Evaluation: Rural Development Programme for Timor-Leste (RDP) - Skills Training for Gainful Employment (STAGE)

Quick Facts
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Evaluation Management: ILO HQ
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Background & Context
Summary of the project purpose, logic and structure
On 30 August 1999, in a UN-supervised popular referendum, the people of East Timor voted for independence from Indonesia. On 20 May 2002, Timor Leste was internationally recognized as an independent state and the world's newest democracy. In late 1999, about 70% of the economic infrastructure of East Timor was laid waste by Indonesian troops and anti-independence militias, and 260,000 people fled westward. Over the next three years, however, a massive international program, manned by 5,000 peacekeepers (8,000 at peak) and 1,300 police officers, led to substantial reconstruction in both urban and rural areas. A conflict between elements of the military in mid-2006 over discrimination in the military precipitated a crisis which expanded to general violence throughout the country, but primarily centred in Dili. The political and civil unrest has led to the displacement of more than 15 per cent of the population of the country's capital.

Skills Training for Gainful Employment Programme (STAGE - ILO)
STAGE is a 5-year programme at a proposed cost of €5.09 million. In response to prevailing poverty and high unemployment levels, the programme proposes a flexible decentralised approach to skill training, and small and micro business development that will lead to income generation and gainful employment.

Accordingly, the programme’s purpose is to build national capacity to develop and implement a sustainable and effective system of skill and enterprise training. The overall strategy is threefold:

- Institutional and capacity strengthening of the Secretariat of State for Labour and Solidarity (SSLS) and its District Employment Centres, (DECs) which provide enterprise development and skills training services to the districts, in particular, DEC staff will be trained in 4 regional offices (Dili, Maliana, Oecussi and Baucau) on collection and analysis of employment data to ensure that training programmes are designed based on local
economic opportunities. Effective management of the Employment and Vocational Training Fund (EVTF) will also be ensured;

- In order to develop effective training capacities and a micro/small enterprise development mechanism in Timor-Leste, STAGE will strengthen the capacity of existing training providers by providing them with management training, training of trainers, resource material and financial resources through increased access to the EVTF. Training providers will work closely with the DECs for the delivery of training to the communities through mobile units; and

- Given the fragile economy, employment in the sense of full-time wage employment may not be an option for many years to come. The STAGE will put emphasis on informal sector employment opportunities for the grassroots. Access of community members to small business development and skills training will be facilitated through a decentralized and flexible system of training, including outreach programme and mobile training, and the EVTF mechanism.

Present situation of project
Building national capacity at the Ministry of Labour and Community Reinsertion (MLCR) to deliver demand-driven enterprise and skills training was the starting point of the programme. The programme document gives a sound analysis of the underlying realities of East Timor and of the considerable challenges for promoting employment in a country dominated by subsistence agriculture and low levels of literacy. Most initial design shortcomings have been redressed during implementation. It is debatable whether employment could be better tackled by promoting of SMEs rather than micro income-generating activities, but there are many constraints in both areas. By focusing on capacity building the programme has addressed a key problem for the new Government.

As the Rural Development Programme has reached the mid-term of its implementation, a mid-term review (MTR) was commissioned to evaluate the programme.

Purpose, scope and clients of the evaluation
The MTR Team is composed of three experts: (1) a Team Leader – Rural Development / Monitoring & Evaluation Specialist; (2) a Rural Business Development Specialist; and (3) a Rural Infrastructure Specialist. The objective of this MTR is to make an assessment, as systematic and objective as possible, of the ongoing RDP I programme, its design, implementation and results achieved to date. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, and likely impact and sustainability of the programme and its components.

Methodology of evaluation
The supervision, monitoring and evaluation system and procedures in place, and EC visibility have also been assessed. The MTR specifically evaluated the six components of the project and how these work in convergence in sustainably developing rural areas and the rural population, with a special focus and a thorough assessment of the evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability. The mid-term review has been conducted from January 29 – March 30, 2007.

Main Findings & Conclusions
The programme has provided considerable support to its partner organisations, primarily; four District Employment Centres, a number of business and vocational training centres and to a lesser extent four micro finance institutions (MFIs). This support has centred on improved working practices and the development of training material. An Employment and Vocational Training Fund has been established with clear guidelines and these have been replicated in a separate fund established by the MLCR. An interactive Labour Market Information database is being developed. Many results have been realised and others remain in the pipeline, the programme now needs to concentrate on consolidating its achievements, along with a possible expansion into new districts. The high level of international TA has proved a good investment with, for example, no early resignations and effective counterpart development.

The programme is considered to have achieved considerable success at the mid-term point of its implementation. A very high degree of sustainability has been re-designed into its set-up and to date there are many positive impacts at Ministerial/Departmental level. Already some staff from the programme have been transferred to the Government’s payroll. A Gender Unit has been
established which is being institutionalised within MLCR.

**Recommendations & Lessons Learned**

**Main recommendations and follow-up**

The programme began with a focus on capacity building within the MLCR and more specifically the Division of Employment and Skills Development (DESD). With very few staff on the Department’s payroll STAGE took the opportunity of hiring programme staff on local contract terms (rather than on the UN pay scale) with an agreement from the Government that these staff would be gradually incorporated within the Government’s own establishment budget. Therefore by the completion of STAGE all programme staff will have become government employees and there will be no loss of capacity within the Department. (Also, no drop in capacity for STAGE as staff nearing the end of a UN contract might otherwise find better job security by securing employment elsewhere.)

Since the inception of the programme the major change, as with all programmes, is the unanticipated crisis of early 2006. This crisis was responded to by STAGE in the form of direct assistance to the MLCR for the establishment and management of an emergency cash-for-work programme. Policy and operational guidelines were produced for the MLCR with ILO support and the Government continues to fund and implement this work through its own resources. In a country with high and sharply rising levels of youth unemployment combined with very low per capita incomes, it is considered that this response was highly relevant to the prevailing circumstances and a very effective use of existing staffing resources at a time when little constructive development work could be delivered.

STAGE has increasingly orientated its work towards the challenge of providing employment and training opportunities for the youth. Again, this is partly in response to the 2006 crisis, but is also an inevitable conclusion in an environment of ever rising youth unemployment. A National Employment Strategy is being developed by the Ministry with support from STAGE and this will include a National Action Plan on Youth Employment. This work is intended, amongst other things, to increase the spotlight on the problems faced by the young unemployed and to stimulate both Government and donor responses. A youth employment survey has been undertaken.

Whilst precise details of project implementation have been altered in line with ground realities, the essential logic of the initial proposal has been followed by the implementation team. The programme has benefited from strong and consistent leadership within the Ministry, a factor that is never predictable at the start of any intervention and which may not continue into the future. The Ministry’s determination to take maximum advantage of the technical assistance provided by STAGE has enabled the programme to make solid progress to date.

**Important lessons learned**

The combination of a very supportive institutional setting and a high level of foreign technical assistance have significantly contributed to the success of this project, along with an implementation strategy which was very focused and ensured a seamless join between the work of the programme and that of its host. ILO has provided effective backstopping in the form of strategic planning and draft training materials, etc. Genuine capacity building within the Ministry and within partner institutions (both governmental and non-governmental) will be the primary achievement; if political and economic stability can be established this should have significant long-term impact.