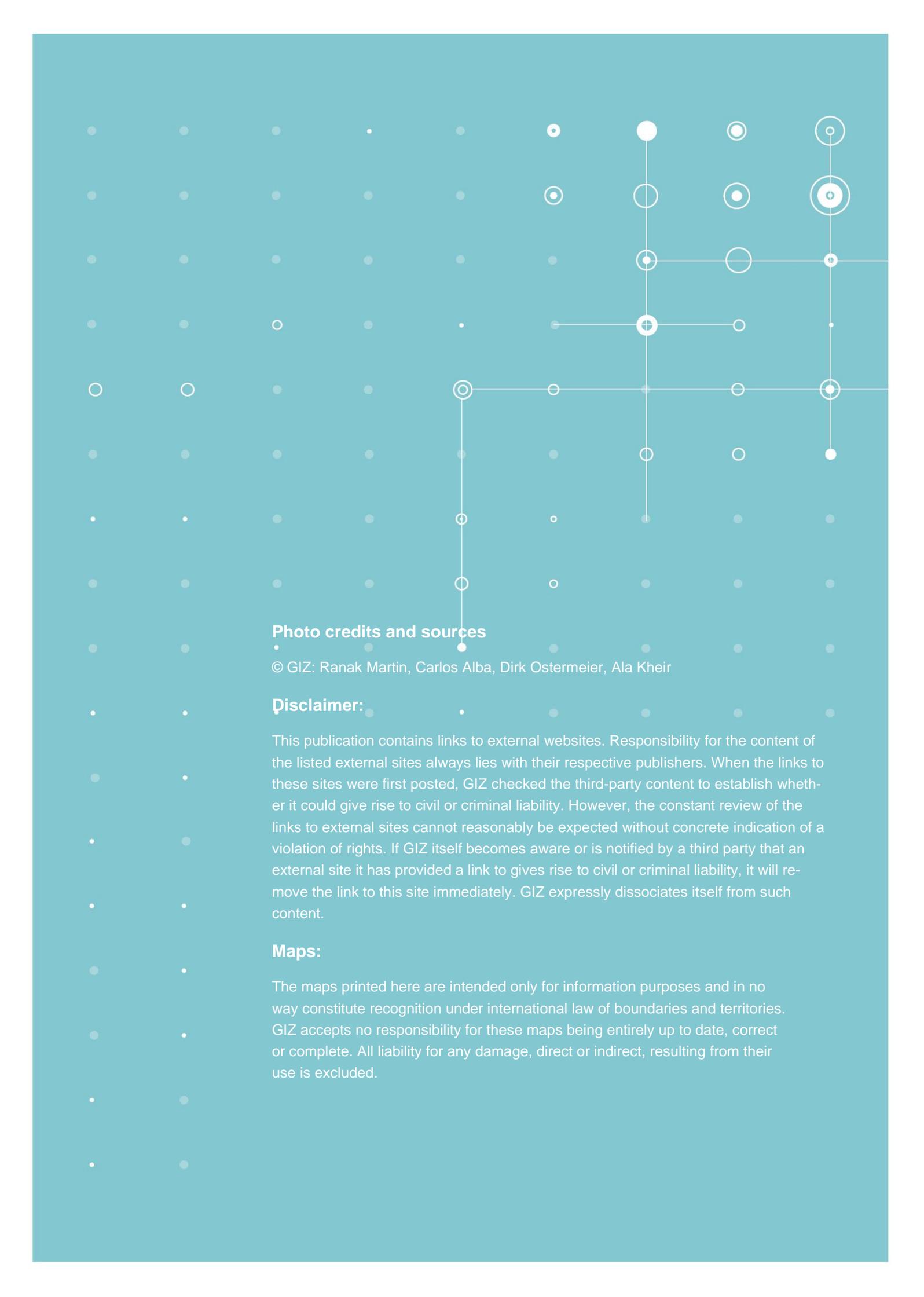
				Project personnel (semi-structured interviews)		
Standard	To what extent were more results achieved through cooperation / synergies and/or leverage of more resources, with the help of other ministries, bilateral and multilateral donors and organisations (e.g. co-financing) and/or other GIZ projects? If so, was the relationship between costs and results appropriate or did it even improve efficiency?	Das Vorhaben unternimmt die notwendigen Schritte, um Synergien mit Interventionen anderer Geber auf der Wirkungsebene vollständig zu realisieren.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Representatives of other development partners Project personnel (semi-structured interviews)	strong	
Standard		Wirtschaftlichkeitsverluste durch unzureichende Koordinierung und Komplementarität zu Interventionen anderer Geber werden ausreichend vermieden.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Representatives of other development partners Project personnel (semi-structured interviews)	good	
Standard		Das Vorhaben unternimmt die notwendigen Schritte, um Synergien innerhalb der deutschen EZ vollständig zu realisieren.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Representatives of other GDC modules Project personnel (semi-structured interviews)	strong	
Standard		Wirtschaftlichkeitsverluste durch unzureichende Koordinierung und Komplementarität innerhalb der deutschen EZ werden ausreichend vermieden.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Representatives of other GDC modules Project personnel (semi-structured interviews)	good	
Standard		Die Kombifinanzierung hat zu einer signifikanten Ausweitung der Wirkungen geführt bzw. diese ist zu erwarten.	(-)	(-)	(-)	
Standard		Durch die Kombifinanzierung sind die übergreifenden Kosten im Verhältnis zu den Gesamtkosten nicht überproportional gestiegen.	(-)	(-)	(-)	
Standard		Die Partnerbeiträge stehen in einem angemessenen Verhältnis zu den Kosten für die Outputs des Vorhabens.	Document analysis Semis-structured interviews	Project offer Progress Reports of the TC module Representatives of national partner institutions Project personnel (semi-structured interviews) Representatives of other GDC projects	good	
and IKT		To what extent has the utilization of digital solutions contributed to gains in efficiency? To what extent have digital solutions offered opportunities for upscaling?				

### OECD-DAC Criterion SUSTAINABILITY (max. 100 points)

Assessment dimensions	Filter - Project Type	Evaluation questions	Evaluation indicators	Data collection methods (e.g. interviews, focus group discussions, documents, project/partner monitoring system, workshop, survey, etc.)	Data sources (list of relevant documents, interviews with specific stakeholder categories, specific monitoring data, specific workshop(s), etc.)	Evidence strength (moderate, good, strong)
Prerequisite for ensuring the long-term success of the project: Results are anchored in (partner) structures.  Max. 50 points	Standard	What has the project done to ensure that the results can be sustained in the medium to long term by the partners themselves?	<b>Indicators for the assessment dimension (do not coincide line by line with the evaluation questions):</b>  (1) Extent to which the sustainability strategy of the project has identified all relevant contents, approaches, methods or concepts to be anchored in the partner structure.	Document analysis Semis-structured interviews	Progress reporting of the TC module Representatives of all stakeholder groups	good
	Standard	In what way are advisory contents, approaches, methods or concepts of the project anchored/institutionalised in the (partner) system?	(2) Extent to which the objectives of the sustainability strategy have been met	Document analysis Semis-structured interviews	Progress reporting of the TC module Representatives of all stakeholder groups	strong
	Standard	To what extent are the results continuously used and/or further developed by the target group and/or implementing partners?				
	Standard	To what extent are resources and capacities at the individual, organisational or societal/political level in the partner country available (long-term) to ensure the continuation of the results achieved?				
	Standard	If no follow-on measure exists: What is the project's exit strategy? How are lessons learnt for partners and GIZ prepared and documented?				
	Forecast of durability: Results of the project are permanent, stable and long-term resilient.  Max. 50 points	Standard	To what extent are the results of the project durable, stable and resilient in the long-term under the given conditions?	<i>The core criteria for the sustainability evaluation are assumption-based instead of measurement based. Therefore, we recommend abstaining from formulating indicators (which are associated with actual measurement) and rely on the guiding questions only.</i>	Document analysis Semis-structured interviews	Progress reporting of the TC module Representatives of all stakeholder groups
Standard		What risks and potentials are emerging for the durability of the results and how likely are these factors to occur? What has the project done to reduce these risks?				

(1) Escalating factors/ dividers: e.g. destructive institutions, structures, norms and behavior. For more details on 'dividers' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 135.

(2) Deescalating factors/ connectors: e.g. peace-promoting actors and institutions, structural changes, peace-promoting norms and behavior. For more details on 'connectors' see: GIZ (2007): 'Peace and Conflict Assessment (PCA). Ein methodischer Rahmen zur konflikt- und friedensbezogenen Ausrichtung von EZ-Maßnahmen', p. 55/135.



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